# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# **Strategic Site Testing**

September 2019





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# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# Strategic Site Testing: East Hemel Hempstead (North)

Prepared for

St Albans City and District Council

November 2018





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# 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the East Hemel Hempstead (North) strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- Section 3 details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



# 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at East Hemel Hempstead (North) as set out in Policy S6 i - East Hemel Hempstead (North) Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	67.7 На 40.6 На
Number of residential units (Density circa 40 units per Ha)	1,650
Estimated Self Build units @ 3%	50
Specialist housing	
Care Home (beds)	50
Extra care / flexicare (units)	50
Other – special needs supported living	12
Local Centre (assumed to be 0.6sq m NIA provided for each house)	990 square metres
Health provision (provided on site assumed to be NIA)	394 square metres
Travellers' Pitches	Provided on East Hemel Hempstead South site

## Table 2.1 Details of proposed strategic development at East Hemel Hempstead (North)



# 3 Development appraisals

## 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the East Hemel Hempstead (North) strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the East Hemel Hempstead (North) strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at www.argussoftware.com

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

## 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

## 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



## Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

## 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

## 3.2.3 Affordable housing

We understand that the LPPD Policy S6 i identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

## 3.2.4 Self-build plots

Policy S6 i identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 50 self-build pots on the strategic site.

## 3.2.5 Care home

Policy S6 i sets out a requirement for at least one 50+ C2 Residential Nursing care home (C2 Use). As identified in the CIL&LPVS care homes are residential institutions where older people live, usually in single rooms but sometimes in shared rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only (i.e. help with washing, dressing and giving medication). A home registered as a care home with nursing will provide the same personal care but also have a qualified nurse on duty 24 hours a day to carry out nursing tasks. The cost/rents for rooms in care homes depend on the specific level of care required.

We have adopted rental levels consistent with those set out in the CIL&LPVS, which are based on research of rents for care homes in the District. Our appraisals allow for private rents of £800 per week for a single room, which is considered to be a conservative rent by comparison to some of the care homes rents charged in the District. We have also allowed for 40% of the accommodation in our appraisal to be provided as affordable care rooms at £471 per week. This is based on rents in-line with the average County allowance for a single room for older people<sup>2</sup> at £419.77 per week and a single room with nursing at £522.47 per week.

## 3.2.6 Extra care / flexicare units

Policy S6 i sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two

<sup>&</sup>lt;sup>2</sup> <u>https://www.hertfordshire.gov.uk/services/adult-social-services/care-and-carers/arranging-and-paying-for-care/paying-for-your-care-costs.aspx#DynamicJumpMenuManager</u>



bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 i we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

## 3.2.7 Special needs supported living units

Policy S6 i identifies that 12 special needs supported living units are be required to be provided as part of the development of the East Hemel Hempstead (North) strategic site. We have assumed that these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units.

## 3.2.8 Local centres

The assumptions used in the appraisals to value the non-residential accommodation provided in the local centre are in line with those adopted in the CIL&LPVS. These are summarised in Table 3.2.8 below.

## Table 3.2.8: Non-residential revenue and assumptions

Accommodation	Rent £ per square metre	Yield	Void Period (Inc. Rent Free)
Retail	£237	6.5%	1.5 years

## 3.2.9 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.9 below, these are in line with the costs adopted in the CIL&LPVS.

## Table 3.2.9 Base build costs adopted in appraisal

Use	Base build costs per square metre
Residential houses	£ 1,124
Commercial uses - Local centre	£ 2,026
Health	£ 2,270
Care Home	£ 1,621
Extra care / flexicare apartments	£ 1,736
Special needs supported living apartments	£ 1,736

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the local centre and the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as East Hemel Hempstead (North) are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

## 3.2.10 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

## 3.2.11 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

## 3.2.12 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.

For the commercial units we have allowed for a 10% letting agent and 5% legal fee.

We have included a 1% sales agent allowance on commercial uses, the care home use and self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

## 3.2.13 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value and on the commercial uses in the local centre.

## 3.2.14 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.14 below.

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## Table 3.2.14: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£31,515,000	1 x 3 FE Primary (assumes £7.5m per primary school)
		1 x 6-8 FE Secondary (assumes £35m per secondary school)
Community Facilities	£1,650,000	Based on £1,000 per unit
Green infrastructure: Strategic open space / green infrastructure	£3,300,000	Based on £2,000 per unit
Local open/play Space/Green Infrastructure	£1,650,000	Based on £1,000 per unit
Transport Infrastructure	£18,150,000	Allows for: - Strategic - LTP4 major scheme; - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£56,265,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions. For strategic level open space a further allowance of £2,000 per residential unit has been adopted in this assessment through s106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace, £245 per square metre for care home floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.

## 3.2.15 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing;



- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units; and
- 15% profit on GDV for non-residential uses in local centres.

## 3.2.16 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in three phases of circa 533 units each and that there will be multiple sales outlets. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.16 below.

## Table 3.2.16: Development timescales

Phase	Total	Phase 1	Phase 2	Phase 3
Pre-construction (months)	27	9	9	9
Construction (months)	120	40	40	40
Residential Sales (months)	120	40	40	40
Extra Care Units	10	0	10	0

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the care home, extra care/flexicare, special needs supported living units, health provision and local centre we have included these within Phase 2 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



# 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at East Hemel Hempstead (North) as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

## Table 4.1: Appraisal results – East Hemel Hempstead (North)

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£79,032,000	£25,049,000	Viable

The appraisal scenario tested for East Hemel Hempstead (North) identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



# 5 Conclusions and Recommendations

This testing demonstrates that the East Hemel Hempstead (North) strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 i and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the East Hemel Hempstead (North) strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	East Hemel	l Hempstea	ad (North)						
Site Size (Gross) Ha	67.7								
Site Size (Net) Ha Total No Standard Residential units	40.6 1,650								
Self build plots (3%)	50								
Total units less self build (97%] Care Home rooms	1,600 50								
Extra Care / flexicare units	50								
Special needs supporting living units Traveller & Gypsy Pitches	12								
No Phases	3								
Unit mix Based on Typology 14									
Site type	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p	3 Bed 5p	4 Bed 7p	5 Bed 7p	Total
Size (sq m)	50	70	86	108	House 79	House 93	House 115	House 125	
Percentage split	0%	0%	0%	0%	36% 45,504	56% 83,328	4% 7,360	4% 8,000	144,192
Total Floor area (sq m)		_		_	40,004	03,320	7,500	0,000	144,132
Afferdable Hausing Analysis									
Affordable Housing Analysis Percentage	40%	1							
Rented (50% Social rent and 50% Affordable Rent)	60%								
Intermediate (Shared Ownership) Intermediate (Discount Market Sale)	30% 10%								
		4							
Resi floor area analysis	Total	Phase 1	Phase 2	Phase 3	1				
Private Floor area	86,515	28,838	28,838	28,838					
Affordable Floor Area	57,677	19,226							
Rented (50% Social rent and 50% Affordable Rent) Shared ownership	34,606.08 17,303.04	5,768	5,768						
Discount Market Sale	5,768				l				
Self-Build units									
	Total	Phase 1	Phase 2	Phase 3					
No plots	50	17	17	16	I				
Health provision									
Gross floorarea (sq m)	Total 480	Phase 1	Phase 2 480	Phase 3					
Net floorarea (sq m)	394	-	394	-					
Neighbourhood / Local Centre									
	Total	Phase 1	Phase 2	Phase 3					
Gross floorarea (sq m)	1,207	-	1,207	-					
Net floorarea (sq m)	990	-	990	-					
Care Homes National Care Standards requirements	Phase 2				1				
	5 sq ft of useable f	floorspace, exc	luding ensuite						
3	8 sq ft of space for 2 sq ft of community		ding circulation						
		•							
50	rooms		floor area of ro en-suite bathro						
	l	2,100	communal spa						
0.1	5 Circulation	10,750 1,613	sq ft NIA sqft						
	5	12,363	sqft GIA						
		1,149	sqm GIA						
Extra-Care / Flexi Care	Phase 2	]			Affordable Ho	using			
					Social rent				
	1 Bed 2p flat	2 bed 4p flat			and 50%	Intermediate			
	-		Total	Private	Affordable Rent)	(Shared Ownership)			
Size (sq m)	50	70	TOLAI	Filvale	Reinij	Ownership)			
Percentage split	50% 1,250	50%	3,000	60% <b>1,800</b>	720	480			
Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior	2,083	1,750 <b>2,917</b>	5,000 5,000	3,000	120	400			
Special Needs Supported Living Units	Phase 2 1 Bed 2p flat								
Size (sq m)	50								
Percentage split	<b>50</b> 100%								
Percentage split Total Floor area (sq m) (Net)	50								
Percentage split	50 100% 600 800	8	Direct 0						
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior	<b>50</b> 100% 600	Phase 1	Phase 2	Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior	50 100% 600 800	8	Phase 2	Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha	50 100% 600 800	8	Phase 2	Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha	50 100% 600 800 Total	Phase 1	-	-					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales	50 100% 600 800 Total -	Phase 1	- Phase 2	Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months)	50 100% 600 800 Total - Total 27	Phase 1 Phase 1 - 9	Phase 2	-					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	50 100% 600 800 Total - Total 27 120 120	Phase 1 Phase 1	- Phase 2 9 40 40	- Phase 3 9					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months)	50 100% 600 800 Total - Total 27 120	Phase 1 Phase 1	- Phase 2 9 40 40	- Phase 3 9 40					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	50 100% 600 800 Total 7 7 120 120 10 Total	Phase 1 Phase 1 9 40 40 0 Phase 1 9 9 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	50 100% 600 800 Total - Total 27 120 120 10	Phase 1 Phase 1 9 40 40 0 Phase 1 9 9 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
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Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	50 100% 600 800 Total 7 7 120 120 10 Total	Phase 1 Phase 1 9 40 40 0 Phase 1 9 9 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	50 100% 600 800 Total - Total 27 120 120 120 10 Total 960	Phase 1 Phase 1 9 40 40 0 Phase 1 320	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Private Resi Sales (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue	50 100% 600 800 Total 7 7 7 120 120 120 120 10 7 7 120 120 120 120 10 7 27 27 20 10 10 10 27 27 20 10 27 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 27 20 20 27 20 20 20 20 20 20 20 20 20 20	Phase 1 Phase 1 9 40 40 0 Phase 1 320	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
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Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent	50           100%           600           800           Total           -           Total           27           120           120           120           100%           9600	Phase 1 Phase 1 9 40 40 0 Phase 1 320	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent, Shared Ownership	50           100%           600           800           Total           -           100%           100%           600           800           Total           27           120           120           120           100           Total           960           Capital value £           per sq m           £         5,705           £         1,477           £         3,579	Phase 1 Phase 1 9 40 40 0 Phase 1 320	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent	50           100%           600           800           Total           -           Total           27           120           120           120           100%           9600	Phase 1 Phase 1 9 40 40 0 Phase 1 320	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					
Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-construction (months) Private Resi Sales (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent <sup>*</sup> , Shared Ownership	50           100%           600           800           Total           -           100%           100%           600           800           Total           27           120           120           120           100           Total           960           Capital value £           per sq m           £         5,705           £         1,477           £         3,579	Phase 1 Phase 1 9 40 40 0 Phase 1 320	Phase 2 9 40 40 10 Phase 2	- Phase 3 9 40 40 0 Phase 3					

	(assuming 4 bed house)
Self build plots	£ 400,000
	Conital value

1	Capital value
Special needs supported living units	£1,477

Beds (Affordable)	30	£471	per week	90%	occupancy	£661,452
Beds (Pvt)	20	£800	per week	90%	occupancy	£748,800
				30%	of income	£423,075.74
Standard profit margin (EBITDA)				10%	yield	£4,230,757
Capitalise EBITDA						-£634,614
Deduct	15%	for income sho	rfall to maturity			
Gross Adjusted turnkey value of Home						£3,596,144

	Capit	al value £
Extra Care Housing	pe	ersq m
Private	£	6,997
Affordable Rented (50% Social Rent 50% Affordable Rent	£	1,665
Shared Ownership	£	4,349

			Kent Free & Void
	Rent per sq m	Yield	(months)
Commercial	£237	6.50%	18

Casta								
Costs								
Residual S106						_		
	unit of measure		Phase 1	Phase 2	Phase 3			
Standard residential per unit	£ 1,150							
Commercial per sq m Care Home per sq m	£ 20 £ 20			£ 24,146				
Care Home per sq m Extra Care / Flexicare units per unit	£ 20 £ 1,150			£ 22,970 £ 57,500				
Special needs supported living per unit	£ 1,150 £ 1,150			£ 13,800	£ -			
TOTAL	.,	2,220	£ 632,500					
CIL							_	
		I otal Floor						
	£ pr sq m	area	Total	Phase 1	Phase 2	Phase 3		
Resi	£ 150	86,515		£ 4,325,760	£ 4,325,760			
Care Home	£ 245				£ 281,384			
All other uses (Extra Care and special needs supported living units) All other uses (Commercial)	£ 20 £ 20				£ 76,000 £ 24,146			
Total	2 20	2 1,201	2-1,140			£ 4,325,760		
				.,020,.00	.,,	.,020,100		
S106 Infrastructure Costs								
	Total costs							
Transport	£ 18,150,000							
Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary								
School @ £35m)	£ 31,515,000							
Community Facilities (£1,000 per unit)	£ 1,650,000							
	Per unit cost	Total costa						
Stratogia anon angoa / groon infractivativa								
Strategic open space / green infrastructure Local open space / play space / green infrastructure	£ 2,000 £ 1,000							
Local open space / play space / green initiastructure	2 1,000	2 1,000,000						
	Per unit cost	Total costs	Phase 1	Phase 2	Phase 3	1		
Site opening up costs Standard Res				£ 11.000.000				
Site opening up costs Other Residential uses			£ 560,000					
	. · · ·			£ 11,560,000	£ 11,000,000			
Build costs								_
				Accessable				
				homes @				
			Lifetime	£26,000 per				
			homes	house and	SUDS @	Sustainability		
		Externals per	(£3,200 per	£11,000 per	£2,500 per	@ £5,000 per		
	Base per sq m	sq m	(20,200 per unit)	flatted unit	unit	unit	Total	
Resi	£ 1,124		,	£ 30	£ 29			
Commercial	£ 2,026			£ -	£ -	£ -	£ 2,229	
Health	£ 2,270		1	2	~	2	£ 2,497	
Care Home	£ 1,621		£ -	£ -	£ -	£ -	£ 1,768	1
Extra care / flexicare	£ 1,736		£ 32	£ 11	£ 25	£ 50		
Special needs supported living	£ 1,736	£ 260	£ 48	£ 17	£ 38	£ 75	£ 2,173	
Oraștin nan ave an havilal anasta	5%	1						
Contingency on build costs	578							
Traveller's pitches	No pitches	Cost						
Info from Dacorum BC 5 pitches = 0.5 Ha	pitolioo	5001						
Each travellers pitch estimated to cost £242,000	-	£ -						
Profit		-						
Private/Market Resi on GDV	20%							
Affordable Resi on GDV	<u>6%</u>							
Commercail on GDV	15%							
Marketing (aganay and logal face								
Marketing /agency and legal fees	2.000/	1						
Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV	3.00% 0.50%							
	0.0070	I						
Commercial Letting fee on rent pa	10.00%	l i						
Commercial Letting Legal fee on rent pa	5.00%							
Commercial Sales fee on GDV	1.00%							
Commercial Legal fee on GDV	0.50%							
		-						
Professional fees	10%							
Finance	7.00%							
Appraisal Outcome								
Appraisai Outcome								
Residual Land Value @ 40% AH	£ 79,032,000	ľ						
		1						
Benchmark Land Value Greenfield	£ 25,049,000	1						
Appraisal outcome (Surplus/ Deficit)	£ 53,983,000	1						
Appraisal outcome (Surplus/ Deficit)	£ 53,983,000	l						



Appendix 2 - Argus appraisal summary

# **BNP** Paribas Real Estate

**Development Appraisal** 

East Hemel Hempstead (North)

40% Affordable Housing

Report Date: 15 November 2018

## APPRAISAL SUMMARY

## **BNP PARIBAS REAL ESTATE**

East Hemel Hempstead (North) 40% Affordable Housing

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE						
Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales	
Private Residential	1	28,838.00	5,705.00	164,520,790	164,520,790	
Affordable Housing - Rented	1	11,535.00	1,477.00	17,037,195	17,037,195	
Affordable Housing - SO	1	5,768.00	3,579.00	20,643,672	20,643,672	
Self Build Plots	17	0.00	0.00	400,000	6,800,000	
Affordable Housing - DMS	1	1,923.00	4,564.00	8,776,572	8,776,572	
Private Residential	1	28,838.00	5,705.00	164,520,790	164,520,790	
Affordable Housing - Rented	1	11,535.00	1,477.00	17,037,195	17,037,195	
Affordable Housing - SO	1	5,768.00	3,579.00	20,643,672	20,643,672	
Care Home	1	0.00	0.00	3,596,144	3,596,144	
Special Needs Supported Living	1	600.00	1,665.00	999,000	999,000	
Self Build Plots	17	0.00	0.00	400,000	6,800,000	
Extra/Flexi Care Housing - Private	1	1,800.00	6,997.00	12,594,600	12,594,600	
Extra/Flexi Care Housing - Aff Rented	1	720.00	1,665.00	1,198,800	1,198,800	
Extra/Flexi Care Housing - Aff SO	1	480.00	4,349.00	2,087,520	2,087,520	
Affordable Housing - DMS	1	1,923.00	4,564.00	8,776,572	8,776,572	
Private Residential	1	28,838.00	5,705.00	164,520,790	164,520,790	
Affordable Housing - Rented	1	11,535.00	1,477.00	17,037,195	17,037,195	
Affordable Housing - SO	1	5,768.00	3,579.00	20,643,672	20,643,672	
Self Build Plots	16	0.00	0.00	400,000	6,400,000	
Affordable Housing - DMS	<u>1</u>	<u>1,923.00</u>	4,564.00	8,776,572	<u>8,776,572</u>	
Totals	67	147,792.00			673,410,751	
Rental Area Summary				Initial	Net Rent	Initial
-	Units	m²	Rate m <sup>2</sup>	MRV/Unit	at Sale	MRV
Neighbourhood / Local Centre	1	990.00	237.00	234,630	234,630	234,630
Health Provision	1	394.00		0	0	
Totals	2	1,384.00			234,630	234,630

## APPRAISAL SUMMARY

## **BNP PARIBAS REAL ESTATE**

East Hemel Hempstead (North) 40% Affordable Housing					
Investment Valuation Neighbourhood / Local Centre Market Rent (1yr 6mths Rent Free)	234,630	YP @ PV 1yr 6mths @	6.5000% 6.5000%	15.3846 0.9099	3,284,322 <b>3,284,322</b>
GROSS DEVELOPMENT VALUE				676,695,073	3,204,322
Purchaser's Costs		6.80%	(467,872)		
				(467,872)	
NET DEVELOPMENT VALUE				676,227,202	
NET REALISATION				676,227,202	
OUTLAY					
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	79,032,128 3,951,606 790,321 632,257		
CONSTRUCTION COSTS				84,406,313	
Construction Neighbourhood / Local Centre Health Provision Private Residential Affordable Housing - Rented Affordable Housing - SO Affordable Housing - DMS Private Residential Affordable Housing - Rented	m <sup>2</sup> 1,207.32 m <sup>2</sup> 480.49 m <sup>2</sup> 28,838.00 m <sup>2</sup> 11,535.00 m <sup>2</sup> 5,768.00 m <sup>2</sup> 1,923.00 m <sup>2</sup> 28,838.00 m <sup>2</sup> 11,535.00 m <sup>2</sup>	Rate m <sup>2</sup> 2,229.00 pm <sup>2</sup> 2,497.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup>	Cost 2,691,110 1,199,778 41,670,910 16,668,075 8,334,760 2,778,735 41,670,910 16,668,075		

## APPRAISAL SUMMARY East Hemel Hempstead (North)

## **BNP PARIBAS REAL ESTATE**

Last hemer hempstead (North)				
40% Affordable Housing				
Affordable Housing - SO	5,768.00 m²	1,445.00 pm²	8,334,760	
Care Home	1,149.00 m²	1,768.00 pm²	2,031,432	
Special Needs Supported Living	800.00 m <sup>2</sup>	2,173.00 pm <sup>2</sup>	1,738,400	
Extra/Flexi Care Housing - Private	3,000.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	6,342,000	
Extra/Flexi Care Housing - Aff Rented	1,200.00 m²	2,114.00 pm²	2,536,800	
Extra/Flexi Care Housing - Aff SO	800.00 m <sup>2</sup>	2,114.00 pm²	1,691,200	
Affordable Housing - DMS	1,923.00 m <sup>2</sup>	1,445.00 pm²	2,778,735	
Private Residential	28,838.00 m <sup>2</sup>	1,445.00 pm²	41,670,910	
Affordable Housing - Rented	11,535.00 m²	1,445.00 pm²	16,668,075	
Affordable Housing - SO	5,768.00 m²	1,445.00 pm²	8,334,760	
Affordable Housing - DMS	<u>1,923.00 m<sup>2</sup></u>	1,445.00 pm²	<u>2,778,735</u>	
Totals	152,828.80 m <sup>2</sup>		226,588,160	226,588,160
Contingency		5.00%	11,411,908	
Site opening up costs			34,120,000	
Strategic Open Space			3,300,000	
Local open/play space green infrast			1,650,000	
S106			2,015,916	
CIL			13,358,810	
Transport			18,150,000	
Education			31,515,000	
Community Facilities			1,650,000	
				117,171,634
PROFESSIONAL FEES				
Professional fees		10.00%	27,377,007	
				27,377,007
DISPOSAL FEES				
Resi Sales Agent and Marketing Fee		3.00%	15,184,709	
Commercial Sales Agent Fee		1.00%	351,892	
Sales Legal Fee		0.50%	3,381,136	
				18,917,737

#### **Additional Costs**

## APPRAISAL SUMMARY

## **BNP PARIBAS REAL ESTATE**

East Hemel Hempstead (North) 40% Affordable Housing			
Resi Private Profit	20.00%	36,019,472	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	2,260,852	
Resi Private Profit	20.00%	36,783,078	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	2,517,971	
Commercial Profit	15.00%	1,032,070	
Resi Private Profit	20.00%	35,939,472	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	2,260,852	
			116,813,768
FINANCE			
Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			84,952,734
TOTAL COSTS			676,227,352
PROFIT			
			(151)
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
Profit on NDV%	0.00%		
Development Yield% (on Rent)	0.03%		
Equivalent Yield% (Nominal)	6.50%		
Equivalent Yield% (True)	6.77%		
IRR	6.96%		
Rent Cover	0 yrs 0 mths		



Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# Strategic Site Testing: East Hemel Hempstead (South)

Prepared for

St Albans City and District Council

November 2018





## Contents

1	Introduction	3
2	Details of strategic site	4
3	Development appraisals	5
4	Appraisal results and analysis	12
5	Conclusions and Recommendations	13

# **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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# 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the East Hemel Hempstead (South) strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- Section 3 details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



# 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at East Hemel Hempstead (South) as set out in Policy S6 iii - East Hemel Hempstead (South) Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	98 Ha 59 Ha
Number of residential units (Density circa 40 units per Ha)	2,400
Estimated Self Build units @ 3%	72
Specialist housing	
Care Home (beds)	50
Extra care / flexicare (units)	50
Other – special needs supported living	12
Local Centre (assumed to be 0.6sq m NIA provided for each house)	1,440 square metres
Health provision (provided on site assumed to be NIA)	573 square metres
Travellers' Pitches	15 pitches

## Table 2.1 Details of proposed strategic development at East Hemel Hempstead (South)



# 3 Development appraisals

## 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the East Hemel Hempstead (South) strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the East Hemel Hempstead (South) strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at www.argussoftware.com

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

## 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

## 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



## Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

## 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

## 3.2.3 Affordable housing

We understand that the LPPD Policy S6 iii identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

## 3.2.4 Self-build plots

Policy S6 iii identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 72 self-build pots on the strategic site.

## 3.2.5 Care home

Policy S6 iii sets out a requirement for at least one 50+ Residential or Nursing care home (C2 Use). As identified in the CIL&LPVS Care homes are residential institutions where older people live, usually in single rooms but sometimes in shared rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only (i.e. help with washing, dressing and giving medication). A home registered as a care home with nursing will provide the same personal care but also have a qualified nurse on duty 24 hours a day to carry out nursing tasks. The cost/rents for rooms in care homes depend on the specific level of care required.

We have adopted rental levels consistent with those set out in the CIL&LPVS, which are based on research of rents for care homes in the District. Our appraisals allow for private rents of £800 per week for a single room, which is considered to be a conservative rent by comparison to some of the care homes rents charged in the District. We have also allowed for 40% of the accommodation in our appraisal to be provided as affordable care rooms at £471 per week. This is based on rents in-line with the average County allowance for a single room for older people<sup>2</sup> at £419.77 per week and a single room with nursing at £522.47 per week.

## 3.2.6 Extra care / flexicare units

Policy S6 iii sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

<sup>&</sup>lt;sup>2</sup> <u>https://www.hertfordshire.gov.uk/services/adult-social-services/care-and-carers/arranging-and-paying-for-care/paying-for-your-care-costs.aspx#DynamicJumpMenuManager</u>



In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 iii we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

## 3.2.7 Special needs supported living units

Policy S6 iii identifies that 12 special needs supported living units are be required to be provided as part of the development of the East Hemel Hempstead (South) strategic site. We have assumed that these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units.

## 3.2.8 Local centres

The assumptions used in the appraisals to value the non-residential accommodation provided in the local centre are in line with those adopted in the CIL&LPVS. These are summarised in Table 3.2.8 below.

## Table 3.2.8: Non-residential revenue and assumptions

Accommodation	Rent £ per square metre	Yield	Void Period (Inc. Rent Free)
Retail	£237	6.5%	1.5 years

## 3.2.9 Gypsy and Traveller site

Policy S6 iii identifies that one 15 pitch Gypsy and Traveller site will be required on the East Hemel Hempstead (South) strategic site. We have adopted costs associated with the delivery of the Gypsy and Traveller site of £242,000 per pitch based on advice provided by WT Partnership (WTP) to Dacorum Borough Council for their Update to their Local Allocations Viability Testing report prepared by BNP Paribas Real Estate in June 2016.

We have taken a conservative approach to the delivery of this site as we have only adopted the costs of delivering the pitches and have not allowed for any revenue generation from these uses. The pitches are likely to generate an income so the position presented is a worst case scenario.

## 3.2.10 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.10 below, these are in line with the costs adopted in the CIL&LPVS.



## Table 3.2.10 Base build costs adopted in appraisal

Use	Base build costs per square metre
Residential houses	£ 1,124
Commercial uses - Local centre	£ 2,026
Health	£ 2,270
Care Home	£ 1,621
Extra care / flexicare apartments	£ 1,736
Special needs supported living apartments	£ 1,736

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the local centre and the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as East Hemel Hempstead (South) are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

## 3.2.11 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

## 3.2.12 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

## 3.2.13 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.

For the commercial units we have allowed for a 10% letting agent and 5% legal fee.



We have included a 1% sales agent allowance on commercial uses, the care home use and self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

## 3.2.14 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value and on the commercial uses in the local centre.

## 3.2.15 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.15 below.

## Table 3.2.15: Section 106 contributions

Contribution description	Contribution	Comments on contribution		
Education	£45,840,000	1 x 3 FE Primary and 1 X 2FE (assumes £7.5m per primary school)		
		Secondary (assumes £35m per secondary school) joint with East Hemel Hempstead (North)		
Community Facilities	£2,400,000	Based on £1,000 per unit		
Green infrastructure: Strategic open space / green infrastructure	£4,800,000	Based on £2,000 per unit		
Local open/play Space/Green Infrastructure	£2,400,000	Based on £1,000 per unit		
Transport Infrastructure	£26,400,000	Allows for: - Strategic - LTP4 major scheme; - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site		
Total	£81,840,000			

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions. For strategic level open space a further allowance of £2,000 per residential unit has been adopted in this assessment through s106 contributions.



We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace, £245 per square metre for care home floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.

## 3.2.16 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing;
- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units; and
- 15% profit on GDV for non-residential uses in local centres.

## 3.2.17 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in six phases of circa 388 units each and that there will be multiple sales outlets. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.17 below.

Phase	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Pre-construction (months)	45	9	9	9	9	9	9
Construction (months)	175	29	29	29	29	29	29
Residential Sales (months)	175	29	29	29	29	29	29
Extra Care Units	10	0	0	10	0	0	0

## Table 3.2.17: Development timescales

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the care home, extra care/flexicare, special needs supported living units, Gypsy and Travellers pitches, health provision and local centre we have included these within Phase 3 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



# 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at East Hemel Hempstead (South) as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results – East Hemel Hempstead (South)

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£82,810,000	£36,260,000	Viable

The appraisal scenario tested for East Hemel Hempstead (South) identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



# 5 Conclusions and Recommendations

This testing demonstrates that the East Hemel Hempstead (South) strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 iii and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the East Hemel Hempstead (South) strategic site.


Appendix 1 - Working assumptions adopted in appraisal

Name of site	East Hemel	Hempstea	d (South)						
ite Size (Gross) Ha	98	1							
ite Size (Gross) Ha	59.0	1							
Fotal No Standard Residential units	2,400								
Self build plots (3%) Fotal units less self build (97%)	72 2,328								
Care Home rooms	50								
Extra Care / flexicare units Special needs supporting living units	50 12								
Traveller & Gypsy Pitches	15	1							
No Phases	6	J							
Init mix Based on Typology 14	1		· · · · ·		0 8-10	2 Bad Fr	4 Bed 7	E Dect 7	1
Site type	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House	Total
Size (sq m)	50	70	86	108	79	93	115	125	
Percentage split Total Floor area (sq m)	- 0%	- 0%	- 0%	0%	36% 66,208	56% 121,242	4% 10,709	4% 11,640	209,799
		1			,	- ,	.,	,	,
ffordable Housing Analysis									
Percentage	40%								
Rented (50% Social rent and 50% Affordable Rent) ntermediate (Shared Ownership)	60% 30%								
ntermediate (Shared Ownership)	30% 10%								
		-							
tesi floor area analysis	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6		
Private Floor area	125,880	20,980	20,980	20,980	20,980	20,980	20,980		
Affordable Floor Area Rented (50% Social rent and 50% Affordable Rent)	83,920 50,352	13,987 8,392	13,987 8,392	13,987 8,392	13,987 <b>8,392</b>	8,392	13,987 <b>8,392</b>		
Shared ownership	25,176	4,196	4,196	4,196	4,196	4,196	4,196		
Discount Market Sale	8,392	1,399	1,399	1,399	1,399	1,399	1,399		
Self-Build units									
	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6		
No plots	72	12	12	12	12	12	12		
lealth provision									
	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6		
Gross floorarea (sq m) Net floorarea (sq m)	699 573	-		699 573	-	-	-		
	- 5/5			515					
Neighbourhood / Local Centre	Total	Phone 1	Phone 6	Dhace C	Dhoce (	Dhoce 5	Dhace 6		
Gross floorarea (sq m)	Total 1,756	Phase 1	Phase 2	Phase 3 1,756	Phase 4	Phase 5	Phase 6		
Net floorarea (sq m)	1,440	-	-	1,440	-	-	-		
Care Homes									
	Phase 3	<u> </u>							
National Care Standards requirements	5 00 4 -1	floors	udia a						
	5 sq ft of useable f 8 sq ft of space for		uaing ensuite						
	2 sq ft of commun		ling circulation						
	rooms	6 750	floor area of ro	oms					
50	100110	1,900	en-suite bathro	oms					
		2,100	communal spa						
		10,750	sq ft NIA						
0.1	5 Circulation	1,612.50	sqft						
0.1	5 Circulation	1,612.50 12,362.50	sqft GIA						
0.1	5 Circulation	1,612.50							
	5 Circulation Phase 3	1,612.50 12,362.50	sqft GIA		Affordable Hou	sing			
		1,612.50 12,362.50	sqft GIA		Affordable Hou Remed (30 % Social rent	sing			
		1,612.50 12,362.50	sqft GIA		Social rent and 50%	Intermediate			
	Phase 3	1,612.50 12,362.50 1,149	sqft GIA sqm GIA		Social rent and 50% Affordable	Intermediate (Shared			
Extra-Care / Flexi Care	Phase 3 1 Bed 2p flat	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat	sqft GIA	Private	Social rent and 50%	Intermediate			
Extra-Care / Flexi Care Size (sq m) Percentage split	Phase 3 1 Bed 2p flat 50 50%	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50%	sqft GIA sqm GIA Total	Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) <sup>2</sup> ercentage split Total Floor area (sq m) NIA	Phase 3 1 Bed 2p flat 50% 1,250	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat <u>70</u> 50% 1,750	sqft GIA sqm GIA Total 3,000	Private 60% 1,800	Social rent and 50% Affordable	Intermediate (Shared			
Extra-Care / Flexi Care Size (sq m) <sup>2</sup> ercentage split Total Floor area (sq m) NIA	Phase 3 1 Bed 2p flat 50 50%	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50%	sqft GIA sqm GIA Total 3,000	Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care <u>Size (sq m)</u> Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption	Phase 3 1 Bed 2p flat 50% 1,250 2,083 Phase 3	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat <u>70</u> 50% 1,750	sqft GIA sqm GIA Total 3,000	Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care <u>Size (sq m)</u> Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units	Phase 3 1 Bed 2p flat 50 50% 1,250 2,083 Phase 3 1 Bed 2p flat	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat <u>70</u> 50% 1,750	sqft GIA sqm GIA Total 3,000	Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split	Phase 3 1 Bed 2p flat 50% 1,250 2,083 Phase 3	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat <u>70</u> 50% 1,750	sqft GIA sqm GIA Total 3,000	Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	Solution         Solution           1 Bed 2p flat         50           50%         1,250           2,083         2,083           Phase 3         1 Bed 2p flat           50         100%	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat <u>70</u> 50% 1,750	sqft GIA sqm GIA Total 3,000	Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net)	Phase 3           1 Bed 2p flat           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           100%	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat <u>70</u> 50% 1,750	sqft GIA sqm GIA Total 3,000	Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption	Solution         Solution           1 Bed 2p flat         50           50%         1,250           2,083         2,083           Phase 3         1 Bed 2p flat           50         100%	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat <u>70</u> 50% 1,750	sqft GIA sqm GIA Total 3,000	Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption	Phase 3           1 Bed 2p flat           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           100%           600           800	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50% 1,750 2,917	sqft GIA sqm GIA Total 3,000 5,000	Private 60% 1,800 3,000	Social rent and 50% Affordable Rent) 720	Intermediate (Shared Ownership) 480			
Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption	Phase 3           1 Bed 2p flat           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           100%           600           800	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50% 1,750 2,917	sqft GIA sqm GIA Total 3,000 5,000	Private 60% 1,800 3,000 Phase 3	Social rent and 50% Affordable Rent) 720	Intermediate (Shared Ownership) 480			
Extra-Care / Flexi Care  Size (sq m)  Percentage split  Total Floor area (sq m) NIA  Fotal Floor area (sq m) GIA @60% Gross to Net assumption  Special Needs Supported Living Units  Size (sq m)  Percentage split  Total Floor area (sq m) (Net)  Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption  Fravellers Pitches in Ha	Phase 3           1 Bed 2p flat           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           100%           600           800	1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50% 1,750 2,917	sqft GIA sqm GIA Total 3,000 5,000	Private 60% 1,800 3,000 Phase 3	Social rent and 50% Affordable Rent) 720	Intermediate (Shared Ownership) 480			
Extra-Care / Flexi Care  Size (sq m)  Percentage split  Total Floor area (sq m) NIA  Fotal Floor area (sq m) GIA @60% Gross to Net assumption  Special Needs Supported Living Units  Size (sq m)  Percentage split  Total Floor area (sq m) (Net)  Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption  Fravellers Pitches in Ha	Phase 3 1 Bed 2p flat 50 50% 1,250 2,083 Phase 3 1 Bed 2p flat 50 100% 600 800 Total -	1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1	sqft GIA sqm GIA Total 3,000 5,000 Phase 2	Private 60% 1,800 3,000 Phase 3 15	Phase 4	Intermediate (Shared Ownership) 480 Phase 5	Phase 6		
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Extra-Care / Flexi Care  Size (sq m) Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Extra Care Units No Private units less self build units	Phase 3           1 Bed 2p flat           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           100%           600           800           Total           -           Total           54           175           100	1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - - Phase 1 9 29 0 0 Phase 1	sqft GIA           sqm GIA           Total           3,000           5,000           9           -           Phase 2           -           9           29           0           Phase 2	Private 60% 1,800 3,000 9 15 Phase 3 15 Phase 3 9 29 29 29 10 Phase 3	Phase 4 Phase 4 Pha	Intermediate (Shared Ownership) 480 Phase 5 Phase 5 9 29 29 0 Phase 5	9 29 29 0 Phase 6		
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Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumption Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue	Phase 3           1 Bed 2p flat           50%           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           100%           600           800           Total           54           175           100           Total           1037           Capital value £	1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 29 29 29 0 0 Phase 1 233	sqft GIA           sqm GIA           Total           3,000           5,000           9           -           Phase 2           -           9           29           0           Phase 2	Private 60% 1,800 3,000 9 15 Phase 3 15 Phase 3 9 29 29 29 10 Phase 3	Phase 4 Phase 4 Pha	Intermediate (Shared Ownership) 480 Phase 5 Phase 5 9 29 29 0 Phase 5	9 29 29 0 Phase 6		
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Extra-Care / Flexi Care  Size (sq m)  Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption  Special Needs Supported Living Units  Size (sq m)  Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption  Fravellers Pitches in Ha  Fimescales  Per-constuction (months) Construction (months) Construction (months) Extra Care Units  No Private units less self build units  Revenue  Standard Residential  Trivate Housing  Mfordable Rented (50% Social Rent 50% Affordable Rent) Shared Ownership	Phase 3           1 Bed 2p flat           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           1,250           2,083           Phase 3           1 Bed 2p flat           50           100%           600           800           Total           -	1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 29 29 29 0 0 Phase 1 233	sqft GIA           sqm GIA           Total           3,000           5,000           9           -           Phase 2           -           9           29           0           Phase 2	Private 60% 1,800 3,000 9 15 Phase 3 15 Phase 3 9 29 29 29 10 Phase 3	Phase 4 Phase 4 Pha	Intermediate (Shared Ownership) 480 Phase 5 Phase 5 9 29 29 0 Phase 5	9 29 29 0 Phase 6		
Extra-Care / Flexi Care  Extra-Care / Flexi Ca	Phase 3           1 Bed 2p flat           50%           50%           1,250           2,083           Phase 3           1 Bed 2p flat           50           1 Bed 2p flat           50           100%           600           800           Total           54           175  <	1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 29 29 29 0 0 Phase 1 233	sqft GIA           sqm GIA           Total           3,000           5,000           9           -           Phase 2           -           9           29           0           Phase 2	Private 60% 1,800 3,000 9 15 Phase 3 15 Phase 3 9 29 29 29 10 Phase 3	Phase 4 Phase 4 Phas	Intermediate (Shared Ownership) 480 Phase 5 Phase 5 9 29 29 0 Phase 5	9 29 29 0 Phase 6		
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	(assuming 4 bed house)
Self build plots	£ 400,000
	·

	Capital value
Special needs supported living units	£1,477

Care Home						
Beds (Affordable)	30	£471	per week	90%	occupancy	£661,452
Beds (Pvt)	20	£800	per week	90%	occupancy	£748,800
				30%	of income	£423,075.74
Standard profit margin (EBITDA)				10%	yield	£4,230,757
Capitalise EBITDA						-£634,614
Deduct	15%	for income show	fall to maturity			
Gross Adjusted turnkey value of Home						£3,596,144

	Capital value
Extra Care Housing	per sq m
Private	£ 6,997
Affordable Rented (50% Social Rent 50% Affordable Rent)	£ 1,665
Shared Ownership	£ 4,349

			Void
	Rent per sq m	Yield	(months)
Commercial	£237	6.50%	18

Costs								
00315								
Residual S106	-							
		Tet	Dia 1	Dha A	Dha A	Dia 1	Dia 5	Dha A
Standard residential per unit	unit of measure	Total	Phase 1 £ 460,000	Phase 2 £ 460,000	Phase 3	Phase 4 £ 460,000	Phase 5 £ 460,000	Phase 6 £ 460,000
Standard residential per unit Commercial per sq m	£ 1,150 £ 20	£ 2,760,000 £ 35,122		£ 460,000 £ -	£ 460,000 £ 35,122	£ 460,000 £ -	£ 460,000 £ -	£ 460,000 £ -
Care Home per sq m	£ 20				£ 22,970			£ -
Extra Care / Flexicare units per unit	£ 1,150	£ 57,500	£ -	£ -		£ -	£ -	£ -
pecial needs supported living per unit	£ 1,150		£ -	£ -	£ 13,800	£ -	£ -	£ -
OTAL			£ 460,000	£ 460,000	£ 589,392	£ 460,000	£ 460,000	£ 460,000
IL .		I otal Floor						
	£ pr sq m	area	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Resi	£ 150	125,880	18,881,942		£ 3,146,990		£ 3.146.990	
are Home	£ 245					£ 281,384	£ -	£ -
l other uses (Extra Care and special needs supported living units)	£ 20				£ -	£ 76,000	£ -	£ -
other uses (Commercial)	£ 20	£ 1,756	£ 35,122	£ -	£ -	£ 35,122	£ -	£-
tal				£ 3,146,990	£ 3,146,990	£ 3,539,496	£ 3,146,990	£ 3,146,990
06 Infrastructure Costs		h						
nonart	Total costs							
nsport Jcation (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary	£ 26,400,000							
nool @ £35m)	£ 45,840,000							
nmunity Facilities (£1,000 per unit)	£ 2,400,000 £ 2,400,000							
· · · · · · · · · · · · · · · · · · ·		I						
	Per unit cost	Total costs						
ategic open space / green infrastructure	£ 2,000	£ 4,800,000						
cal open space / play space / green infrastructure	£ 1,000	£ 2,400,000						
	Per unit cost	Total costs	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
e opening up costs Standard Resi	£ 20,000	£ 48,000,000		£ 8,000,000				£ 8,000,000
e opening up costs Other Residential uses	£ 10,000	£ 1,120,000					£ -	£ -
ild costs			£ 8,373,333	£ 8,373,333	£ 8,373,333	£ 8,000,000	£ 8,000,000	£ 8,000,000
114 66919								1
				Accessable				
				homes @				
			Lifetime	£26,000 per				
			homes	house and	SUDS @	Sustainability		
	<b>B</b>	Externals per	(£3,200 per	£11,000 per	£2,500 per	@ £5,000 per	<b>-</b>	
	Base per sq m	sq m	unit)	flatted unit	unit	unit	Total	
moreial	£ 1,124	£ 169	£ 37					
nmercial Ith	£ 2,026 £ 2,270	£ 203 £ 227	£ -	£ -	£ -	£ -	£ 2,229 £ 2,497	
e Home	£ 2,270 £ 1,621	£ 227 £ 146	£ -	£ -	£ -	£ -	£ 2,497 £ 1,768	
a care / flexicare	£ 1,021 £ 1,736	£ 140 £ 260	£ 32	£ -	£ -		£ 2,114	
ial needs supported living	£ 1,736							
·· ¥				<u> </u>				I
tingency on build costs	5%							
	N		1					
veller's pitches	No pitches	Cost						
from Dacorum BC 5 pitches = 0.5 Ha h travellers pitch estimated to cost £242,000	4 6	£ 3,620,000						
r naveners pilon estimated to cost £242,000	15	£ 3,630,000	l					
it								
ate/Market Resi on GDV	20%	h						
rdable Resi on GDV	6%							
mercial on GDV	15%							
		1						
keting /agency and legal fees								
i Sales agent and marketing on GDV	3.00%							
Sales legal fees on GDV	0.50%							
nmercial Letting fee on rent pa	10.00%							
nmercial Letting Legal fee on rent pa	5.00%							
mercial Sales fee on GDV mercial Legal fee on GDV	1.00% 0.50%							
nerciai Legal lee on GDV	0.50%	l						
ssional fees	10%	h						
		I						
nce	7.00%	h						
		I						
raisal Outcome								
idual Land Value @ 40% AH	£ 82,810,000							
chmark Land Value Greenfield	£ 36,260,000							
		Ì						
	£ 36,260,000 £ 46,550,000							
enchmark Land Value Greenfield ppraisal outcome (Surplus/ Deficit)								



Appendix 2 - Argus appraisal summary

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**Development Appraisal** 

East Hemel Hempstead (South)

40% AH

Report Date: 27 June 2019

East Hemel Hempstead (South) 40% AH

Summary Appraisal for Merged Phases 1 2 3 4 5 6

Currency in £

REVENUE					
Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private Residential	1	20,980.00	5,705.00	119,690,900	119,690,900
Affordable Housing - Rented	1	8,392.00	1,477.00	12,394,984	12,394,984
Affordable Housing - SO	1	4,196.00	3,579.00	15,017,484	15,017,484
Affordable Housing - DMR	1	1,399.00	3,564.00	4,986,036	4,986,036
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Private Residential	1	20,980.00	5,705.00	119,690,900	119,690,900
Affordable Housing - Rented	1	8,392.00	1,477.00	12,394,984	12,394,984
Affordable Housing - SO	1	4,196.00	3,579.00	15,017,484	15,017,484
Affordable Housing - DMR	1	1,399.00	3,564.00	4,986,036	4,986,036
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Private Residential	1	20,980.00	5,705.00	119,690,900	119,690,900
Affordable Housing - Rented	1	8,392.00	1,477.00	12,394,984	12,394,984
Affordable Housing - SO	1	4,196.00	3,579.00	15,017,484	15,017,484
Affordable Housing - DMR	1	1,399.00	3,564.00	4,986,036	4,986,036
Care Home	1	0.00	0.00	3,596,144	3,596,144
Special Needs Supported Living	1	600.00	1,665.00	999,000	999,000
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Extra/Flexi Care Housing - Private	1	1,800.00	6,997.00	12,594,600	12,594,600
Extra/Flexi Care Housing - Aff Rented	1	720.00	1,665.00	1,198,800	1,198,800
Extra/Flexi Care Housing - Aff SO	1	480.00	4,349.00	2,087,520	2,087,520
Private Residential	1	20,980.00	5,705.00	119,690,900	119,690,900
Affordable Housing - Rented	1	8,392.00	1,477.00	12,394,984	12,394,984
Affordable Housing - SO	1	4,196.00	3,579.00	15,017,484	15,017,484
Affordable Housing - DMR	1	1,399.00	3,564.00	4,986,036	4,986,036
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Private Residential	1	20,980.00	5,705.00	119,690,900	119,690,900
Affordable Housing - Rented	1	8,392.00	1,477.00	12,394,984	12,394,984

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East Hamal Hamastand (South)						
East Hemel Hempstead (South)						
40% AH						
Affordable Housing - SO	1	4,196.00	3,579.00	15,017,484	15,017,484	
Affordable Housing - DMR	1	1,399.00	3,564.00	4,986,036	4,986,036	
Self Build Plots	12	0.00	0.00	400,000	4,800,000	
Private Residential	1	20,980.00	5,705.00	119,690,900	119,690,900	
Affordable Housing - Rented	1	8,392.00	1,477.00	12,394,984	12,394,984	
Affordable Housing - SO	1	4,196.00	3,579.00	15,017,484	15,017,484	
Affordable Housing - DMR	1	1,399.00	3,564.00	4,986,036	4,986,036	
Self Build Plots	<u>12</u>	<u>0.00</u>	0.00	400,000	4,800,000	
Totals	101	213,402.00			961,812,488	
Rental Area Summary				Initial	Net Rent	Initial
	Units	m²	Rate m <sup>2</sup>	MRV/Unit	at Sale	MRV
Neighbourhood / Local Centre	1	1,440.00	237.00	341,280	341,280	341,280
Health Provision	1	573.00		0	0	
Totals	2	2,013.00			341,280	341,280
Investment Valuation						
Neighbourhood / Local Centre						
Market Rent	341,280	YP @	6.5000%	15.3846		
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.5000%	0.9099	4,777,196	
					4,777,196	
GROSS DEVELOPMENT VALUE				966,589,684		
Purchaser's Costs		6.80%	(569,387)			
			(,	(569,387)		
NET DEVELOPMENT VALUE				966,020,297		
NET REALISATION				966,020,297		
OUTLAY						
ACQUISITION COSTS						

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#### East Hemel Hempstead (South)

40% AH				
Residualised Price			82,809,950	
Stamp Duty		5.00%	4,140,498	
Agent Fee		1.00%	828,100	
Legal Fee		0.80%	662,480	
20941100		0.0070	002,100	88,441,027
CONSTRUCTION COSTS				00,11,01
Construction	Units	Unit Amount	Cost	
Travellers Pitches	15 un	242,000	3,630,000	
	m²	Rate m <sup>2</sup>	Cost	
Neighbourhood / Local Centre	1,756.10 m²	2,229.00 pm <sup>2</sup>	3,914,341	
Health Provision	698.78 m²	2,497.00 pm <sup>2</sup>	1,744,855	
Private Residential	20,980.00 m²	1,445.00 pm²	30,316,100	
Affordable Housing - Rented	8,392.00 m²	1,445.00 pm²	12,126,440	
Affordable Housing - SO	4,196.00 m <sup>2</sup>	1,445.00 pm²	6,063,220	
Affordable Housing - DMR	1,399.00 m²	1,445.00 pm²	2,021,555	
Private Residential	20,980.00 m²	1,445.00 pm²	30,316,100	
Affordable Housing - Rented	8,392.00 m²	1,445.00 pm²	12,126,440	
Affordable Housing - SO	4,196.00 m²	1,445.00 pm²	6,063,220	
Affordable Housing - DMR	1,399.00 m²	1,445.00 pm²	2,021,555	
Private Residential	20,980.00 m <sup>2</sup>	1,445.00 pm²	30,316,100	
Affordable Housing - Rented	8,392.00 m²	1,445.00 pm²	12,126,440	
Affordable Housing - SO	4,196.00 m²	1,445.00 pm²	6,063,220	
Affordable Housing - DMR	1,399.00 m²	1,445.00 pm²	2,021,555	
Care Home	1,149.00 m²	1,768.00 pm²	2,031,432	
Special Needs Supported Living	800.00 m²	2,173.00 pm <sup>2</sup>	1,738,400	
Extra/Flexi Care Housing - Private	3,000.00 m²	2,114.00 pm <sup>2</sup>	6,342,000	
Extra/Flexi Care Housing - Aff Rented	1,200.00 m²	2,114.00 pm <sup>2</sup>	2,536,800	
Extra/Flexi Care Housing - Aff SO	800.00 m²	2,114.00 pm <sup>2</sup>	1,691,200	
Private Residential	20,980.00 m <sup>2</sup>	1,445.00 pm²	30,316,100	
Affordable Housing - Rented	8,392.00 m²	1,445.00 pm²	12,126,440	
Affordable Housing - SO	4,196.00 m²	1,445.00 pm <sup>2</sup>	6,063,220	
Affordable Housing - DMR	1,399.00 m²	1,445.00 pm²	2,021,555	
Private Residential	20,980.00 m <sup>2</sup>	1,445.00 pm²	30,316,100	

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APPRAISAL SUMMARY				
East Hemel Hempstead (South)				
40% AH				
Affordable Housing - Rented	8,392.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	12,126,440	
Affordable Housing - SO	4,196.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	6,063,220	
Affordable Housing - DMR	1,399.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	2,021,555	
Private Residential	20,980.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	30,316,100	
Affordable Housing - Rented	8,392.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	12,126,440	
Affordable Housing - SO	4,196.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	6,063,220	
Affordable Housing - DMR	<u>1,399.00 m<sup>2</sup></u>	1,445.00 pm <sup>2</sup>	2,021,555	
Totals	219,205.88 m <sup>2</sup>	1, 110.00 pm	323,162,918	326,792,918
Contingency		5.00%	16,459,646	
Site opening up costs		0.0070	49,119,999	
Strategic Open Space			4,800,000	
Local open/play space green infrast			2,400,000	
S106			2,889,392	
CIL			19,274,446	
Transport			26,400,000	
Education			45,840,000	
Community Facilities			2,400,000	
			_,,	169,583,483
PROFESSIONAL FEES				
Professional fees		10.00%	39,477,256	
			,	39,477,256
MARKETING & LETTING				
Letting Agent Fee		10.00%	34,128	
Letting Legal Fee		5.00%	17,064	51,192
DISPOSAL FEES				51,192
Resi Sales Agent and Marketing Fee		3.00%	21,922,200	
Commercial Sales Agent Fee		1.00%	665,202	
Sales Legal Fee		0.50%	4,830,101	
				27,417,503

#### Additional Costs

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### APPRAISAL SUMMARY East Hemel Hempstead (South)

#### 40% AH **Resi Private Profit** 20.00% 24,935,387 Resi & Extr Care Aff, Sp Nds Profit 6.00% 1,644,748 20.00% Resi Private Profit 24,935,387 Resi & Extr Care Aff, Sp Nds Profit 6.00% 1,644,748 Resi Private Profit 20.00% 27,454,307 Resi & Extr Care Aff, Sp Nds Profit 6.00% 1,901,867 Commercial Profit 15.00% 1,256,001 **Resi Private Profit** 20.00% 24,935,387 Resi & Extr Care Aff, Sp Nds Profit 6.00% 1,644,748 20.00% Resi Private Profit 24,935,387 Resi & Extr Care Aff, Sp Nds Profit 6.00% 1.644.748 Resi Private Profit 20.00% 24,935,387 Resi & Extr Care Aff, Sp Nds Profit 6.00% 1,644,748 163,512,852 **FINANCE** Debit Rate 7.000% Credit Rate 0.000% (Nominal) **Total Finance Cost** 150,744,162 TOTAL COSTS 966,020,393 PROFIT (96) **Performance Measures** 0.00% Profit on Cost% Profit on GDV% 0.00% Profit on NDV% 0.00% Development Yield% (on Rent) 0.04% Equivalent Yield% (Nominal) 6.50% Equivalent Yield% (True) 6.77% IRR 6.98% Rent Cover 0 yrs 0 mths

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East Hemel Hempstead (South) 40% AH Profit Erosion (finance rate 7.000%)

N/A

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Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# **Strategic Site Testing: East St Albans**

Prepared for St Albans City and District Council

November 2018





## Contents

1	Introduction	3
2	Details of strategic site	4
3	Development appraisals	5
4	Appraisal results and analysis	12
5	Conclusions and Recommendations	13

## **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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Direct line: 020 7338 4417 Email <u>sacha.winfield-ferreira@bnpparibas.com</u>



## 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the East St Albans strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- Section 3 details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



## 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at East St Albans as set out in Policy S6 v - East St Albans Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	52.5 Ha 31.5 Ha
Number of residential units (Density circa 40 units per Ha)	1,250
Estimated Self Build units @ 3%	38
Specialist housing	
Care Home (beds)	50
Extra care / flexicare (units)	50
Other – special needs supported living	12
Local Centre (assumed to be 0.6sq m NIA provided for each house)	750 square metres
Health provision (provided on site assumed to be NIA)	299 square metres

#### Table 2.1 Details of proposed strategic development at East St Albans



## 3 Development appraisals

### 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the East St Albans strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the East St Albans strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

### 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

#### 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



#### Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

#### 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

#### 3.2.3 Affordable housing

We understand that the LPPD Policy S6 v identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

We have appraised the intermediate shared ownership units, assuming that Registered Providers

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

#### 3.2.4 Self-build plots

Policy S6 v identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 38 self-build pots on the strategic site.

#### 3.2.5 Care home

Policy S6 v sets out a requirement for at least one 50+ C2 Residential Nursing care home (C2 Use). As identified in the CIL&LPVS care homes are residential institutions where older people live, usually in single rooms but sometimes in shared rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only (i.e. help with washing, dressing and giving medication). A home registered as a care home with nursing will provide the same personal care but also have a qualified nurse on duty 24 hours a day to carry out nursing tasks. The cost/rents for rooms in care homes depend on the specific level of care required.

We have adopted rental levels consistent with those set out in the CIL&LPVS, which are based on research of rents for care homes in the District. Our appraisals allow for private rents of £800 per week for a single room, which is considered to be a conservative rent by comparison to some of the care homes rents charged in the District. We have also allowed for 40% of the accommodation in our appraisal to be provided as affordable care rooms at £471 per week. This is based on rents in-line with the average County allowance for a single room for older people<sup>2</sup> at £419.77 per week and a single room with nursing at £522.47 per week.

#### 3.2.6 Extra care / flexicare units

Policy S6 v sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

<sup>&</sup>lt;sup>2</sup> <u>https://www.hertfordshire.gov.uk/services/adult-social-services/care-and-carers/arranging-and-paying-for-care/paying-for-your-care-costs.aspx#DynamicJumpMenuManager</u>



In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 v we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

#### 3.2.7 Special needs supported living units

Policy S6 v identifies that 12 special needs supported living units are be required to be provided as part of the development of the East St Albans strategic site. We have assumed that these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units.

#### 3.2.8 Local centres

The assumptions used in the appraisals to value the non-residential accommodation provided in the local centre are in line with those adopted in the CIL&LPVS. These are summarised in Table 3.2.8 below.

#### Table 3.2.8: Non-residential revenue and assumptions

Accommodation	Rent £ per square metre	Yield	Void Period (Inc. Rent Free)
Retail	£237	6.5%	1.5 years

#### 3.2.9 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.9 below, these are in line with the costs adopted in the CIL&LPVS.

#### Table 3.2.9 Base build costs adopted in appraisal

Use Base build costs per square m				
Residential houses	£ 1,124			
Commercial uses - Local centre	£ 2,026			
Health	£ 2,270			
Care Home	£ 1,621			
Extra care / flexicare apartments	£ 1,736			
Special needs supported living apartments	£ 1,736			

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the local centre and the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.



In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as East St Albans are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

#### 3.2.10 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

#### 3.2.11 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

#### 3.2.12 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.

For the commercial units we have allowed for a 10% letting agent and 5% legal fee.

We have included a 1% sales agent allowance on commercial uses, the care home use and self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

#### 3.2.13 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value and on the commercial uses in the local centre.

#### 3.2.14 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.14 below.



#### Table 3.2.14: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£23,875,000	1 x 2 FE Primary (assumes £7.5m per primary school)
		1 x 6-8 FE Secondary (assumes £35m per secondary school)
Community Facilities	£1,250,000	Based on £1,000 per unit
Green infrastructure: Strategic open space / green infrastructure	£2,500,000	Based on £2,000 per unit
Local open/play Space/Green Infrastructure	£1,250,000	Based on £1,000 per unit
Transport Infrastructure	£10,560,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£38,185,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions. For strategic level open space a further allowance of £2,000 per residential unit has been adopted in this assessment through s106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace, £245 per square metre for care home floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.

#### 3.2.15 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing;
- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units; and



• 15% profit on GDV for non-residential uses in local centres.

#### 3.2.16 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in three phases of circa 417 units each and that there will be multiple sales outlets. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.16 below.

#### Table 3.2.16: Development timescales

Phase	Total	Phase 1	Phase 2	Phase 3
Pre-construction (months)	27	9	9	9
Construction (months)	90	30	30	30
Residential Sales (months)	90	30	30	30
Extra Care Units	10	0	10	0

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the care home, extra care/flexicare, special needs supported living units, health provision and local centre we have included these within Phase 2 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



## 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at East St Albans as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results – East St Albans

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£68,924,000	£19,425,000	Viable

The appraisal scenario tested for East St Albans identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



## 5 Conclusions and Recommendations

This testing demonstrates that the East St Albans strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 v and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the East St Albans strategic site.



Appendix 1 - Working assumptions adopted in appraisal

lame of site	East St Alb	ans							
te Size (Gross) Ha	52.5	5							
te Size (Net) Ha	31.5	5							
otal No Standard Residential units elf build plots (3%)	1,250								
otal units less self build (97%)	1,21	2							
are Home rooms xtra Care / flexicare units	50								
pecial needs supporting living units	12								
raveller & Gypsy Pitches o Phases	3	-							
D Phases	3	1							
sit mir Basad an Trinalagu 14									
nit mix Based on Typology 14	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p	3 Bed 5p	4 Bed 7p	5 Bed 7p	Total
Site type		-			House	House	House	House	Total
ze (sq m) ercentage split	<b>50</b> 0%	70 0%	<b>86</b> 0%	<b>108</b> 0%	79 36%	<b>93</b> 56%	115 4%	<b>125</b> 4%	
tal Floor area (sq m)	-	-	-	-	34,469	63,121	5,575	6,060	109,225
fordable Housing Analysis	400	7							
ercentage ented (50% Social rent and 50% Affordable Rent)	<u>40%</u> 60%	6							
termediate (Shared Ownership)	30%	6							
ermediate (Discount Market Sale)	10%	0							
si floor area analysis									
victo Eleor area	Total	Phase 1	Phase 2	Phase 3					
ivate Floor area fordable Floor Area	65,53 43,690			<b>21,845</b> 14,563					
ented (50% Social rent and 50% Affordable Rent)	26,214	4 8, <b>73</b> 8	8,738	8,738					
nared ownership scount Market Sale	13,10								
	•				-				
elf-Build units	Total	Phase 1	Phase 2	Phase 3	1				
o plots	3								
ealth provision									
-	Total	Phase 1	Phase 2	Phase 3					
ross floorarea (sq m) et floorarea (sq m)	365 299		365 299	-					
	200		200		1				
eighbourhood / Local Centre	Total	Phase 1	Phase 2	Phase 3	1				
ross floorarea (sq m)	915		915	-					
et floorarea (sq m)	750	-	750		1				
	Phase 2 135 sq ft of useable 38 sq ft of space fr	or en-suite	uding ensuite	-					
are Homes ational Care Standards requirements	135sq ft of useable38sq ft of space for42sq ft of communication	or en-suite nal space, exclud	uding ensuite ling circulation						
	135 sq ft of useable 38 sq ft of space fo	or en-suite nal space, exclud 6,750	uding ensuite						
	135sq ft of useable38sq ft of space for42sq ft of communication	or en-suite nal space, exclud 6,750 1,900 2,100	uding ensuite ling circulation floor area of ro en-suite bathro communal spa	oms					
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	135     sq ft of useable       38     sq ft of space fr       42     sq ft of community       50     rooms	or en-suite           6,750           1,900           2,100           10,750           1,612.50	uding ensuite ling circulation floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms					
	135     sq ft of useable       38     sq ft of space fr       42     sq ft of community       50     rooms       0.15     Circulation	or en-suite           6,750           1,900           2,100           10,750           1,612.50	uding ensuite ling circulation floor area of ro en-suite bathro communal spa sq ft NIA sqft	oms ce					
	135     sq ft of useable       38     sq ft of space fr       42     sq ft of community       50     rooms	or en-suite           6,750           1,900           2,100           10,750           1,612.50	uding ensuite ling circulation floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms ce	Affordable Ho	using			
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	(assuming 4
	bed house)
Self build plots	£ 400,000

Special needs supported living units	£1,477					
Care Home						
Beds (Affordable)	30	£471	per week	90%	occupancy	£661,45
Beds (Pvt)	20	£800	per week	90%	occupancy	£748,80
				30%	of income	£423,075.
Standard profit margin (EBITDA)				10%	yield	£4,230,7
Capitalise EBITDA						-£634,61
Deduct	15%	for income sho	fall to maturity			
Gross Adjusted turnkey value of Home						£3,596,14

	Capital value £
Extra Care Housing	per sq m
Private	£ 6,997
Affordable Rented (50% Social Rent 50% Affordable Rent)	£ 1,665
Shared Ownership	£ 4,349

	Rent per sq m	Yield	Rent Free & Void (months)
Commercial	£237	6.50%	18

Costs								
Residual S106							_	
							]	
Ctandard regidential new unit		neasure		Phase 1	Phase 2	Phase 3		
Standard residential per unit Commercial per sq m	£	1,150 20	£ 1,437,500 £ 18,293	£ 479,167 £ -	£ 479,167 £ 18,293	£ 479,167 £ -	1	
Care Home per sq m	£	20	£ 22,970		£ 22,970			
Extra Care / Flexicare units per unit	£	1,150	£ 57,500	£ -	£ 57,500	£ -		
Special needs supported living per unit	£	1,150	£ 13,800		£ 13,800			
TOTAL				£ 479,167	£ 591,729	£ 479,167	J	
CIL								
			I otal Floor		1	1		
	£prs	sq m	area	Total	Phase 1	Phase 2	Phase 3	
Resi	£	150	65,535	9,830,290				
Care Home	£	245	£ 1,149	£ 281,384				
All other uses (Extra Care and special needs supported living units) All other uses (Commercial)	£	20 20						
Total	~	20	2 010	2 10,200		£ 3,652,439		
							•	
S106 Infrastructure Costs								
	Total							
Transport Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary	£ 10,5	560,000						
School @ £35m)	£ 23,8	375 000						
Community Facilities (£1,000 per unit)		250,000						
			-					
	Per un		Total costs					
Strategic open space / green infrastructure	£ £	2,000	£ 2,500,000 £ 1,250,000					
Local open space / play space / green infrastructure	L	1,000	£ 1,250,000					
	Per un	it cost	Total costs	Phase 1	Phase 2	Phase 3	1	
Site opening up costs Standard Resi	£		£ 25,000,000		£ 8,333,333			
Site opening up costs Other Residential uses	£		£ 1,120,000	£ 560,000		£ -		
				£ 8,893,333	£ 8,893,333	£ 8,333,333	J	
Build costs	-					1	1	
					Accessable			
					homes @			
				Lifetime	£26,000 per			
				homes	house and	SUDS @	Sustainability	
	Base no		Externals per	(£3,200 per unit)	£11,000 per flatted unit	£2,500 per unit	@ £5,000 per unit	Total
	Base pe		sq m	,				£ 1,445
Posi	5							2 1,445
Resi Commercial	£	1,124						£ 2.229
Resi Commercial Health	£ £ £	1,124 2,026 2,270	£ 203					£ 2,229 £ 2,497
Commercial Health Care Home	£ £ £	2,026 2,270 1,621	£         203           £         227           £         146	£ - £ -	£ - £ -	£ - £ -	£ - £ -	£ 2,497 £ 1,768
Commercial Health Care Home Extra care / flexicare	£ £ £	2,026 2,270 1,621 1,736	£         203           £         227           £         146           £         260	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare	£ £ £	2,026 2,270 1,621	£         203           £         227           £         146           £         260	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768
Commercial Health Care Home Extra care / flexicare	£ £ £	2,026 2,270 1,621 1,736	£         203           £         227           £         146           £         260	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home	£ £ £	2,026 2,270 1,621 1,736 1,736	£         203           £         227           £         146           £         260	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs	£ £ £ £	2,026 2,270 1,621 1,736 1,736	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches	£ £ £ £	2,026 2,270 1,621 1,736 1,736	£         203           £         227           £         146           £         260	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha	£ £ £ £	2,026 2,270 1,621 1,736 1,736 %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha	£ £ £ £	2,026 2,270 1,621 1,736 1,736	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000	£ £ £ £	2,026 2,270 1,621 1,736 1,736 %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit	£ £ £ £ No pit	2,026 2,270 1,621 1,736 1,736 4,736	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
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Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV	£ £ £ £ £ £ <b>No pit</b>	2,026 2,270 1,621 1,736 1,736 % tches - %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV	£ £ £ £ £ <b>£</b> <b>£</b> <b>1</b> £ <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b>	2,026 2,270 1,621 1,736 1,736 % tches - %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 % tches - %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees	£ £ £ £ £ <b>£</b> <b>£</b> <b>1</b> £ <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b> <b>1</b>	2,026 2,270 1,621 1,736 1,736 <b>%</b> <b>tches</b> - % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 <b>%</b> <b>tches</b> - % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Resi Sales legal fees on GDV         Commercial Letting fee on rent pa	£ £ £ £ £ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 % tches % % % % % % % % % % % % % % % % % % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Resi Sales legal fees on GDV         Commercial Letting fee on rent pa         Commercial Letting fee on rent pa	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 ************************************	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV Commercial Sales fee on GDV	£ £ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 <b>tches</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b>	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting fee on rent pa	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 <b>tches</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b> <b>*</b>	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Resi Sales legal fees on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Sales fee on GDV	£ £ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 * * * * * * * * * * * * * * * * * * *	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 * * * * * * * * * * * * * * * * * * *	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Resi Sales legal fees on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Commercial Letting Legal fee on GDV	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 * * * * * * * * * * * * * * * * * * *	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Commercial Letting Legal fee on GDV         Professional fees	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 * * * * * * * * * * * * * * * * * * *	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting fee on rent pa         Commercial Letting Legal fee on GDV         Commercial Letting Legal fee on GDV         Professional fees         Finance	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 * * * * * * * * * * * * * * * * * * *	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial         Health         Care Home         Extra care / flexicare         Special needs supported living         Contingency on build costs         Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting fee on rent pa         Commercial Letting Legal fee on GDV         Commercial Letting Legal fee on GDV         Professional fees         Finance	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 * * * * * * * * * * * * * * * * * * *	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Commercial cetting fees on GDV Commercial Letting fee on rent pa Commercial Letting fee on GDV Commercial Letting Legal fee on GDV Professional fees Finance Appraisal Outcome	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 % <b>tches</b> % % % % % % % % % % % % % % % % % % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting fee on rent pa Commercial Letting fee on GDV Profieses Professional fees Finance	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 % <b>tches</b> % % % % % % % % % % % % % % % % % % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fees on GDV Commercial Letting fee on rent pa Commercial Sales fee on GDV Professional fees Finance Appraisal Outcome	£ £ £ £ £ £	2,026 2,270 1,621 1,736 1,736 % % % % % % % % % % % % % % % % % % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting fee on GDV Commercial Sales fee on GDV Professional fees Finance Appraisal Outcome Residual Land Value @ 40% AH Benchmark Land Value Greenfield	£         £           £         £           £         £           £         £           £         5%           1         0.00           669         15           3.00         0.500           1.0.0         5.000           1.0.0         0.500           1.0.0         0.500           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.0.0         1.000           1.000         1.000           1.000         1.000           1.000         1.000           1.000         1.000           1.000         1.000	2,026 2,270 1,621 1,736 1,736 % <b>tches</b> % % % % % % % % % % % % % % % % % % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114
Commercial Health Care Home Extra care / flexicare Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Alfordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting fee on rent pa Commercial Letting Legal fees Finance Appraisal Outcome Residual Land Value @ 40% AH	£ £ £ £ £ £ 1 5 9 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2,026 2,270 1,621 1,736 1,736 % <b>tches</b> % % % % % % % % % % % % % % % % % % %	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	£ - £ - £ 32	£ - £ - £ 11	£ - £ - £ 25	£ - £ - £ 50	£ 2,497 £ 1,768 £ 2,114



Appendix 2 - Argus appraisal summary

# Licensed Copy

**Development Appraisal** 

East St Albans

40% AH

Report Date: 27 June 2019

East St Albans 40% AH

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE						
Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales	
Private Residential	1	21,845.00	5,705.00	124,625,725	124,625,725	
Affordable Housing - Rented	1	8,738.00	1,477.00	12,906,026	12,906,026	
Affordable Housing - SO	1	4,369.00	3,579.00	15,636,651	15,636,651	
Affordable Housing - DMR	1	1,456.00	3,564.00	5,189,184	5,189,184	
Self Build Plots	13	0.00	0.00	400,000	5,200,000	
Private Residential	1	21,845.00	5,705.00	124,625,725	124,625,725	
Affordable Housing - Rented	1	8,738.00	1,477.00	12,906,026	12,906,026	
Affordable Housing - SO	1	4,369.00	3,579.00	15,636,651	15,636,651	
Affordable Housing - DMR	1	1,456.00	3,564.00	5,189,184	5,189,184	
Care Home	1	0.00	0.00	3,596,144	3,596,144	
Special Needs Supported Living	1	600.00	1,665.00	999,000	999,000	
Self Build Plots	13	0.00	0.00	400,000	5,200,000	
Extra/Flexi Care Housing - Private	1	1,800.00	6,997.00	12,594,600	12,594,600	
Extra/Flexi Care Housing - Aff Rented	1	720.00	1,665.00	1,198,800	1,198,800	
Extra/Flexi Care Housing - Aff SO	1	480.00	4,349.00	2,087,520	2,087,520	
Private Residential	1	21,845.00	5,705.00	124,625,725	124,625,725	
Affordable Housing - Rented	1	8,738.00	1,477.00	12,906,026	12,906,026	
Affordable Housing - SO	1	4,369.00	3,579.00	15,636,651	15,636,651	
Affordable Housing - DMR	1	1,456.00	3,564.00	5,189,184	5,189,184	
Self Build Plots	<u>12</u> 55	0.00	0.00	400,000	4,800,000	
Totals	55	112,824.00			510,748,822	
Rental Area Summary				Initial	Net Rent	Initial
-	Units	m²	Rate m <sup>2</sup>	MRV/Unit	at Sale	MRV
Neighbourhood / Local Centre	1	750.00	237.00	177,750	177,750	177,750
Health Provision	1	299.00		0	0	
Totals	2	1,049.00			177,750	177,750

File: G:\Development & Residential Consulting\Jobs\Affordable Housing\170829 - St Albans CIL and Strategic Sites Viability\E - Deliverables\Strategic sites\Appraisals\East St Albans 27June19 ARGUS Developer Version: 6.00.005 Date: 27/06/2019

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East St Albans 40% AH					
Investment Valuation Neighbourhood / Local Centre Market Rent (1yr 6mths Rent Free)	177,750	YP @ PV 1yr 6mths @	6.5000% 6.5000%	15.3846 0.9099	2,488,123 <b>2,488,123</b>
GROSS DEVELOPMENT VALUE				513,236,945	
Purchaser's Costs		6.80%	(413,730)	(413,730)	
NET DEVELOPMENT VALUE				512,823,215	
NET REALISATION				512,823,215	
OUTLAY					
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	68,924,174 3,446,209 689,242 551,393	73.611.018	
CONSTRUCTION COSTS Construction Neighbourhood / Local Centre Health Provision Private Residential Affordable Housing - Rented Affordable Housing - SO Affordable Housing - DMR Private Residential Affordable Housing - Rented	m² 914.63 m² 364.63 m² 21,845.00 m² 8,738.00 m² 4,369.00 m² 1,456.00 m² 21,845.00 m² 8,738.00 m²	<b>Rate m²</b> 2,229.00 pm² 2,497.00 pm² 1,445.00 pm² 1,445.00 pm² 1,445.00 pm² 1,445.00 pm² 1,445.00 pm²	Cost 2,038,720 910,491 31,566,025 12,626,410 6,313,205 2,103,920 31,566,025 12,626,410	73,011,016	

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#### East St Albans 40% AH Affordable Housing - SO 4,369.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 6,313,205 Affordable Housing - DMR 1,456.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 2,103,920 Care Home 1,149.00 m<sup>2</sup> 1,768.00 pm<sup>2</sup> 2,031,432 Special Needs Supported Living 800.00 m<sup>2</sup> 2,173.00 pm<sup>2</sup> 1,738,400 Extra/Flexi Care Housing - Private 3,000.00 m<sup>2</sup> 2,114.00 pm<sup>2</sup> 6,342,000 Extra/Flexi Care Housing - Aff Rented 1.200.00 m<sup>2</sup> 2,114.00 pm<sup>2</sup> 2,536,800 Extra/Flexi Care Housing - Aff SO 800.00 m<sup>2</sup> 2,114.00 pm<sup>2</sup> 1,691,200 Private Residential 21,845.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 31,566,025 Affordable Housing - Rented 8.738.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 12,626,410 Affordable Housing - SO 4,369.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 6,313,205 Affordable Housing - DMR 1,456.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 2,103,920 Totals 117.452.27 m<sup>2</sup> 175,117,723 175,117,723 Contingency 5.00% 8.818.386 Site opening up costs 26,119,999 Strategic Open Space 2,500,000 Local open/play space green infrast 1,250,000 S106 1,550,063 CIL 10,205,965 Transport 10,560,000 Education 23,875,000 **Community Facilities** 1,250,000 86,129,413 **PROFESSIONAL FEES** Professional fees 10.00% 21,130,611 21,130,611 **DISPOSAL FEES** Resi Sales Agent and Marketing Fee 3.00% 11,594,153 **Commercial Sales Agent Fee** 1.00% 364,381 Sales Legal Fee 0.50% 2,564,116 14,522,650

#### **Additional Costs**

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East St Albans 40% AH			
Resi Private Profit	20.00%	25,962,982	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,712,561	
Resi Private Profit	20.00%	28,481,902	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,969,680	
Commercial Profit	15.00%	912,640	
Resi Private Profit	20.00%	25,962,982	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,712,561	
	0.0070	1,712,001	86,715,307
FINANCE			00,110,001
Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			55,596,514
			, ,
TOTAL COSTS			512,823,235
PROFIT			
			(20)
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
	0.000/		
Profit on NDV%	0.00%		
Development Yield% (on Rent)	0.00% 0.03%		
Development Yield% (on Rent) Equivalent Yield% (Nominal)			
Development Yield% (on Rent)	0.03%		
Development Yield% (on Rent) Equivalent Yield% (Nominal)	0.03% 6.50%		
Development Yield% (on Rent) Equivalent Yield% (Nominal) Equivalent Yield% (True)	0.03% 6.50% 6.77%		

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Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# Strategic Site Testing: North East Harpenden

Prepared for St Albans City and District Council

November 2018





## Contents

1	Introduction	3
2	Details of strategic site	4
3	Development appraisals	5
4	Appraisal results and analysis	11
5	Conclusions and Recommendations	12

## **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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Direct line: 020 7338 4417 Email <u>sacha.winfield-ferreira@bnpparibas.com</u>



## 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the North East Harpenden strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- Section 3 details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.


# 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at North East Harpenden as set out in Policy S6 vii - North East Harpenden Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	31.7 Ha 19.0 Ha
Number of residential units (Density circa 40 units per Ha)	760
Estimated Self Build units @ 3%	23
Specialist housing	
Extra care / flexicare (units)	50
Other – special needs supported living	10
Health provision (provided on site assumed to be NIA)	181 square metres

### Table 2.1 Details of proposed strategic development at North East Harpenden



## 3 Development appraisals

### 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the North East Harpenden strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the North East Harpenden strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

### 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

### 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



### Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

### 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

### 3.2.3 Affordable housing

We understand that the LPPD Policy S6 vii identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

### 3.2.4 Self-build plots

Policy S6 vii identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 23 self-build pots on the strategic site.

### 3.2.5 Extra care / flexicare units

Policy S6 vii sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting  $\pounds$ 6,997 per square metre ( $\pounds$ 650 per square foot).

In line with the requirements of Policy S6 vii we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

### 3.2.6 Special needs supported living units

Policy S6 vii identifies that 10 special needs supported living units are be required to be provided as part of the development of the North East Harpenden strategic site. We have assumed that these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units.



### 3.2.7 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.7 below, these are in line with the costs adopted in the CIL&LPVS.

Use	Base build costs per square metre
Residential houses	£ 1,124
Health	£ 2,270
Extra care / flexicare apartments	£ 1,736
Special needs supported living apartments	£ 1,736

#### Table 3.2.7 Base build costs adopted in appraisal

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as North East Harpenden are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

### 3.2.8 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

#### 3.2.9 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

#### 3.2.10 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.



We have included a 1% sales agent allowance on the self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

#### 3.2.11 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value.

#### 3.2.12 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.12 below.

#### Table 3.2.12: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£5,700,000	1 x 2 FE Primary (assumes £7.5m per primary school)
Community Facilities	£760,000	Based on £1,000 per unit
Green infrastructure: Strategic open space / green infrastructure	£760,000	Based on £1,000 per unit
Local open/play Space/Green Infrastructure	£760,000	Based on £1,000 per unit
Transport Infrastructure	£2,280,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£10,260,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions. For strategic level open space a further allowance of 1,000 per residential unit has been adopted in this assessment through s106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.



### 3.2.13 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing; and
- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units.

#### 3.2.14 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in two phases of circa 380 units each. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.14 below.

Phase	Total	Phase 1	Phase 2
Pre-construction (months)	18	9	9
Construction (months)	111	55	55
Residential Sales (months)	111	55	55
Extra Care Units	0	0	10

### Table 3.2.14: Development timescales

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the extra care/flexicare, special needs supported living units and health provision we have included these within Phase 2 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



## 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at North East Harpenden as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results – North East Harpenden

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£52,653,000	£11,729,000	Viable

The appraisal scenario tested for North East Harpenden identifies that the proposed scheme is viable against the BLV of  $\pounds$ 370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



### 5 Conclusions and Recommendations

This testing demonstrates that the North East Harpenden strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 vii and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the North East Harpenden strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	North East	Harpender	ı						
Site Size (Gross) Ha	31.7	1							
Site Size (Net) Ha	19.0								
Total No Standard Residential units Self build plots (3%)	760 23	8							
Total units less self build (97%) Care Home rooms	737								
Extra Care / flexicare units	50								
Special needs supporting living units Traveller & Gypsy Pitches	10	-							
No Phases	2								
Unit mix Based on Typology 14	1	1	1		2 Bed 2p	3 Bed 5p	4 Bed 7p	5 Bed 7p	
Site type	1 Bed 2p flat	2 bed 4p flat		4 bed 7p flat	House	House	House	House	Total
Size (sq m) Percentage split	<b>50</b> 0%	70 0%	<b>86</b> 0%	<b>108</b> 0%	79 36%	<b>93</b> 56%	<u>115</u> 4%	<b>125</b> 4%	
Total Floor area (sq m)	-	-	-	-	36% 20,960	38,383	3,390	3,685	66,418
Affordable Housing Analysis Percentage	40%	1							
Rented (50% Social rent and 50% Affordable Rent)	60%								
Intermediate (Shared Ownership) Intermediate (Discount Market Sale)	30% 10%	<u>,</u>							
	L.	4							
Resi floor area analysis	Total	Phase 1	Phase 2						
Private Floor area	39,851								
Affordable Floor Area Rented (50% Social rent and 50% Affordable Rent)	26,567 15,940		7,970						
Shared ownership Discount Market Sale	7,970 2,657	3,985	3,985						
	2,001	1,520	1,520						
Self-Build units	Total	Phase 1	Phase 2	1					
No plots	23								
Health provision									
	Total	Phase 1	Phase 2						
Gross floorarea (sq m) Net floorarea (sq m)	221 181	-	220.73 181.00						
	-								
Neighbourhood / Local Centre	Total	Phase 1	Phase 2						
Gross floorarea (sq m) Net floorarea (sq m)	-	-	-						
Care Homes	Phase 2	1							
National Care Standards requirements	8								
	5 sq ft of useable 8 sq ft of space fo		luding ensuite						
	2 sq ft of commun		ding circulation						
-	rooms	-	floor area of ro	oms					
	rooms	-	en-suite bathro	ooms					
	·		en-suite bathro communal spa sq ft NIA	ooms					
	rooms 5 Circulation	-	en-suite bathro communal spa sq ft NIA sqft	ooms					
	·	- - - -	en-suite bathro communal spa sq ft NIA	ooms					
	·	- - - -	en-suite bathro communal spa sq ft NIA sqft sqft GIA	ooms ace	Affordable Ho	using			
0.1	5 Circulation	- - - -	en-suite bathro communal spa sq ft NIA sqft sqft GIA	ooms ace	Affordable Ho Kented (50% Social rent	using			
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0.1	5 Circulation	- - - - -	en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA	ooms ace	Social rent				
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0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA	5 Circulation 7 Phase 2 1 Bed 2p flat 50% 1,250		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000	00ms Ice Private 60% 1,800	Social rent and 50% Affordable	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split	5 Circulation Phase 2 1 Bed 2p flat 50 50%	- - - - - - - - - - - - - - - - - - -	en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA	poms Ice Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA	5 Circulation Phase 2 1 Bed 2p flat 50% 1,250 2,083 Phase 2		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) OIA @60% Gross to Net assumptior Special Needs Supported Living Units	5 Circulation Phase 2 1 Bed 2p flat 50% 1,250 2,083 Phase 2 1 Bed 2p flat		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1 Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 1 Bed 2p flat 50 1 Ded 2p flat 1 Bed 2p flat 50 1 Ded 2p flat 1 Ded 2p flat		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1 Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split	5 Circulation Phase 2 1 Bed 2p flat 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667	- - - - - 2 bed 4p flat 50% 1,750 2,917	en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
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0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667 Total		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 9hase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha	5 Circulation Phase 2 1 Bed 2p flat 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667		en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 9hase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
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0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months)	5 Circulation Phase 2 1 Bed 2p flat 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667 Total Total 18		en-suite bathri communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 9 55 55	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667 Total Total 111 111 100 0		en-suite bathm communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 9 55 55 55 55 55	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	5 Circulation  Phase 2  1 Bed 2p flat  50 50% 7,250 2,083  Phase 2 1 Bed 2p flat 50 100% 500 667 Total 70tal 18 111 111		en-suite bathri communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 9 55 55	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	5 Circulation  Phase 2  1 Bed 2p flat  50 50% 1.250 2.083  Phase 2 1 Bed 2p flat 50 100% 500 667 Total 100% 100% 100% 100% 100% 100% 100% 100		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	5 Circulation  Phase 2  1 Bed 2p flat  50 50% 1.250 2.083  Phase 2 1 Bed 2p flat 50 100% 500 667 Total 100% 100% 100% 100% 100% 100% 100% 100		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	5 Circulation  Phase 2  1 Bed 2p flat  50 50% 1.250 2.083  Phase 2 1 Bed 2p flat 50 100% 500 667 Total 100% 100% 100% 100% 100% 100% 100% 100		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1:         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @60% Gross to Net assumptior         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @75% Gross to Net assumptior         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumptior         Total Floor area (sq m) GIA @ 75% Gross to Net assumptior         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue	5 Circulation  Phase 2  1 Bed 2p flat  50  50%  1,250  2,083  Phase 2  1 Bed 2p flat  50  100%  500  667  Total  Total  111  111  111  100  Total  Capital value £		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
O.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Extra Care Units No Private units less self build units Revenue Standard Residential	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1.250 2,083 Phase 2 1 Bed 2p flat 50 100% 667 Total 101 101 101 101 101 101 101 10		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1:     Extra-Care / Flexi Care  Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-construction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Alfordable Rented (50% Social Rent 50% Alfordable Rent;	5 Circulation  Phase 2  1 Bed 2p flat  50  50%  1,250  2,083  Phase 2  1 Bed 2p flat  50  100%  500  667  Total  Total  111  111  100  Total  Capital value £  per sq m  £  5,705  £  1,477		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
0.1:     Extra-Care / Flexi Care  Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667 Total 111 111 111 111 100 Total 242 Capital value £ per sq m £ 5,705		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
O.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Extra Care Units No Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent' Shared Ownership	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1.250 2,083 Phase 2 1 Bed 2p flat 50 1.250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667 Total 111 111 111 111 111 111 100 Total Capital value £ per sq m £ 5,705 £ 1,477 £ 3,579		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
O.1: Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Total Floor area (sq m) GIA @ 75% Gross to Net assumptior Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Extra Care Units No Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent' Shared Ownership	5 Circulation Phase 2 1 Bed 2p flat 50 50% 1.250 2,083 Phase 2 1 Bed 2p flat 50 1.250 2,083 Phase 2 1 Bed 2p flat 50 100% 500 667 Total 111 111 111 111 111 111 100 Total Capital value £ per sq m £ 5,705 £ 1,477 £ 3,579		en-suite bathr communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000 5,000 9 Phase 2 9 55 55 10 Phase 2	00ms Ice Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			

	(assuming 4 bed house)
Self build plots	£ 400,000
	Conital value

Capital value
£1,477

	Capital value					
Special needs supported living units	£1,477					
Care Home						
Beds (Affordable)	0	£471	per week	90%	occupancy	£0
Beds (Pvt)	0	£800	per week	90%	occupancy	£C
				30%	of income	£0.00
Standard profit margin (EBITDA)				10%	yield	£C
Capitalise EBITDA						£C
Deduct	15%	for income sho	rfall to maturity			
Gross Adjusted turnkey value of Home						£0

Capital value £
per sq m
£ 6,997
£ 1,665
£ 4,349

			Kent Free & Void
	Rent per sq m	Yield	(months)
Commercial	£23	7 6.50%	18

Costs									
Residual S106						•			
			<b>T</b>						
Standard residential per unit	unit of mea £ 1		<b>Total</b> £ 874,000	Phase 1 £ 437,000	Phase 2 £ 437,000				
Commercial per sq m	£	20			£ -				
Care Home per sq m	£	20			£ -				
Extra Care / Flexicare units per unit Special needs supported living per uni⊧		,150 ,150			£ 57,500 £ 11,500				
TOTAL	~ .	,		£ 437,000					
						•			
CIL			I otal Floor		[				
	£ pr sq	m	area	Total	Phase 1	Phase 2			
Resi	£	150	39,851		£ 2,988,830				
Care Home	£	245	£ -	£ -	£ -	£ -			
All other uses (Extra Care and special needs supported living units)	£	20 20	£ 3,667 £ -	£ 73,333 £ -	£ - £ -	£ 73,333 £ -			
All other uses (Commercial) Total	L	20	2	L -		£ 3,062,163			
						,			
S106 Infrastructure Costs									
<b>T</b>	Total cos								
Transport Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary	£ 2,280	0,000							
School @ £35m)	£ 5,700								
Community Facilities (£1,000 per unit)	£ 760								
	Por unit -		Total costs	1					
Strategic open space / green infrastructure	Per unit c	,000	1 otal costs £ 760,000						
Local open space / play space / green infrastructure		,000							
						-			
			Total costs	Phase 1	Phase 2	1			
Site opening up costs Standard Resi Site opening up costs Other Residential uses		,000 ,000	£ 15,200,000 £ 600,000	£ 7,600,000 £ 300,000					
Site opening up costs Other Residential uses	2 10	,000	2 000,000		£ 7,900,000				
Build costs						<u>a</u>			_
					Accessable				
					homes @				
				Lifetime	£26,000 per				
				homes	house and	SUDS @	Sustainability		
	_		Externals per	(£3,200 per	£11,000 per	£2,500 per	@ £5,000 per		
	Base per s		sq m	unit)	flatted unit	unit	unit	Total	
Resi Commercial	£ 1 N/A	,124	£ 169 N/A	£ 37 £ -	£ 30 £ -	£ 29 £ -	£ 57 £ -	£ 1,445 N/A	
Health		2,270		2	L -	2 -	2	£ 2,497	
Care Home	£ 1	,621	£ 146		£-	£ -	£ -	N/A	
Extra care / flexicare		,736 ,736							
Special needs supported living	L 1	,730	200	L 40	£ 17	2 30	£ 75	£ 2,173	
Contingency on build costs	5%								
Travellaria niishaa	No nitoh		Cost	I					
Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha	No pitch	es	Cost						
Each travellers pitch estimated to cost £242,000		-	£-						
				I					
Profit	0.000								
Private/Market Resi on GDV Affordable Resi on GDV	<u>20%</u> 6%								
Commercial on GDV	15%								
Marketing /agency and legal fees									
Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV	3.00% 0.50%								
Near Darea regar rees UT OD V	0.00%								
Commercial Letting fee on rent pa	10.00%	<u>6</u>							
Commercial Letting Legal fee on rent pa	5.00%								
Commercial Sales fee on GDV	1.00%								
Commercial Legal fee on GDV	0.50%								
Professional fees	10%								
Finance	7.00%								
Appraisal Outcome									
Residual Land Value @ 40% AH	£ 52,653,	,000							
	r 11 200	000							
Benchmark Land Value Greenfield	£ 11,729,	,000							
Appraisal outcome (Surplus/ Deficit)	£ 40,924	,000							
		_							



Appendix 2 - Argus appraisal summary

# Licensed Copy

**Development Appraisal** 

North East Harpenden

40% AH

Report Date: 26 June 2019

North East Harpenden 40% AH

Summary Appraisal for Merged Phases 1 2

Currency in £

Sales Valuation         Units         m2         Rate m2         Unit Price         Gross Sales           Private Residential         1         19,926.00         5,705.00         113,677,830         113,677,830           Affordable Housing - Rented         1         7,970.00         1,477.00         11,771,690         11,771,690           Affordable Housing - DMR         1         3,985.00         3,579.00         14,262,315         14,262,315           Affordable Housing - DMR         1         1,328.00         3,564.00         4,732,992         4,732,992           Self Build Plots         12         0.00         0.00         400,000         4,800,000           Private Residential         1         19,926.00         5,705.00         113,677,830         113,677,830           Affordable Housing - Rented         1         7,970.00         1,477.00         11,771,690         11,771,690           Affordable Housing - Rented         1         3,985.00         3,579.00         14,262,315         14,262,315           Affordable Housing - Rented         1         3,985.00         3,564.00         4,732,992         4,732,992           Affordable Housing - DMR         1         1,328.00         3,564.00         4,732,992         4,732,992	REVENUE						
Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Self Build Plots       12       0.00       0.00       400,000       4,800,000         Private Residential       1       19,926.00       5,705.00       113,677,830       113,677,830         Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       500.00       1,665.00       832,500       832,500         Self Build Plots       11       0.00       0.00       4,00,0	Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales	
Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Self Build Plots       12       0.00       0.00       400,000       4,800,000         Private Residential       1       19,926.00       5,705.00       113,677,830       113,677,830         Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       1,000       0,000       4,400,000       832,500       832,500       832,500         Setf Build Plots       11       0.00       0.00       4,400,000       12,594,600       12,594,600       12,594,600       12,594,600       12,594,600       12,594,600       12,594,600       14,803,074         Extra/Flexi Care Housing - Aff Rented       1       <	Private Residential	1	19,926.00	5,705.00	113,677,830	113,677,830	
Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Self Build Plots       12       0.00       0.00       400,000       4,800,000         Private Residential       1       19,926.00       5,705.00       113,677,830       113,677,830         Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       1,328.00       3,564.00       4,732,992       4,732,992         Self Build Plots       11       0.00       0.00       4,400,000       832,500       832,500       832,500         Setf Build Plots       11       0.00       0.00       4,400,000       4,349.00       2,087,520       2,087,520         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       314,803,074         OUTLAY	Affordable Housing - Rented	1	7,970.00	1,477.00	11,771,690	11,771,690	
Self Build Plots       12       0.00       0.00       400,000       4,800,000         Private Residential       1       19,926.00       5,705.00       113,677,830       113,677,830         Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       13,282.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       500.00       1,665.00       832,500       832,500         Self Build Plots       11       0.00       0.00       400,000       4,400,000         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       314,803,074         OUTLAY       Secidualised Price       52,05%	Affordable Housing - SO	1	3,985.00	3,579.00	14,262,315	14,262,315	
Private Residential       1       19,926.00       5,705.00       113,677,830       113,677,830         Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       500.00       1,665.00       832,500       832,500         Self Build Plots       11       0.00       0.00       400,000       4,400,000         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,988.00       1,198,800         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,988.00       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       314,803,074       314,803,074         OUTLAY       5.00%       2,632,672       36,62,672       36,62,672	Affordable Housing - DMR	1	1,328.00	3,564.00	4,732,992	4,732,992	
Affordable Housing - Rented       1       7,970.00       1,477.00       11,771,690       11,771,690         Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       500.00       1,665.00       832,500       832,500         Self Build Plots       11       0.00       0.00       400,000       4,400,000         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       314,803,074       314,803,074         OUTLAY         ACQUISITION COSTS         Residualised Price       52,653,431         Stamp Duty       5.00%       2,632,672         Agent Fee       1.00%       526,534         Legal Fee       0.80%       421,227	Self Build Plots	12	0.00	0.00	400,000	4,800,000	
Affordable Housing - SO       1       3,985.00       3,579.00       14,262,315       14,262,315         Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       500.00       1,665.00       832,500       832,500         Self Build Plots       11       0.00       0.00       400,000       4,400,000         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,988,00         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       314,803,074       314,803,074         NET REALISATION       314,803,074       314,803,074       314,803,074         OUTLAY       5.00%       2,632,672       4,349.00       2,632,672         Agent Fee       1.00%       52,653,431       52,653,431       52,653,431         Stamp Duty       5.00%       2,63	Private Residential	1	19,926.00	5,705.00	113,677,830	113,677,830	
Affordable Housing - DMR       1       1,328.00       3,564.00       4,732,992       4,732,992         Special Needs Supported Living       1       500.00       1,665.00       832,500       832,500         Self Build Plots       11       0.00       0.00       400,000       4,400,000         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       314,803,074       314,803,074         NET REALISATION       314,803,074       314,803,074       314,803,074         OUTLAY       Stamp Duty       5,00%       2,632,672       4,00%       52,653,431         Stamp Duty       5,00%       2,632,672       4,00%       526,534       421,227	Affordable Housing - Rented	1	7,970.00	1,477.00	11,771,690	11,771,690	
Special Needs Supported Living       1       500.00       1,665.00       832,500       832,500         Self Build Plots       11       0.00       0.00       400,000       4,400,000         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       314,803,074       314,803,074         NET REALISATION       314,803,074       314,803,074       314,803,074         OUTLAY       Seidualised Price       52,653,431       52,653,431         Stamp Duty       5.00%       2,632,672       4,00%       52,653,431         Agent Fee       1.00%       526,534       1,00%       526,534         Legal Fee       0.80%       421,227       1,00%       1,00%	Affordable Housing - SO	1	3,985.00	3,579.00	14,262,315	14,262,315	
Self Build Plots       11       0.00       400,000       4,400,000         Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       314,803,074       314,803,074         NET REALISATION       314,803,074       314,803,074         OUTLAY       5.00%       2,632,672       2,653,431         Stamp Duty       5.00%       2,632,672       4,00%       526,534         Agent Fee       1.00%       526,534       421,227       526,534	Affordable Housing - DMR	1	1,328.00	3,564.00	4,732,992	4,732,992	
Extra/Flexi Care Housing - Private       1       1,800.00       6,997.00       12,594,600       12,594,600         Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       4,349.00       2,087,520       2,087,520         NET REALISATION       314,803,074       314,803,074         OUTLAY        52,653,431       52,653,431         Stamp Duty       5.00%       2,632,672       4,30%       52,653,431         Stamp Duty       5.00%       2,632,672       4,30%       52,653,431         Agent Fee       1.00%       526,534       421,227	Special Needs Supported Living	1	500.00	1,665.00	832,500	832,500	
Extra/Flexi Care Housing - Aff Rented       1       720.00       1,665.00       1,198,800       1,198,800         Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       35       69,918.00       4,349.00       2,087,520       314,803,074         NET REALISATION       314,803,074       314,803,074       314,803,074         OUTLAY       Stamp Duty       5,00%       2,632,672         Agent Fee       1,00%       526,534         Legal Fee       0.80%       421,227	Self Build Plots	11	0.00	0.00	400,000	4,400,000	
Extra/Flexi Care Housing - Aff SO       1       480.00       4,349.00       2,087,520       2,087,520         Totals       69,918.00       4,349.00       2,087,520       314,803,074         NET REALISATION       314,803,074       314,803,074         OUTLAY       ACQUISITION COSTS       52,653,431       52,653,431         Stamp Duty       5.00%       2,632,672       52,653,431         Agent Fee       1.00%       526,534       421,227	Extra/Flexi Care Housing - Private	1	1,800.00	6,997.00	12,594,600	12,594,600	
Totals         35         69,918.00         314,803,074           NET REALISATION         314,803,074         314,803,074           OUTLAY		1	720.00	1,665.00	1,198,800	1,198,800	
NET REALISATION 314,803,074 OUTLAY ACQUISITION COSTS Residualised Price 52,653,431 Stamp Duty 5.00% 2,632,672 Agent Fee 1.00% 526,534 Legal Fee 0.80% 421,227	Extra/Flexi Care Housing - Aff SO	<u>1</u>	<u>480.00</u>	4,349.00	2,087,520	<u>2,087,520</u>	
OUTLAY           ACQUISITION COSTS           Residualised Price         52,653,431           Stamp Duty         5.00%         2,632,672           Agent Fee         1.00%         526,534           Legal Fee         0.80%         421,227	Totals	35	69,918.00			314,803,074	
ACQUISITION COSTS           Residualised Price         52,653,431           Stamp Duty         5.00%         2,632,672           Agent Fee         1.00%         526,534           Legal Fee         0.80%         421,227	NET REALISATION				314,803,074		
Residualised Price       52,653,431         Stamp Duty       5.00%       2,632,672         Agent Fee       1.00%       526,534         Legal Fee       0.80%       421,227	OUTLAY						
Stamp Duty5.00%2,632,672Agent Fee1.00%526,534Legal Fee0.80%421,227	ACQUISITION COSTS						
Agent Fee         1.00%         526,534           Legal Fee         0.80%         421,227	Residualised Price			52,653,431			
Agent Fee         1.00%         526,534           Legal Fee         0.80%         421,227	Stamp Duty		5.00%	2,632,672			
			1.00%	526,534			
	Legal Fee		0.80%	421,227			
	-				56,233,864		

#### **CONSTRUCTION COSTS**

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North East Harpenden				
Construction	m²	Rate m <sup>2</sup>	Cost	
Health Provision	220.73 m <sup>2</sup>	2,497.00 pm <sup>2</sup>	551,167	
Private Residential	19,926.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	28,793,070	
Affordable Housing - Rented	7,970.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	11,516,650	
Affordable Housing - SO	3,985.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	5,758,325	
Affordable Housing - DMR	1,328.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	1,918,960	
Private Residential	19,926.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	28,793,070	
Affordable Housing - Rented	7,970.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	11,516,650	
Affordable Housing - SO	3,985.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	5,758,325	
Affordable Housing - DMR	1,328.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	1,918,960	
Special Needs Supported Living	666.67 m <sup>2</sup>	2,173.00 pm <sup>2</sup>	1,448,667	
Extra/Flexi Care Housing - Private	3,000.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	6,342,000	
Extra/Flexi Care Housing - Aff Rented	1,200.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	2,536,800	
Extra/Flexi Care Housing - Aff SO	<u>800.00 m<sup>2</sup></u>	2,114.00 pm <sup>2</sup>	1,691,200	
Totals	72,305.40 m <sup>2</sup>	_,p	108,543,844	108,543,844
Contingency Site opening up costs Strategic Open Space Local open/play space green infrast S106 CIL Transport Education		5.00%	5,465,192 15,800,000 760,000 943,000 6,050,993 2,280,000	
Community Facilities			5,700,000 760,000	38,519,185
				38,519,185
ROFESSIONAL FEES		10.00%	760,000	38,519,185
		10.00%		38,519,185 13,056,904
ROFESSIONAL FEES		10.00%	760,000	
ROFESSIONAL FEES Professional fees ISPOSAL FEES		10.00% 3.00%	760,000	
ROFESSIONAL FEES Professional fees			760,000 13,056,904	

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North East Harpenden

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40% AH			
			8,959,183
Additional Costs			
Resi Private Profit	20.00%	23,682,164	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,562,040	
Resi Private Profit	20.00%	26,201,084	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,809,170	
			53,254,459
FINANCE			
Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			36,235,630
TOTAL COSTS			314,803,068
PROFIT			
			6
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
Profit on NDV%	0.00%		
IRR	7.02%		
Profit Erosion (finance rate 7.000%)	0 yrs 0 mths		

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Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# **Strategic Site Testing: North Hemel Hempstead**

Prepared for St Albans City and District Council

November 2018





### Contents

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2	Details of strategic site	4
3	Development appraisals	5
4	Appraisal results and analysis	12
5	Conclusions and Recommendations	13

## **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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### 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the North Hemel Hempstead strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- **Section 3** details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



# 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at North Hemel Hempstead as set out in Policy S6 iv - North Hemel Hempstead Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	66.8 Ha 40.1 Ha
Number of residential units (Density circa 40 units per Ha)	1,500
Estimated Self Build units @ 3%	45
Specialist housing	
Care Home (beds)	50
Extra care / flexicare (units)	50
Other – special needs supported living	12
Local Centre (assumed to be 0.6sq m NIA provided for each house)	900 square metres
Health provision (provided on site assumed to be NIA)	358 square metres

### Table 2.1 Details of proposed strategic development at North Hemel Hempstead



## 3 Development appraisals

### 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the North Hemel Hempsteadstrategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the North Hemel Hempstead strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

### 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

### 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



### Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

### 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

### 3.2.3 Affordable housing

We understand that the LPPD Policy S6 iv identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

### 3.2.4 Self-build plots

Policy S6 iv identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 45 self-build pots on the strategic site.

### 3.2.5 Care home

Policy S6 iv sets out a requirement for at least one 50+ Residential Nursing care home (C2 Use). As identified in the CIL&LPVS care homes are residential institutions where older people live, usually in single rooms but sometimes in shared rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only (i.e. help with washing, dressing and giving medication). A home registered as a care home with nursing will provide the same personal care but also have a qualified nurse on duty 24 hours a day to carry out nursing tasks. The cost/rents for rooms in care homes depend on the specific level of care required.

We have adopted rental levels consistent with those set out in the CIL&LPVS, which are based on research of rents for care homes in the District. Our appraisals allow for private rents of £800 per week for a single room, which is considered to be a conservative rent by comparison to some of the care homes rents charged in the District. We have also allowed for 40% of the accommodation in our appraisal to be provided as affordable care rooms at £471 per week. This is based on rents in-line with the average County allowance for a single room for older people<sup>2</sup> at £419.77 per week and a single room with nursing at £522.47 per week.

### 3.2.6 Extra care / flexicare units

Policy S6 iv sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

<sup>&</sup>lt;sup>2</sup> <u>https://www.hertfordshire.gov.uk/services/adult-social-services/care-and-carers/arranging-and-paying-for-care/paying-for-your-care-costs.aspx#DynamicJumpMenuManager</u>



In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 iv we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

### 3.2.7 Special needs supported living units

Policy S6 iv identifies that 12 special needs supported living units are be required to be provided as part of the development of the North Hemel Hempstead strategic site. We have assumed that these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units.

### 3.2.8 Local centres

The assumptions used in the appraisals to value the non-residential accommodation provided in the local centre are in line with those adopted in the CIL&LPVS. These are summarised in Table 3.2.8 below.

### Table 3.2.8: Non-residential revenue and assumptions

Accommodation	Rent £ per square metre	Yield	Void Period (Inc. Rent Free)
Retail	£237	6.5%	1.5 years

### 3.2.9 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.9 below, these are in line with the costs adopted in the CIL&LPVS.

### Table 3.2.9 Base build costs adopted in appraisal

Use	Base build costs per square metre
Residential houses	£ 1,124
Commercial uses - Local centre	£ 2,026
Health	£ 2,270
Care Home	£ 1,621
Extra care / flexicare apartments	£ 1,736
Special needs supported living apartments	£ 1,736

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the local centre and the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.



In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as North Hemel Hempstead are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

### 3.2.10 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

### 3.2.11 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

### 3.2.12 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.

For the commercial units we have allowed for a 10% letting agent and 5% legal fee.

We have included a 1% sales agent allowance on commercial uses, the care home use and self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

### 3.2.13 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value and on the commercial uses in the local centre.

### 3.2.14 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.14 below.



### Table 3.2.14: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£11,250,000	1 x 2 FE Primary (assumes £7.5m per primary school)
Community Facilities	£1,500,000	Based on £1,000 per unit
Green infrastructure: Strategic open space / green infrastructure	£3,000,000	Based on £2,000 per unit
Local open/play Space/Green Infrastructure	£1,500,000	Based on £1,000 per unit
Transport Infrastructure	£16,500,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£33,750,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions. For strategic level open space a further allowance of £2,000 per residential unit has been adopted in this assessment through s106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace, £250 per square metre for care home floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.

### 3.2.15 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing;
- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units; and
- 15% profit on GDV for non-residential uses in local centres.



### 3.2.16 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in three phases of circa 500 units each and that there will be multiple sales outlets. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.16 below.

#### Table 3.2.16: Development timescales

Phase	Total	Phase 1	Phase 2	Phase 3
Pre-construction (months)	27	9	9	9
Construction (months)	108	36	36	36
Residential Sales (months)	108	36	36	36
Extra Care Units	10	0	10	0

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the care home, extra care/flexicare, special needs supported living units, health provision and local centre we have included these within Phase 2 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



# 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at North Hemel Hempstead as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results - North Hemel Hempstead

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£90,322,000	£24,716,000	Viable

The appraisal scenario tested for North Hemel Hempstead identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



### 5 Conclusions and Recommendations

This testing demonstrates that the North Hemel Hempstead strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 iv and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the North Hemel Hempstead strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	North Heme	el Hempste	ad							
Site Size (Gross) Ha	66.8	1								
Site Size (Net) Ha	40.1									
Total No Standard Residential units Self build plots (3%)	1,500 45									
Total units less self build (97%)	1,455									
Care Home rooms Extra Care / flexicare units	50 50									
Special needs supporting living units	12									
Traveller & Gypsy Pitches No Phases	3									
Unit mix Based on Typology 14										_
Site type	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p	3 Bed 5p	4 Bed 7p	5 Bed 7p	Total	
Size (sq m)	50	70	86	108	House 79	House 93	House 115	House 125		
Percentage split Total Floor area (sq m)	0%	0%	0%	0%	36% 41,380	56% 75,776	4% 6,693	4%	5 131,125	
					11,000		0,000	1,210	101,120	
Affordable Housing Analysis										
Percentage	40%	1								
Rented (50% Social rent and 50% Affordable Rent) Intermediate (Shared Ownership)	60% 30%									
Intermediate (Discount Market Sale)	10%									
Resi floor area analysis										
	Total	Phase 1	Phase 2	Phase 3	]					
Private Floor area Affordable Floor Area	78,675	26,225		26,225						
Rented (50% Social rent and 50% Affordable Rent)	52,450 31,470	17,483 10,490	17,483 10,490	17,483 10,490						
Shared ownership	15,735	5,245 1,748								
Discount Market Sale	5,245	1,740	1,748	1,748	3					
Self-Build units	Total	Phase 1	Phase 2	Phase 2	1					
No plots	10tai 45	Phase 1 15		Phase 3						
	<u></u>									
Health provision	Total	Phase 1	Phase 2	Phase 3	1					
Gross floorarea (sq m)	437	-	437	-						
Net floorarea (sq m)	358	-	358	-	J					
Neighbourhood / Local Centre					-					
Gross floorarea (sq m)	Total 1,098	Phase 1	Phase 2 1,098	Phase 3						
Net floorarea (sq m)	900	-	900	-						
					-					
Care Homes	Phase 2									
National Care Standards requirements			uding anguita							
	5 sq ft of useable f 8 sq ft of space for		uding ensuite							
4	2 sq ft of commun	al space, exclud	ling circulation							
	2 sq ft of communation	6,750	floor area of ro							
		6,750 1,900	floor area of ro en-suite bathro	oms						
50	i rooms	6,750 1,900 2,100 10,750	floor area of ro en-suite bathro communal spa sq ft NIA	oms						
50		6,750 1,900 2,100 10,750 1,612.50	floor area of ro en-suite bathro communal spa sq ft NIA sqft	oms						
50	) rooms	6,750 1,900 2,100 10,750	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms						
0.1	) rooms	6,750 1,900 2,100 10,750 1,612.50 12,362.50	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms	Affordable Ho	usina				
50	rooms     Circulation	6,750 1,900 2,100 10,750 1,612.50 12,362.50	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms	Affordable Ho	using				
0.1	5 Circulation	6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms	Affordable Ho Remea (50% Social rent and 50%	using				
0.1	rooms     Circulation	6,750 1,900 2,100 10,750 1,612.50 12,362.50	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqft GIA sqft GIA	ooms ice	Social rent and 50% Affordable	Intermediate (Shared				
0.1 Extra-Care / Flexi Care	5 Circulation Fhase 2 1 Bed 2p flat	6,750 1,900 2,100 10,750 1,612,50 12,362,50 1,149 2 bed 4p flat	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms	Social rent and 50%	Intermediate				
0.1 Extra-Care / Flexi Care Size (sq m) Percentage split	) rooms           5) Circulation           Phase 2           1 Bed 2p flat           50           50%	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50%	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA	ooms ce Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
0.1 Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA	) rooms           5) Circulation           Phase 2           1 Bed 2p flat           50%           1,250	6,750 1,900 2,100 10,750 12,362,50 12,362,50 1,149 2 bed 4p flat 70 50% 1,750	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	oms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared				
0.1 Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption	p) rooms           5) Circulation           Phase 2           1 Bed 2p flat           50%           1,250           2,083	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50%	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA	ooms ce Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
0.1 Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA	prooms           5           Circulation           Phase 2           1           Bed 2p flat           50%           1,250           2,083           Phase 2	6,750 1,900 2,100 10,750 12,362,50 12,362,50 1,149 2 bed 4p flat 70 50% 1,750	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	oms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)	Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat	6,750 1,900 2,100 10,750 12,362,50 12,362,50 1,149 2 bed 4p flat 70 50% 1,750	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	oms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split	Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           1 Bed 2p flat           90%	6,750 1,900 2,100 10,750 12,362,50 12,362,50 1,149 2 bed 4p flat 70 50% 1,750	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	oms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)	Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat	6,750 1,900 2,100 10,750 12,362,50 12,362,50 1,149 2 bed 4p flat 70 50% 1,750	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	oms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) NIA         Total Floor area (sq m) All @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m)         New Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)	Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           600           800	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000	Private 60% 3,000	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) NIA         Total Floor area (sq m) All @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m)         New Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           600	6,750 1,900 2,100 10,750 12,362,50 12,362,50 1,149 2 bed 4p flat 70 50% 1,750	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	oms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)         Total Floor area (sq m) GIA @ 75% Gross to Net assumption	Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           600           800	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000	Private 60% 3,000	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
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50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)         Total Floor area (sq m) GIA @ 75% Gross to Net assumption	prooms         5       Circulation         7       Phase 2         1       Bed 2p flat         50%       1,250         50%       2,083         Phase 2       1         1       Bed 2p flat         50       600         1       Bed 2p flat         50       600         800       Total	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 Phase 2	Private 60% 1,800 3,000 Phase 3 -	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) OIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales	Phase 2           1 Bed 2p flat           50%           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           500           1 D0%           600           800           Total	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000	Private 60% 3,000	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)	Phase 2           1 Bed 2p flat           50%           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           500           2,083           Phase 2           1 Bed 2p flat           500           100%           600           800           Total           -           Total           27           109	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 36	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total 3,000 5,000 Phase 2 - Phase 2 9 36	Private 60% 1,800 3,000 Phase 3 - Phase 3 - 9 36	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)	Phase 2           1 Bed 2p flat           50%           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           600           800           Total	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 - Phase 2 9 36 36 36	Private Private 60% 1,800 3,000 Phase 3 - Phase 3 - 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)	Phase 2           1 Bed 2p flat           50           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           600           800           Total           27           109           109           109	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 366 366 0	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total 3,000 5,000 Phase 2 - Phase 2 9 36 36 36 10	Private Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 0 0	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units	Phase 2           1 Bed 2p flat           50%           1.250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           500           2,083           Phase 2           1 Bed 2p flat           500           100%           600           800           Total           27           109           109           109           100	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 36 36 0 0 Phase 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)	Phase 2           1 Bed 2p flat           50           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           600           800           Total           27           109           109           109	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 36 36 0 0 Phase 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total 3,000 5,000 Phase 2 - Phase 2 9 36 36 36 10	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units	Phase 2           1 Bed 2p flat           50%           1.250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           500           2,083           Phase 2           1 Bed 2p flat           500           100%           600           800           Total           27           109           109           109           100	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 36 36 0 0 Phase 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units	Phase 2           1 Bed 2p flat           50%           1.250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           500           2,083           Phase 2           1 Bed 2p flat           500           100%           600           800           Total           27           109           109           109           100	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 36 36 0 0 Phase 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Private units less self build units	prooms         5         Circulation         5         1         Bed 2p flat         50%         50%         1,250         2,083         Phase 2         1         Bed 2p flat         50         100%         600         800         Total         109         109         109         109         109         109	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units	Phase 2           1 Bed 2p flat           50%           1.250           2,083           Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           500           2,083           Phase 2           1 Bed 2p flat           500           100%           600           800           Total           27           109           109           109           100	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Pre-constuction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential         Private Housing	Capital value £         5         5         5         1         1         50%         1.250         50%         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.250         1.00%         600         800         700         1.27         1.09         1.09         1.09         1.00         7.01         8/73	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Construction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent)         Shared Ownership	Tooms           prooms           5           Circulation           Phase 2           1           Bed 2p flat           50%           50%           50%           2,083           Phase 2           1           Bed 2p flat           50%           2,083           Phase 2           1           Bed 2p flat           50           100%           600           800           Total           27           109           100           7000 <td>6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 366 0 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1</td> <td>floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2</td> <td>Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9</td> <td>Social rent and 50% Affordable Rent)</td> <td>Intermediate (Shared Ownership)</td> <td></td> <td></td> <td></td> <td></td>	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 366 0 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Extra-Care / Flexi Care         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Timescales         Pre-construction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Alfordable Rented (50% Social Rent 50% Affordable Rent)	Phase 2           1 Bed 2p flat           50           50%           50%           50%           1.250           2.083           Phase 2           1 Bed 2p flat           50%           1.250           2.083           Phase 2           1 Bed 2p flat           50           100%           600           800           Total           27           109           109           109           109           101           Capital value £           per sq m           £         5.705           £         1.477	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 366 0 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				
50         0.1         Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Total Floor area (sq m) GIA @ 60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Size (sq m)         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Travellers Pitches in Ha         Travellers Pitches in Ha         Timescales         Pre-constuction (months)         Construction (months)         Construction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent)         Shared Ownership	Tooms           prooms           5           Circulation           Phase 2           1           Bed 2p flat           50%           50%           50%           2,083           Phase 2           1           Bed 2p flat           50%           2,083           Phase 2           1           Bed 2p flat           50           100%           600           800           Total           27           109           100           7000 <td>6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 366 0 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1</td> <td>floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2</td> <td>Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9</td> <td>Social rent and 50% Affordable Rent)</td> <td>Intermediate (Shared Ownership)</td> <td></td> <td></td> <td></td> <td></td>	6,750 1,900 2,100 10,750 12,362,50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 366 366 0 Phase 1 9 366 0 9 9 366 0 9 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 366 0 9 9 366 0 9 9 366 0 9 9 1 9 1 9 366 0 9 1 9 1 9 1 9 1 9 1 9 1 1 1 1 1 1 1 1 1 1 1 1 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA sqm GIA 3,000 5,000 9 Phase 2 9 36 36 10 Phase 2	Private 60% 1,800 3,000 Phase 3 Phase 3 9 36 36 36 0 Phase 3 9	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)				

	(assuming 4 bed house)
Self build plots	£ 400,000

1	Capital value
Special needs supported living units	£1,477

Care Home							
Beds (Affordable)	30	£471	per week		90%	occupancy	£661,452
Beds (Pvt)	20	£800	per week		90%	occupancy	£748,800
					30%	of income	£423,075.74
Standard profit margin (EBITDA)					10%	yield	£4,230,757
Capitalise EBITDA							-£634,614
Deduct	15%	for income sho	rfall to maturity				
Gross Adjusted turnkey value of Home							£3,596,144
			•				• • •
	Conitol volue l	5		•		•	

	Capital value £
Extra Care Housing	per sq m
Private	£ 6,997
Affordable Rented (50% Social Rent 50% Affordable Rent)	£ 1,665
Shared Ownership	£ 4,349

			Void
	Rent per sq m	Yield	(months)
Commercial	£237	6.50%	18
Costs			

### Residual S106

						<b>5</b> 1 6				
	unr	t of measure		Total		Phase 1		Phase 2		Phase 3
Standard residential per unit	£	1,150	£	1,725,000	£	575,000	£	575,000	£	575,000
Commercial per sq m	£	20	£	21,951	£	-	£	21,951	£	-
Care Home per sq m	£	20	£	22,970	£	-	£	22,970	£	-
Extra Care / Flexicare units per unit	£	1,150	£	57,500		-	£	57,500	£	-
Special needs supported living per unit	£	1,150	£	13,800	£	-	£	13,800	£	-
TOTAL	-				£	575,000	£	691,221	£	575,000

CIL

				I otal Floor								
	£p	or sq m		area		Total		Phase 1		Phase 2		Phase 3
Resi	£	150		78,675		11,801,214	£	3,933,738	£	3,933,738	£	3,933,738
Care Home	£	245	£	1,149	£	281,384	£	-	£	281,384	£	-
All other uses (Extra Care and special needs supported living units)	£	20	£	3,800	£	76,000	£	-	£	76,000	£	-
All other uses (Commercial)	£	20	£	1,098	£	21,951	£	-	£	21,951	£	-
Total							£	3,933,738	£	4,313,073	£	3,933,738

### S106 Infrastructure Costs

	Total costs				
Transport	£ 16,500,000				
Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary	y				
School @ £35m)	£ 11,250,000				
Community Facilities (£1,000 per unit)	£ 1,500,000				
			_		
	Per unit cost	Total costs			
Strategic open space / green infrastructure	£ 2,000	£ 3,000,000			
Local open space / play space / green infrastructure	£ 1,000	£ 1,500,000			
	Per unit cost	Total costs	Phase 1	Phase 2	Phase 3
Site opening up costs Standard Resi	£ 20,000	£ 30,000,000	£ 10,000,000	£ 10,000,000	£ 10,000,000
Site opening up costs Other Residential uses	£ 10,000	£ 1,120,000	£ 560,000	£ 560,000	£ -
			£ 10,560,000	£ 10,560,000	£ 10,000,000
Build costs					

	в	ase per sq m	Externals per sq m	Lifetime homes (£3,200 per unit)	Accessable homes @ £26,000 per house and £11,000 per flatted unit	SUDS @ £2,500 per unit	Sustainability @ £5,000 per unit	Total
Resi	£	1,124		,	£ 30			
Commercial	£	2,026	£ 203	£ -	£ -	£ -	£ -	£ 2,229
Health	£	2,270	£ 227					£ 2,497
Care Home	£	1,621	£ 146	£ -	£ -	£ -	£ -	£ 1,768
Extra care / flexicare	£	1,736		£ 32	£ 11	£ 25		
Special needs supported living	£	1,736	£ 260	£ 48	£ 17	£ 38	£ 75	£ 2,173

Special needs supported living	£	1,736 £	260	£
Contingency on build costs	5%			
Traveller's pitches	No pitc	hes	Cost	
Into from Dacorum BC 5 pitches = 0.5 Ha				
Each travellers pitch estimated to cost £242,000		- <mark>£</mark>	-	
Profit				
Private/Market Resi on GDV	20%			
Affordable Resi on GDV	6%			
Commercial on GDV	<mark>15%</mark>			
Marketing /agency and legal fees				
Resi Sales agent and marketing on GDV	3.00%	6		
Resi Sales legal fees on GDV	0.50%	6		
Commercial Letting fee on rent pa	10.00	<mark>%</mark>		
Commercial Letting Legal fee on rent pa	5.00%	6		
Commercial Sales fee on GDV	1.00%			
Commercial Legal fee on GDV	0.50%	o o		
Professional fees	10%			
Finance	7.00%	<mark>0</mark>		
Appraisal Outcome				
Residual Land Value @ 40% AH	£ 90,322	2,000		
Benchmark Land Value Greenfield	£ 24,716	5,000		
Appraisal outcome (Surplus/ Deficit)	£ 65,600	<b>6,000</b>		
$\mathbf{r}_1 \cdots \cdots$				



Appendix 2 - Argus appraisal summary

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**Development Appraisal** 

North Hemel Hempstead

40%

Report Date: 27 June 2019

North Hemel Hempstead 40%

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE						
Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales	
Private Residential	1	26,225.00	5,705.00	149,613,625	149,613,625	
Affordable Housing - Rented	1	10,490.00	1,477.00	15,493,730	15,493,730	
Affordable Housing - SO	1	5,245.00	3,579.00	18,771,855	18,771,855	
Affordable Housing - DMR	1	1,748.00	3,564.00	6,229,872	6,229,872	
Self Build Plots	15	0.00	0.00	400,000	6,000,000	
Private Residential	1	26,225.00	5,705.00	149,613,625	149,613,625	
Affordable Housing - Rented	1	10,490.00	1,477.00	15,493,730	15,493,730	
Affordable Housing - SO	1	5,245.00	3,579.00	18,771,855	18,771,855	
Affordable Housing - DMR	1	1,748.00	3,564.00	6,229,872	6,229,872	
Care Home	1	0.00	0.00	3,596,144	3,596,144	
Special Needs Supported Living	1	600.00	1,665.00	999,000	999,000	
Self Build Plots	15	0.00	0.00	400,000	6,000,000	
Extra/Flexi Care Housing - Private	1	1,800.00	6,997.00	12,594,600	12,594,600	
Extra/Flexi Care Housing - Aff Rented	1	720.00	1,665.00	1,198,800	1,198,800	
Extra/Flexi Care Housing - Aff SO	1	480.00	4,349.00	2,087,520	2,087,520	
Private Residential	1	26,225.00	5,705.00	149,613,625	149,613,625	
Affordable Housing - Rented	1	10,490.00	1,477.00	15,493,730	15,493,730	
Affordable Housing - SO	1	5,245.00	3,579.00	18,771,855	18,771,855	
Affordable Housing - DMR	1	1,748.00	3,564.00	6,229,872	6,229,872	
Self Build Plots	<u>15</u> 62	<u>0.00</u>	0.00	400,000	<u>6,000,000</u>	
Totals	62	134,724.00			608,803,310	
Rental Area Summary				Initial	Net Rent	Initial
-	Units	m²	Rate m <sup>2</sup>	MRV/Unit	at Sale	MRV
Neighbourhood / Local Centre	1	900.00	237.00	213,300	213,300	213,300
Health Provision	1	358.00		0	0	
Totals	2	1,258.00			213,300	213,300

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North Hemel Hempstead 40%					
Investment Valuation Neighbourhood / Local Centre Market Rent (1yr 6mths Rent Free)	213,300	YP @ PV 1yr 6mths @	6.5000% 6.5000%	15.3846 0.9099	2,985,748
GROSS DEVELOPMENT VALUE				611,789,058	2,985,748
Purchaser's Costs		6.80%	(447,569)	(447,569)	
NET DEVELOPMENT VALUE				611,341,489	
NET REALISATION				611,341,489	
OUTLAY					
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	90,322,168 4,516,108 903,222 722,577		
CONSTRUCTION COSTS				96,464,075	
Construction Neighbourhood / Local Centre Health Provision Private Residential Affordable Housing - Rented Affordable Housing - SO Affordable Housing - DMR Private Residential Affordable Housing - Rented	m <sup>2</sup> 1,097.56 m <sup>2</sup> 436.59 m <sup>2</sup> 26,225.00 m <sup>2</sup> 10,490.00 m <sup>2</sup> 5,245.00 m <sup>2</sup> 1,748.00 m <sup>2</sup> 26,225.00 m <sup>2</sup> 10,490.00 m <sup>2</sup>	Rate m <sup>2</sup> 2,229.00 pm <sup>2</sup> 2,497.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup>	Cost 2,446,463 1,090,154 37,895,125 15,158,050 7,579,025 2,525,860 37,895,125 15,158,050		

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lorth Hemel Hempstead				
0%				
Affordable Housing - SO	5,245.00 m <sup>2</sup>	1,445.00 pm²	7,579,025	
Affordable Housing - DMR	1,748.00 m²	1,445.00 pm²	2,525,860	
Care Home	1,149.00 m²	1,768.00 pm <sup>2</sup>	2,031,432	
Special Needs Supported Living	800.00 m <sup>2</sup>	2,173.00 pm <sup>2</sup>	1,738,400	
Extra/Flexi Care Housing - Private	3,000.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	6,342,000	
Extra/Flexi Care Housing - Aff Rented	1,200.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	2,536,800	
Extra/Flexi Care Housing - Aff SO	800.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	1,691,200	
Private Residential	26,225.00 m <sup>2</sup>	1,445.00 pm²	37,895,125	
Affordable Housing - Rented	10,490.00 m <sup>2</sup>	1,445.00 pm²	15,158,050	
Affordable Housing - SO	5,245.00 m²	1,445.00 pm <sup>2</sup>	7,579,025	
Affordable Housing - DMR	<u>1,748.00 m<sup>2</sup></u>	1,445.00 pm²	<u>2,525,860</u>	
Totals	139,607.15 m <sup>2</sup>		207,350,629	207,350,629
Contingency		5.00%	10,442,531	
Site opening up costs			31,120,000	
Strategic Open Space			3,000,000	
ocal open/play space green infrast			1,500,000	
\$106			1,841,221	
CIL			12,180,549	
Transport			16,500,000	
Education			11,250,000	
Community Facilities			1,500,000	
-				89,334,301
OFESSIONAL FEES				
Professional fees		10.00%	25,041,316	
SPOSAL FEES				25,041,316
		2 000/	12 042 064	
Resi Sales Agent and Marketing Fee		3.00% 1.00%	13,843,064	
Commercial Sales Agent Fee		0.50%	428,239	
Sales Legal Fee		0.50%	3,056,707	17,328,011
				17,320,011

# Additional Costs

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North Hemel Hempstead			
40%			
Resi Private Profit	20.00%	31,168,699	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	2,055,935	
Resi Private Profit	20.00%	33,687,619	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	2,313,054	
Commercial Profit	15.00%	987,284	
Resi Private Profit	20.00%	31,168,699	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	2,055,935	
			103,437,226
FINANCE			
Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			72,386,047
TOTAL COSTS			611,341,606
PROFIT			
			(117)
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
Profit on NDV%	0.00%		
Development Yield% (on Rent)	0.03%		
Equivalent Yield% (Nominal)	6.50%		
Equivalent Yield% (True)	6.77%		
IRR	6.93%		
Rent Cover	0 yrs 0 mths		
Profit Erosion (finance rate 7.000%)	N/A		

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Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# **Strategic Site Testing: North St Albans**

Prepared for St Albans City and District Council

November 2018





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# **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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# 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the North St Albans strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- **Section 3** details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



# 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at North St Albans as set out in Policy S6 vi - North St Albans Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	46.7 Ha 28.0 Ha
Number of residential units (Density circa 40 units per Ha)	1,100
Estimated Self Build units @ 3%	33
Specialist housing	
Care Home (beds)	50
Extra care / flexicare (units)	50
Other – special needs supported living	12
Local Centre (assumed to be 0.6sq m NIA provided for each house)	660 square metres
Health provision (provided on site assumed to be NIA)	263 square metres

## Table 2.1 Details of proposed strategic development at North St Albans



# 3 Development appraisals

# 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the North St Albans strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the North St Albans strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

# 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

# 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



## Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

# 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

# 3.2.3 Affordable housing

We understand that the LPPD Policy S6 vi identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

# 3.2.4 Self-build plots

Policy S6 vi identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 33 self-build pots on the strategic site.

# 3.2.5 Care home

Policy S6 vi sets out a requirement for at least one 50+ C2 Residential Nursing care home (C2 Use). As identified in the CIL&LPVS care homes are residential institutions where older people live, usually in single rooms but sometimes in shared rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only (i.e. help with washing, dressing and giving medication). A home registered as a care home with nursing will provide the same personal care but also have a qualified nurse on duty 24 hours a day to carry out nursing tasks. The cost/rents for rooms in care homes depend on the specific level of care required.

We have adopted rental levels consistent with those set out in the CIL&LPVS, which are based on research of rents for care homes in the District. Our appraisals allow for private rents of £800 per week for a single room, which is considered to be a conservative rent by comparison to some of the care homes rents charged in the District. We have also allowed for 40% of the accommodation in our appraisal to be provided as affordable care rooms at £471 per week. This is based on rents in-line with the average County allowance for a single room for older people<sup>2</sup> at £419.77 per week and a single room with nursing at £522.47 per week.

# 3.2.6 Extra care / flexicare units

Policy S6 vi sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

<sup>&</sup>lt;sup>2</sup> <u>https://www.hertfordshire.gov.uk/services/adult-social-services/care-and-carers/arranging-and-paying-for-care/paying-for-your-care-costs.aspx#DynamicJumpMenuManager</u>



In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 vi we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

# 3.2.7 Special needs supported living units

Policy S6 vi identifies that 12 special needs supported living units are be required to be provided as part of the development of the North St Albans strategic site. We have assumed that these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units.

## 3.2.8 Local centres

The assumptions used in the appraisals to value the non-residential accommodation provided in the local centre are in line with those adopted in the CIL&LPVS. These are summarised in Table 3.2.8 below.

## Table 3.2.8: Non-residential revenue and assumptions

Accommodation	Rent £ per square metre	Yield	Void Period (Inc. Rent Free)
Retail	£237	6.5%	1.5 years

# 3.2.9 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.9 below, these are in line with the costs adopted in the CIL&LPVS.

## Table 3.2.9 Base build costs adopted in appraisal

Use	Base build costs per square metre
Residential houses	£ 1,124
Commercial uses - Local centre	£ 2,026
Health	£ 2,270
Care Home	£ 1,621
Extra care / flexicare apartments	£ 1,736
Special needs supported living apartments	£ 1,736

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the local centre and the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.



In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as North St Albans are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

# 3.2.10 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

# 3.2.11 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

## 3.2.12 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.

For the commercial units we have allowed for a 10% letting agent and 5% legal fee.

We have included a 1% sales agent allowance on commercial uses, the care home use and self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

## 3.2.13 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value and on the commercial uses in the local centre.

## 3.2.14 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.14 below.



# Table 3.2.14: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£8,250,000	1 x 2 FE Primary (assumes £7.5m per primary school)
Community Facilities	£1,100,000	Based on £1,000 per unit
Green infrastructure: Strategic open space / green infrastructure	£2,200,000	Based on £2,000 per unit
Local open/play Space/Green Infrastructure	£1,100,000	Based on £1,000 per unit
Transport Infrastructure	£12,100,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£23,650,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions. For strategic level open space a further allowance of 2,000 per residential unit has been adopted in this assessment through s106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace, £245 per square metre for care home floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.

## 3.2.15 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing;
- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units; and



15% profit on GDV for non-residential uses in local centres.

## 3.2.16 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in two phases of circa 550 units each and that there will be multiple sales outlets. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.16 below.

#### Table 3.2.16: Development timescales

Phase	Total	Phase 1	Phase 2
Pre-construction (months)	18	9	9
Construction (months)	80	40	40
Residential Sales (months)	80	40	40
Extra Care Units	10	0	10

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the care home, extra care/flexicare, special needs supported living units, health provision and local centre we have included these within Phase 2 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



# 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at North St Albans as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

# Table 4.1: Appraisal results – North St Albans

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£ 72,954,000	£17,279,000	Viable

The appraisal scenario tested for North St Albans identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



# 5 Conclusions and Recommendations

This testing demonstrates that the North St Albans strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 vi and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the North St Albans strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	North St Al	bans							
Site Size (Gross) Ha Site Size (Net) Ha	46.7								
otal No Standard Residential units	1,100		550						
Self build plots (3%) Total units less self build (97%)	33 1,067	ł							
Care Home rooms	50								
Extra Care / flexicare units	50								
Special needs supporting living units Fraveller & Gypsy Pitches	12								
No Phases	2								
		-							
Jnit mix Based on Typology 14									
Site type	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p	3 Bed 5p	4 Bed 7p	5 Bed 7p	Total
	-	-		•	House	House	House	House	Total
Size (sq m) Percentage split	50 0%	70 0%	86 0%	<b>108</b> 0%	79 36%	<b>93</b> 56%	115 4%	<b>125</b> 4%	
Total Floor area (sq m)	-	-	-	-	30,345	55,569	4,908	5,335	96,158
Affordable Housing Analysis									
Percentage	40%								
Rented (50% Social rent and 50% Affordable Rent) ntermediate (Shared Ownership)	60% 30%								
ntermediate (Discount Market Sale)	10%								
		•							
Resi floor area analysis	Total	Phase 1	Phase 2	1					
Private Floor area	57,695								
Affordable Floor Area	38,463.22	19,232	19,232						
Rented (50% Social rent and 50% Affordable Rent) Shared ownership	23,078 11,539		<u>11,539</u> 5,769						
Discount Market Sale	3,846								
	•								
Self-Build units	Total	Phase 1	Phase 2	1					
No plots	33								
Health provision	Total	Phase 1	Phase 2						
Gross floorarea (sq m)	1 <b>otal</b> 321	-	Phase 2 320.73						
Net floorarea (sq m)	263	-	263.00						
				-					
Neighbourhood / Local Centre	Total	Phase 1	Phase 2	1					
Gross floorarea (sq m)	805	-	804.88						
Net floorarea (sq m)	660	-	660						
Care Homes	Phase 2	1							
National Care Standards requirements									
	135 sq ft of useable		uding ensuite						
	135 sq ft of useable 38 sq ft of space fo 42 sq ft of commun	r en-suite							
	38 sq ft of space fo 42 sq ft of commun	r en-suite al space, excluc	ding circulation						
	38 sq ft of space fo	r en-suite al space, exclud 6,750	ding circulation						
	38 sq ft of space fo 42 sq ft of commun	r en-suite al space, exclud 6,750 1,900 2,100	floor area of ro en-suite bathro communal spa	oms					
	38 sq ft of space fo 42 sq ft of commun 50 rooms	r en-suite al space, exclud 6,750 1,900 2,100 10,750	ding circulation floor area of ro en-suite bathro communal spa sq ft NIA	oms					
	38 sq ft of space fo 42 sq ft of commun	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50	ding circulation floor area of ro en-suite bathro communal spa sq ft NIA sqft	oms					
	38 sq ft of space fo 42 sq ft of commun 50 rooms	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50	ding circulation floor area of ro en-suite bathro communal spa sq ft NIA sqft	oms					
Evite Care / Flavi Care	38 sq ft of space fo 42 sq ft of commun 50 rooms 0.15 Circulation	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50	floor area of ro en-suite bathro communal spa sq ft NIA sqft Sqft GIA	oms	1661-1-1-11				
Extra-Care / Flexi Care	38 sq ft of space fo 42 sq ft of commun 50 rooms	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50	floor area of ro en-suite bathro communal spa sq ft NIA sqft Sqft GIA	oms	Affordable Ho	using			
Extra-Care / Flexi Care	38 sq ft of space fo 42 sq ft of commun 50 rooms 0.15 Circulation	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149	floor area of ro en-suite bathro communal spa sq ft NIA sqft Sqft GIA	oms	Social rent				
Extra-Care / Flexi Care	38 sq ft of space fo 42 sq ft of commun 50 rooms 0.15 Circulation	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50	floor area of ro en-suite bathro communal spa sq ft NIA sqft Sqft GIA	oms	Social rent and 50%	Intermediate			
Extra-Care / Flexi Care	38 sq ft of space fo 42 sq ft of commun 50 rooms 0.15 Circulation Phase 2	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149	floor area of ro en-suite bathro communal spa sq ft NIA sqft Sqft GIA	oms	Social rent				
Size (sq m)	38 sq ft of space fo 42 sq ft of commun 50 rooms 0.15 Circulation Phase 2 1 Bed 2p flat 50	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA	ooms ce Private	Social rent and 50% Affordable	Intermediate (Shared			
Size (sq m) <sup>2</sup> ercentage split	38 sq ft of space fo 42 sq ft of commun 50 rooms 0.15 Circulation Phase 2 1 Bed 2p flat 50 50%	r en-suite al space, excluc 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50%	fliog circulation floor area of rc en-suite bathrr communal spa sq ft NIA sqft sqft GIA sqft GIA sqft GIA sqft GIA	ooms ce Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sg m) <sup>2</sup> ercentage split Total Floor area (sg m) NIA	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         1,250	r en-suite al space, excluc 6,750 1,900 2,100 10,750 1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50% 1,750	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable	Intermediate (Shared			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083	r en-suite al space, excluc 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50%	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) <sup>Percentage split</sup> Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1,250       2,083         Phase 2	r en-suite al space, excluc 6,750 1,900 2,100 10,750 1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50% 1,750	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat	r en-suite al space, excluc 6,750 1,900 2,100 10,750 1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50% 1,750	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1,250       2,083         Phase 2         1       Bed 2p flat         50%       1,250         2,083       Phase 2         1       Bed 2p flat         50       100%	r en-suite al space, excluc 6,750 1,900 2,100 10,750 1,612.50 12,362.50 <b>1,149</b> 2 bed 4p flat 70 50% 1,750	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat           50         600	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1,250       2,083         Phase 2         1       Bed 2p flat         50%       1,250         2,083       Phase 2         1       Bed 2p flat         50       100%	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat           50         600	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of rc en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqft GIA Total 3,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2         1       Bed 2p flat         50       1.00%         600       800	r en-suite al space, exclud 6,750 1,900 2,100 10,750 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2         1       Bed 2p flat         50       1.00%         600       800	r en-suite al space, exclud 6,750 1,900 2,100 10,750 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2         1       Bed 2p flat         50       1.00%         600       800	r en-suite al space, exclud 6,750 1,900 2,100 10,750 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917	floor area of ro en-suite bathro communal spa sq ft NIA sqft GIA sqft GIA sqm GIA Total 3,000 5,000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2         1       Bed 2p flat         50       100%         600       800         Total	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1	floor area of ro en-suite bathro communal spa sq ft NIA sqft sqft GIA sqft	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1,250       2,083         Phase 2         1       Bed 2p flat         50       1,250         2,083       2,083         Phase 2         1       Bed 2p flat         50       100%         600       800         Total	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1	fing circulation floor area of rc en-suite bathrc communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 Phase 2 Phase 2 Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) <sup>2</sup> ercentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) <sup>2</sup> ercentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales <sup>2</sup> re-constuction (months)	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2         1           1         Bed 2p flat           50         1,00%           100%         600           800         Total           Total	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9	Ing circulation Ifloor area of rc en-suite bathrr communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 Phase 2 Phase 2 9	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months)	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat           50         1,00%           600         800           Total           Total           1         18           800         80	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - - Phase 1 9 40 40	Ing circulation         floor area of rc         en-suite bathr         communal spa         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         Sqft GIA         Sq000	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1.250         2,083           Phase 2         1           1         Bed 2p flat           50         50%           1.250         2,083           Phase 2         1           1         Bed 2p flat           50         600           800         600           Total         -           18         80	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - - Phase 1 9 40 40	fliog circulation floor area of rc en-suite bathrc communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 Phase 2 9 40 40 40	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat           50         100%           100%         600           Total           Total           Total           18           800           80	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 - Phase 1 9 40 40 0	Ing circulation Ifloor area of rc en-suite bathrr communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 Phase 2 9 40 40 10	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50%       1,250         2,083       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       800         Total       -         1       18         80       80         10       -         10       10         7       18         80       80         10       10	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 0 0 Phase 1	fliog circulation floor area of rc en-suite bathrc communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 Phase 2 Phase 2 9 40 40 40	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	38         sq ft of space fo           42         sq ft of commun           50         rooms           0.15         Circulation           Phase 2           1         Bed 2p flat           50         50%           1,250         2,083           Phase 2           1         Bed 2p flat           50         100%           100%         600           Total           Total           Total           18           800           80	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 0 0 Phase 1	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50%       1,250         2,083       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       800         Total       -         1       18         80       80         10       -         10       10         7       18         80       80         10       10	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 0 0 Phase 1	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50%       1,250         2,083       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       800         Total       -         1       18         80       80         10       -         10       10         7       18         80       80         10       10	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 0 0 Phase 1	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50%       1,250         2,083       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       800         Total       -         1       18         80       80         10       -         10       10         7       18         80       80         10       10	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 0 0 Phase 1	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Revenue	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1,250       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       600         Total       -         Total       10         10       10         Capital value £       640	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 40 0 0 Phase 1 320	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Pre-constuction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       600         Total       -         10       -         Total       10         10       640         800       800         10       640	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 40 0 0 Phase 1 320	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-construction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2         1       Bed 2p flat         50       100%         600       800         Total         Total         Total         Total         Total         Capital value £         per sq m         £       5,705	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 40 0 0 Phase 1 320	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Miordable Rented (50% Social Rent 50% Affordable Rent)	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       600         800       600         Total       -         10       -         Total       640         640       640         Capital value £       per sq m         £       5,705         £       1,477         £       3,579	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 40 0 0 Phase 1 320	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Private Resi Sales (months) Private Resi Sales (months) Private Units Do Private units less self build units Revenue Standard Residential Private Housing Construction (So% Social Rent 50% Affordable Rent) Shared Ownership	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1,250       2,083         Phase 2       1         1       Bed 2p flat         50       50%         1,250       2,083         Phase 2       1         1       Bed 2p flat         50       100%         600       800         Total       -         Total       10         Total       640         Capital value £       5,705         £       5,705         £       1,477	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 40 0 0 Phase 1 320	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @ 60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pere-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential	38       sq ft of space fo         42       sq ft of commun         50       rooms         0.15       Circulation         Phase 2         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50       50%         1.250       2,083         Phase 2       1         1       Bed 2p flat         50       600         800       600         800       600         Total       -         10       -         Total       640         640       640         Capital value £       per sq m         £       5,705         £       1,477         £       3,579	r en-suite al space, exclud 6,750 1,900 2,100 10,750 1,612.50 12,362.50 1,149 2 bed 4p flat 70 50% 1,750 2,917 Phase 1 9 40 40 40 0 0 Phase 1 320	Ing circulation         floor area of rc         en-suite bathrc         communal spat         sqft NIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft GIA         sqft OIA         3,000         5,000         Phase 2         -         Phase 2         9         40         10         Phase 2	ooms ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			

	(assuming 4 bed house)
Self build plots	£ 400,000
	·

	Capital value
Special needs supported living units	£1,477

Care Home						
Beds (Affordable)	30	£471	per week	90%	occupancy	£661,452
Beds (Pvt)	20	£800	per week	90%	occupancy	£748,800
				30%	of income	£423,075.74
Standard profit margin (EBITDA)				10%	yield	£4,230,757
Capitalise EBITDA						-£634,614
Deduct	15%	for income show	fall to maturity			
Gross Adjusted turnkey value of Home						£3,596,144

	Capital value
Extra Care Housing	per sq m
Private	£ 6,997
Affordable Rented (50% Social Rent 50% Affordable Rent)	£ 1,665
Shared Ownership	£ 4,349

			Void
	Rent per sq m	Yield	(months)
Commercial	£237	6.50%	18

Costs								
Residual S106								
	unit of measure		Phase 1	Phase 2				
Standard residential per unit	£ 1,150		£ 632,500					
Commercial per sq m	£ 20 £ 20		£ - £ -	£ 16,098 £ 22,970				
Care Home per sq m Extra Care / Flexicare units per unit	£ 1,150			£ 22,970 £ 57,500				
Special needs supported living per unit	£ 1,150			£ 13,800				
TOTAL			£ 632,500	£ 742,868				
CIL		I otal Floor				1		
	£ pr sq m	area	Total	Phase 1	Phase 2			
Resi	£ 150	57,695		£ 4,327,112				
Care Home	£ 245	£ 1,149	£ 281,384	£ -	£ 281,384			
All other uses (Extra Care and special needs supported living units)	£ 20				£ 76,000			
All other uses (Commercial)	£ 20	£ 805	£ 16,098		£ 16,098			
Total				£ 4,327,112	£ 4,700,595	1		
S106 Infrastructure Costs								
	Total costs	1						
Transport	£ 12,100,000							
Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary								
School @ £35m) Community Facilities (£1.000 per unit)	£ 8,250,000 £ 1,100,000							
Community Facilities (£1,000 per unit)	2 1,100,000	l						
	Per unit cost	Total costs	1					
Strategic open space / green infrastructure		£ 2,200,000						
ocal open space / play space / green infrastructure	£ 1,000	£ 1,100,000						
		Tatal	Dha 1					
Rite energing up eacts Standard Dr!	Per unit cost		Phase 1	Phase 2				
Site opening up costs Standard Resi Site opening up costs Other Residential uses		£ 22,000,000 £ 1,120,000	£ 11,000,000 £ 560,000					
Site Opening up costs Other Residential uses	2 10,000	2 1,120,000	£ 11,560,000	£ 11,560,000				
Build costs		1						
				Accessable				
				homes @				
			Lifetime	£26,000 per				
			homes	house and	SUDS @	Sustainability		
		Externals per	(£3,200 per	£11,000 per	£2,500 per	@ £5,000 per		
	Base per sq m	sq m	unit)	flatted unit	unit	unit	Total	
Resi	£ 1,124						£ 1,445	
Commercial	£ 2,026		£ -	£ -	£ -	£ -	£ 2,229	
Health Care Home	£ 2,270 £ 1,621		£-	£ -	£ -	£-	£ 2,497 £ 1,768	
Extra care / flexicare	£ 1,736		1		£ 25		£ 2,114	
Special needs supported living	£ 1,736			0 47	f 38	£ 75		
				£ 17	~ 00			
				£ 17	2 00	11		
		L.		£ 17	2 00			
Contingency on build costs	5%	l		£ 17	2 00			
		Cost	1	£ 17	2 00			
Traveller's pitches	5% No pitches	Cost		£ 17	2 00			
Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha		Cost £ -		£ 17	2 00			
Traveller's pitches nto from Dacorum BC 5 pitches = 0.5 Ha	No pitches			<u>E 17</u>	2 00			
Traveller's pitches nto from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit	No pitches -			<u> 1</u> 7	2 00			
Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV	No pitches - 20%			£ 17	2 00			
Traveller's pitches no from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV	No pitches - - 20% 6%			2 17	2 00			
Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV	No pitches - 20%			2 17	2 00			
Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV	No pitches - - 20% 6%			2 17	1 00			
Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV	No pitches			Σ 17	2 00			
Traveller's pitches         nto from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV	No pitches - - 20% 6% 15%			Σ 17	1 00			
Traveller's pitches into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV	No pitches           20%           6%           15%           3.00%           0.50%			Σ 17	1 00			
Traveller's pitches         into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Resi Sales legal fees on GDV         Commercial Letting fee on rent pa	No pitches - - 20% 6% 15% 3.00% 0.50% 10.00%			2 17	2 00			
Iraveller's pitches         nto from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Resi Sales legal fees on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%			2 17	2 00			
Fraveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Resi Sales legal fees on GDV         Commercial Letting fee on rent pa         Commercial Sales fee on GDV	No pitches - - 20% 6% 15% 3.00% 0.50% 10.00%			2 17	2 00			
Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Sales fee on GDV Commercial Legal fee on GDV Commercial Legal fee on GDV Commercial Legal fee on GDV	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%			2 17	2 00			
Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Sales fee on GDV Commercial Legal fee on GDV Commercial Legal fee on GDV Commercial Legal fee on GDV	No pitches - - - - - - - - - - - - - - - - - - -			2 17	2 00			
Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Commercial Letting Legal fee on GDV         Professional fees	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           100%			2 17	2 00			
Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Professional fees	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%			2 17	2 00			
Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Professional fees	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           100%			2 17	2 00			
Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Professional fees         Finance	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           100%			2 17	2 00			
Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Professional fees         Finance	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           100%			£ 17				
Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Sales fee on GDV Commercial Legal fee on GDV Professional fees	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           100%	£ -		2 17				
Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Professional fees         Finance         Appraisal Outcome         Residual Land Value @ 40% AH	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           10.00%           7.00%           7.00%	£ -		Σ 17				
Traveller's pitches         Info from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fees on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Commercial Letting Legal fee on GDV         Professional fees         Finance         Appraisal Outcome	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           10%           7.00%	£ -		<u></u> τ 17				
Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees         Resi Sales agent and marketing on GDV         Commercial Letting fee on rent pa         Commercial Letting Legal fee on rent pa         Commercial Letting Legal fee on GDV         Professional fees         Finance         Appraisal Outcome         Residual Land Value @ 40% AH	No pitches           20%           6%           15%           3.00%           0.50%           10.00%           5.00%           1.00%           0.50%           10.00%           7.00%           7.00%	£ -		2 17				



Appendix 2 - Argus appraisal summary

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**Development Appraisal** 

North St Albans

40% AH

Report Date: 27 June 2019

North St Albans 40% AH

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE						
Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales	
Private Residential	1	28,848.00	5,705.00	164,577,840	164,577,840	
Affordable Housing - Rented	1	11,539.00	1,477.00	17,043,103	17,043,103	
Affordable Housing - SO	1	5,769.00	3,579.00	20,647,251	20,647,251	
Affordable Housing - DMR	1	1,923.00	3,564.00	6,853,572	6,853,572	
Self Build Plots	17	0.00	0.00	400,000	6,800,000	
Private Residential	1	28,848.00	5,705.00	164,577,840	164,577,840	
Affordable Housing - Rented	1	11,539.00	1,477.00	17,043,103	17,043,103	
Affordable Housing - SO	1	5,769.00	3,579.00	20,647,251	20,647,251	
Affordable Housing - DMR	1	1,923.00	3,564.00	6,853,572	6,853,572	
Care Home	1	0.00	0.00	3,596,144	3,596,144	
Special Needs Supported Living	1	600.00	1,665.00	999,000	999,000	
Self Build Plots	16	0.00	0.00	400,000	6,400,000	
Extra/Flexi Care Housing - Private	1	1,800.00	6,997.00	12,594,600	12,594,600	
Extra/Flexi Care Housing - Aff Rented	1	720.00	1,665.00	1,198,800	1,198,800	
Extra/Flexi Care Housing - Aff SO	<u>1</u>	<u>480.00</u>	4,349.00	2,087,520	<u>2,087,520</u>	
Totals	46	99,758.00			451,919,596	
Rental Area Summary				Initial	Net Rent	Initial
	Units	m²	Rate m <sup>2</sup>	MRV/Unit	at Sale	MRV
Neighbourhood / Local Centre	1	660.00	237.00	156,420	156,420	156,420
Health Provision	1	263.00		0	0	,
Totals	<u>1</u> 2	923.00			156,42 <mark>0</mark>	156,420
Investment Valuation Neighbourhood / Local Centre Market Rent	156,420	YP @	6.5000%	15.3846		
(1yr 6mths Rent Free)	,	PV 1yr 6mths @	6.5000%	0.9099	2,189,548	

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North St Albans 40% AH					
					2,189,548
GROSS DEVELOPMENT VALUE				454,109,144	
Purchaser's Costs		6.80%	(393,427)	(202,427)	
				(393,427)	
NET DEVELOPMENT VALUE				453,715,717	
NET REALISATION				453,715,717	
OUTLAY					
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	72,954,490 3,647,724 729,545 583,636	77.045.005	
CONSTRUCTION COSTS				77,915,395	
Construction Neighbourhood / Local Centre Health Provision Private Residential Affordable Housing - Rented Affordable Housing - SO Affordable Housing - DMR Private Residential Affordable Housing - Rented Affordable Housing - Rented Affordable Housing - SO Affordable Housing - DMR Care Home Special Needs Supported Living Extra/Flexi Care Housing - Private	$\begin{array}{c} \mathbf{m^2} \\ 804.88 \ m^2 \\ 320.73 \ m^2 \\ 28,848.00 \ m^2 \\ 11,539.00 \ m^2 \\ 5,769.00 \ m^2 \\ 1,923.00 \ m^2 \\ 28,848.00 \ m^2 \\ 11,539.00 \ m^2 \\ 11,539.00 \ m^2 \\ 5,769.00 \ m^2 \\ 1,923.00 \ m^2 \\ 1,923.00 \ m^2 \\ 3,000.00 \ m^2 \end{array}$	Rate m <sup>2</sup> 2,229.00 pm <sup>2</sup> 2,497.00 pm <sup>2</sup> 1,445.00 pm <sup>2</sup> 1,768.00 pm <sup>2</sup> 2,173.00 pm <sup>2</sup> 2,114.00 pm <sup>2</sup>	Cost 1,794,073 800,867 41,685,360 16,673,855 2,778,735 41,685,360 16,673,855 8,336,205 2,778,735 2,031,432 1,738,400 6,342,000		

File: G:\Development & Residential Consulting\Jobs\Affordable Housing\170829 - St Albans CIL and Strategic Sites Viability\E - Deliverables\Strategic sites\Appraisals\North St Albans 27June1 ARGUS Developer Version: 6.00.005 Date: 27/06/2019

North St Albans

#### 40% AH Extra/Flexi Care Housing - Aff Rented 1,200.00 m<sup>2</sup> 2,114.00 pm<sup>2</sup> 2,536,800 Extra/Flexi Care Housing - Aff SO 800.00 m<sup>2</sup> 2,114.00 pm<sup>2</sup> 1,691,200 Totals 104,232.61 m<sup>2</sup> 155,883,082 155,883,082 Contingency 5.00% 7,849,154 Site opening up costs 23,120,000 Strategic Open Space 2,200,000 Local open/play space green infrast 1,100,000 S106 1.265.000 CIL 8,654,224 Transport 12.100.000 Education 8,250,000 **Community Facilities** 1,100,000 65,638,378 PROFESSIONAL FEES Professional fees 10.00% 18,795,224 18,795,224 **DISPOSAL FEES** Resi Sales Agent and Marketing Fee 3.00% 10,252,508 **Commercial Sales Agent Fee** 1.00% 322,994 Sales Legal Fee 0.50% 2,268,579 12,844,081 **Additional Costs** Resi Private Profit 20.00% 34,286,282 Resi & Extr Care Aff, Sp Nds Profit 6.00% 2,261,421 20.00% Resi Private Profit 36,805,202 Resi & Extr Care Aff, Sp Nds Profit 6.00% 2,518,540 **Commercial Profit** 15.00% 867,854 76,739,300 **FINANCE** Debit Rate 7.000% Credit Rate 0.000% (Nominal) Total Finance Cost 45,900,295

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# LICENSED COPY

APPRAISAL SUMMARY North St Albans 40% AH		LICENSED COPY
TOTAL COSTS	453,7	15,756
PROFIT		(39)
Performance Measures Profit on Cost% Profit on GDV% Profit on NDV% Development Yield% (on Rent) Equivalent Yield% (Nominal) Equivalent Yield% (True)	0.00% 0.00% 0.00% 0.03% 6.50% 6.77%	
IRR	6.94%	
Rent Cover Profit Erosion (finance rate 7.000%)	0 yrs 0 mths N/A	

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Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# Strategic Site Testing: North West Harpenden

Prepared for St Albans City and District Council

November 2018





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# **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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# 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the North West Harpenden strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- **Section 3** details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



# 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at North West Harpenden as set out in Policy S6 viii - North West Harpenden Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	18.2 Ha 14.5 Ha
Number of residential units (Density circa 40 units per Ha)	580
Estimated Self Build units @ 3%	17
Specialist housing	
Extra care / flexicare (units)	50
Health provision (provided on site assumed to be NIA)	139 square metres

#### Table 2.1 Details of proposed strategic development at North West Harpenden



# 3 Development appraisals

# 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the North West Harpenden strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the North West Harpenden strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

# 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

# 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



## Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

# 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

# 3.2.3 Affordable housing

We understand that the LPPD Policy S6 viii identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

We have appraised the intermediate shared ownership units, assuming that Registered Providers

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

# 3.2.4 Self-build plots

Policy S6 viii identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 17 self-build pots on the strategic site.

# 3.2.5 Extra care / flexicare units

Policy S6 viii sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 viii we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

## 3.2.6 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.6 below, these are in line with the costs adopted in the CIL&LPVS.



# Table 3.2.6 Base build costs adopted in appraisal

Use	Base build costs per square metre		
Residential houses	£ 1,124		
Health	£ 2,270		
Extra care / flexicare apartments	£ 1,736		

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as North West Harpenden are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

# 3.2.7 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

## 3.2.8 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

## 3.2.9 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.

We have included a 1% sales agent allowance on the self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

# 3.2.10 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value.



# 3.2.11 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.11 below.

## Table 3.2.11: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£4,350,000	1 x 2 FE Primary (assumes £7.5m per primary school)
Community Facilities	£580,000	Based on £1,000 per unit
Green infrastructure: Local open/play Space/Green Infrastructure	£580,000	Based on £1,000 per unit
Transport Infrastructure	£1,740,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£7,250,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace and £20 per square metre for extra care. Details of the calculation of the CIL liability are set out in Appendix 1.

## 3.2.12 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing; and



• 6% on GDV for affordable rent and shared ownership affordable housing and extra care units.

## 3.2.13 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in two phases of circa 290 units each. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.13 below.

#### Table 3.2.13: Development timescales

Phase	Total	Phase 1	Phase 2
Pre-construction (months)	18	9	9
Construction (months)	84	42	42
Residential Sales (months)	84	42	42
Extra Care Units	10	0	10

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the extra care/flexicare units and health provision we have included these within Phase 2 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



# 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at North West Harpenden as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results - North West Harpenden

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£44,037,000	£6,734,000	Viable

The appraisal scenario tested for North West Harpenden identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.


## 5 Conclusions and Recommendations

This testing demonstrates that the North West Harpenden strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 viii and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the North West Harpenden strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	North West	Harpende	n						
		-							
ite Size (Gross) Ha ite Size (Net) Ha	18.2 14.5								
Total No Standard Residential units	580		290						
Self build plots (3%)	17 563								
otal units less self build (97%) Care Home rooms	- 563								
Extra Care / flexicare units	50								
Special needs supporting living units Traveller & Gypsy Pitches	-								
No Phases	2	1							
Init mix Based on Typology 14									
				Albert Tradict	2 Bed 2p	3 Bed 5p	4 Bed 7p	5 Bed 7p	Tatal
Site type	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	House	House	House	House	Total
Size (sq m) Percentage split	<b>50</b> 0%	70 0%	<b>86</b> 0%	<b>108</b> 0%	79 36%	<b>93</b> 56%	<b>115</b> 4%	<b>125</b> 4%	
Total Floor area (sq m)					16,012	29,321	2,590	2,815	50,738
Affordable Housing Analysis									
Percentage	40%	3							
Rented (50% Social rent and 50% Affordable Rent) ntermediate (Shared Ownership)	60% 30%								
ntermediate (Snared Ownership) ntermediate (Discount Market Sale)	10%								
		3							
Resi floor area analysis	Total	Phase 1	Phase 2						
Private Floor area	1 otal 30,443								
Affordable Floor Area	20,295	10,148	10,148						
Rented (50% Social rent and 50% Affordable Rent)	12,177	6,089							
Shared ownership Discount Market Sale	6,089 2,030								
		.,	.,	4					
Self-Build units	Total	Dhace 4	Dhace 2						
No plots	I otal 17	Phase 1	Phase 2						
Health provision	Total	Phase 4	Phone 2						
Gross floorarea (sq m)	<b>Total</b> 170	Phase 1	Phase 2 169.51						
Net floorarea (sq m)	139	-	139.00						
				-					
Neighbourhood / Local Centre	Total	Phase 1	Phase 2						
Gross floorarea (sq m)	-		-						
Net floorarea (sq m)	·	-	-						
Care Homes	Phase 2	1							
National Care Standards requirements									
	135 sq ft of useable f 38 sq ft of space for		luding ensuite						
	42 sq ft of commun		ding circulation						
			()						
	- rooms	-	floor area of ro en-suite bathro						
		-	communal spa						
	0.15 Circulation	-	sq ft NIA sqft						
·		-	sqft GIA						
		-	sqm GIA						
Extra-Care / Flexi Care	Phase 2	1			Affordable Hou	Ising			
					Kenteu (50 %	long			
					Social rent and 50%	Intermediate			
	1 Bed 2p flat	2 bed 4p flat			Affordable	(Shared			
			Total	Private	Rent)	Ownership)			
	50	70	Total		Rent)	Ownership)			
Percentage split	50%	50%	-	60%					
Percentage split Fotal Floor area (sq m) NIA		50% 1,750	3,000		Rent) 720	Ownership)			
Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption	50% 1,250 <b>2,083</b>	50% 1,750	3,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption	50% 1,250 <b>2,083</b> Phase 2	50% 1,750	3,000	60% <b>1,800</b>					
<sup>2</sup> ercentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units	50% 1,250 <b>2,083</b>	50% 1,750	3,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split	50% 1,250 <b>2,083</b> Phase 2 1 Bed 2p flat	50% 1,750	3,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50	50% 1,750	3,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 <b>2,917</b>	3,000 5,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50	50% 1,750	3,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 <b>2,917</b>	3,000 5,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 <b>2,917</b>	3,000 5,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 <b>2,917</b>	3,000 5,000	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fotal Floor area (sq m) Ha	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - Total -	50% 1,750 2,917 Phase 1	3,000 5,000 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - Total	50% 1,750 2,917 Phase 1	3,000 5,000 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption  Special Needs Supported Living Units  Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption  Fravellers Pitches in Ha  Fimescales  Pre-constuction (months) Construction (months)	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - - Total - Total 18 84	50% 1,750 2,917 Phase 1 - Phase 1 9 42	3,000 5,000 Phase 2 Phase 2 9 9 42	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Private Resi Sales (months)	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - - Total - Total 18 84 84	50% 1,750 2,917 Phase 1 - Phase 1 - 9 42 42	3,000 5,000 Phase 2 Phase 2 9 9 9 42 42 42	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - - Total - Total 18 84	50% 1,750 2,917 Phase 1 - Phase 1 - 9 42 42	3,000 5,000 Phase 2 - Phase 2 - 9 9 42 42 42	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - - Total - Total 18 84 84	50% 1,750 2,917 Phase 1 - Phase 1 - 9 42 42	3,000 5,000 Phase 2 Phase 2 9 9 9 42 42	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 2,917 Phase 1 - Phase 1 - 9 42 42 0 Phase 1	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - - - Total - Total - - Total 8 84 84 00 50 -	50% 1,750 2,917 Phase 1 - Phase 1 - 9 42 42 0 Phase 1	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
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Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - - - Total - Total - - Total 8 84 84 00 50 -	50% 1,750 2,917 Phase 1 - Phase 1 - 9 42 42 0 Phase 1	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 2,917 Phase 1 - Phase 1 9 42 42 42 0 Phase 1 169	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Revenue	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 2,917 Phase 1 - Phase 1 9 42 42 42 0 Phase 1 169	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Per-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100%	50% 1,750 2,917 Phase 1 - Phase 1 9 42 42 42 0 Phase 1 169	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) For area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Mordable Rented (50% Social Rent 50% Alfordable Rent)	50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           -           Total           Total           10           Total           10           Total           10           Total           10           Capital value £           per sq m           £         5,705           £         1,477	50% 1,750 2,917 Phase 1 - Phase 1 9 42 42 42 0 Phase 1 169	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption  Special Needs Supported Living Units  Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption  Fravellers Pitches in Ha  Fimescales  Perc-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units  Revenue  Standard Residential Private Housing Miordable Rented (50% Social Rent 50% Affordable Rent) Shared Ownership	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - Total Total Total Total Total Capital value £ per sq m £ 5,705 £ 1,477 £ 3,579	50% 1,750 2,917 2,917 Phase 1 - Phase 1 - 9 42 42 0 0 Phase 1 59	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption  Special Needs Supported Living Units  Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption  Fravellers Pitches in Ha  Fimescales  Perc-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units  Revenue  Standard Residential Private Housing Miordable Rented (50% Social Rent 50% Affordable Rent) Shared Ownership	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% Total Total Total Total Total Capital value £ per sq m £ 5,705 £ 1,477 £ 3,579	50% 1,750 2,917 2,917 Phase 1 - Phase 1 - 9 42 42 0 0 Phase 1 59	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	50%         1,250         2,083         Phase 2         1 Bed 2p flat         50         100%         -         Total         Total         10         Total         338         Capital value £         per sq m         £       5,709         £       1,477         £       3,579         £       4,564	50% 1,750 2,917 2,917 Phase 1 - Phase 1 - 9 42 42 0 0 Phase 1 59	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					
ercentage split total Floor area (sq m) NIA otal Floor area (sq m) GIA @ 60% Gross to Net assumption pecial Needs Supported Living Units ize (sq m) ercentage split total Floor area (sq m) (Net) otal Floor area (sq m) GIA @ 75% Gross to Net assumption ravellers Pitches in Ha imescales re-constuction (months) onstruction (months) rivate Resi Sales (months) rivate Resi Sales (months) xtra Care Units o Private units less self build units evenue tandard Residential rivate Housing ffordable Rented (50% Social Rent 50% Affordable Rent) hared Ownership	50% 1,250 2,083 Phase 2 1 Bed 2p flat 50 100% - Total Total Total Total Total Capital value £ per sq m £ 5,705 £ 1,477 £ 3,579	50% 1,750 2,917 2,917 Phase 1 - Phase 1 - 9 42 42 0 0 Phase 1 59	3,000 5,000 Phase 2 Phase 2 9 9 42 42 10 Phase 2	60% <b>1,800</b>					

	(assuming 4 bed house)
Self build plots	£ 400,000
	Camital value

## Capital value <mark>N/A</mark>

	Oapital value					
Special needs supported living units	N/A					
Care Home						
Beds (Affordable)	0	£471	per week	90%	occupancy	£
Beds (Pvt)	0	£800	per week	90%	occupancy	£
				30%	of income	£0.00
Standard profit margin (EBITDA)				10%	yield	£
Capitalise EBITDA						£
Deduct	15%	for income sho	rfall to maturity			
Gross Adjusted turnkey value of Home					1	£0

	Capital val	le £
Extra Care Housing	per sq n	n
Private	£ 6,	997
Affordable Rented (50% Social Rent 50% Affordable Rent)	£ 1,	665
Shared Ownership	£ 4,	349

			Kent Free & Void
	Rent per sq m	Yield	(months)
Commercial	£237	6.50%	18

-								
Costs								
Residual S106					_			
Standard residential per unit	Linit of measure £ 1,150		Phase 1 £ 333,500	Phase 2 £ 333,500				
Commercial per sq m	£ 1,150 £ 20		£ 333,500 £ -	£ 333,500 £ -				
Care Home per sq m	£ 20	£ -	£ -	£ -				
Extra Care / Flexicare units per unit	£ 1,150			£ 57,500				
Special needs supported living per unit TOTAL	£ 1,150	£-	£ - £ 333,500	£				
			2 333,300	2 331,000				
CIL								
		I otal Floor				]		
	£ pr sq m	area	Total	Phase 1	Phase 2			
Resi Care Home	£ 150 £ 245	30,443 £ -	4,500,380 £ -	£ 2,283,190 £ -	£ 2,203,190 £ -			
All other uses (Extra Care and special needs supported living units)	£ 20		£ 60,000					
All other uses (Commercial)	£ 20	£-	£-	£ -	£ -			
Total				£ 2,283,190	£ 2,343,190			
S106 Infrastructure Costs								
	Total costs	1						
Transport	£ 1,740,000							
Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary	0 4050.000							
School @ £35m) Community Facilities (£1,000 per unit)	£ 4,350,000 £ 580,000							
Commany ruennes (21,000 per unit)		1						
	Per unit cost	Total costs	]					
Strategic open space / green infrastructure	£ -	£ -						
Local open space / play space / green infrastructure	£ 1,000	£ 580,000	1					
	Per unit cost	Total costs	Phase 1	Phase 2	l			
Site opening up costs Standard Resi	£ 20,000	£ 11,600,000		£ 5,800,000				
Site opening up costs Other Residential uses	£ 10,000	£ 500,000	£ 250,000					
Duild an ata			£ 6,050,000	£ 6,050,000				
Build costs			1			1		l
				Accessable				
			Lifetime	homes @				
			Lifetime homes	£26,000 per house and	SUDS @	Sustainability		
		Externals per	(£3,200 per	£11,000 per	£2,500 per	@ £5,000 per		
	Base per sq m	sq m	unit)	flatted unit	unit	unit	Total	
Resi	£ 1,124							
Commercial	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Health Care Home	£ 2,270 N/A	£ 227 N/A	N/A	N/A	N/A	N/A	£ 2,497 N/A	
Extra care / flexicare	£ 1,736		£ 32					
Special needs supported living	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Contingency on build costs	5%	1						
Traveller's pitches	No pitches	Cost	]					
Into from Dacorum BC 5 pitches = 0.5 Ha		£ -						
Each travellers pitch estimated to cost £242,000	-	£ -	1					
Profit								
Private/Market Resi on GDV	20%							
Affordable Resi on GDV	<u>6%</u>							
Commercial on GDV	15%	1						
Marketing /agency and legal fees								
Resi Sales agent and marketing on GDV	3.00%							
Resi Sales legal fees on GDV	0.50%	l						
Commercial Letting fee on rent pa	10.00%	ľ						
Commercial Letting Legal fee on rent pa	5.00%							
Commercial Sales fee on GDV	1.00%							
Commercial Legal fee on GDV	0.50%							
Professional fees	10%	l I						
riviessiviidi lees	1070							
Finance	7.00%	ľ						
Appraisal Outcome								
Residual Land Value @ 40% AH	£ 44,037,000	ľ						
	,,							
Benchmark Land Value Greenfield	£ 6,734,000							
	C 27 202 000							
Appraisal outcome (Surplus/ Deficit)	£ 37,303,000	I						



Appendix 2 - Argus appraisal summary

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**Development Appraisal** 

North West Harpenden

40% AH

Report Date: 27 June 2019

North West Harpenden 40% AH

Summary Appraisal for Merged Phases 1 2

Currency in £

DEVENILE

REVENUE					
Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private Residential	1	15,221.00	5,705.00	86,835,805	86,835,805
Affordable Housing - Rented	1	6,089.00	1,477.00	8,993,453	8,993,453
Affordable Housing - SO	1	3,044.00	3,579.00	10,894,476	10,894,476
Affordable Housing - DMR	1	1,015.00	3,564.00	3,617,460	3,617,460
Self Build Plots	9	0.00	0.00	400,000	3,600,000
Private Residential	1	15,221.00	5,705.00	86,835,805	86,835,805
Affordable Housing - Rented	1	6,089.00	1,477.00	8,993,453	8,993,453
Affordable Housing - SO	1	3,044.00	3,579.00	10,894,476	10,894,476
Affordable Housing - DMR	1	1,015.00	3,564.00	3,617,460	3,617,460
Self Build Plots	8	0.00	0.00	400,000	3,200,000
Extra/Flexi Care Housing - Private	1	1,800.00	6,997.00	12,594,600	12,594,600
Extra/Flexi Care Housing - Aff Rented	1	720.00	1,665.00	1,198,800	1,198,800
Extra/Flexi Care Housing - Aff SO	<u>1</u>	<u>480.00</u>	4,349.00	2,087,520	<u>2,087,520</u>
Totals	28	53,738.00			243,363,308
NET REALISATION				243,363,308	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			44,037,058		
Stamp Duty		5.00%	2,201,853		
Agent Fee		1.00%	440,371		
Legal Fee		0.80%	352,296		
5			,	47,031,578	
CONSTRUCTION COSTS				. ,	
Construction	m²	Rate m <sup>2</sup>	Cost		

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#### **North West Harpenden** 40% AH Health Provision 169.51 m<sup>2</sup> 2,497.00 pm<sup>2</sup> 423,272 Private Residential 15,221.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 21,994,345 6.089.00 m<sup>2</sup> 1.445.00 pm<sup>2</sup> Affordable Housing - Rented 8,798,605 Affordable Housing - SO 3,044.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 4,398,580 Affordable Housing - DMR 1,015.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 1,466,675 Private Residential 15,221.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 21,994,345 Affordable Housing - Rented 6,089.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 8,798,605 Affordable Housing - SO 3,044.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 4,398,580 Affordable Housing - DMR 1,015.00 m<sup>2</sup> 1,445.00 pm<sup>2</sup> 1.466.675 Extra/Flexi Care Housing - Private 2,114.00 pm<sup>2</sup> 6,342,000 3,000.00 m<sup>2</sup> Extra/Flexi Care Housing - Aff Rented 1.200.00 m<sup>2</sup> 2.114.00 pm<sup>2</sup> 2,536,800 Extra/Flexi Care Housing - Aff SO 800.00 m<sup>2</sup> 2,114.00 pm<sup>2</sup> 1,691,200 Totals 55,907.51 m<sup>2</sup> 84,309,682 84,309,682 5.00% Contingency 4,244,484 Site opening up costs 12,100,000 Local open/play space green infrast 580,000 S106 724,500 CIL 4,626,380 Transport 1,740,000 Education 4,350,000 **Community Facilities** 580,000 28,945,364 **PROFESSIONAL FEES** Professional fees 10.00% 10,123,417 10,123,417 **DISPOSAL FEES** Resi Sales Agent and Marketing Fee 3.00% 5,587,986 **Commercial Sales Agent Fee** 1.00% 140,349 Sales Legal Fee 0.50% 1,216,817 6,945,152

#### **Additional Costs**

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North West Harpenden 40% AH			
Resi Private Profit	20.00%	18,090,653	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,193,276	
Resi Private Profit	20.00%	20,609,573	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,390,455	
			41,283,957
FINANCE Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			24,724,204
TOTAL COSTS			243,363,354
PROFIT			
			(46)
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
Profit on NDV%	0.00%		
IRR	6.97%		
Profit Erosion (finance rate 7.000%)	N/A		

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Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# **Strategic Site Testing: Park Street Garden Village**

Prepared for St Albans City and District Council

November 2018





## Contents

1	Introduction	3
2	Details of strategic site	4
3	Development appraisals	5
4	Appraisal results and analysis	12
5	Conclusions and Recommendations	13

## **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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Direct line: 020 7338 4417 Email <u>sacha.winfield-ferreira@bnpparibas.com</u>



## 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the Park Street Garden Village strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- Section 3 details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



## 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at Park Street Garden Village as set out in Policy S6 xi - Park Street Garden Village Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	97.7 Ha 58.6 Ha
Number of residential units (Density circa 40 units per Ha)	2,300
Estimated Self Build units @ 3%	69
Specialist housing	
Care Home (beds)	50
Extra care / flexicare (units)	50
Other – special needs supported living	20 (12 of which to be provided as flexi living units and 8 flats run as special needs units at affordable rents)
Local Centre (assumed to be 0.6sq m NIA provided for each house)	1,380 square metres
Health provision (provided on site assumed to be NIA)	549 square metres
Travellers' Pitches	30 pitches

#### Table 2.1 Details of proposed strategic development at Park Street Garden Village



## 3 Development appraisals

### 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the Park Street Garden Village strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the Park Street Garden Village strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

### 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

#### 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



#### Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

#### 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

#### 3.2.3 Affordable housing

We understand that the LPPD Policy S6 xi identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

#### 3.2.4 Self-build plots

Policy S6 xi identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 69 self-build pots on the strategic site.

#### 3.2.5 Care home

Policy S6 xi sets out a requirement for at least one 50+ Residential or Nursing care home (C2 Use). As identified in the CIL&LPVS Care homes are residential institutions where older people live, usually in single rooms but sometimes in shared rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only (i.e. help with washing, dressing and giving medication). A home registered as a care home with nursing will provide the same personal care but also have a qualified nurse on duty 24 hours a day to carry out nursing tasks. The cost/rents for rooms in care homes depend on the specific level of care required.

We have adopted rental levels consistent with those set out in the CIL&LPVS, which are based on research of rents for care homes in the District. Our appraisals allow for private rents of £800 per week for a single room, which is considered to be a conservative rent by comparison to some of the care homes rents charged in the District. We have also allowed for 40% of the accommodation in our appraisal to be provided as affordable care rooms at £471 per week. This is based on rents in-line with the average County allowance for a single room for older people<sup>2</sup> at £419.77 per week and a single room with nursing at £522.47 per week.

#### 3.2.6 Extra care / flexicare units

Policy S6 xi sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

<sup>&</sup>lt;sup>2</sup> <u>https://www.hertfordshire.gov.uk/services/adult-social-services/care-and-carers/arranging-and-paying-for-care/paying-for-your-care-costs.aspx#DynamicJumpMenuManager</u>



In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 xi we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

#### 3.2.7 Special needs supported living units

Policy S6 xi identifies that 20 special needs supported living units are be required to be provided as part of the development of the Park Street Garden Village strategic site. We have assumed that 12 of these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units. We have assumed that the remaining eight units are to be provided as Extra Care/flexi care units, which we have assessed based on the assumptions set out in 3.2.6 above.

#### 3.2.8 Local centres

The assumptions used in the appraisals to value the non-residential accommodation provided in the local centre are in line with those adopted in the CIL&LPVS. These are summarised in Table 3.2.8 below.

#### Table 3.2.8: Non-residential revenue and assumptions

Accommodation	Rent £ per square metre	Yield	Void Period (Inc. Rent Free)
Retail	£237	6.5%	1.5 years

#### 3.2.9 Gypsy and Traveller sites

Policy S6 xi identifies that two 15 pitch Gypsy and Traveller sites will be required on the Park Street Garden Village strategic site. We have adopted costs associated with the delivery of the Gypsy and Traveller sites of £242,000 per pitch based on advice provided by WT Partnership (WTP) to Dacorum Borough Council for their Update to their Local Allocations Viability Testing report prepared by BNP Paribas Real Estate in June 2016.

We have taken a conservative approach to the delivery of this site as we have only adopted the costs of delivering the pitches and have not allowed for any revenue generation from these uses. The pitches are likely to generate an income so the position presented is a worst case scenario.

#### 3.2.10 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.10 below, these are in line with the costs adopted in the CIL&LPVS.



Use	Base build costs per square metre
Residential houses	£ 1,124
Commercial uses - Local centre	£ 2,026
Health	£ 2,270
Care Home	£ 1,621
Extra care / flexicare apartments	£ 1,736
Special needs supported living apartments	£ 1,736

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the local centre and the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as Park Street Garden Village are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

#### 3.2.11 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

#### 3.2.12 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

#### 3.2.13 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.

For the commercial units we have allowed for a 10% letting agent and 5% legal fee.

We have included a 1% sales agent allowance on commercial uses, the care home use and self-build plots.



A 0.5% sales legal fee on GDV has been applied for all uses.

#### 3.2.14 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value and on the commercial uses in the local centre.

#### 3.2.15 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.15 below.

#### Table 3.2.15: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£43,930,000	1 x 3 FE Primary and 1 X 2FE (assumes £7.5m per primary school)
		1 x 6-8 FE Secondary (assumes £35m per secondary school)
Community Facilities	£2,300,000	Based on £2,000 per unit
Green infrastructure: Strategic open space / green infrastructure	£4,600,000	Based on £2,000 per unit
Local open/play Space/Green Infrastructure	£2,300,000	Based on £1,000 per unit
Transport Infrastructure	£25,300,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£78,430,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions. For strategic level open space a further allowance of £2,000 per residential unit has been adopted in this assessment through s106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace, £245 per square metre for care home floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.



#### 3.2.16 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, "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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing;
- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units; and
- 15% profit on GDV for non-residential uses in local centres.

#### 3.2.17 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in six phases of circa 383 units each and that there will be multiple sales outlets. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.17 below.

Phase	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Pre-construction (months)	55	9	9	9	9	9	10
Construction (months)	167	28	28	28	28	28	28
Residential Sales (months)	167	28	28	28	28	28	28
Extra Care Units	14	0	0	14	0	0	0

#### Table 3.2.17: Development timescales

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the care home, extra care/flexicare, special needs supported living units, Gypsy and Travellers pitches, health provision and local centre we have included these within Phase 3 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



## 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at Park Street Garden Village as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results – Park Street Garden Village

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£81,038,000	£36,149,000	Viable

The appraisal scenario tested for Park Street Garden Village identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



## 5 Conclusions and Recommendations

This testing demonstrates that the Park Street Garden Village strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 xi and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the Park Street Garden Village strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	Park Street	Garden Vi	illage							
		_	liugo							
Site Size (Gross) Ha Site Size (Net) Ha	97.7 58.6									
Total No Standard Residential units Self build plots (3%)	2,300 69									
Total units less self build (97%) Care Home rooms	2,231 50									
Extra Care / flexicare units Special needs supporting living units	50 20		be divided as 12	flexi living units	and 8 units and	flats run as speci	al needs units p	rovided as affor	dable housing	units
Traveller & Gypsy Pitches No Phases	30 6									
		4								
Unit mix Based on Typology 14	1			n			4 Da d 7a	5 De d 7:		-
Site type	1 Bed 2p flat	2 bed 4p flat		4 bed 7p flat	2 Bed 2p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House	Total	
Size (sq m) Percentage split	<b>50</b> 0%	70 0%	<b>86</b> 0%	<b>108</b> 0%	<b>79</b> 36%	<b>93</b> 56%	<b>115</b> 4%	<b>125</b> 4%		-
Total Floor area (sq m)	-	-	-	-	63,450	116,190	10,263	11,155	201,058	1
Affordable Housing Analysis										
Percentage Rented (50% Social rent and 50% Affordable Rent)	40% 60%	]								
Intermediate (Discount Market Sale)	30% 10%									
· · · ·	1078	1								
Resi floor area analysis	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6			
Private Floor area Affordable Floor Area	120,635 80,423				<b>20,106</b> 13,404	20,106	<b>20,106</b> 13,404			
Rented (50% Social rent and 50% Affordable Rent; Shared ownership	48,254 24,127				8,042 4,021	8,042 4,021	8,042 4,021			
Discount Market Sale	8,042				1,340	1,340	1,340			
Self-Build units	Tetel	Dhasa 4	Bhasa 0	Dhara A	Disea (	Bhasa C				
No plots	Total 69	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5 12	Phase 6 12			
Health provision										
Gross floorarea (sq m)	Total 670	Phase 1	Phase 2	Phase 3 670	Phase 4	Phase 5	Phase 6			
Net floorarea (sq m)	549	-		549	-	-	-			
Neighbourhood / Local Centre	<del>.</del>	<b>BL</b>	BL 7	Bk 7	DL /	RL	Dhr			
Gross floorarea (sq m)	Total 1,683	Phase 1	Phase 2	Phase 3 1,683	Phase 4	Phase 5	Phase 6			
Net floorarea (sq m)	1,380	-	-	1,380	-	-	-			
Care Homes	Phase 3	1								
National Care Standards requirements		fleeren een evel	luding oncuite							
38		r en-suite								
	2 sq ft of commun		•							
50	rooms		floor area of ro en-suite bathro							
		2,100	communal spa sq ft NIA							
0.1	5 Circulation	1,612.50	sqft							
		1,149	sqft GIA sqm GIA							
Extra-Care / Flexi Care	Phase 3	1			Affordable Hou	using				
					Social rent					
	1 Bed 2p flat	2 bed 4p flat			and 50% Affordable	Intermediate (Shared				
	50	70	Total	Private	Rent)	Ownership)				
Size (sq m) Percentage split	50%	70 50%	2 700	60%	002	595				
Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumptior	1,550 <b>2,583</b>	2,170 <b>3,617</b>		2,232 3,720	893	595				
Special Needs Supported Living Units	Phase 3	1								
Size (sq m)	1 Bed 2p flat 50									
Percentage split Total Floor area (sq m) (Net)	100%									
Total Floor area (sq m) GIA @ 75% Gross to Net assumptior	533	1								
	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6			
	1			30.00	-	-	-			
Travellers Pitches in Ha	-	-	-							
Travellers Pitches in Ha Timescales	· ·	-	-							
	· ·	-	-							
Timescales	- Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6			
Timescales Pre-constuction (months) Construction (months)	55 167	9 28	9 28	Phase 3 9 28	9 28	9 28	10 28			
Timescales Pre-constuction (months)	55	9 28 28	9 28 28	Phase 3 9 28	9 28 28	9	10			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	55 167 167	9 28 28 0 Phase 1	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	55 167 167 14	9 28 28 0 Phase 1	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0	10 28 28 0			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	55 167 167 14 <b>Total</b>	9 28 28 0 Phase 1	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	55 167 167 14 <b>Total</b>	9 28 28 0 Phase 1	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue	55 167 167 14 <b>Total</b> 1339	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	55 167 167 14 <b>Total</b> 1339	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			_
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent;	55 167 167 14 <b>Total</b> <b>Total</b> 1339 <b>Capital value £</b> <b>per sq m</b> <b>£</b> 5,705 <b>£</b> 1,477	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing	55 167 167 14 <b>Total</b> 1339 Capital value £ per sq m £ 5,705	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent; Shared Ownership	55           167           167           171           14           Total           1339           £ 5,705           £ 1,477           £ 3,579           £ 4,564	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent; Shared Ownership	55           167           167           167           14           Total           1339           E           5,705           £           1,477           £           2,579           £           4,564           Value per plot           (assuming 4)	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units No Private units less self build units Revenue Standard Residential Private Housing Alfordable Rented (50% Social Rent 50% Alfordable Rent; Shared Ownership Discount Market Sale (80% of Market Value)	55           167           167           14           Total           1339           Capital value £           per sq m           £         5,705           £         1,477           £         3,579           £         4,564           Value per plot	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent; Shared Ownership Discount Market Sale (80% of Market Value)	55           167           167           14           Total           1339           É           5,705           £           1,477           £           3,579           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Alfordable Rented (50% Social Rent 50% Affordable Rent,' Shared Ownership Discount Market Sale (80% of Market Value) Self build plots	55           167           167           167           171           Total           1339           E           5,705           £           1,477           £           4,564           Value per plot           (assuming 4           bed house)	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4	9 28 28 0 Phase 5	10 28 28 0 Phase 6			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent', Shared Ownership Discount Market Sale (80% of Market Value) Self build plots Special needs supported living units Care Home	55           167           167           167           11           Total           1339           Capital value £           per sq m           £         5,705           £         1,477           £         3,579           £         4,564           Value per plot         (assuming 4           bed house)         £           £         400,000           Capital value         £1,477	9 28 28 0 0 Phase 1 223	9 28 28 0 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4 223	9 28 28 0 9 9 28 223	10 28 28 0 Phase 6 223			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent', Shared Ownership Discount Market Sale (80% of Market Value) Self build plots Special needs supported living units Care Home	55           167           167           167           14           Total           1339           £           5,705           £           5,705           £           1,477           £           3,579           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2	Phase 3 9 28 28 14 Phase 3	9 28 28 0 Phase 4 223	9 28 28 0 Phase 5	10 28 28 0 Phase 6 223			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units No Private units less self build units Revenue Standard Residential Private Housing Alfordable Rented (50% Social Rent 50% Affordable Rent; Shared Ownership Discount Market Sale (80% of Market Value) Self build plots Special needs supported living units Care Home Beds (Affordable)	55           167           167           167           14           Total           1339           É           5,705           £           5,705           £           1,477           £           3,579           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           30	9 28 28 0 0 Phase 1 223	9 28 28 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent <sup>*</sup> Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Special needs supported living units         Care Home         Beds (Affordable)         Beds (Affordable)         Beds (Pvt)         Standard profit margin (EBITDA)	55           167           167           167           14           Total           1339           E           5,705           £           1,477           £           5,705           £           1,477           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           30           20	9 28 28 0 0 Phase 1 223	9 28 28 0 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 28 7 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223			
Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units No Private units less self build units Revenue Standard Residential Private Housing Affordable Rented (50% Social Rent 50% Affordable Rent; Shared Ownership Discount Market Sale (80% of Market Value) Self build plots Self build plots Special needs supported living units Care Home Beds (Affordable) Beds (Pvt) Standard profit margin (EBITDA) Capitalise EBITDA Deduct	55           167           167           167           14           Total           1339           E           5,705           £           1,477           £           5,705           £           1,477           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           30           20	9 28 28 0 0 Phase 1 223	9 28 28 0 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent <sup>*</sup> Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Special needs supported living units         Care Home         Beds (Affordable)         Beds (Affordable)         Beds (Pvt)         Standard profit margin (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home	55           167           167           167           171           Total           1339           E           5,705           £           1,477           £           5,705           £           1,477           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           30           20           15%           Capital value £	9 28 28 0 7 Phase 1 223	9 28 28 0 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent', Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Standard profit margin (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home         Extra Care Housing         Private	55           167           167           167           14           Total           1339           É           5,705           £           5,705           £           1,477           £           3,579           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           30           20           15%	9 28 28 0 7 Phase 1 223	9 28 28 0 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent; Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Special needs supported living units         Care Home         Beds (Affordable)         Beds (Affordable)         Beds (Affordable)         Beds (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home         Extra Care Housing	55           167           167           167           14           Total           1339           £           5,705           £           5,705           £           1,477           £           3,579           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           20           20           15%           Capital value £           per sq m	9 28 28 0 7 Phase 1 223	9 28 28 0 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent', Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Self build plots         Standard profit margin (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home         Extra Care Housing         Private         Affordable Rented (50% Social Rent 50% Affordable Rent',	55           167           167           167           14           Total           1339           E           per sq m           £           5,705           £           1,477           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           30           20           15%           Capital value £           per sq m           £           6,997           £           1,665	9 28 28 0 7 Phase 1 223	Phase 2 28 28 0 Phase 2 223	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent'         Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Self build plots         Standard profit margin (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home         Extra Care Housing         Private         Alfordable Rented (50% Social Rent 50% Affordable Rent', Gross Affordable Rented (50% Social Rent 50% Affordable Rent', Gross Affordable Rent', Gros Social	55           167           167           167           14           Total           1339           E           5,705           £           1,477           £           5,705           £           1,477           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           20           20           15%           Capital value £           997 sq m           £           6,997           £           4,349	9 28 28 0 0 Phase 1 223 223	Phase 2 Phase 2 Phase 2 Phase 2 Phase 4 Per week	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent'         Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Self build plots         Standard profit margin (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home         Extra Care Housing         Private         Alfordable Rented (50% Social Rent 50% Affordable Rent', Gross Affordable Rented (50% Social Rent 50% Affordable Rent', Gross Affordable Rent', Gros Social	55           167           167           167           14           Total           1339           E           per sq m           £           5,705           £           1,477           £           4,564           Value per plot           (assuming 4           bed house)           £           400,000           Capital value           £1,477           30           20           15%           Capital value £           per sq m           £           6,997           £           1,665	9 28 28 0 7 Phase 1 223	Phase 2 Phase 2 Phase 2 223 Phase 2 fill to maturity fall to maturity fall to maturity	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			
Timescales         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential         Private Housing         Affordable Rented (50% Social Rent 50% Affordable Rent'         Shared Ownership         Discount Market Sale (80% of Market Value)         Self build plots         Self build plots         Standard profit margin (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home         Extra Care Housing         Private         Affordable Rented (50% Social Rent 50% Affordable Rent'         Shandard profit margin (EBITDA)         Capitalise EBITDA         Deduct         Gross Adjusted turnkey value of Home         Extra Care Housing         Private         Affordable Rented (50% Social Rent 50% Affordable Rent'         Shared Ownership	55           167           167           167           167           167           167           14           Total           1339           £ 5,705           £ 1,477           £ 3,579           £ 4,564           Value per plot           (assuming 4)           bed house)           £ 400,000           Capital value           20           20           20           20           21           30           20           21           30           20           21           30           20           21           30           20           21           30           20           21           15%           £ 1,667           £ 1,667           £ 1,675           £ 1,647           8           4,349           Rent per sq m	9 28 28 28 0 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Phase 2 Phase 2 Phase 2 223 Phase 2 fill to maturity fall to maturity fall to maturity	Phase 3 9 28 28 14 Phase 3	9 28 28 28 223 223 223	9 28 28 0 Phase 5 223	10 28 28 0 223 223 223 223 223 223 223 223 223 2			

Costs								
Residual S106	r					Г		
	unit of measure	Total	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Standard residential per unit	£ 1,150	£ 2,645,000	£ 440,833	£ 440,833				
Commercial per sq m	£ 20	£ 33,659	£ -	£ -	£ 33,659	£ -	£ -	£ -
Care Home per sq m	£ 20	£ 22,970			£ 22,970		-	£ -
ixtra Care / Flexicare units per unit ipecial needs supported living per uni⊧	£ 1,150 £ 1,150				£ 71,300 £ 23,000		£ - £ -	£ - £ -
Decial needs supported living per unit	~ 1,130		£ 440,833					
			,	,		,	,	,
L								
	C	I otal Floor	Tatal	Dhase 1	Dhase 2	Dhase 2	Dhase 4	Dhasa F
esi	<b>£ pr sq m</b> £ 150	area 120,635	Total	Phase 1 £ 3,015,866	Phase 2	Phase 3	Phase 4 £ 3.015.866	Phase 5
are Home	£ 245		£ 281,384	£ -	£ -	£ 281,384		£ 5,015,00
other uses (Extra Care and special needs supported living units)	£ 20		£ 85,067	£ -		£ 85,067		£ -
other uses (Commercial)	£ 20	£ 1,683	£ 33,659	£ -	£ -		£ -	£ -
				£ 3,015,866	£ 3,015,866	£ 3,415,975	£ 3,015,866	£ 3,015,86
6 Infrastructure Costs								
	Total costs	1						
sport	£ 25,300,000							
cation (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondar	У							
ool @ £35m)	£ 43,930,000 £ 2,300,000							
nmunity Facilities (£1,000 per unit)	2,300,000							
	Per unit cost	Total costs						
ategic open space / green infrastructure	£ 2,000	£ 4,600,000						
al open space / play space / green infrastructure	£ 1,000	£ 2,300,000						
	Der	Totolar	Dk 1	Dk ^	Dk ^	Dh	DI	D' ^
oponing up opoto Standard Deel	Per unit cost	Total costs	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
opening up costs Standard Resi opening up costs Other Residential uses	£ 20,000 £ 10,000			£ 7,666,667 £ 400,000.00	£ 7,666,667 £ 400,000.00		£ 7,666,667 £ -	£ 7,666,667 £ -
		,,		£ 8,066,667	£ 8,066,667	~ £ 7,666,667	~ £ 7,666,667	£ 7,666,667
d costs								
				Accessable				
				homes @				
			Lifetime	£26,000 per				
			homes	house and	SUDS @	Sustainability		
		Externals per	(£3,200 per	£11,000 per	£2,500 per	@ £5,000 per		
	Base per sq m	sq m	unit)	flatted unit	unit	unit	Total	
i nmercial	£ 1,124 £ 2,026	£ 169 £ 203	£ 37 £ -	£ 30 £ -	£ 29 £ -	£ 57 £ -	£ 1,445 £ 2,229	
th	£ 2,020		L -	L -	2 -	2	£ 2,229 £ 2,497	
Home	£ 1,621	£ 146	£ -	£ -	£ -	£ -	£ 1,768	
care / flexicare	£ 1,736	£ 260	£ 26	£ 9	£ 20	£ 40	£ 2,092	
care / flexicare		£ 260	£ 26	£ 9	£ 20	-	£ 2,092	
care / flexicare	£ 1,736	£ 260	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living	£ 1,736 £ 1,736	£ 260	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living	£ 1,736	£ 260	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living ntingency on build costs veller's pitches	£ 1,736 £ 1,736	£ 260	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare ial needs supported living tingency on build costs eller's pitches rom Dacorum BC 5 pitches = 0.5 Ha	£         1,736           £         1,736           5%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living tingency on build costs eller's pitches rrom Dacorum BC 5 pitches = 0.5 Ha	£         1,736           £         1,736           5%	£ 260 £ 260	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living tingency on build costs veller's pitches from Dacorum BC 5 pitches = 0.5 Ha h travellers pitch estimated to cost £242,000	£         1,736           £         1,736           5%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living tingency on build costs reller's pitches from Dacorum BC 5 pitches = 0.5 Ha n travellers pitch estimated to cost £242,000 it	£         1,736           £         1,736           5%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
care / flexicare al needs supported living ingency on build costs eller's pitches om Dacorum BC 5 pitches = 0.5 Ha travellers pitch estimated to cost £242,000 t te/Market Resi on GDV table Resi on GDV	£ 1,736 £ 1,736 5% No pitches 30 20% 6%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
care / flexicare ial needs supported living ingency on build costs eller's pitches rom Dacorum BC 5 pitches = 0.5 Ha travellers pitch estimated to cost £242,000 t te/Market Resi on GDV dable Resi on GDV	£ 1,736 £ 1,736 5% No pitches 30 20%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living tingency on build costs reller's pitches from Dacorum BC 5 pitches = 0.5 Ha n travellers pitch estimated to cost £242,000 it ate/Market Resi on GDV rdable Resi on GDV imercial on GDV	£ 1,736 £ 1,736 5% No pitches 30 20% 6%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living tingency on build costs reller's pitches from Dacorum BC 5 pitches = 0.5 Ha h travellers pitch estimated to cost £242,000 fit ate/Market Resi on GDV rdable Resi on GDV mercial on GDV mercial on GDV keting /agency and legal fees	£       1,736         £       1,736         5%         No pitches         30         20%         6%         15%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
ial needs supported living ial needs supported living ingency on build costs eller's pitches rom Dacorum BC 5 pitches = 0.5 Ha i travellers pitch estimated to cost £242,000 it te/Market Resi on GDV dable Resi on GDV mercial on GDV iteting /agency and legal fees Sales agent and marketing on GDV	£ 1,736 £ 1,736 5% No pitches 30 20% 6%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living tingency on build costs reller's pitches from Dacorum BC 5 pitches = 0.5 Ha n travellers pitch estimated to cost £242,000 it ate/Market Resi on GDV rdable Resi on GDV mercial on GDV keting /agency and legal fees Sales agent and marketing on GDV	£         1,736           £         1,736           5%         No pitches           30         30           20%         6%           15%         3.00%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare cial needs supported living tingency on build costs reller's pitches from Dacorum BC 5 pitches = 0.5 Ha n travellers pitch estimated to cost £242,000 it ate/Market Resi on GDV rdable Resi on GDV rdable Resi on GDV mercial on GDV keting /agency and legal fees Sales agent and marketing on GDV Sales legal fees on GDV unnercial Letting fee on rent pa	£         1,736           £         1,736           5%         5%           No pitches         30           20%         6%           15%         3.00%           0.50%         10.00%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
a care / flexicare ial needs supported living tingency on build costs eller's pitches rom Dacorum BC 5 pitches = 0.5 Ha a travellers pitch estimated to cost £242,000 it te/Market Resi on GDV dable Resi on GDV dable Resi on GDV mercial on GDV teting /agency and legal fees Sales agent and marketing on GDV Sales legal fees on GDV mercial Letting fee on rent pa mercial Letting Legal fee on rent pa	£         1,736           £         1,736           5%         No pitches           30         30           20%         6%           15%         300           0.50%         10.00%           5.00%         5.00%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
care / flexicare al needs supported living  ngency on build costs  ller's pitches om Dacorum BC 5 pitches = 0.5 Ha travellers pitch estimated to cost £242,000  edMarket Resi on GDV edMarket Resi on GDV pericial on GDV sales agent and marketing on GDV sales legal fees on GDV nercial Letting fee on rent pa nercial Letting Legal fee on rent pa nercial Letting Legal fee on rent pa nercial Sales fee on GDV	£         1,736           £         1,736           5%         No pitches           30         30           20%         6%           15%         300           0.50%         10.00%           10.00%         10.00%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
care / flexicare  I needs supported living  Ingency on build costs  Iler's pitches  m Dacorum BC 5 pitches = 0.5 Ha ravellers pitch estimated to cost £242,000  Market Resi on GDV able Resi on GDV ting /agency and legal fees ales agent and marketing on GDV alercial Letting fee on rent pa ercial Letting Legal fee on rent pa ercial Sales fee on GDV	£         1,736           £         1,736           5%         No pitches           30         30           20%         6%           15%         300           0.50%         10.00%           5.00%         5.00%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
care / flexicare al needs supported living  ngency on build costs  ller's pitches om Dacorum BC 5 pitches = 0.5 Ha travellers pitch estimated to cost £242,000  e/Market Resi on GDV e/Market Resi on GDV eting /agency and legal fees Sales agent and marketing on GDV eting /agency and legal fees Sales legal fees on GDV hercial Letting fee on rent pa hercial Letting Legal fee on GDV hercial Sales fee on GDV hercial Letgal fee on GDV hercial Legal fee on GDV	£         1,736           £         1,736           5%         No pitches           30         30           20%         6%           15%         300           0.50%         10.00%           10.00%         10.00%	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
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re Home tra care / flexicare ecial needs supported living ntingency on build costs aveller's pitches o from Dacorum BC 5 pitches = 0.5 Ha ch travellers pitch estimated to cost £242,000 ofit vate/Market Resi on GDV ordable Resi on GDV mmercial on GDV rketing /agency and legal fees si Sales agent and marketing on GDV si Sales legal fees on GDV mmercial Letting Legal fee on rent pa mmercial Sales fee on GDV mmercial Letgal fees on GDV ofessional fees sidual Land Value @ 40% AH nchmark Land Value Greenfield	£       1,736         £       1,736         5%       No pitches         300       300         20%       6%         15%       15%         3.00%       0.50%         10.00%       5.00%         10.00%       5.00%         10.00%       7.00%         10%       36,149,000	£ 260 £ 260 Cost	£ 26	£ 9	£ 20	£ 40	£ 2,092	
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Appendix 2 - Argus appraisal summary

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**Development Appraisal** 

Park Street Garden Village

40% AH

Report Date: 26 June 2019

Park Street Garden Village 40% AH

Summary Appraisal for Merged Phases 1 2 3 4 5 6

Currency in £

REVENUE					
Sales Valuation	Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales
Private Residential	1	20,106.00	5,705.00	114,704,730	114,704,730
Affordable Housing - Rented	1	8,042.00	1,477.00	11,878,034	11,878,034
Affordable Housing - SO	1	4,021.00	3,579.00	14,391,159	14,391,159
Affordable Housing - DMR	1	1,340.00	3,564.00	4,775,760	4,775,760
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Private Residential	1	20,106.00	5,705.00	114,704,730	114,704,730
Affordable Housing - Rented	1	8,042.00	1,477.00	11,878,034	11,878,034
Affordable Housing - SO	1	4,021.00	3,579.00	14,391,159	14,391,159
Affordable Housing - DMR	1	1,340.00	3,564.00	4,775,760	4,775,760
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Private Residential	1	20,106.00	5,705.00	114,704,730	114,704,730
Affordable Housing - Rented	1	8,042.00	1,477.00	11,878,034	11,878,034
Affordable Housing - SO	1	4,021.00	3,579.00	14,391,159	14,391,159
Affordable Housing - DMR	1	1,340.00	3,564.00	4,775,760	4,775,760
Care Home	1	0.00	0.00	3,596,144	3,596,144
Special Needs Supported Living	1	400.00	1,665.00	666,000	666,000
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Extra/Flexi Care Housing - Private	1	2,232.00	6,997.00	15,617,304	15,617,304
Extra/Flexi Care Housing - Aff Rented	1	893.00	1,665.00	1,486,845	1,486,845
Extra/Flexi Care Housing - Aff SO	1	595.00	4,349.00	2,587,655	2,587,655
Private Residential	1	20,106.00	5,705.00	114,704,730	114,704,730
Affordable Housing - Rented	1	8,042.00	1,477.00	11,878,034	11,878,034
Affordable Housing - SO	1	4,021.00	3,579.00	14,391,159	14,391,159
Affordable Housing - DMR	1	1,340.00	3,564.00	4,775,760	4,775,760
Self Build Plots	12	0.00	0.00	400,000	4,800,000
Private Residential	1	20,106.00	5,705.00	114,704,730	114,704,730
Affordable Housing - Rented	1	8,042.00	1,477.00	11,878,034	11,878,034

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Park Street Garden Village						
40% AH	1	4 024 00	2 570 00	14 201 150	14 201 150	
Affordable Housing - SO Affordable Housing - DMR	1	4,021.00 1,340.00	3,579.00 3,564.00	14,391,159 4,775,760	14,391,159 4,775,760	
Self Build Plots	12	0.00	3,504.00 0.00	400,000	4,800,000	
Private Residential	12	20,106.00	5,705.00	114,704,730	114,704,730	
Affordable Housing - Rented	1	8,042.00	1,477.00	11,878,034	11,878,034	
Affordable Housing - SO	1	4,021.00	3,579.00	14,391,159	14,391,159	
Affordable Housing - DMR	1	1,340.00	3,564.00	4,775,760	4,775,760	
Self Build Plots	<u>12</u>	0.00	0.00	400,000	4,800,000	
Totals	101	205,174.00	0.00	+00,000	<u>927,252,046</u>	
10(8)3	101	203,174.00			521,252,040	
Rental Area Summary				Initial	Net Rent	Initial
	Units	m²	Rate m <sup>2</sup>	MRV/Unit	at Sale	MRV
Neighbourhood / Local Centre	1	1,380.00	237.00	327,060	327,060	327,060
Health Provision	1	549.00		0	0	
Totals	2	1,929.00			327,060	327,060
Investment Valuation Neighbourhood / Local Centre						
Market Rent	327,060	YP @	6.5000%	15.3846		
(1yr 6mths Rent Free)		PV 1yr 6mths @	6.5000%	0.9099	4,578,146 <b>4,578,146</b>	
GROSS DEVELOPMENT VALUE				931,830,192		
Purchaser's Costs		6.80%	(555,852)			
				(555,852)		
NET DEVELOPMENT VALUE				931,274,341		
NET REALISATION				931,274,341		
OUTLAY						
ACQUISITION COSTS						

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Park Street Garden Village				
40% AH				
Residualised Price			81,037,987	
Stamp Duty		5.00%	4,051,899	
Agent Fee		1.00%	810,380	
Legal Fee		0.80%	648,304	
				86,548,570
CONSTRUCTION COSTS				
Construction	Units	Unit Amount	Cost	
Travellers Pitches	30 un	242,000	7,260,000	
	m²	Rate m <sup>2</sup>	Cost	
Neighbourhood / Local Centre	1,682.93 m²	2,229.00 pm <sup>2</sup>	3,751,244	
Health Provision	669.51 m²	2,497.00 pm <sup>2</sup>	1,671,772	
Private Residential	20,106.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	29,053,170	
Affordable Housing - Rented	8,042.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	11,620,690	
Affordable Housing - SO	4,021.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	5,810,345	
Affordable Housing - DMR	1,340.00 m²	1,445.00 pm <sup>2</sup>	1,936,300	
Private Residential	20,106.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	29,053,170	
Affordable Housing - Rented	8,042.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	11,620,690	
Affordable Housing - SO	4,021.00 m <sup>2</sup>	1,445.00 pm²	5,810,345	
Affordable Housing - DMR	1,340.00 m²	1,445.00 pm <sup>2</sup>	1,936,300	
Private Residential	20,106.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	29,053,170	
Affordable Housing - Rented	8,042.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	11,620,690	
Affordable Housing - SO	4,021.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	5,810,345	
Affordable Housing - DMR	1,340.00 m²	1,445.00 pm <sup>2</sup>	1,936,300	
Care Home	1,149.00 m²	1,768.00 pm <sup>2</sup>	2,031,432	
Special Needs Supported Living	533.33 m²	2,173.00 pm <sup>2</sup>	1,158,933	
Extra/Flexi Care Housing - Private	3,720.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	7,864,080	
Extra/Flexi Care Housing - Aff Rented	1,488.33 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	3,146,337	
Extra/Flexi Care Housing - Aff SO	991.67 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	2,096,383	
Private Residential	20,106.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	29,053,170	
Affordable Housing - Rented	8,042.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	11,620,690	
Affordable Housing - SO	4,021.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	5,810,345	
Affordable Housing - DMR	1,340.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	1,936,300	
Private Residential	20,106.00 m <sup>2</sup>	1,445.00 pm <sup>2</sup>	29,053,170	
		•		

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Park Street Garden Village

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40% AH				
Affordable Housing - Rented	8,042.00 m <sup>2</sup>	1,445.00 pm²	11,620,690	
Affordable Housing - SO	4,021.00 m <sup>2</sup>	1,445.00 pm²	5,810,345	
Affordable Housing - DMR	1,340.00 m <sup>2</sup>	1,445.00 pm²	1,936,300	
Private Residential	20,106.00 m <sup>2</sup>	1,445.00 pm²	29,053,170	
Affordable Housing - Rented	8,042.00 m <sup>2</sup>	1,445.00 pm²	11,620,690	
Affordable Housing - SO	4,021.00 m <sup>2</sup>	1,445.00 pm²	5,810,345	
Affordable Housing - DMR	<u>1,340.00 m²</u>	1,445.00 pm²	<u>1,936,300</u>	
Totals	211,288.77 m <sup>2</sup>		312,243,211	319,503,211
Contingency		5.00%	16,090,161	
Site opening up costs			47,200,002	
Strategic Open Space			4,600,000	
Local open/play space green infrast			2,300,000	
S106			2,795,927	
CIL			18,495,305	
Transport			25,300,000	
Education			43,930,000	
Community Facilities			2,300,000	
				163,011,395
PROFESSIONAL FEES				
Professional fees		10.00%	38,509,337	
				38,509,337
DISPOSAL FEES Resi Sales Agent and Marketing Fee		3.00%	21,115,371	
Commercial Sales Agent Fee		1.00%	650,730	
Sales Legal Fee		0.50%	4,656,372	
Cales Legal 1 ce		0.0070	4,000,072	26,422,472
				,,
Additional Costs				
Resi Private Profit		20.00%	23,896,098	
Resi & Extr Care Aff, Sp Nds Profit		6.00%	1,576,152	
Resi Private Profit		20.00%	23,896,098	
Resi & Extr Care Aff, Sp Nds Profit		6.00%	1,576,152	

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Park Street Garden Village			
40% AH			
Resi Private Profit	20.00%	27,019,559	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,860,582	
Commercial Profit	15.00%	1,226,144	
Resi Private Profit	20.00%	23,896,098	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,576,152	
Resi Private Profit	20.00%	23,896,098	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,576,152	
Resi Private Profit	20.00%	23,896,098	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,576,152	
			157,467,532
FINANCE			
Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Total Finance Cost			139,811,968
TOTAL COSTS			931,274,486
PROFIT			
TROTT			(145)
			(140)
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
Profit on NDV%	0.00%		
Development Yield% (on Rent)	0.04%		
Equivalent Yield% (Nominal)	6.50%		
Equivalent Yield% (True)	6.77%		
IRR	6.96%		
Rent Cover	0 yrs 0 mths		
Profit Erosion (finance rate 7.000%)	N/A		

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Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# Strategic Site Testing: West of Chiswell Green

Prepared for St Albans City and District Council

November 2018





## Contents

1	Introduction	3
2	Details of strategic site	4
3	Development appraisals	5
4	Appraisal results and analysis	10
5	Conclusions and Recommendations	11

## **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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Direct line: 020 7338 4417 Email <u>sacha.winfield-ferreira@bnpparibas.com</u>



## 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the West of Chiswell Green strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- **Section 3** details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



## 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at West of Chiswell Green as set out in Policy S6 x - West of Chiswell Green Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	15.2 Ha 9.1 Ha
Number of residential units (Density circa 40 units per Ha)	365
Estimated Self Build units @ 3%	11
Health provision (provided on site assumed to be NIA)	87 square metres

#### Table 2.1 Details of proposed strategic development at West of Chiswell Green


## 3 Development appraisals

### 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the West of Chiswell Green strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the West of Chiswell Green strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

### 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

#### 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



#### Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

#### 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

#### 3.2.3 Affordable housing

We understand that the LPPD Policy S6 x identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

#### 3.2.4 Self-build plots

Policy S6 x identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 11 self-build pots on the strategic site.

#### 3.2.5 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.5 below, these are in line with the costs adopted in the CIL&LPVS.

#### Table 3.2.5 Base build costs adopted in appraisal

Use	Base build costs per square metre
Residential houses	£ 1,124
Health	£ 2,270

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house (10% of units only).

We have also included an allowance of £20,000 per standard residential unit for infrastructure costs. In our experience greenfield sites such as West of Chiswell Green are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.



#### 3.2.6 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

#### 3.2.7 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

#### 3.2.8 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and on the discount market sales affordable housing units.

We have included a 1% sales agent allowance on the self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

#### 3.2.9 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value.

#### 3.2.10 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.10 below.

#### Table 3.2.10: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£2,737,500	1 x 2 FE Primary (assumes £7.5m per primary school)
Community Facilities	£365,000	Based on £1,000 per unit
<b>Green infrastructure:</b> Local open/play Space/Green Infrastructure	£365,000	Based on £1,000 per unit
Transport Infrastructure	£1,095,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£4,562,500	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit.



With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS i.e. £150 per square metre for residential floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.

#### 3.2.11 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."* 

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, self-build plots and discount market rent affordable housing; and
- 6% on GDV for affordable rent and shared ownership affordable housing.

#### 3.2.12 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in one phase of circa 365 units. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.12 below.

#### Table 3.2.12: Development timescales

Phase	Timings 1
Pre-construction (months)	9
Construction (months)	53
Residential Sales (months)	53

The sales rates are applied to the private housing only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the health provision, given their smaller scale of development we have allowed for a 24 month construction phase.



# 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at West of Chiswell Green as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results – West of Chiswell Green

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£30,729,000	£5,624,000	Viable

The appraisal scenario tested for West of Chiswell Green identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



## 5 Conclusions and Recommendations

This testing demonstrates that the West of Chiswell Green strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 x and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the West of Chiswell Green strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	West of Ch	iswell Gree	en						
	45.0	5							
ite Size (Gross) Ha Site Size (Net) Ha	15.2								
otal No Standard Residential units	365	5							
Self build plots (3%) Total units less self build (97%)	11 354								
Care Home rooms		-							
xtra Care / flexicare units	-	-							
pecial needs supporting living units raveller & Gypsy Pitches		-							
lo Phases	1								
Init mix Based on Typology 14	•	1	1						
Site type	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House	Total
Size (sq m)	50	70	86	108	79	93	115	125	
Percentage split	0%	0%	0%	0%	36% 10,068	56% 18,436	4% 1,628	4%	31,902
otal Floor area (sq m)	-	-	-	-	10,068	10,430	1,020	1,770	31,902
Mandala Hausian Analasia									
Vifordable Housing Analysis Percentage	40%								
Rented (50% Social rent and 50% Affordable Rent)	60%	<u>,</u>							
ntermediate (Shared Ownership) ntermediate (Discount Market Sale)	30% 10%								
	1070	5							
Resi floor area analysis	Tetel	Bhased	-						
Private Floor area	Total 19,141	Phase 1 19,141							
ffordable Floor Area	12,761								
Rented (50% Social rent and 50% Affordable Rent)	7,657	7,657	<b>'</b>						
Shared ownership Discount Market Sale	3,828 1,276								
	1,270	1,270							
Self-Build units		<b>D</b>	-						
lo plots	Total 11	Phase 1							
lealth provision	Tetel	Bhass 4	-						
Gross floorarea (sq m)	Total 106	Phase 1	-						
let floorarea (sq m)	87								
leighbourbood (Leon) Contro			-						
leighbourhood / Local Centre	Total	Phase 1	7						
Gross floorarea (sq m)	-	-							
let floorarea (sq m)	-	-							
Care Homes					_				
lational Care Standards requirements		()							
	5 sq ft of useable 8 sq ft of space fo		uung ensulte		1				
	2 sq ft of commun		ling circulation		1				
	roome	1	floor are f	0000					
	rooms	-	floor area of ro en-suite bathro						
	rooms	-	en-suite bathro	oms					
			en-suite bathro communal spa sq ft NIA	oms					
	rooms 5 Circulation	- - - -	en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms					
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		- - - -	en-suite bathro communal spa sq ft NIA sqft sqft GIA	oms	Affordable Hot	Jsing			
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0.1 Extra-Care / Flexi Care Eize (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Extra Care (sq m) Eize (sq m) Ei	5 Circulation 1 Bed 2p flat 50% 50% - 1 Bed 2p flat 50 100% - - Total 50 100% - - 50 100% - - - - - - - - - - - - -		en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total	Private	Social rent and 50% Affordable Rent)	Intermediate (Shared			
0.1 Extra-Care / Flexi Care  Extra-Care Units  Extra-Care Units Extra-Care Units Extra-Care Units Extra-Care Units Extra-Care Units Extra-Care Units Extra-Care Units Extra-Care Units Extra-Care Units Extra	5 Circulation 1 Bed 2p flat 50% 50% - - - 1 Bed 2p flat 50% - - - - - - - - - - - - -		en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total	Private	Social rent and 50% Affordable Rent)	Intermediate (Shared			
0.1 Extra-Care / Flexi Care Extra-Care Units Extra-Care Units Extra Care Units Extra Care Units Extra Care Units Extra Care Units Extra-Care Un	5 Circulation 1 Bed 2p flat 50% 50% 50% - - 1 Bed 2p flat 50 100% - - - - - - - - - - - - -		en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total	Private	Social rent and 50% Affordable Rent)	Intermediate (Shared			
0.1 Extra-Care / Flexi Care  Extra-Care / Flex	5 Circulation 1 Bed 2p flat 50% 50% - - - 1 Bed 2p flat 50% - - - - - - - - - - - - -		en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total	Private	Social rent and 50% Affordable Rent)	Intermediate (Shared			
0.1 Extra-Care / Flexi Care Extra-Care Units Extra-Care Un	5 Circulation 1 Bed 2p flat 50 50% 50% - 1 Bed 2p flat 50 1 Bed 2p flat 50 1 Bed 2p flat 50 - - - - - - - - - - - - -		en-suite bathro communal spa sq ft NIA sqft GIA sqm GIA Total	Private	Social rent and 50% Affordable Rent)	Intermediate (Shared			

	Value per plot (assuming 4 bed house)
Self build plots	£ 400,000

	Capital value
Special needs supported living units	N/A

### . Care Home

oure nome						
Beds (Affordable)	0	£471	per week	90%	occupancy	£C
Beds (Pvt)	0	£800	per week	90%	occupancy	£0
				30%	of income	£0.00
Standard profit margin (EBITDA)				10%	yield	£0
Capitalise EBITDA						£0
Deduct	15%	for income shor	fall to maturity			
Gross Adjusted turnkey value of Home						0£

	Capital value £
Extra Care Housing	per sq m
Private	N/A
Affordable Rented (50% Social Rent 50% Affordable Rent)	N/A
Shared Ownership	N/A

Commercial N/A N/A N/A

Residual S106							
				1			
	unit of measure	Total	Phase 1				
Standard residential per unit	£ 1,150		-				
Commercial per sq m Care Home per sq m	£ 20 £ 20	£ - £ -	£ - £ -				
	£ 1,150		£ -				
Special needs supported living per unit	£ 1,150		£ -				
TOTAL			£ 419,750				
	C	I otal Floor	Total	Dhana 4			
Deel	£ pr sq m	area	Total	Phase 1			
Resi Care Home	£ 150 £ 245		2,871,223 £ -	£ 2,871,223 £ -			
	£ 245 £ 20		£ -				
		£ -	£ -	£ -			
Total				£ 2,871,223			
S106 Infrastructure Costs							
	Total costs	]					
Transport	£ 1,095,000						
Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary	£ 2.737.500						
School @ £35m) Community Facilities (£1,000 per unit)	£ 2,737,500 £ 365,000						
containty radiation (21,000 per unit)	000,000	3					
1	Per unit cost	Total costs					
Strategic open space / green infrastructure	£ -	£ -					
	£ 1,000	£ 365,000					
			•				
	Per unit cost		Phase 1				
Site opening up costs Standard Resi		£ 7,300,000					
Site opening up costs Other Residential uses	£ 10,000	£ -	£ -				
Duild 4-			£ 7,300,000				
Build costs							
				Accessable			
				homes @			
			Lifetime	£26,000 per			
			homes	house and	SUDS @	Sustainability	
		Externals per		£11,000 per	£2,500 per	@ £5,000 per	
	Base per sq m	sq m	unit)	flatted unit	unit	unit	Total
Resi	£ 1,124		£ 37		£ 29	£ 57	£ 1,445
Commercial	N/A	N/A	£ -	£ -	£ -	£ -	N/A
Health	£ 2,270					-	£ 2,497
Care Home	£ 1,621		£ -	£ -	£ -	£ -	N/A
Extra care / flexicare	N/A N/A	N/A N/A	N/A	N/A	N/A	N/A N/A	N/A N/A
		19/75					
	N/A		N/A	N/A	N/A	IN/A	10/4
	1975		N/A	N/A	N/A	IN/A	1/6
Special needs supported living		1	N/A	N/A	N/A		1/6
Special needs supported living	5%		N/A	N/A	N/A	NA	
Contingency on build costs Traveller's pitches		Cost	N/A	N/A	N/A		
Special needs supported living Contingency on build costs Traveller's pitches	5%		N/A	N/A	N/A		
Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha	5%	Cost £ -	N/A	N/A	N/A		
Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000	5%		N/A	N/A	N/A		
Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit	5% No pitches -		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV	5% No pitches - 20%		N/A	N/A	N/A	NA	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV	5% No pitches - 20% 6%		N/A	N/A	N/A	NA	
Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit	5% No pitches - 20%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV	5% No pitches - 20% 6%		N/A	N/A	N/A	N/A	
Special needs supported living         Contingency on build costs         Traveller's pitches         Into from Dacorum BC 5 pitches = 0.5 Ha         Each travellers pitch estimated to cost £242,000         Profit         Private/Market Resi on GDV         Affordable Resi on GDV         Commercial on GDV         Marketing /agency and legal fees	5% No pitches - - 20% 6% 15%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV	5% No pitches - 20% 6%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV	5% No pitches - 20% 6% 15% 3.00%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV	5% No pitches - 20% 6% 15% 3.00%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 1.00%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 1.00% 0.50%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Resi Sales legal fees on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 1.00%		N/A	N/A	N/A	N/A	
Special needs supported living  Contingency on build costs  Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000  Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Letting Legal fee on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 10.00% 0.50% 10%		N/A	N/A	N/A	N/A	
Special needs supported living  Contingency on build costs  Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000  Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV Commercial Letting fee on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 1.00% 0.50%		N/A	N/A	N/A	N/A	
Special needs supported living  Contingency on build costs  Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000  Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV Commercial Letting fee on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 10.00% 0.50% 10%		N/A	N/A	N/A	N/A	
Special needs supported living Contingency on build costs Traveller's pitches Into from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Letting Legal fee on GDV Commercial Letting fee on GDV Frofessional fees Finance	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 10.00% 0.50% 10%		N/A	N/A	N/A		
Special needs supported living  Contingency on build costs  Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000  Profit Private/Market Resi on GDV  Affordable Resi on GDV  Commercial on GDV  Resi Sales agent and marketing on GDV  Resi Sales legal fees on GDV  Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 10.00% 0.50% 10%		N/A	N/A	N/A		
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Commercial on GDV Commercial on GDV Commercial Letting fee on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV Professional fees Finance Appraisal Outcome	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 10.00% 0.50% 10% 7.00%	£ -		N/A			
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV Professional fees Finance Appraisal Outcome	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 10.00% 0.50% 10%	£ -	N/A	N/A	N/A		
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Letting Legal fee on GDV Professional fees Finance Appraisal Outcome Residual Land Value @ 40% AH	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 1.00% 0.50% 10% 7.00% £ 30,729,000	£ -	N/A	N/A	N/A		
Special needs supported living Contingency on build costs Traveller's pitches Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000 Profit Private/Market Resi on GDV Affordable Resi on GDV Commercial on GDV Marketing /agency and legal fees Resi Sales agent and marketing on GDV Commercial Letting fee on rent pa Commercial Letting Legal fee on rent pa Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV Commercial Letting Legal fee on GDV Frofessional fees Finance Residual Land Value @ 40% AH	5% No pitches - 20% 6% 15% 3.00% 0.50% 10.00% 5.00% 10.00% 0.50% 10% 7.00%	£ -		N/A	N/A		



Appendix 2 - Argus appraisal summary

# **BNP** Paribas Real Estate

**Development Appraisal** 

West of Chiswell Green

40% AH

Report Date: 16 November 2018

West of Chiswell Green 40% AH

Summary Appraisal for Phase 1

Currency in £

REVENUE Sales Valuation Private Residential Affordable Housing - Rented Affordable Housing - SO Affordable Housing - DMR Self Build Plots Totals	Units 1 1 1 1 <u>11</u> 15	m² 19,141.00 7,657.00 3,828.00 1,276.00 <u>0.00</u> <b>31,902.00</b>	<b>Rate m²</b> 5,705.00 1,477.00 3,579.00 3,564.00 0.00	<b>Unit Price</b> 109,199,405 11,309,389 13,700,412 4,547,664 400,000	Gross Sales 109,199,405 11,309,389 13,700,412 4,547,664 <u>4,400,000</u> 143,156,870
NET REALISATION				143,156,870	
OUTLAY					
ACQUISITION COSTS Residualised Price Stamp Duty Agent Fee Legal Fee		5.00% 1.00% 0.80%	30,729,186 1,536,459 307,292 245,833	32,818,771	
CONSTRUCTION COSTS Construction Health Provision Private Residential Affordable Housing - Rented Affordable Housing - SO Affordable Housing - DMR Totals	m² 106.10 m² 19,141.00 m² 7,657.00 m² 3,828.00 m² <u>1,276.00 m²</u> <b>32,008.10 m</b> ²	<b>Rate m²</b> 2,497.00 pm² 1,445.00 pm² 1,445.00 pm² 1,445.00 pm² 1,445.00 pm²	Cost 264,926 27,658,745 11,064,365 5,531,460 <u>1,843,820</u> 46,363,316	46,363,316	
Contingency		5.00%	2,336,416		

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### **BNP PARIBAS REAL ESTATE**

West of Chiswell Green			
40% AH		7 000 000	
Site opening up costs		7,300,000	
Local open/play space green infrast S106		365,000 419,750	
CIL		2,871,223	
Transport		1,095,000	
Education		2,737,500	
Community Facilities		365,000	
		,	17,489,889
			,,
PROFESSIONAL FEES			
Professional fees	10.00%	5,636,473	
			5,636,473
DISPOSAL FEES			
Resi Sales Agent and Marketing Fee	3.00%	3,275,982	
Commercial Sales Agent Fee	1.00%	89,477	
Sales Legal Fee	0.50%	715,784	
			4,081,243
Additional Costs			
Resi Private Profit	20.00%	22,749,414	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,500,588	
	0.0070	1,000,000	24,250,002
FINANCE			21,200,002
Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		10,444,781	
Construction		2,072,397	
Total Finance Cost			12,517,178
TOTAL COSTS			143,156,871
PROFIT			
			(1)
<b>-</b> <i>i</i>			

#### Performance Measures

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### **BNP PARIBAS REAL ESTATE**

#### West of Chiswell Green 40% AH Profit on Cost% Profit on GDV% Profit on NDV%

Profit on NDV%	0.00%
IRR	7.14%
Profit Erosion (finance rate 7.000%)	N/A

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0.00%

0.00%



Real Estate for a changing world

# St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study

# Strategic Site Testing: West of London Colney

Prepared for St Albans City and District Council

November 2018





## Contents

1	Introduction	3
2	Details of strategic site	4
3	Development appraisals	5
4	Appraisal results and analysis	11
5	Conclusions and Recommendations	12

## **Appendices**

Appendix 1 - Working assumptions adopted in appraisal Appendix 2 - Argus appraisal summary

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## 1 Introduction

The National Planning Practice Guidance on Viability 2019 ('NPPG') identifies at paragraph 003 that, "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." However, it goes on to identify that the "in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." This is reiterated in paragraph 005 which sets out that, "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."

Accordingly this report outlines the results of the additional high level viability testing undertaken on the West of London Colney strategic development site as allocated in the St Albans City and District Local Plan 2020-2036 Publication Draft 2018 ('LPPD'). This work follows the St Albans Community Infrastructure Levy and Emerging Local Plan Viability Study ('CIL&LPVS') report dated November 2017, which tested the ability of a range of development types throughout the City and District to yield contributions to infrastructure requirements through the Community Infrastructure Levy ('CIL') along with the planning policy requirements of the emerging St Albans City and District Local Plan Draft and other key local policies and guidance as well as national policies.

This report has been prepared with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site including affordable housing, on-site Section 106 obligations, the Council's proposed CIL charges and on-site infrastructure and sustainability measures. This is in line with the requirements of the National Planning Policy Framework 2018 ('NPPF'), the NPPG and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- Section 2 identifies the details of the strategic site that have been tested;
- Section 3 details the methodology adopted in this assessment and the inputs to our appraisals;
- Section 4 outlines the results of our appraisals and considers the implications for the Council's CIL Charging Schedule and emerging local plan policies; and
- Section 5 sets out our conclusions and recommendations.



# 2 Details of strategic site

The Council's LPPD sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period the Council has identified a number of Strategic Development Sites ('strategic sites'). Given the importance of these strategic sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail as well as their potential to contribute to infrastructure through CIL.

The Council has provided information to BNP Paribas Real Estate as to the assumptions for the development of the strategic development envisaged at West of London Colney as set out in Policy S6 ix - West of London Colney Broad Location. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Element considered	Site specifications
Site Size Gross Net	13.8 Ha 11 Ha
Number of residential units (Density circa 40 units per Ha)	440
Estimated Self Build units @ 3%	13
Specialist housing	
Extra care / flexicare (units)	50
Other – special needs supported living	10
Health provision (provided on site assumed to be NIA)	105 square metres

#### Table 2.1 Details of proposed strategic development at West of London Colney



## 3 Development appraisals

### 3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with that adopted in the CIL&LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the proposed development on the West of London Colney strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the proposed development on the West of London Colney strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at <u>www.argussoftware.com</u>

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

### 3.2 Appraisal inputs

Our assumptions adopted for the development appraisals are set out in the following section.

#### 3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Table 3.2.1 based on the mix adopted for Typology 14 in the CIL&LPVS on the basis that this is a reasonable assumption to test in a viability assessment, but understandably does not preclude other unit mixes. The size of units adopted in the study have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.



#### Table 3.2.1: Unit mix

Unit type	2 Bed 4p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House
Unit size <sup>1</sup>	79 sq m	93 sq m	115 sq m	125 sq m
% tested in Scheme	36%	56%	4%	4%

#### 3.2.2 Private/market residential sales values

We have adopted an average private/market residential sales value of £5,705 per sq m in our appraisal. This corresponds with the sales values adopted in the CIL&LPVS, which were based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

#### 3.2.3 Affordable housing

We understand that the LPPD Policy S6 ix identifies that development will be required to deliver a minimum of 40% affordable housing in accordance with Policy L3. Policy L3 (Provision of and Financial Contributions towards Affordable Housing) sets out that the Council will seek a minimum of 40% affordable homes as a proportion of the overall dwelling numbers on the site or an equivalent land area, on schemes of 10 (net) or more homes, unless it is clearly demonstrated that this is not economically viable. In such circumstances the Council will seek to negotiate the affordable housing provision at a level which allows the scheme to be viable. In addition the Council will seek 60% of the affordable housing as 'Affordable Housing for Rent' of which 30% is to be at social rents and the 30% is to be provided as "Affordable Rent" at a maximum of 80% of market rent. The remaining 40% affordable housing is to be provided as "Subsidised Home Ownership" including Shared Ownership, Starter Homes and Discounted Market Sales. Further, the policy identifies that at least 75% of such provision must be through Registered Providers to seek to secure the subsidy in perpetuity.

We note that the Council's saved Local Plan Policy 7a (Affordable Housing in Towns and Specified settlements) identifies that the Council will normally seek to negotiate an element of affordable housing on sites of over 0.4Ha and on sites of under this size where 15 or more dwellings are proposed based on site and marketing conditions and local housing need. We note that the Council's Affordable Housing Supplementary planning Guidance ('SPG') identifies that "the percentage of affordable housing required will normally be 35%" and that "The council will negotiate a range of tenures for the affordable housing provision, but the majority of the provision is expected to be general needs rented."

The Council have requested that we base our assessments on the higher emerging policy target of 40% with a tenure split provision of 60% Rented units (split 30% social rent and 30% Affordable Rent) and 40% as Subsidised Home Ownership units (split 30% shared ownership units and 10% Discount Market Sale).

As set out in the CIL&LPVS, we have used our bespoke model to value the affordable rented housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999), local earnings and property size subject to not exceeding the rent cap for the 2017 - 2018 period, in line with HCA guidance. The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP's) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt. Our appraisals assume that the Affordable Rent units are let at 80% or market rent, but which do not exceed Local Housing Allowance ('LHA') rates, so that they are affordable to households subject to the Universal Credit. Our calculations have identified that this to equate to an average capital value of £1,477 per square metre for such units.

<sup>&</sup>lt;sup>1</sup> In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.



We have appraised the intermediate shared ownership units, assuming that Registered Providers ('RPs') will sell 30% initial equity stakes at market and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%. We have assessed the capital value for such units to equate to £3,579 per square metre.

With respect to the Discount Market Sale units, we have appraised these units at 80% of the open market/private unit values. This equates to an average capital value of £4,564 per square metre.

#### 3.2.4 Self-build plots

Policy S6 ix identifies that 3% of homes are to be provided as self-build housing. Given this, we have undertaken an assessment of the value of a serviced plot of land for a 4 bed self-build house (on the basis that this would be a reasonable average size of plot between 3 and 5 bed homes). This assessment has identified an average serviced plot value of £400,000, which we have adopted in our appraisal of the 13 self-build pots on the strategic site.

#### 3.2.5 Extra care / flexicare units

Policy S6 ix sets out a requirement for at least one 50+ home Flexi-care scheme. The CIL&LPVS identified that Extra Care Housing (C3 Use) can be precisely defined (and differentiated from other types of residential institutions) by reason of some specific characteristics, as set out in the RTPI Good Practice Note. The Royal Town Planning Institute defines Extra Care Housing as, 'purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared'. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in retirement housing Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff.

As with retirement housing it is recognised that Extra Care developments have different viability considerations to standard residential dwellings. These arise due to a significant gross to net ratio for such developments due to the need for more communal facilities as well as the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. In our experience such units also achieve premium value.

In line with our assumptions adopted in the CIL&LPVS for such developments we have assumed that the 50 extra care units identified on the strategic site will be provided as 50% one and 50% two bedroom apartments. We have also allowed for a gross to net floorspace ratio of 60% and a higher average sales value reflecting £6,997 per square metre (£650 per square foot).

In line with the requirements of Policy S6 ix we have allowed for 40% of these units to be delivered as affordable housing with 60% provided as rented units (50% social rent and 50% affordable rent) and 40% as shared ownership.

#### 3.2.6 Special needs supported living units

Policy S6 ix identifies that 10 special needs supported living units are be required to be provided as part of the development of the West of London Colney strategic site. We have assumed that these units would all be provided as a block of one bedroom apartments. Given the nature of such development we have valued these as affordable rented units, at a capital value of £1,665 per sq m. This is higher than the average value of the standard affordable rented units in the scheme as these units are all one bed units.



#### 3.2.7 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for actual schemes adjusted to reflect local circumstances in St Albans District. The base build costs used in our appraisals are set out in Table 3.2.7 below, these are in line with the costs adopted in the CIL&LPVS.

Use	Base I	ouild costs per square metre
Residential houses	£	1,124
Health	£	2,270
Extra care / flexicare apartments	£	1,736
Special needs supported living apartments	£	1,736

#### Table 3.2.7 Base build costs adopted in appraisal

In addition to these base costs, we have included an allowance which equates to an additional 15% of the base cost for external works on the residential uses and 10% on the non-residential uses (commercial uses in the health use). The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and pavements/driveways/parking works within the site.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the CIL&LPVS we have also allowed for extra over costs associated with policy requirements. We summarise these costs below, which we have incorporated within our appraisals.

- Sustainable homes: £5,000 per unit;
- SUDs: £2,500 per residential unit;
- Lifetime Homes: £3,200 per unit; and
- Accessible units: £26,000 per house and £11,000 on apartments (10% of units only).

We have also included an allowance of £20,000 per standard residential unit and £10,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as West of London Colney are likely to require significant development of infrastructure such as servicing and roads etc. to open up the site for development.

#### 3.2.8 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

#### 3.2.9 Development finance

In line with the CIL&LPVS, our appraisal assumes that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

#### 3.2.10 Marketing, agency and legal costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the private extra care units and on the discount market sales affordable housing units.



We have included a 1% sales agent allowance on the self-build plots.

A 0.5% sales legal fee on GDV has been applied for all uses.

#### 3.2.11 Acquisition/purchaser costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value.

#### 3.2.12 CIL and Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information as to the likely level of these costs including the apportionment of costs of delivering such infrastructure on existing sites in the District and high level knowledge of the likely specific costs being worked up at present. Given this these costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.12 below.

#### Table 3.2.12: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£8,404,000	1 x 2 FE Primary (assumes £7.5m per primary school)
		1 X 6-8 FE Secondary (assumes £35m per secondary school)
<b>Community Facilities</b>	£440,000	Based on £1,000 per unit
<b>Green infrastructure:</b> Local open/play Space/Green Infrastructure	£440,000	Based on £1,000 per unit
Transport Infrastructure	£1,320,000	Allows for: - Local highway - on & off site - Sustainable travel - public transport; - Sustainable travel - walking + cycling on & off site
Total	£10,604,000	

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above. In line with the assumptions in the CIL&LPVS we have assumed £1,150 per unit and £20 per square metre for non-residential uses.

With respect to the delivery of open space, there are a number of allowances included in this assessment. Integral open/play space and non-strategic open space is accounted for through the allowance for external works on base build costs and a further £1,000 per residential unit allowance in the S106 contributions.

We have calculated the CIL liability of the proposed development based on the proposed CIL charges set out in the CIL&LPVS. These include £150 per square metre for residential floorspace and £20 per square metre for extra care, special needs supported living and commercial floorspace. Details of the calculation of the CIL liability are set out in Appendix 1.

#### 3.2.13 Profit

As identified in the CIL&LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to



mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, "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. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 20% on Gross Development Value (GDV) for private housing units, private extra care units, selfbuild plots and discount market rent affordable housing; and
- 6% on GDV for affordable rent and shared ownership affordable housing and extra care units and special needs supported living units.

#### 3.2.14 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in two phases of circa 220 units each. We have assumed that the sales rate will be 4 units per month, which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.14 below.

#### Table 3.2.14: Development timescales

Phase	Total	Phase 1	Phase 2
Pre-construction (months)	18	9	9
Construction (months)	64	32	32
Residential Sales (months)	64	32	32
Extra Care Units	10	0	10

The sales rates are applied to the private housing and extra care unit only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed capital receipt for the affordable housing is assumed to be received quarterly over the build period.

With respect to the delivery of the extra care/flexicare, special needs supported living units and health provision we have included these within Phase 2 of the development. Given their smaller scale of development we have allowed for a 24 month construction phase for each use.



# 4 Appraisal results and analysis

We have run an appraisal of the strategic development envisaged at West of London Colney as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate benchmark land value ('BLV') identified in the CIL&LPVS, which in this instance is the Greenfield value of £370,000 per Ha, in order to determine whether this might be sufficient for the site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

#### Table 4.1: Appraisal results – West of London Colney

Scenario appraised	Residual land value	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH & CIL	£29,445,000	£5,106,000	Viable

The appraisal scenario tested for West of London Colney identifies that the proposed scheme is viable against the BLV of £370,000 per hectare when delivering 40% Affordable Housing, the proposed CIL charge and other policy requirements.



## 5 Conclusions and Recommendations

This testing demonstrates that the West of London Colney strategic site is viable and deliverable having regard to both the Council's planning policy requirements (including affordable housing and development specified in Policy S6 ix and the proposed Community Infrastructure Levy charging rates set out in BNPPRE's November 2017 CIL&LPVS.

In light of the above we recommend that the Council considers applying its CIL charges as proposed to the West of London Colney strategic site.



Appendix 1 - Working assumptions adopted in appraisal

Name of site	West of Lo	ndon Colne	ey 🛛						
Site Size (Gross) Ha Site Size (Net) Ha	13.8								
Total No Standard Residential units	440	)							
Self build plots (3%) Fotal units less self build (97%)	13								
Care Home rooms		-							
Extra Care / flexicare units Special needs supporting living units	50								
Fraveller & Gypsy Pitches		-							
No Phases	2								
leit min Deceden Trucken 44									
Jnit mix Based on Typology 14					2 Bed 2p	3 Bed 5p	4 Bed 7p	5 Bed 7p	
Site type	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	House	House	House	House	Total
Size (sq m) Percentage split	<b>50</b> 0%	<b>70</b> 0%	<b>86</b> 0%	<b>108</b> 0%	<b>79</b> 36%	<b>93</b> 56%	<b>115</b> 4%	<b>125</b> 4%	
Fotal Floor area (sq m)	-	-	-	-	12,144	22,238	1,964	2,135	38,481
Affordable Housing Analysis		_							
Percentage Rented (50% Social rent and 50% Affordable Rent)	40% 60%	<u>)</u>							
ntermediate (Shared Ownership)	30%								
ntermediate (Discount Market Sale)	10%								
Resi floor area analysis				_					
Private Floor area	Total	Phase 1	Phase 2						
Private Floor area	23,089								
Rented (50% Social rent and 50% Affordable Rent)	9,235	5 4,618	4,618						
Shared ownership Discount Market Sale	4,618								
Self-Build units	Total	Phase 1	Phase 2	1					
No plots	13		6						
-									
	Total	Phase 1	Phase 2						
Gross floorarea (sq m)	128 105		128.05						
Net floorarea (sq m)	105	-	105.00	I					
Neighbourhood / Local Centre		Bhr 1	Bhr 8						
Gross floorarea (sq m)	Total	Phase 1	Phase 2						
Net floorarea (sq m)	-	-	-						
	42 sq ft of commun	-	floor area of ro	oms					
		-	en-suite bathro						
		-	communal spa sq ft NIA						
	0.15 Circulation		communal spa sq ft NIA sqft						
	0.15 Circulation	-	communal spa sq ft NIA						
		-	communal spa sq ft NIA sqft sqft GIA	ce	Affordable Hou	ising			
Extra-Care / Flexi Care	0.15 Circulation	-	communal spa sq ft NIA sqft sqft GIA	ce	Affordable Hot	using			
∃xtra-Care / Flexi Care	Phase 2		communal spa sq ft NIA sqft sqft GIA sqm GIA	ce	Social rent				
Ξxtra-Care / Flexi Care		-	communal spa sq ft NIA sqft sqft GIA sqm GIA	ce	Kenteu (50 %	Intermediate (Shared			
	Phase 2 1 Bed 2p flat	- - - - - 2 bed 4p flat	communal spa sq ft NIA sqft sqft GIA sqm GIA	ce	Social rent and 50%	Intermediate			
Size (sq m)	Phase 2		communal spa sq ft NIA sqft sqft GIA sqm GIA	ce	Social rent and 50% Affordable	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA	Phase 2           1 Bed 2p flat           50           50%           1,250		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	ce Private 60% 1,800	Social rent and 50% Affordable	Intermediate (Shared			
Size (sq m) Percentage split Total Floor area (sq m) NIA	Phase 2 1 Bed 2p flat 50 50%		communal spa sq ft NIA sqft sqft GIA sqm GIA Total	Private 60%	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption	Phase 2 1 Bed 2p flat 50% 1,250 2,083 Phase 2		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) <sup>Percentage split</sup> Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Fotal Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net)	Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           50,00%           500%           500%           500%           1,250           2,083           0           50           100%           500	- - - - 2 bed 4p flat 70 50% 1,750 2,917	communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net)	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%	- - - - 2 bed 4p flat 70 50% 1,750 2,917	communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667	- - - - - - - - - - - - - - - - - - -	communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Fotal Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) <sup>2</sup> ercentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) <sup>2</sup> ercentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales	Phase 2           1 Bed 2p flat           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months)	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           -		Communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 5,000	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months)	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           -           Total           18           64		Communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           -           Total           18		Communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 32	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Extra-Care / Flexi Care Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           -           Total           18           64		Communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months)	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           -           Total           64           64           100		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Total Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Timescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Private Resi Sales (months) Extra Care Units	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           50           100%           667           Total           1           18           64           64           100           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Private Resi Sales (months) Extra Care Units	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           50           100%           667           Total           1           18           64           64           100           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Total Floor area (sq m) GIA @ 75% Gross to Net assumption Travellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           50           100%           667           Total           1           18           64           64           100           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m)         Percentage split         Total Floor area (sq m) NIA         Fotal Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)         Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption         Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption         Fravellers Pitches in Ha         Pre-constuction (months)         Construction (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           50           100%           667           Total           1           18           64           64           100           Total		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2	CE Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m)         Percentage split         Total Floor area (sq m) GIA @60% Gross to Net assumption         Special Needs Supported Living Units         Size (sq m)         Percentage split         Total Floor area (sq m) (Net)         Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption         Percentage split         Total Floor area (sq m) GIA @ 75% Gross to Net assumption         Fravellers Pitches in Ha         Pre-constuction (months)         Private Resi Sales (months)         Private Resi Sales (months)         Extra Care Units         No Private units less self build units         Revenue         Standard Residential	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           -           Total           10           70tal           100           70tal           100           70tal           256           Capital value £           per sq m		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Extra Care Units No Private units less self build units Revenue Standard Residential Private Housing	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           1           1           1           1           1           100%           500           667           Total           1 <td></td> <td>communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2</td> <td>ce Private 60% 1,800</td> <td>Social rent and 50% Affordable Rent)</td> <td>Intermediate (Shared Ownership)</td> <td></td> <td></td> <td></td>		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 9 Phase 2 9 32 32 10 Phase 2	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			
Size (sq m) Percentage split Total Floor area (sq m) NIA Fotal Floor area (sq m) GIA @60% Gross to Net assumption Special Needs Supported Living Units Size (sq m) Percentage split Total Floor area (sq m) (Net) Fotal Floor area (sq m) GIA @ 75% Gross to Net assumption Fravellers Pitches in Ha Fimescales Pre-constuction (months) Construction (months) Private Resi Sales (months) Private Resi Sales (months) Extra Care Units	Phase 2           1 Bed 2p flat           50           50%           1,250           2,083           Phase 2           1 Bed 2p flat           50           100%           500           667           Total           -           Total           10           70tal           100           70tal           100           70tal           256           Capital value £           per sq m		communal spa sq ft NIA sqft sqft GIA sqm GIA Total 3,000 5,000 Phase 2 9 32 32 10 Phase 2	ce Private 60% 1,800	Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)			

	Value per plot (assuming 4 bed house)
Self build plots	£ 400,000
	Capital value

	Capital value
Special needs supported living units	£1,477

### Care Home

0	£471	per week		90%	occupancy	£0
0	£800	per week		90%	occupancy	£0
				30%	of income	£0.00
				10%	yield	£0
						£0
15%	for income shor	fall to maturity				
						£0
	0 0	0 £800	0 £471 per week 0 £800 per week 15% for income shorfall to maturity	0 £800 per week	0 £800 per week 90% 30% 10%	0 £800 per week 90% occupancy 30% of income 10% yield

	Capit	al value £
Extra Care Housing	pe	r sq m
Private	£	6,997
Affordable Rented (50% Social Rent 50% Affordable Rent)	£	1,665
Shared Ownership	£	4,349

	Rent per sq m	Yield	Rent Free & Void (months)
Commercial	£237	6.50%	18
Commercial	£237	6.50%	

Costs								
Residual S106			r		1			
	unit of measure	Total	Phase 1	Phase 2				
Standard residential per unit	£ 1,150							
Commercial per sq m	£ 20	£ -	£ -	£ -				
Care Home per sq m	£ 20			£ -				
Extra Care / Flexicare units per unit	£ 1,150							
Special needs supported living per unit	£ 1,150							
TOTAL			£ 253,000	£ 322,000	1			
CIL								
		l otal Floor	<u>г</u>			1		
	£ pr sq m	area	Total	Phase 1	Phase 2			
Resi	£ 150	23,089	3,463,312	£ 1,731,656	£ 1,731,656			
Care Home	£ 245		£ -	£ -	£ -			
All other uses (Extra Care and special needs supported living units)	£ 20		£ 73,333	£ -				
All other uses (Commercial)	£ 20	£ -	£ -	£ -	£ - £ 1,804,989			
Total				2 1,731,030	2 1,004,909	1		
S106 Infrastructure Costs								
	Total costs	1						
Transport	£ 1,320,000							
Education (1 x 3FE Primary School @ £7.5 m & 1 x 6-8FE Secondary								
School @ £35m)	£ 8,404,000							
Community Facilities (£1,000 per unit)	£ 440,000							
	Por unit anot	Total acata	1					
Otesta sia anno 1 mars inferatoriation	Per unit cost	Total costs	1					
Strategic open space / green infrastructure Local open space / play space / green infrastructure	£ - £ 1,000	£ - £ 440,000	1					
Local open space / play space / green innastructure	2 1,000	2 440,000	1					
	Per unit cost	Total costs	Phase 1	Phase 2	1			
Site opening up costs Standard Resi			£ 4,400,000					
Site opening up costs Other Residential uses	£ 10,000				1			
			£ 4,700,000	£ 4,700,000				
Build costs					•			
				Accessable				
				homes @				
			Lifetime	£26,000 per				
			homes	house and	SUDS @	Sustainability		
		Externals per		£11,000 per	£2,500 per	@ £5,000 per		
	Base per sq m	sq m	unit)	flatted unit	unit	unit	Total	
Resi	£ 1,124		,					
Commercial	N/A	N/A		N/A	N/A	N/A	N/A	
Health	£ 2,270	£ 227					£ 2,497	
Care Home	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Extra care / flexicare	£ 1,736						£ 2,114	
Special needs supported living	£ 1,736	£ 260	£ 48	£ 17	£ 38	£ 75	£ 2,173	ł
Contingency on build costs	5%							
Traveller's pitches	No pitches	Cost	I					
Info from Dacorum BC 5 pitches = 0.5 Ha								
Each travellers pitch estimated to cost £242,000	-	£ -						
			•					
Profit								
Private/Market Resi on GDV	20%							
Affordable Resi on GDV	<u> </u>							
Commercial on GDV	1570	I						
Marketing /agency and legal fees								
Resi Sales agent and marketing on GDV	3.00%							
Resi Sales legal fees on GDV	0.50%							
Commercial Letting fee on rent pa	10.00%							
Commercial Letting Legal fee on rent pa	5.00%							
Commercial Sales fee on GDV	1.00%							
Commercial Legal fee on GDV	0.50%							
Professional fees	10%							
F101855101181 1885	10%							
Finance	7.00%							
		I						
Appraisal Outcome								
		_						
Residual Land Value @ 40% AH	£ 29,445,000							
		-						
Benchmark Land Value Greenfield	£ 5,106,000							
Benchmark Land Value Greenfield Appraisal outcome (Surplus/ Deficit)	£ 5,106,000 £ 24,339,000							



Appendix 2 - Argus appraisal summary

# **BNP** Paribas Real Estate

**Development Appraisal** 

West of London Colney

40% AH

Report Date: 16 November 2018

West of London Colney 40% AH

Summary Appraisal for Merged Phases 1 2

Currency in £

DEVENILE

Units	m²	Rate m <sup>2</sup>	Unit Price	Gross Sales	
1	11,544.00	5,705.00	65,858,520	65,858,520	
1	4,618.00	1,477.00	6,820,786	6,820,786	
1	2,309.00	3,579.00	8,263,911	8,263,911	
1	770.00	3,564.00	2,744,280	2,744,280	
7	0.00	0.00	400,000	2,800,000	
1	11,544.00	5,705.00	65,858,520	65,858,520	
1	4,618.00	1,477.00	6,820,786	6,820,786	
1	2,309.00	3,579.00	8,263,911	8,263,911	
1	770.00	3,564.00	2,744,280	2,744,280	
1	500.00	1,665.00	832,500	832,500	
6	0.00	0.00	400,000	2,400,000	
1	1,800.00	6,997.00	12,594,600	12,594,600	
1	720.00	1,665.00	1,198,800	1,198,800	
<u>1</u>	<u>480.00</u>	4,349.00	2,087,520	<u>2,087,520</u>	
25	41,982.00			189,288,414	
			189,288,414		
		29,445,363			
	5.00%	1,472,268			
	1.00%	294,454			
	0.80%	235,563			
	1 1 1 7 1 1 1 1 6 1 1 1 1	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

#### CONSTRUCTION COSTS

File: G:\Development & Residential Consulting\Jobs\Affordable Housing\170829 - St Albans CIL and Strategic Sites Viability\E - Deliverables\Strategic sites\Appraisals\West of London Colney 1 ARGUS Developer Version: 6.00.005 Date: 16/11/2018

31,447,648

### **BNP PARIBAS REAL ESTATE**

Construction         m²         Rate m²         Cost           Health Provision         128.05 m²         2,497.00 pm²         319,738           Private Residential         11,544.00 m²         1,445.00 pm²         16,681,080           Affordable Housing - Rented         4,618.00 m²         1,445.00 pm²         3,336,505           Affordable Housing - SO         2,309.00 m²         1,445.00 pm²         1,112,650           Private Residential         11,544.00 m²         1,445.00 pm²         1,681,080           Affordable Housing - DMR         770.00 m²         1,445.00 pm²         1,112,650           Private Residential         11,544.00 m²         1,445.00 pm²         1,681,080           Affordable Housing - DMR         770.00 m²         1,445.00 pm²         16,681,080           Affordable Housing - Rented         4,618.00 m²         1,445.00 pm²         16,681,080           Affordable Housing - SO         2,309.00 m²         1,445.00 pm²         3,336,505           Affordable Housing - DMR         770.00 m²         1,445.00 pm²         1,112,650           Special Needs Supported Living         666.67 m²         2,173.00 pm²         1,448,667           Extra/Flexi Care Housing - Private         3,000.00 m²         2,114.00 pm²         6,342,000           Extra	West of London Colney 40% AH				
Health Provision       128.05 m²       2,497.00 pm²       319,738         Private Residential       11,544.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       1,336,505         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       1,326,505         Special Needs Supported Living       66.67 m²       2,173.00 pm²       1,448,667         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       2,536,800         Extra/Flexi Care Housing - Aff SO       800.00 m²       2,114.00 pm²       1,691,200         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,536,645		m²	Rate m <sup>2</sup>	Cost	
Private Residential       11,544.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       11,12,650         Private Residential       11,544.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       1,12,650         Special Needs Supported Living       666.67 m²       2,113.00 pm²       6,342.000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       2,536,800         Extra/Flexi Care Housing - Aff SO       800.00 m²       2,114.00 pm²       1,691,200         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245					
Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - SO       1,445.00 pm²       1,112,650         Private Residential       11,544.00 m²       1,445.00 pm²       1,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       1,112,650         Special Needs Supported Living       666.67 m²       2,173.00 pm²       1,142,650         Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       2,536,800         Extra/Flexi Care Housing - Aff SO       80,00 m²       2,114.00 pm²       6,542,000         Totals       44,276.72 m²       67,944,894       67,944,894       67,944,894         Contingency       5.00%       3,419,245       3,536,645       575,000       27,534,890         Stob       3,536,645			· ·	•	
Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       1,112,650         Private Residential       11,544.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       1,667.00         Special Needs Supported Living       666.67 m²       2,173.00 pm²       1,448,667         Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff SO       800.00 m²       2,114.00 pm²       1,691,200         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000         Local open/play space green infrast       1,320,000       440,000         S106       575,000       1,320,000       27,534,890	Affordable Housing - Rented	-			
Affordable Housing - DMR       770.00 m²       1,445.00 pm²       1,112,650         Private Residential       11,544.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - SO       2,309 0m²       1,445.00 pm²       3,336,505         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       3,336,505         Special Needs Supported Living       666.67 m²       2,173.00 pm²       1,448,667         Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       2,536,800         Extra/Flexi Care Housing - Aff Rented       1,200 0m²       2,114.00 pm²       1,691,200         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000         Site opening up costs       44,000       575,000       21,13,00 pm²       1,320,000         Local open/play space green infrast       440,000       440,000       27,534,890         Community Facilities       440,000       27,534,890       27,534,890         Professional fees       10.00%       8,120,414       8,120,414         NSPOSAL FEES       3.00% 4,329,349       8,120,414       8,120,414 <td></td> <td>-</td> <td></td> <td></td> <td></td>		-			
Private Residential       11,544.00 m²       1,445.00 pm²       16,681,080         Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       3,336,505         Special Needs Supported Living       666.67 m²       2,173.00 pm²       1,448,667         Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       6,342,000         Contingency       5.00%       3,419,245       67,944,894       67,944,894         Site opening up costs       440,000       575,000       1,320,000       27,534,890         Coll coal open/play space green infrast       1,320,000       8,404,000       27,534,890         Community Facilities       10.00%       8,120,414       8,120,414 <tr< td=""><td>5</td><td>-</td><td></td><td></td><td></td></tr<>	5	-			
Affordable Housing - Rented       4,618.00 m²       1,445.00 pm²       6,673,010         Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       1,112,650         Special Needs Supported Living       666.67 m²       2,114.00 pm²       1,448,667         Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       1,691,200         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000         Local open/play space green infrast       5.00%       3,419,245       9,400,000         Site opening up costs       440,000       575,000       27,534,890         Coll Cill       3,536,645       1,320,000       27,534,890         Community Facilities       10.00%       8,120,414       8,120,414	0	11,544.00 m <sup>2</sup>		, ,	
Affordable Housing - SO       2,309.00 m²       1,445.00 pm²       3,336,505         Affordable Housing - DMR       770.00 m²       1,445.00 pm²       1,112,650         Special Needs Supported Living       666.67 m²       2,173.00 pm²       1,448,667         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       1,691,200         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000         Local open/play space green infrast       440,000       575,000       1,320,000         Coll L       3,536,645       1,320,000       27,534,890         Community Facilities       10.00%       8,120,414       8,120,414         NSPOSAL FEES       10.00%       4,329,349       67,9349         Resi Sales Agent and Marketing Fee       3.00%       4,329,349       8,120,414         OSPOSAL FEES       10.00%       8,120,414       8,120,414	Affordable Housing - Rented				
Affordable Housing - DMR       770.00 m²       1,445.00 pm²       1,112,650         Special Needs Supported Living       666.67 m²       2,173.00 pm²       1,448,667         Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       1,691,200         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000         Local open/play space green infrast       9,400,000       440,000       575,000         ClL       3,536,645       1,320,000       27,534,890         Community Facilities       10.00%       8,120,414       8,120,414         PROFESSIONAL FEES       10.00%       4,329,349       8,120,414         Resi Sales Agent and Marketing Fee       3.00%       4,329,349       8,120,414         Orderessional fees       1.00%       106,886       8,120,414					
Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       2,536,800         Extra/Flexi Care Housing - Aff SO       800.00 m²       2,114.00 pm²       2,536,800         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000         Local open/play space green infrast       9,400,000       440,000         St06       575,000       13,320,000         ClL       3,536,645       13,20,000         Education       8,404,000       27,534,890         Community Facilities       10.00%       8,120,414         PROFESSIONAL FEES       10.00%       8,120,414         Resi Sales Agent and Marketing Fee       3,00%       4,329,349         Commercial Sales Agent Fee       1.00%       106,886         Sales Legal Fee       0.50%       946,442					
Extra/Flexi Care Housing - Private       3,000.00 m²       2,114.00 pm²       6,342,000         Extra/Flexi Care Housing - Aff Rented       1,200.00 m²       2,114.00 pm²       2,536,800         Extra/Flexi Care Housing - Aff SO       800.00 m²       2,114.00 pm²       2,536,800         Totals       44,276.72 m²       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000         Site opening up costs       9,400,000       440,000       575,000         Local open/play space green infrast       9,400,000       440,000       27,534,890         Site opening up costs       1,320,000       8,404,000       27,534,890         Community Facilities       10.00%       8,120,414       8,120,414         PROFESSIONAL FEES       10.00%       8,120,414       8,120,414         OSPOSAL FEES       10.00%       106,886       8,120,414         OSPOSAL FEES       1.00%       106,886       8,120,414	Special Needs Supported Living	666.67 m²	2,173.00 pm <sup>2</sup>	1,448,667	
Extra/Flexi Care Housing - Aff SO       800.00 m²       2,114.00 pm²       1,691,200       67,944,894         Totals       44,276.72 m²       5.00%       3,419,245       67,944,894       67,944,894         Contingency       5.00%       3,419,245       9,400,000       440,000       500%       3,536,645       75,000       Cll         Local open/play space green infrast       3,536,645       3,536,645       75,000       27,534,890         Community Facilities       10,00%       8,120,414       8,120,414       8,120,414         Professional fees       10,00%       8,120,414       8,120,414       8,120,414         DSPOSAL FEES       3.00%       4,329,349       67,944,894         Commercial Sales Agent and Marketing Fee       3.00%       4,329,349       8,120,414         Sales Legal Fee       0.50%       946,442       946,442		3,000.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	6,342,000	
Totals         44,276.72 m²         67,944,894         67,944,89	Extra/Flexi Care Housing - Aff Rented	1,200.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	2,536,800	
Contingency       5.00%       3,419,245         Site opening up costs       9,400,000         Local open/play space green infrast       440,000         S106       575,000         ClL       3,536,645         Transport       1,320,000         Education       8,404,000         Community Facilities       440,000         PROFESSIONAL FEES       27,534,890         Professional fees       10.00%       8,120,414         NSPOSAL FEES       8,120,414         Resi Sales Agent and Marketing Fee       3.00%       4,329,349         Commercial Sales Agent Fee       1.00%       106,886         Sales Legal Fee       0.50%       946,442		800.00 m <sup>2</sup>	2,114.00 pm <sup>2</sup>	1,691,200	
Site opening up costs       9,400,000         Local open/play space green infrast       440,000         S106       575,000         CIL       3,536,645         Transport       1,320,000         Education       8,404,000         Community Facilities       440,000         PROFESSIONAL FEES       27,534,890         Professional fees       10.00%       8,120,414         0SPOSAL FEES       3.00%       4,329,349         Commercial Sales Agent and Marketing Fee       3.00%       4,329,349         Commercial Sales Agent Fee       1.00%       106,886         Sales Legal Fee       0.50%       946,442	Totals	44,276.72 m <sup>2</sup>		67,944,894	67,944,894
Site opening up costs       9,400,000         Local open/play space green infrast       440,000         S106       575,000         CIL       3,536,645         Transport       1,320,000         Education       8,404,000         Community Facilities       440,000         PROFESSIONAL FEES       27,534,890         Professional fees       10.00%       8,120,414         0SPOSAL FEES       3.00%       4,329,349         Commercial Sales Agent and Marketing Fee       3.00%       4,329,349         Commercial Sales Agent Fee       1.00%       106,886         Sales Legal Fee       0.50%       946,442	Contingency		5.00%	3,419,245	
\$106       575,000         CIL       3,536,645         Transport       1,320,000         Education       8,404,000         Community Facilities       440,000         PROFESSIONAL FEES       27,534,890         Professional fees       10.00%       8,120,414         BISPOSAL FEES       3.00%       4,329,349         Commercial Sales Agent and Marketing Fee       3.00%       4,329,349         Commercial Sales Agent Fee       1.00%       106,886         Sales Legal Fee       0.50%       946,442	Site opening up costs			9,400,000	
CIL       3,536,645         Transport       1,320,000         Education       8,404,000         Community Facilities       440,000         PROFESSIONAL FEES       27,534,890         Professional fees       10.00%       8,120,414         INSPOSAL FEES       8,120,414       8,120,414         Resi Sales Agent and Marketing Fee       3.00%       4,329,349         Commercial Sales Agent Fee       1.00%       106,886         Sales Legal Fee       0.50%       946,442				440,000	
Transport       1,320,000         Education       8,404,000         Community Facilities       440,000 <b>ROFESSIONAL FEES</b> 27,534,890         Professional fees       10.00%       8,120,414 <b>ISPOSAL FEES</b> 8,120,414         Resi Sales Agent and Marketing Fee       3.00%       4,329,349         Commercial Sales Agent Fee       1.00%       106,886         Sales Legal Fee       0.50%       946,442	S106			575,000	
Education         8,404,000           Community Facilities         440,000           27,534,890 <b>ROFESSIONAL FEES</b> Professional fees         10.00% <b>NSPOSAL FEES</b> Resi Sales Agent and Marketing Fee           Commercial Sales Agent Fee           Sales Legal Fee           0.50%           946,442	CIL			3,536,645	
Community Facilities         440,000         27,534,890           PROFESSIONAL FEES         10.00%         8,120,414         8,120,414           PISPOSAL FEES         3.00%         4,329,349         8,120,414           Commercial Sales Agent and Marketing Fee         3.00%         4,329,349         106,886           Sales Legal Fee         0.50%         946,442         946,442	Transport			1,320,000	
PROFESSIONAL FEES       10.00%       8,120,414       8,120,414         Professional fees       10.00%       8,120,414       8,120,414         PISPOSAL FEES       3.00%       4,329,349       8,120,414         Commercial Sales Agent and Marketing Fee       1.00%       106,886       100,886         Sales Legal Fee       0.50%       946,442       946,442	Education			8,404,000	
PROFESSIONAL FEES Professional fees10.00%8,120,414PISPOSAL FEES Resi Sales Agent and Marketing Fee Commercial Sales Agent Fee3.00%4,329,3491.00%106,886Sales Legal Fee0.50%946,442	Community Facilities			440,000	
Professional fees         10.00%         8,120,414         8,120,414           DISPOSAL FEES         8,120,414         8,120,414         8,120,414           Resi Sales Agent and Marketing Fee         3.00%         4,329,349         10.00%         106,886           Commercial Sales Agent Fee         1.00%         106,886         0.50%         946,442					27,534,890
NSPOSAL FEES8,120,414Resi Sales Agent and Marketing Fee3.00%4,329,349Commercial Sales Agent Fee1.00%106,886Sales Legal Fee0.50%946,442	ROFESSIONAL FEES				
DISPOSAL FEESResi Sales Agent and Marketing Fee3.00%4,329,349Commercial Sales Agent Fee1.00%106,886Sales Legal Fee0.50%946,442	Professional fees		10.00%	8,120,414	
Resi Sales Agent and Marketing Fee3.00%4,329,349Commercial Sales Agent Fee1.00%106,886Sales Legal Fee0.50%946,442					8,120,414
Commercial Sales Agent Fee1.00%106,886Sales Legal Fee0.50%946,442			3 00%	1 320 340	
Sales Legal Fee 0.50% 946,442					
	Jaies Leyal Fee		0.50%	340,442	5 382 673

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West of London Colney

### **BNP PARIBAS REAL ESTATE**

40% AH			
Additional Costs Resi Private Profit	20.00%	13,720,560	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	905,082	
Resi Private Profit	20.00%	16,239,480	
Resi & Extr Care Aff, Sp Nds Profit	6.00%	1,152,211	
			32,017,333
Debit Rate 7.000% Credit Rate 0.000% (Nominal) Total Finance Cost			16,840,560
TOTAL COSTS			189,288,415
PROFIT			
			(1)
Performance Measures			
Profit on Cost%	0.00%		
Profit on GDV%	0.00%		
Profit on NDV%	0.00%		
IRR	6.92%		
Profit Erosion (finance rate 7.000%)	N/A		

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