Southwater Parish Council

Southwater Neighbourhood Plan – Whole Plan Viability Assessment

March 2019

Three Dragons

This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons toolkit and is based on district level data from Horsham District Council, consultant team inputs and quoted published data sources. The toolkit provides a review of the development economics of illustrative schemes and the results depend on the data inputs provided. This analysis should not be used for individual scheme appraisal.

No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed.

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EXECUTIVE SUMMARY

1. The purpose of this report is to ascertain whether the cumulative impact of the policies of set out in the emerging Southwater Neighbourhood Plan, alongside the plan policies currently adopted in the district of Horsham, would unduly burden the delivery of new homes and other policy objectives.

2. Viability principles - The testing undertaken uses a standard residual value approach. The residual value of development (total value less all development and policy costs, including planning obligations) is compared to a land value benchmark and the scheme is said to be viable if the residual value exceeds the benchmark.

3. Case studies - Following a process commonly used in the testing of plan policies at the local authority level, a range of case studies, using assumptions that are considered reflective of the type of development anticipated in Southwater, have been appraised to determine their viability.

4. The case studies tested:

Case study number	Description
CS1	Small site – 1 dwelling – no AH
CS2	Small site – 3 dwelling – no AH
CS3	Medium site – 10 dwellings – 20% AH
CS4	Medium site – 20 dwellings – 35% AH
CS5	SNP2 – 35% AH

5. Assumptions – Gross development value was derived from Land Registry data of actual sales of new homes within the parish and cross referenced to homes currently being marketed. Cost assumptions used in the testing are based on published sources, local research and industry norms. Sensitivity testing has been undertaken on a sample of case studies.

6. Findings - Using reasonable cost and value assumptions, considered accurate at the time of this report, the results of the testing demonstrate that the policies in the plan that have an impact on viability do not impose a significant enough burden on development to render it unviable. This has led to the conclusion that the plan policies in the emerging Southwater Neighbourhood Plan are considered deliverable.

1 Introduction

1.1 Purpose of the viability assessment

1.1.1 Southwater Parish Council is the qualifying body preparing a Neighbourhood Plan for Southwater Parish. The Southwater Neighbourhood Development Plan (NP), once made, will form part of the development plan for the plan area.

1.1.2 The main purpose of a plan viability (or PV) assessment is to provide evidence to show that the requirements of the National Planning Policy Framework (NPPF) are met. These requirements relate to whether a policy or combination of polices in a Plan will put too great a burden on development finance that risks the development not being able to proceed.

1.1.3 At the Regulation 14 consultation concerns were raised by stakeholders with regard to policy requirements negatively impacting viability. To address these concerns, the Steering Group considered it appropriate to test the plan's impacts on viability and make policy adjustments if necessary. This document tests the viability of development within the plan area and has been carried out using the same tests of viability as would be expected of a Local Plan.

1.1.4 The objective of this study is to inform the NP Steering Group's policy making decisions relating to the trade-offs between the policy aspirations of achieving sustainable development and the realities of economic viability.

1.1.5 The main purpose of a plan viability (or PV) assessment is to provide evidence to show that the requirements of the National Planning Policy Framework (NPPF) are met. That is, the policy requirements in the plan should not threaten the development viability of the plan as a whole. Following initial consultation on the plan, the Parish Council have determined that it is appropriate to apply the same tests of viability to the Neighbourhood Plan as would be expected of a Local Plan.

1.2 National planning context

1.2.1 Whilst there is no specific guidance regarding viability testing of neighbourhood plans, the principles that apply to the testing of local plans are considered relevant.

1.2.2 The National Planning Policy Framework (NPPF) recognises the importance of positive and aspirational planning but states that this should be done *'in a way that is aspirational but deliverable'*[1].

1.2.3 The NPPF advises that cumulative effects of policy should not combine to render plans unviable:

'Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure

[1] MHCLG, 2018 NPPF Para 16

(such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.'[2]

1.2.4 The government has long signalled its desire to simplify the planning process, including development contributions. The NPPF advises that:

'All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.'[3]

1.2.5 In terms of affordable housing the government has reiterated previous policy on affordable housing thresholds and a desire to increase affordable housing products that can potentially lead to home ownership:

'Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount'[4]

'Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.'[5]

1.2.6 With regard to non-residential development, the NPPF states that local planning authorities should:

'set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth…local policies for economic development and regeneration…seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment…be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.'[6]

1.2.7 Note the NPPF does not state that all sites must be viable now in order to appear in the plan. Instead, the NPPF is concerned to ensure that the bulk of the development is not rendered unviable by unrealistic policy costs. It is important to recognise that economic viability will be subject to economic and market variations over the local plan timescale. In a free market, where development is largely undertaken by the private sector, the local planning authority can seek to provide suitable sites to meet the needs of sustainable development. It is not within the local planning authority's control to ensure delivery actually takes place; this will depend on the willingness of a developer to invest and a landowner to release the land. So, in considering

[2] MHCLG, 2018 NPPF Para 34
[3] MHCLG, 2018 NPPF Para 57
[4] MHCLG, 2018 NPPF Para 63
[5] MHCLG, 2018 NPPF Para 64
[6] MHCLG, 2018 NPPF, para 81

whether a site is deliverable now or developable in the future, we have taken account of the local context to help shape our viability assumptions.

Planning Practice Guidance

1.2.8 Planning Practice Guidance[7] (PPG) provides further detail about how the NPPF should be applied. PPG contains general principles for understanding viability. The approach taken reflects the latest version of PPG at the time of writing. In order to understand viability, a realistic understanding of the costs and the value of development is required and direct engagement with development sector may be helpful[8]. Evidence should be proportionate to ensure plans are underpinned by a broad understanding of viability, with further detail where viability may be marginal or for strategic sites with high infrastructure requirements[9]. However, not every site requires testing and site typologies may be used to determine policy[10].

1.2.9 Generally, values should be based on comparable, market information, using average figures and informed by specific local evidence[11]. For an area wide viability assessment, such as this neighbourhood plan, a broad assessment of costs is required, based on robust evidence which is reflective of local market conditions. All development costs should be taken into account, including within setting of benchmark land values, in particular para 011 within the PPG Viability section states that:

'Costs include:

- *build costs based on appropriate data, for example that of the Building Cost Information Service*
- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*
- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*
- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*

[7] MHCLG, Planning Practice Guidance
[8] PPG Paragraph: 001 Reference ID: 10-001-20180724
[9] PPG Paragraph: 004 Reference ID: 10-004-20180724
[10] PPG Paragraph: 002 Reference ID: 10-002-20180724
[11] PPG Paragraph: 010 Reference ID: 10-010-20180724

- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return'*

1.2.10 Land values[12] should be defined using a benchmark land value that is established on the basis of Existing Use Value plus a premium for the landowner. The premium should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The benchmark should reflect the implications of abnormal costs, site specific infrastructure and fees. It should be informed by market evidence including current costs and values but that this should be based on development that is compliant with policies, where evidence is not available adjustments should be made to reflect policy compliance.

1.2.11 PPG states that developer return should be 15 – 20% of gross development value and that where affordable housing is provided a lower figure is more appropriate[13].

1.2.12 PPG identifies circumstances where contributions for affordable housing and s106 obligations should not be sought[14]. These circumstances include developments of 10-units or less with GIA of no more than 1,000sq m (more than 5 units in rural areas) and custom & self-build (see also NPPF paragraph 63 reviewed earlier).

1.2.13 As Horsham is a charging authority it is important to also reflect on the guidance in respect to Community Infrastructure Levy (CIL). CIL is payable on development which creates net additional floor space, where the gross internal area of new build exceeds 100 square metres (this limit does not apply to new houses or flats)[15]. Custom & self-build is exempt, along with affordable housing, charitable development, buildings into which people do not normally go and vacant buildings brought back into the same use[16].

1.2.14 CIL rates should be set so that they do not threaten the viability of the sites and scale of development identified in the Local Plan[17]. Instead an appropriate balance should be set between the desirability of funding infrastructure from the levy and the potential viability impact[18]. At examination, the charging authority should also set out any known site-specific matters for which Section 106 contributions may continue to be sought[19]. Horsham have already gone through this process with the examination and adoption of their CIL.

Other guidance on viability testing for development

1.2.15 Guidance has been published to assist practitioners in undertaking viability studies for policy making purposes – "Viability Testing Local Plans - Advice for planning practitioners"[20]. The foreword to the Advice for planning practitioners includes support from DHCLG, the LGA, the HBF, PINS and POS. PINS and the POS21 state that:

[12] PPG Paragraph: 012&013 Reference ID: 10-012-20180724
[13] PPG Paragraph: 018 Reference ID: 10-017-20180724
[14] PPG Paragraph: 031 Reference ID: 23b-031-20161116
[15] PPG Paragraph: 002 Reference ID: 25-002-20140612
[16] PPG Paragraph: 003 Reference ID: 25-003-20140612
[17] PPG Paragraph: 008 Reference ID: 25-008-20140612
[18] PPG Paragraph: 009 Reference ID: 25-009-20140612
[19] PPG Paragraph: 017 Reference ID: 25-017-20140612
[20] The guide was published in June 2012 and is the work of the Local Housing Delivery Group, chaired by Sir John Harman, which is a cross-industry group, supported by the Local Government Association and the Home Builders Federation.
[21] Acronyms for the following organisations - Department of Communities and Local Government, LGA Environment and Housing Board, Home Builders Federation, Planning Inspectorate, Planning Officers Society

"The Planning Inspectorate and Planning Officers Society welcome this advice on viability testing of Local Plans. The use of this approach will help enable local authorities to meet their obligations under NPPF when their plan is examined."

1.2.16 The approach to viability testing adopted for this study follows the principles set out in the Advice. The Advice re-iterates that:

"The approach to assessing plan viability should recognise that it can only provide high level assurance."

1.2.17 The Advice also comments on how viability testing should deal with potential future changes in market conditions and other costs and values and, in line with PPG, states that:

"The most straightforward way to assess plan policies for the first five years is to work on the basis of current costs and values". (page 26)

1.2.18 But that:

"The one exception to the use of current costs and current values should be recognition of significant national regulatory changes to be implemented……" (page 26).

1.3 Local policy requirements

Horsham Policy

1.3.1 The NPPF is clear that viability testing should take into account the costs of any requirements likely to be applied to development. Therefore, a planning policy review has been undertaken. Along with the emerging NP, the Horsham District Council Planning Framework is the main planning document that would guide development in Southwater. It sets out the overarching spatial strategy and development principles for Horsham as a whole together with more detailed policies to help determine planning applications. Policies that have been identified as having implications for viability testing include:

- **Policy 3 - Strategic Policy: Development Hierarchy**, which classifies Southwater in the 'Small Towns and Larger Villages' category. Though not having a direct impact on viability, it helps form our understanding of the type and scale of development expected within Southwater.
- **Policy 16 - Strategic Policy: Meeting Local Housing Needs**, seeks a mix of housing sizes, types and tenures to meet need as set out in the latest SHMA. The policy also sets out a requirement for affordable housing of 35% or more on 15 units and above and 20% for between 5 and 14. Again, tenures and size of AH are expected to meet local needs.
- **Policy 37 – Strategic Policy: Sustainable construction**, seeks that development "maximise energy efficiency" and "limit water use to 110 litres/person/day" including other design guidelines such as appropriate ventilation and natural lighting.
- **Policy 39 – Strategic Policy: Infrastructure provision**, development is dependant on there being sufficient capacity in the existing infrastructure to meet the additional requirement. Allowances are included for the case studies, based on the scale or size of the case study.

Southwater Neighbourhood Plan

1.3.2 As set out in the introduction the main purpose of this assessment is to test Southwater Neighbourhood Plan policies and their cumulative impact on viability to demonstrate as to whether the NP is deliverable. A detailed review of these policies is set out in section 3.

2 Requirements of viability assessment

2.1 Principles of viability testing

2.1.1 The 'Viability Testing Local Plans. Advice for planning practitioners' document, sometimes referred to as the Harman guidance, is recognised as a key document for the preparation of viability appraisals of local plan policy. It summarises viability as follows:

'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.' (page 14)

2.1.2 Reflecting this definition of viability, and as specifically recommended by the Advice for planning practitioners, we have adopted a residual value approach to our analysis. Residual value is the value of the completed development (known as the Gross Development Value or GDV) less the costs of undertaking the development. The residual value is then available to pay for the land. The value of the scheme includes both the value of the market housing and affordable housing (and other non-residential values). Development costs include the costs of building the scheme, plus professional fees, scheme finance and a return to the developer. Development costs also include planning obligations (including affordable housing, direct s106 costs) and the greater the planning obligations, the less will be the residual value.

Total development value (market and affordable)

Minus

Development costs (incl. build costs and return to developer)

=

Gross residual value

Minus

CIL + planning obligations (including AH)

=

Net residual value (available to pay for land)

2.1.3 The residual value of a scheme is then compared with a benchmark land value. If the residual value is less than the benchmark value, then the scheme is less likely to be brought forward for development and is considered unviable for testing purposes. If the residual value exceeds the benchmark, then it can be considered viable in terms of policy testing.

2.1.4 The benchmark land values used in the testing are a measure of a competitive return to a landowner for the purposes of viability testing. PPG paragraph 012 – 015 sets out that

benchmark land values should be based on the current use value of a site plus an appropriate site premium in most cases. The principle of this approach is that a landowner should receive at least the value of the land in its 'pre-permission' use, which would normally be lost when bringing forward land for development.

2.1.5 The residual land value assessments carried out in this study to model the viability of case studies have been undertaken using the Three Dragons Toolkit. The range of development scenarios in the Southwater Neighbourhood Plan area could be extensive and therefore it is not possible to model each of these. In line with national guidance set out in the PPG, case studies, considered typical of the type of development that could be expected, have been developed and appraised using a range of value and cost assumptions to give a broad understanding of viability across Southwater Neighbourhood Plan area.

3 The proposed Southwater Neighbourhood Plan

3.1 Scoping the policies in the Southwater Neighbourhood Plan

3.1.1 A key part of this work is to review the emerging policies (as agreed by the Parish Council 26th February 2019). Each policy has been considered and traffic light system employed to demonstrate the relative effects that each policy has on delivery and viability. Green indicates no impacts on viability/delivery of the NP; amber suggests that there could be a small or marginal impact; and red indicates an impact that will need testing within the assessment. The final column sets out how this impact will be considered. In many cases these impacts will considered within the testing of case studies to demonstrate what effect they might have on viability.

Table 3.1 Southwater Neighbourhood Plan policy review

Policy	Impact	Nature of Policy	How is it treated
SNP1 – Southwater's Core Principles			
SNP2 - Allocation For Residential Development		Policy sets out an allocation for 422-450 new residential units consisting of a minimum of 350 in class C3, a minimum of 72 in Class C2, and for and a requirement for a minimum of 8 ha of public open space. Policy provides guidelines to development. Most relevant to the viability appraisal include: - building heights should be no more than 3 storeys - requirement for open space - mix should reflect the latest evidence on the required mix - requirement for highway improvements	This shall be specifically tested as one of the case study site typologies.
SNP3 - Safeguarding Land For Secondary School			
SNP4 - Keeping Our Roads Moving			
SNP5 - Local Green Space			
SNP6 - Local Community Space			
SNP7 - Formal/Informal Sports Areas			
SNP8 - Southwater Country Park			
SNP9 - Home Standards		All new dwellings must achieve M4(2) of the optional requirements in the Building Regulations	This will be tested through the case studies - it is likely to carry additional costs to ensure houses are accessible and adaptable. This includes, for example, wider doorways or hallways, etc.

SNP10 - Residential Space Standards.		All new dwellings must exceed the 'Technical housing standards – nationally described space standard'	This shall be considered within assumptions for unit sizes used within the case studies.
SNP11 - Specialist Accommodation & Care			
SNP12 – Outdoor Play Space		Major developments must: - Provide appropriate play areas & associated equipment on site, if this is not practical then a communed sum for off-site provision - Set out long-term proposals for the management of play spaces	This is to be considered within s106 assumptions used in the case studies.
SNP13 – Enhancing Our Non-Motorised Transport Network			
SNP14 - Adequate Provision Of Car Parking.		The policy requires that, "*apart from one bedroom flats which shall have one allocated parking space, every dwelling will provide, for use associated with that dwelling, 2 parking spaces and one additional parking space for each additional bedroom over a total of three*"	These costs shall be considered within the assumption for plot externals used in the case studies.
SNP15 - Driving In The 21st Century.		All proposals that include car parking must demonstrate that car charging points can or will be installed adjacent to all parking spaces on site with ease	For this additional cost, we will make an allowance within the testing of case studies.
SNP16 – Design			
SNP17 – Site Levels			
SNP18 - A Treed Landscape		Major development must provide one new tree per 20m2 of floor space	This is considered within both the assumptions for gross to net and s106 assumptions in the case studies.
SNP19 – Parish Heritage Assets			
SNP20 – Retention Of Assets Of Community Value			
SNP21 – A Growing Economy			
SNP22 - Telecommunications		New buildings, and buildings undergoing significant refurbishment, must make all reasonable efforts to install a Fibre to the Premises (FTTP) broadband connection.	These costs shall be considered within the assumption for plot externals in the case studies.
SNP23 – Use Of Community Infrastructure Levy Funds			

4 Viability testing

4.1 Viability assumptions

Case study selection

4.1.1 To demonstrate the impact of the polices set out in the NP, along with other policy costs identified in the Horsham Plan and other development costs a range of case studies are tested. The case studies selected for testing were identified, based on the likely development types that may come forward given the scale of the NP area and an understanding of the objectives in both the adopted Horsham Plan and the emerging NP. For example, one of the biggest impacts on development viability is affordable housing, so case studies have been chosen that reflect the affordable housing thresholds set out in policy.

4.1.2 They are not intended to represent specific development proposals, but to reflect typical forms of development that are likely to come forward over the plan period. The one exception to this is 'SNP2 - Allocation For Residential Development', where the proposed development parametres are specifically tested.

Table 4.1 Residential case studies

Case study number	Description	Dwellings	Density	Net site ha	Gross site ha	Net to gross
CS1	Small site no AH	1	30	0.033	0.033	100%
CS2	Small site no AH	3	35	0.086	0.086	100%
CS3	Medium site	10	35	0.286	0.286	100%
CS4	Medium site	20	35	0.571	0.571	100%
CS5	SNP2	350	35	12.161	22.110	55%

4.1.3 Assumptions on density of development match those used for typologies within the Horsham CIL Viability update assessment. Note that the C2 uses identified for SNP2 are not included within the site characteristics described in Table 4.1. These will be considered separately in subsequently sections of the report.

Size and mix of units

4.1.4 The size of dwelling affects both their market value (as sale values were assessed on a per sq m basis) and their development costs. An allowance of 10% of floor area in Table 4.2 is added to the flats for circulation and common areas. The size of units reflects minimum size standards set out in the National Space Standards. Smaller (by number of bedrooms) dwellings are within the ranges specified within the standards and larger dwellings tend to exceed the standards as evidence locally and wider suggests that developers tend to build their larger properties in excess of the National Standards.

Table 4.2 Market and affordable dwelling sizes

Dwelling sizes	sq m net of circulation	
	Market	**Affordable**
1 bed flat	50	50
2 bed flat	61	61
2 bed terrace	70	70
3 bed terrace	93	93
3 bed semi	100	
4 bed semi	120	
3 bed detached	105	
4 bed detached	125	
5 bed detached	160	

4.1.5 The mix of units has been informed by Strategic Policy 16 of the Horsham District Planning Framework which states that new developments "*should provide a mix of housing sizes, types and tenures to meet the needs of the district's communities as evidenced in the latest Strategic Housing Market Assessment*". The policy is echoed for development at the allocated site in the NP (Policy SNP2). The findings of the Crawley Borough Council and Horsham District Council Housing Mix report[22] and Planning Obligations and Affordable Housing SPD 2017 suggest that with a 35% affordable housing mix in rural areas, or smaller towns, within Horsham then the following blended (market and affordable housing) mix would be appropriate:

- 1 bed - 7%
- 2 bed - 52%
- 3 bed - 35%
- 4+ bed - 7%

4.1.6 It should be noted that whilst Horsham's Housing Mix report suggests that there should be 15% of market housing units as 1 bedroom, the assessments are based on zero 1 bed market units. This is because it is highly unlikely and there is little evidence to support any developer in these kinds of locations building 1 bed market units. These would normally be associated with high density schemes in urban areas and therefore, given the location and the policy limit of 3 storeys this form of development is unlikely. Even with this allowance it is considered that the housing mix presented is very conservative, especially in relation to the market mix. It is likely that developers will submit applications (as indicated locally) with a greater proportion of larger units that could generate a higher value and improve viability.

4.1.7 This mix of units has been applied to the case studies selected as follows (using best fit in terms of number of units to meet the percentage mix described above):

[22] Chilmark Consulting (2016), 'Crawley Borough Council and Horsham District Council Housing Mix report'. November 2016

Table 4.3 Market and affordable dwelling sizes

	Description	**Total AH units**	1 bed flat	2 bed flat	2 bed terrace	3 bed terrace	3 bed semi	4 bed semi	3 bed detached	4 bed detached	**Total MH units**	2 bed flat	2 bed terrace	3 bed terrace	3 bed semi	4 bed semi	3 bed detached	4 bed detached	5 bed detached
CS1	Small site no AH	**0**									**1**							1	
CS2	Small site no AH	**0**									**3**		1	1				1	
CS3	Medium site	**2**			2						**8**		3		4			1	
CS4	Medium site	**7**	1	2	3	1					**13**		5		4		2	2	
CS5	SNP2	**122**	24	28	28	10	10	6	10	6	**228**	63	63	30	30	4	30	4	4

Sales values

4.1.8 The proposed scheme's market residential sales values per square metre of new build floorspace, is derived from two sources:

- Land Registry data, which provides the achieved sales prices for new dwellings; and
- Energy Performance Certificates, which provides the floorspace for most of the sold new build properties recorded in the Land Registry data, which is used to identify a sales value per square metre figure for each unit and an overall average for testing.

4.1.9 The sample has been focussed on the postcode RH13 9 which comprises Southwater and cover transactions between January 2015 to December 2018. The sample identified 110 transactions, which are listed in **Appendix A**. There were no flats included in the sample.

4.1.10 Since the values informing the average may not reflect the recent changes in house values in the district, the sale price for each transaction has then been indexed up from the date they were sold to December 2018 (at the time of the report, this was the latest available) values using the Land Registry House Prince Index (HPI) for Horsham. From this, average current sales values for are estimated to be as follows.

Table 4.4 Sales values in postcode sector RH13 9

	Count	Unindexed £ per sqm	Indexed to Dec 2018 £ per sqm
Detached	56	£3,950	£4,153
Semi	35	£4,212	£4,439
Terraced	19	£4,321	£4,530
All	110	£4,063	£4,273

4.1.11 To support this evidence, it is also useful to consider properties currently on sale, to identify suitable comparable. Two such developments are Broadacre, developed by Berkeley Homes,

and Mulberry Fields, developed by Miller Homes, and are both located within Southwater. The asking prices are set out in **Table 4.5** and **Table 4.6** respectively.

Table 4.5 Comparable development at Broadacres

Plot No	Type	Beds	Type	Asking price	Estimated property size	Estimated £ per sqm price
109	The Whimbrel	3	Semi	£399,500	Not known	Not known
77	The Starling	3	Terraced	£399,500	Not known	Not known
107	The Whimbrel	3	Semi	£399,500	Not known	Not known
74	The Skylark	3	Terraced	£405,000	Not known	Not known
104	The Skylark	3	Semi	£415,000	Not known	Not known
100	The Kingfisher	3	Semi	£495,000	Not known	Not known
101	The Heron	4	Semi	£499,500	Not known	Not known
84	The Dove	4	Detached	£670,000	Not known	Not known
85	The Nuthatch	4	Detached	£700,000	Not known	Not known

Table 4.6 Comparable development at Mulberry Fields

Plot No	Type	Beds	Type	Asking price	Estimated property size	Estimated £ per sqm price
44	Hawthorne	2	Semi	£334,000	76	£4,395
12	Pushkin	3	Semi	£385,000	88	£4,375
85	Blyton	3	Detached	£430,000	96	£4,479
86	Blyton	3	Detached	£432,000	96	£4,500
88	Blyton	3	Detached	£435,000	96	£4,531
89	Blyton	3	Detached	£440,000	96	£4,583
42	Hawthorne	2	Semi	£329,000	76	£4,329
45	Hawthorne	2	Semi	£337,000	76	£4,434
56	Hawthorne	2	Semi	£340,000	76	£4,474
147	Pushkin	3	Semi	£388,000	88	£4,409
	Average					**£4,456**

4.1.12 It is worth noting that the sales values in **Table 4.4** shows actual transaction prices, whereas those shown in **Table 4.5** and **4.6** indicate what the property is currently marketed for, and therefore could include a degree of 'hope value'. Taking this into account, figure of £4,200 has been used for this assessment.

4.1.13 In terms of affordable housing the assessment draws upon the work that supported the Council's CIL[23] and assumes a blended rate of 50% of market value for all affordable housing units.

[23] Horsham DC CIL Viability Update Assessment 2016 (para 2.3.16)

Benchmark land values

4.1.14 For consistency the benchmark land values have been drawn from Horsham DC CIL Viability Update Assessment prepared by DSP. Paragraph 3.1.17 of that report sets out BMLV ranging from £500,000 per hectare for large greenfield sites, £750,000 per hectare for greenfield sites and £1,500,000 per hectare for brownfield sites. It also indicates potential for a higher brownfield BMLV at £2,500,000 per hectare. For the purposes of the study, an assumption of £500,000 per hectare is used for case study 5, £750,000 per hectare for case study 4 and £1,500,000 per hectare for the remaining case studies. A sensitivity test with higher BMLV is also included.

Build costs

4.1.15 Build costs can vary due to location, development type, proposed tenure type, proposed tenure mix, storey height, and building use. The Build Cost Information Service (BCIS)[24] is used to provide benchmarking information for build costs. A BCIS factor can also be utilised to adjust data for its location. Residential build costs are based on actual tender prices for new builds over a 5-year period and the tender price data is rebased to Horsham District prices using BCIS defined adjustments, to give the build costs for small and large schemes.

4.1.16 We understand from various cost consultants that volume and regional house builders can comfortably operate within the BCIS lower quartile cost figures, especially given that they are likely to achieve significant economies of scale in the purchase of materials and the use of labour. Many smaller and medium sized developers of houses are usually unable to attain the same economies, so their construction costs may be higher although this will vary between housebuilders and sites. We have worked with BCIS to identify how costs change according to the size of the development. We have used this analysis by BCIS to inform our approach to testing in Southwater. Note that the variable build costs by site size is applied to houses only, as flat build costs do not show the same pattern – instead flat build costs vary by height.

4.1.17 In addition to the dwelling build costs, allowances are made of 10%-15% on build costs for external works[25] and contingency. For smaller schemes, the higher build costs are combined with higher allowances for external works and contingency, while for larger sites we use lower dwelling costs and external works allowances but with additional allowances for site infrastructure and 'opening up' costs (£7,500 per unit). Specific allowances are also made for garages, with £7,500 for each detached house. Table 4.7 illustrates the BCIS rates and shows how they are applied to the different case studies in the testing.

Table 4.7 Build costs

Type	Base build costs £/sq m	Site size dwellings
Estate Housing Mean +5%	£1,542	1-5

[24] Published by the Royal Institution of Chartered Surveyors (RICS)
[25] External works include local hard and soft landscaping, footpaths and internal road, drainage and service diversions and parking (this includes meeting the standards set out in NP policy SNP14)

Estate Housing Mean	£1,469	6-10
Estate Housing Mean 95%	£1,396	11-50
Estate Housing Mean 92%	£1,351	51-100
Estate Housing Mean 89%	£1,307	101-200
Estate Housing Lower Quartile	£1,235	201+
Flats	£1,630	All

Other residential costs

4.1.18 There are a range of other standard costs that need to be applied when undertaking the testing, the majority of these are within the range of nationally used and understood standards for this type of viability testing. To provide consistency with Horsham's previous testing (for CIL), which has been examined and found acceptable the majority of these assumptions are drawn from that work. These other cost assumptions are set out in Table 4.8:

Table 4.8 Other Residential costs

Type	Cost	Comment	Source
Professional fees	10%	of build costs	Horsham DC CIL Viability Update Assessment, 2016 (para 2.7.1)
Agents, legal & Stamp duty	1.5% for agents fees 0.75% for legal fees Stamp duty is varied and based on HMRC guidance	of site acquisition costs	This assumption was used in the 'Horsham DC CIL Viability Update Assessment (para 2.7.1)
Contingency	5%	of build costs	Horsham DC CIL Viability Update Assessment (para 2.6.6)
Finance	6.5%	of development costs (net of inflation)	Horsham DC CIL Viability Update Assessment (para 2.7.1)
Marketing fees	3% £750	of GDV for open market units per unit legal fees for affordable units	Horsham DC CIL Viability Update Assessment (para 2.7.1)
Developer return	20%	of open market GDV	Examiners report on the Draft Horsham District Community Infrastructure Levy Charging Schedule

Contractor return	6%	of affordable housing construction cost	Horsham DC CIL Viability Update Assessment (para 2.7.1)
Affordable Housing	35% on sites providing 15 or more units (or 0.5ha and over) 20% on sites providing between 5 and 14 dwellings	of the total number of units	Horsham District Planning Framework
Affordable Housing Tenure split	70% affordable rented and 30% shared ownership	of the total number of affordable units.	Horsham District Planning Framework and Horsham DC CIL Viability Update Assessment' in 2016 (para 1.4.7)
CIL charge	£150.10	per CIL Liable floorspace	2019 rates provided by Horsham District Council
Residual s106/278 for smaller sites	£3,000 per unit	applied to both open market and affordable	Horsham DC CIL Viability Update Assessment (para 2.10.2)
Residual s106/278 for SNP 2	£10,000 per unit[26]	applied to both open market and affordable	Informed by analysing s106 agreements for other comparable large sites including Mullberry Fields (also known as Land West of Mill Straight Planning Ref DC/14/2582) & Broadacres (Land West of Worthing Rd Planning Ref DC/14/0590).
Costs involved with meeting higher accessibility standards	£521 £924	per house per flat	This is a new cost that is applied to meet policy SNP9 of the Neighbourhood Plan. It is informed by the DCLG Housing Standards Review Cost Impacts (Sept 2014) report.
Passive electric charging facility	£750	per unit	QS cost consultancy reports
Garages	£7,500	Applied for each detached house – see case study listing Assumed floor area 6m x 3m = 18sqm	QS cost consultancy reports

[26] This input allows for identified transport costs, tree planning and other non-specified items such as education, open space, sports and leisure contributions

Site infrastructure/ opening up costs	£7,500 per unit	Applied to SNP2 only	Horsham DC CIL Viability Update Assessment & other studies

5 Viability testing of case studies and policy delivery

5.1 Introduction

5.1.1 This chapter summarises results of the residential viability appraisals for Southwater NP area. Each generic case study has been subjected to a detailed appraisal, complete with cashflow analysis for the larger case study. There is also consideration of the main policies within the plan and whether they are deliverable in respect to the guidance set out in NPPF and NPPG.

5.2 Case study results

Small sites

5.2.1 Small sites have been tested at 1 and 3 dwellings with no affordable housing, in line with the local and national guidance. It is anticipated that these types of sites are most likely to come forward on garden land, infill plots or redevelopments, thus they have been tested using the brownfield benchmark land values set out in the CIL evidence report. The main policies to effect viability on these types of sites are policy SNP9, SNP10, SNP14, SNP15, SNP16 and SNP22. These policy requirements (as detailed in section 4 of this report) and associated costs are either accounted for with the general costs such as 'base build cost' (e.g. size/design) and 'externals' (e.g. parking) or as specific additional costs (e.g. passive electric charging).

5.2.2 It should be noted that inputs such as mix and build costs are not necessary the most economically advantageous. Also, whilst there is an allowance for s106 at £3,000 per unit government guidance does suggest that this should not be sought from these types of small developments. Likewise, whilst we have included a CIL receipt, often on small developments a custom and self-build exception can be sought meaning no CIL would be payable. Therefore, it is suggested that the approach adopted here is a conservative one, and that small changes to some of these assumptions could improve viability.

5.2.3 The results are shown below in table 5.1. These show the case studies tested, with the first 6 columns describing the case study, column 7 and 8 the benchmark land value on a per hectare basis and for the case study site, column 9 the residual value (i.e. what is left after all the costs have been taken from the value) and finally in column 10 and 11 the residual value minus the benchmark value on per scheme and per hectare basis.

Table 5.1 Small sites testing

1	2	3	4	5	6	7	8	9	10	11
Case Study Ref	**Type of site**	**No of Dwgs**	**Net Area (ha)**	**Gross area (ha)**	**Net to Gross %**	**Benchmark per ha**	**Site Benchmark**	**Scheme Residual Value**	**Residual minus benchmark (scheme)**	**Residual minus benchmark per ha**
CS1	Small site no AH	1	0.033	0.033	100%	1,500,000	50,000	111,000	61,000	1,830,000
CS2	Small site no AH	3	0.086	0.086	100%	1,500,000	128,571	261,000	132,429	1,545,000

5.2.4 It is clear from these results that small site development, even with all the costs associated with the NP is viable on a per hectare basis with a significant margin (plus £1.8m and plus £1.5m respectively). As a sensitivity test even if the benchmark land value is increased to £2,500,000 (the maximum indicated in the Horsham DC CIL Viability Update Assessment, 2016) as shown in Table 5.2 the case studies are still viable.

Table 5.1 Small sites testing – sensitivity test

1	2	3	4	5	6	7	8	9	10	11
Case Study Ref	**Type of site**	**No of Dwgs**	**Net Area (ha)**	**Gross area (ha)**	**Net to Gross %**	**Benchmark per ha**	**Site Benchmark**	**Scheme Residual Value**	**Residual minus benchmark (scheme)**	**Residual minus benchmark per ha**
CS1S	Small site no AH	1	0.033	0.033	100%	2,500,000	83,333	111,000	27,667	830,000
CS2S	Small site no AH	3	0.086	0.086	100%	2,500,000	214,286	261,000	46,714	545,000

Medium sites

5.2.5 Medium sites have been tested at 10 and 20 dwellings with affordable housing at 20% and 35%, in line with the local and national guidance. These types of sites could be either greenfield or brownfield, so we have tested the 10 unit scheme as brownfield and the 20 unit scheme as greenfield. The main policies to effect viability on these types of sites are policy SNP4, SNP9, SNP10, SNP12, SNP14, SNP15, SNP16, SNP18 and SNP22. These policy requirements (as detailed in section 4 of this report) and associated costs are either accounted for with the general costs such as 'base build cost' and 'externals' or as specific additional costs including s106.

5.2.6 As with the small sites, our approach towards mix in particular, is conservative and therefore the viability could potentially be improved. The results are shown below in table 5.3 which show the case studies tested, with the first 6 columns describing the case study, column 7 and 8 the benchmark land value on a per hectare basis and for the case study site, column 9 the residual

value (i.e. what is left after all the costs have been taken from the value) and finally in column 10 and 11 the residual value minus the benchmark value on a per scheme and per hectare basis.

Table 5.3 Medium sites testing

1	2	3	4	5	6	7	8	9	10	11
Case Study Ref	**Type of site**	**No of Dwgs**	**Net Area (ha)**	**Gross area (ha)**	**Net to Gross %**	**Benchmark per ha**	**Site Benchmark**	**Scheme Residual Value**	**Residual minus benchmark (scheme)**	**Residual minus benchmark per ha**
CS3	Medium 20% AH	10	0.286	0.286	100%	1,500,000	428,571	724,000	295,429	1,034,000
CS4	Medium 35% AH	20	0.571	0.571	100%	750,000	428,571	1,234,000	805,429	1,409,500

5.2.7 These results show that medium site development, even with all the costs associated with the NP is viable on a per hectare basis with a significant margin (plus £1.0m and plus £1.4m respectively). As a sensitivity test even if the benchmark land value is increased to £2,500,000 (the maximum for brownfield sites indicated in the Horsham DC CIL Viability Update Assessment, 2016) for 10 dwellings and £1,500,000 for 20 dwellings as shown in Table 5.4 the case studies are still viable.

Table 5.4 Medium sites testing - sensitivity test

1	2	3	4	5	6	7	8	9	10	11
Case Study Ref	**Type of site**	**No of Dwgs**	**Net Area (ha)**	**Gross area (ha)**	**Net to Gross %**	**Benchmark per ha**	**Site Benchmark**	**Scheme Residual Value**	**Residual minus benchmark (scheme)**	**Residual minus benchmark per ha**
CS3S	Medium 20% AH	10	0.286	0.286	100%	2,500,000	714,286	724,000	9,714	34,000
CS4S	Medium 35% AH	20	0.571	0.571	100%	1,500,000	857,143	1,234,000	376,857	659,500

Allocated site (SNP2)

5.2.8 Policy SNP2 describes the site and sets out a number of requirements to be met through its development. Most relevant of these are: a C2 use composed with a minimum of 72 units; public open space of 8 hectares, wildlife buffers, mix and affordable housing based on Horsham District policy. The development should also meet the other policy requirements set out previously for the small and medium case study sites.

5.2.9 The allocated site has been tested with 35% affordable housing at the Local Plan/NP policy mix and tenure. A considerable allowance for the gross to net has been included to take into account land required for the open space, including any wildlife buffers and for the C2 uses. The land budget (i.e. identified specific parcels of land for different uses) has not been set out in

detail as master planning has yet to take place; however, because of the generous gross to net calculation used in the testing it is considered that this should be sufficient.

5.2.10 An allowance is made within the s106 calculation for the creation and management of the open space. In terms of the care home it is anticipated that a serviced plot will be sold to a specialist provider. This approach is taken as the form of this development could be varied and therefore it was not considered appropriate to identify specific build and development costs and potential values. It should be noted that for the purposes of this assessment no value has been attached to the service plot. In reality it would be sold for a sum in excess of the benchmark land value as it would be a serviced site. Therefore, the viability could be improved should this land sale be added.

5.2.11 As set out in section 4, an allowance has also been made for 'opening up' costs (also referred to as onsite infrastructure and works) of £7,500 per residential unit and a substantial s106 (in addition to CIL) of £10,000 per unit, which covers local transport improvements, tree planting and open space and other contributions such as education, leisure and community.

5.2.12 As with the other case study sites, our approach towards mix in particular, is conservative and therefore the viability could potentially be improved. The results are shown below in Table 5.5 which identify the case studies tested, with the first 6 columns describing the case study, column 7 and 8 the benchmark land value on a per hectare basis and for the case study site, column 9 the residual value (i.e. what is left after all the costs have been taken from the value) and finally in column 10 and11 the residual value minus the benchmark value on a per scheme and per hectare basis.

1	2	3	4	5	6	7	8	9	10	11
Case Study Ref	**Type of site**	**No of Dwgs**	**Net Area (ha)**	**Gross area (ha)**	**Net to Gross %**	**Benchmark per ha**	**Site Benchmark**	**Scheme Residual Value**	**Residual minus benchmark (scheme)**	**Residual minus benchmark per ha**
CS5	SNP2	350	12.161	22.110	55%	500,000	11,055,000	18,563,801	7,508,801	339,611

5.2.13 These results show that SNP2, even with all the costs associated with the NP is viable on a per hectare basis with a margin (plus £340k). Three sensitivity tests have also been undertaken:

a) Benchmark land value is increased from £500,000 to £750,000
b) Opening up costs / on site infrastructure and works is increased from £7,500 to £15,000 per unit
c) As b) plus s106 is increased from £10,000 to £15,000 per unit

5.2.14 As a sensitivity test even if the benchmark land value is increased to £750,000 and opening up and s106 is increased the allocated site is still viable.

1	2	3	4	5	6	7	8	9	10	11
Case Study Ref	**Type of site**	**No of Dwgs**	**Net Area (ha)**	**Gross area (ha)**	**Net to Gross %**	**Benchmark per ha**	**Site Benchmark**	**Scheme Residual Value**	**Residual minus benchmark (scheme)**	**Residual minus benchmark per ha**
CS5Sa	SNP2	350	12.161	22.110	55%	750,000	16,582,500	18,563,801	1,981,301	89,611
CS5Sb	SNP2	350	12.161	22.110	55%	500,000	11,055,000	15,427,849	4,372,849	197,777
CS5Sc	SNP2	350	12.161	22.110	55%	500,000	11,055,000	13,209,474	2,154,474	97,443

5.3 Policy delivery

5.3.1 The results of the case study testing demonstrate that the policies in the plan that have an impact on viability do not impose a significant enough burden on development to render it unviable.

5.3.2 It is also considered important to review other policies in the plan that relate to delivering development. These include:

- SNP3 – Safeguarding of land for secondary school
- SNP21 – A growing economy

5.3.3 **SNP3** - In respect of safeguarding land for a secondary school, it is considered that whilst there will be an opportunity cost for this land (i.e. it could be used for a higher value use such as residential), it is reasonable to assume that development of the site for a school would be viable through the collection of s106 from major developments and through local and/or government grant. Government funding through LocatED (a government owned property company) has been successfully applied for in many locations, where there are willing local partners and a proven need. It is also noted that should a school not be required in the long-term alternative uses can be considered.

5.3.4 The potential for funding and the clauses that allow alternative uses suggests that the policy is suitable and does not put the plan at risk of undermining delivery.

5.3.5 **SNP21** – whilst new employment development is considered in terms of strategic viability testing, it is not normally appraised specifically, especially on an existing employment site as results the will be entirely dependent on unknown potential occupiers.

5.3.6 Within this context it is important to note that any analysis would normally consider development that might be built for subsequent sale or rent to a commercial tenant on a 'speculative' basis (i.e. a developer building an office block or an industrial unit in the hope that they could sell or rent the unit). It has to be tested this way as future plans of businesses are not known when

undertaken strategic viability testing such as this. Except for very strong markets this type of development is often marginal at best.

5.3.7 However, the majority of employment development schemes are undertaken for specific commercial operators, either as owners or pre-lets, and the occupier is known before the building is constructed. In these circumstances, the economics of the development relate to the profitability of the enterprise accommodated within the buildings rather than the market value of the buildings. Therefore, while any testing may suggest that some types of development are not viable or marginal, developments of these types may still be brought forward for individual occupiers to meet their specific requirements.

5.3.8 The policy is aimed at retaining current uses and only allowing other uses when employment and floorspace can be maintained, subject to viability. In viability terms there is no reason why development should not come forward in the way envisaged by the policy and nor does it put at risk the delivery of the plan as a whole.

6 Summary and conclusions

6.1 Is the Southwater Neighbourhood Plan deliverable?

6.1.1 The final stage of this viability assessment is to draw broad conclusions on whether the NP is deliverable in terms of viability and to provide recommendations for this in the emerging Plan.

6.1.2 Chapter 5 shows that all the residential development case studies relevant to the likely future supply of housing sites are currently viable. This takes into account affordable housing, CIL and infrastructure policy costs. The assessment indicates that the NP and Local Plan policies most likely to impact on the residential viability are affordable housing and the costs of infrastructure.

6.1.3 The small and medium sites are particularly viable, even when higher land costs are included. The allocated site is also very viable and importantly has sufficient margin to deal with higher costs of land, site infrastructure and s106.

6.1.4 It should be noted that the viability assessment has been tested at current costs and current values as per the guidance. We do not consider it necessary to test the impact of longer-term variations in cost and build assumptions over time as these are unknown and often, other than in periods of financial crisis the increases in values normally outweigh any increase in costs – i.e. developments will often become more viable over time due to value, driven by house prices increasing at a greater rate than build costs.

6.1.5 It is therefore not considered necessary to alter any of the policies within the NP on the basis of impact on viability and delivery.

6.2 Conclusion

6.2.1 The viability appraisal findings and policy review demonstrate a viable and deliverable plan. If there is additional pressure on development from higher than usual costs, viability could be improved through greater flexibility on housing mix.

Appendix A - Land registry and epc records

Street	Date	Type	Sale Price	ce per Sqm	Floorspace	trans date	latest date	action price	P per sqm
COURTLANDS	November 2015	Detached	£750,000	£4,121	182	107.56	121.99	£850,618	£4,674
ROMAN LANE	May 2015	Detached	£425,000	£3,220	132	102.34	121.99	£506,603	£3,838
WORTHING ROAD	March 2015	Detached	£450,000	£3,629	124	102.87	121.99	£533,640	£4,304
WELCOME PLACE	July 2016	Detached	£695,000	£4,137	168	112.72	121.99	£752,156	£4,477
WELCOME PLACE	December 2016	Detached	£750,000	£3,456	217	116.83	121.99	£783,125	£3,609
WELCOME PLACE	September 2017	Detached	£845,000	£3,521	240	117.85	121.99	£874,684	£3,645
ANDREWS ROAD	February 2015	Detached	£287,400	£3,732	77	101.58	121.99	£345,146	£4,482
RASCALS CLOSE	September 2015	Semi	£340,000	£3,908	87	105.50	121.91	£392,885	£4,516
RASCALS CLOSE	October 2015	Semi	£330,000	£3,667	90	106.12	121.91	£379,102	£4,212
RASCALS CLOSE	June 2015	Semi	£336,000	£3,862	87	103.05	121.91	£397,494	£4,569
RASCALS CLOSE	July 2015	Semi	£325,000	£3,736	87	103.92	121.91	£381,262	£4,382
RASCALS CLOSE	May 2015	Detached	£389,995	£3,482	112	102.34	121.99	£464,877	£4,151
RASCALS CLOSE	April 2015	Terraced	£385,000	£3,438	112	103.50	119.80	£445,633	£3,979
RASCALS CLOSE	June 2015	Semi	£325,000	£3,736	87	103.05	121.91	£384,481	£4,419
RASCALS CLOSE	June 2015	Semi	£349,950	£4,022	87	103.05	121.91	£413,997	£4,759
RASCALS CLOSE	April 2015	Detached	£349,995	£4,023	87	103.88	121.99	£411,012	£4,724
RASCALS CLOSE	January 2015	Terraced	£338,000	£3,756	90	100.00	119.80	£404,924	£4,499
RASCALS CLOSE	February 2015	Terraced	£320,000	£3,678	87	101.40	119.80	£378,067	£4,346
RASCALS CLOSE	February 2015	Detached	£375,000	£3,348	112	101.58	121.99	£450,347	£4,021
RASCALS CLOSE	July 2015	Semi	£355,000	£3,817	93	103.92	121.91	£416,455	£4,478
WILLOWMEAD	January 2015	Detached	£595,001	£3,889	153	100.00	121.99	£725,842	£4,744
WILLOWMEAD	March 2015	Detached	£592,500	£3,873	153	102.87	121.99	£702,625	£4,592
WELCOME PLACE	November 2016	Detached	£670,000	£3,988	168	115.62	121.99	£706,913	£4,208
WELCOME PLACE	March 2017	Detached	£785,000	£3,601	218	115.43	121.99	£829,612	£3,806
WELCOME PLACE	March 2017	Detached	£890,000	£3,708	240	115.43	121.99	£940,580	£3,919
WELCOME PLACE	April 2017	Detached	£865,000	£3,604	240	117.79	121.99	£895,843	£3,733
WORTHING ROAD	July 2015	Terraced	£590,000	£5,413	109	104.19	119.80	£678,395	£6,224
CHESSALL AVENUE	September 2018	Detached	£580,000	£4,265	136	122.47	121.99	£577,727	£4,248
CHESSALL AVENUE	March 2018	Terraced	£440,000	£4,151	106	116.68	119.80	£451,766	£4,262
CHESSALL AVENUE	April 2018	Semi	£435,000	£4,028	108	117.51	121.91	£451,288	£4,179
CHESSALL AVENUE	March 2018	Semi	£430,000	£3,981	108	118.37	121.91	£442,860	£4,101
CHESSALL AVENUE	March 2018	Detached	£660,000	£4,151	159	118.47	121.99	£679,610	£4,274
CHESSALL AVENUE	May 2018	Semi	£450,000	£4,167	108	118.16	121.91	£464,281	£4,299
CHESSALL AVENUE	March 2018	Semi	£445,000	£4,120	108	118.37	121.91	£458,308	£4,244
CHESSALL AVENUE	March 2018	Semi	£415,000	£4,611	90	118.37	121.91	£427,411	£4,749
CHESSALL AVENUE	May 2018	Semi	£440,000	£4,151	106	118.16	121.91	£453,964	£4,283
HUNTLEY MEWS	June 2018	Terraced	£335,000	£4,241	79	116.03	119.80	£345,885	£4,378
HUNTLEY MEWS	June 2018	Terraced	£335,000	£4,241	79	116.03	119.80	£345,885	£4,378
HUNTLEY MEWS	April 2018	Terraced	£340,000	£4,304	79	116.11	119.80	£350,805	£4,441
HUNTLEY MEWS	March 2018	Semi	£450,000	£4,167	108	118.37	121.91	£463,458	£4,291
HUNTLEY MEWS	May 2018	Semi	£450,000	£4,167	108	118.16	121.91	£464,281	£4,299
HUNTLEY MEWS	May 2018	Detached	£505,000	£4,430	114	117.98	121.99	£522,164	£4,580
HUNTLEY MEWS	June 2018	Semi	£400,000	£4,444	90	117.70	121.91	£414,308	£4,603
HUNTLEY MEWS	June 2018	Detached	£400,000	£4,444	90	117.32	121.99	£415,922	£4,621
HUNTLEY MEWS	September 2018	Detached	£520,000	£4,561	114	122.47	121.99	£517,962	£4,544
HUNTLEY MEWS	September 2018	Semi	£405,000	£4,500	90	122.26	121.91	£403,841	£4,487
HUNTLEY MEWS	September 2018	Terraced	£350,000	£4,430	79	120.87	119.80	£346,902	£4,391
HUNTLEY MEWS	September 2018	Terraced	£350,000	£4,430	79	120.87	119.80	£346,902	£4,391
HUNTLEY MEWS	September 2018	Terraced	£350,000	£4,430	79	120.87	119.80	£346,902	£4,391
HUNTLEY MEWS	September 2018	Terraced	£350,000	£4,430	79	120.87	119.80	£346,902	£4,391
HUNTLEY MEWS	September 2018	Terraced	£350,000	£4,430	79	120.87	119.80	£346,902	£4,391
HUNTLEY MEWS	October 2018	Terraced	£350,000	£4,430	79	121.48	119.80	£345,160	£4,369
HUNTLEY MEWS	August 2018	Terraced	£350,000	£4,430	79	117.54	119.80	£356,730	£4,516
HUNTLEY MEWS	August 2018	Semi	£405,000	£4,500	90	118.98	121.91	£414,974	£4,611
HUNTLEY MEWS	August 2018	Semi	£405,000	£4,500	90	118.98	121.91	£414,974	£4,611
HUNTLEY MEWS	August 2018	Detached	£590,000	£4,338	136	118.79	121.99	£605,894	£4,455
RAPLEY RISE	February 2018	Detached	£510,000	£4,474	114	118.41	121.99	£525,419	£4,609
RAPLEY RISE	February 2018	Semi	£345,000	£4,259	81	118.28	121.91	£355,588	£4,390
RAPLEY RISE	March 2018	Semi	£350,000	£4,430	79	118.37	121.91	£360,467	£4,563
RAPLEY RISE	February 2018	Terraced	£335,000	£4,241	79	116.59	119.80	£344,223	£4,357
RAPLEY RISE	February 2018	Semi	£335,000	£4,136	81	118.28	121.91	£345,281	£4,263
RAPLEY RISE	February 2018	Semi	£345,000	£4,367	79	118.28	121.91	£355,588	£4,501
RAPLEY RISE	March 2018	Semi	£345,000	£4,259	81	118.37	121.91	£355,318	£4,387
CENTENARY ROAD	March 2018	Detached	£525,000	£4,038	130	118.47	121.99	£540,599	£4,158

CENTENARY ROAD	January 2018	Detached	£499,995	£3,906	128	119.92	121.99	£508,626	£3,974
CENTENARY ROAD	January 2018	Detached	£499,500	£3,902	128	119.92	121.99	£508,122	£3,970
CENTENARY ROAD	January 2018	Detached	£510,000	£3,923	130	119.92	121.99	£518,803	£3,991
CENTENARY ROAD	February 2018	Detached	£479,500	£3,746	128	118.41	121.99	£493,997	£3,859
CENTENARY ROAD	February 2018	Detached	£497,000	£3,883	128	118.41	121.99	£512,026	£4,000
CENTENARY ROAD	February 2018	Detached	£498,500	£3,895	128	118.41	121.99	£513,572	£4,012
CENTENARY ROAD	February 2018	Detached	£499,995	£3,906	128	118.41	121.99	£515,112	£4,024
CENTENARY ROAD	February 2018	Detached	£425,000	£4,427	96	118.41	121.99	£437,849	£4,561
CENTENARY ROAD	September 2018	Detached	£440,000	£4,583	96	122.47	121.99	£438,275	£4,565
CENTENARY ROAD	June 2018	Detached	£535,000	£4,147	129	117.32	121.99	£556,296	£4,312
CENTENARY ROAD	February 2018	Detached	£515,000	£3,992	129	118.41	121.99	£530,570	£4,113
CENTENARY ROAD	February 2018	Detached	£497,000	£3,883	128	118.41	121.99	£512,026	£4,000
CENTENARY ROAD	February 2018	Detached	£599,995	£4,082	147	118.41	121.99	£618,135	£4,205
CENTENARY ROAD	March 2018	Detached	£505,000	£3,945	128	118.47	121.99	£520,005	£4,063
CENTENARY ROAD	March 2018	Detached	£504,000	£3,938	128	118.47	121.99	£518,975	£4,054
CENTENARY ROAD	March 2018	Detached	£505,500	£3,949	128	118.47	121.99	£520,519	£4,067
CENTENARY ROAD	March 2018	Detached	£506,500	£3,957	128	118.47	121.99	£521,549	£4,075
CENTENARY ROAD	April 2018	Detached	£507,500	£3,965	128	117.52	121.99	£526,803	£4,116
CENTENARY ROAD	April 2018	Detached	£600,000	£4,082	147	117.52	121.99	£622,822	£4,237
HAYLER GARDENS	May 2018	Detached	£515,000	£3,962	130	117.98	121.99	£532,504	£4,096
HAYLER GARDENS	April 2018	Detached	£427,500	£4,453	96	117.52	121.99	£443,760	£4,623
HAYLER GARDENS	June 2018	Semi	£340,000	£4,474	76	117.70	121.91	£352,161	£4,634
HAYLER GARDENS	August 2018	Semi	£420,000	£4,516	93	118.98	121.91	£430,343	£4,627
HAYLER GARDENS	September 2018	Semi	£387,000	£4,348	89	122.26	121.91	£385,892	£4,336
HAYLER GARDENS	August 2018	Semi	£379,500	£4,264	89	118.98	121.91	£388,846	£4,369
HAYLER GARDENS	July 2018	Detached	£528,000	£4,062	130	118.02	121.99	£545,761	£4,198
HAYLER GARDENS	August 2018	Detached	£500,000	£3,906	128	118.79	121.99	£513,469	£4,011
HAYLER GARDENS	August 2018	Detached	£398,000	£4,472	89	118.79	121.99	£408,721	£4,592
HAYLER GARDENS	July 2018	Detached	£420,000	£4,516	93	118.02	121.99	£434,128	£4,668
HAYLER GARDENS	May 2018	Detached	£410,000	£4,409	93	117.98	121.99	£423,935	£4,558
HAYLER GARDENS	May 2018	Semi	£337,000	£4,434	76	118.16	121.91	£347,695	£4,575
HAYLER GARDENS	February 2018	Detached	£510,000	£3,923	130	118.41	121.99	£525,419	£4,042
COMPTON PLACE	November 2017	Terraced	£408,000	£4,584	89	118.40	119.80	£412,824	£4,638
COMPTON PLACE	April 2018	Terraced	£395,000	£4,438	89	116.11	119.80	£407,553	£4,579
COMPTON PLACE	October 2017	Terraced	£415,000	£4,663	89	116.47	119.80	£426,865	£4,796
COMPTON PLACE	September 2018	Detached	£695,000	£3,697	188	122.47	121.99	£692,276	£3,682
COMPTON PLACE	April 2018	Detached	£733,000	£3,941	186	117.52	121.99	£760,880	£4,091
COMPTON PLACE	November 2017	Detached	£749,500	£3,987	188	120.15	121.99	£760,978	£4,048
COMPTON PLACE	October 2017	Semi	£415,000	£4,663	89	117.76	121.91	£429,625	£4,827
COMPTON PLACE	September 2017	Semi	£400,000	£4,494	89	117.74	121.91	£414,167	£4,654
DEACON PLACE	August 2018	Semi	£395,000	£4,293	92	118.98	121.91	£404,727	£4,399
DEACON PLACE	April 2018	Semi	£325,000	£4,643	70	117.51	121.91	£337,169	£4,817
DEACON PLACE	May 2018	Semi	£325,000	£3,533	92	118.16	121.91	£335,314	£3,645
DEACON PLACE	April 2018	Semi	£325,000	£4,643	70	117.51	121.91	£337,169	£4,817
DEACON PLACE	November 2018	Detached	£765,000	£3,923	195	123.67	121.99	£754,608	£3,870
DEACON PLACE	July 2018	Detached	£810,000	£4,070	199	118.02	121.99	£837,247	£4,207

Appendix B - Appraisal summaries

Summary Results

Site Details	Case Study CS1 - 1 unit in Southwater	Site Address	Southwater	Site Reference	CS1
				Application No	
Scheme Description	I unit case study for Southwater Neighbourhood plan	Notes			
				Date Saved	07/01/2019

Site Details			Dwellings		GIA (sq m)
Gross Area	0.03	ha	Total	1.00	125.0
Net Area	0.03	ha	Market Housing	1.00	125.0
Net to Gross Ratio	100.0%		Affordable Housing	-	-
Density	30.03	dwgs per net ha	% Affordable Housing	0.00%	

Scheme Revenue

			Affordable Housing				
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Share	Shared Ownership
Total No of Dwellings	1.00	1.00	-	-	-	-	-
Total GIA (sq m)	125.0	125.0	-	-	-	-	-
Tenure Split (by % dwellings)		100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Revenue	525,000	525,000	-	-	-	-	-
Average Revenue per unit	*525,000*	*525,000*	-	-	-	-	-
Average Revenue per sq m GIA	*4,200*	*4,200*	-	-	-	-	-
Total Capital Contributions	-						
Total Commercial Elements	-						
Total Scheme Revenue	**525,000**						

Scheme Development Costs

			Affordable Housing							
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Share	Shared Ownership	*Per dwelling*	*per sq m*	
Build Cost (inc external works & contingency)	221,750	221,750	-	-	-	-	-	*221,750*	*1,774*	
Additional Dwelling Standards	-	-	-	-	-	-	-	-	-	
Professional Fees	22,175	22,175	-	-	-	-	-	*22,175*	*177*	*10.0% build costs*
Marketing Costs (market housing)	15,750	15,750						*15,750*	*126*	*3.0% market revenue*
Marketing Costs (aff housing)	-		-	-	-	-	-	*#DIV/0!*	*#DIV/0!*	*#DIV/0! affordable revenue*
Exceptional Development Costs	8,771	8,771	-	-	-	-	-	*8,771*	*70*	
Planning Obligations Costs	3,000							*3,000*	*24*	
Commercial Elements Costs	-									
										4.1% CIL as %Revenue
Community Infrastructure Levy	21,464									*£150.10 per market sq m*
										5.4% CIL as %Dev Costs
Developer's Return for Risk and Profit										
Developer's Return (Market housing)	105,000							*105,000*	*840*	*20.0% market revenue*
Contractor's Return (Aff housing)	-		-	-	-	-	-	*#DIV/0!*	*#DIV/0!*	*#DIV/0! aff build & prof fees*
Total Development Costs	**397,910**							*397,910*	*3,183*	
Total Operating Profit	**127,090**							*127,090*	*1,017*	

Finance Costs and Residual Value

DCF Period	No DCF	years
Debit Interest Rate	No DCF	
Credit Interest Rate	No DCF	
Annual Discount Rate	No DCF	
Revenue and Capital Contributions	525,000	
Total Development Cost	397,910	
Finance Cost	14,414	
Annual Discount Rate Cost	-	
Total Dev Cost, Finance Cost & ADR Cost	412,324	
Gross Residual Value	**112,676**	
Agents Fees	1,695	1.50% residual value (post SDLT)
Legal Fees	848	0.75% residual value (post SDLT)
Stamp Duty	-	Based on HMRC SDLT rates
Net Residual Value	**110,133**	
per gross ha	*3,307,311*	
per net ha	*3,307,311*	
per dwelling	*110,133*	
per market dwelling	*110,133*	

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Summary Results

Site Details	Case Study CS2 - 3 unit in Southwater	Site Address	Southwater	Site Reference	CS2
				Application No	
Scheme Description	3 units case study for Southwater Neighbourhood plan	Notes			
				Date Saved	07/01/2019

Site Details					
Gross Area	0.09	ha		Dwellings	GIA (sq m)
Net Area	0.09	ha	Total	3.00	288.0
Net to Gross Ratio	100.0%		Market Housing	3.00	288.0
Density	34.88	dwgs per net ha	Affordable Housing	-	-
			% Affordable Housing	0.00%	

Scheme Revenue

	Total	Market	Affordable Housing: Social Rent	Affordable Rent	Intermediate Rent	Equity Share	Shared Ownership
Total No of Dwellings	3.00	3.00	-	-	-	-	-
Total GIA (sq m)	288.0	288.0	-	-	-	-	-
Tenure Split (by % dwellings)		100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Revenue	1,210,000	1,210,000	-	-	-	-	-
Average Revenue per unit	*403,333*	*403,333*	-	-	-	-	-
Average Revenue per sq m GIA	*4,201*	*4,201*	-	-	-	-	-
Total Capital Contributions	-						
Total Commercial Elements	-						
Total Scheme Revenue	**1,210,000**						

Scheme Development Costs

	Total	Market	Affordable Housing: Social Rent	Affordable Rent	Intermediate Rent	Equity Share	Shared Ownership	*Per dwelling*	*per sq m*	
Build Cost (inc external works & contingency)	510,912	510,912	-	-	-	-	-	*170,304*	*1,774*	
Additional Dwelling Standards	-	-	-	-	-	-	-	-	-	
Professional Fees	51,091	51,091	-	-	-	-	-	*17,030*	*177*	*10.0% build costs*
Marketing Costs (market housing)	36,300	36,300						*12,100*	*126*	*3.0% market revenue*
Marketing Costs (aff housing)	-		-	-	-	-	-	*#DIV/0!*	*#DIV/0!*	*#DIV/0! affordable revenue*
Exceptional Development Costs	11,313	11,313	-	-	-	-	-	*3,771*	*39*	
Planning Obligations Costs	9,000							*3,000*	*31*	
Commercial Elements Costs	-									
										3.8% CIL as %Revenue
Community Infrastructure Levy	45,931									*£150.10 per market sq m*
										5.1% CIL as %Dev Costs
Developer's Return for Risk and Profit										
Developer's Return (Market housing)	242,000							*80,667*	*840*	*20.0% market revenue*
Contractor's Return (Aff housing)	-		-	-	-	-	-	*#DIV/0!*	*#DIV/0!*	*#DIV/0! aff build & prof fees*
Total Development Costs	**906,547**							*302,182*	*3,148*	
Total Operating Profit	**303,453**							*101,151*	*1,054*	

Finance Costs and Residual Value

DCF Period	No DCF	years
Debit Interest Rate	No DCF	
Credit Interest Rate	No DCF	
Annual Discount Rate	No DCF	
Revenue and Capital Contributions	1,210,000	
Total Development Cost	906,547	
Finance Cost	33,209	
Annual Discount Rate Cost	-	
Total Dev Cost, Finance Cost & ADR Cost	939,756	
Gross Residual Value	**270,244**	
Agents Fees	4,005	1.50% residual value (post SDLT)
Legal Fees	2,003	0.75% residual value (post SDLT)
Stamp Duty	3,000	Based on HMRC SDLT rates
Net Residual Value	**261,236**	
per gross ha	*3,037,633*	
per net ha	*3,037,633*	
per dwelling	*87,079*	
per market dwelling	*87,079*	

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Summary Results

Site Details	Case Study CS4 - 10 units in Southwater	Site Address	Southwater	Site Reference	CS4
				Application No	
Scheme Description	10 units case study for Southwater Neighbourhood plan	Notes			
				Date Saved	07/01/2019

Site Details		
Gross Area	0.29	ha
Net Area	0.29	ha
Net to Gross Ratio	100.0%	
Density	34.97	dwgs per net ha

	Dwellings		GIA (sq m)
Total	10.00		875.0
Market Housing	8.00		735.0
Affordable Housing	2.00		140.0
% Affordable Housing	20.00%		

Scheme Revenue

			Affordable Housing				
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Aff. mix of 70% AR & 30% SO	Shared Ownership
Total No of Dwellings	10.00	8.00	-	-	-	2.00	-
Total GIA (sq m)	875.0	735.0	-	-	-	140.0	-
Tenure Split (by % dwellings)		80.0%	0.0%	0.0%	0.0%	20.0%	0.0%
Total Revenue	3,381,000	3,087,000	-	-	-	294,000	-
Average Revenue per unit	*338,100*	*385,875*	-	-	-	*147,000*	-
Average Revenue per sq m GIA	*3,864*	*4,200*	-	-	-	*2,100*	-
Total Capital Contributions	-						
Total Commercial Elements	-						
Total Scheme Revenue	**3,381,000**						

Scheme Development Costs

			Affordable Housing						
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Aff. mix of 70% AR & 30% SO	Shared Ownership	*Per dwelling*	*per sq m*
Build Cost (inc external works & contingency)	1,477,875	1,241,415	-	-	-	236,460	-	*147,788*	*1,689*
Additional Dwelling Standards	-	-	-	-	-	-	-	-	-
Professional Fees	147,788	124,142	-	-	-	23,646	-	*14,779*	*169*
Marketing Costs (market housing)	92,610	92,610						*11,576*	*126*
Marketing Costs (aff housing)	-		-	-	-	-	-	-	-
Exceptional Development Costs	21,710	17,368	-	-	-	4,342	-	*2,171*	*25*
Planning Obligations Costs	30,000							*3,000*	*34*
Commercial Elements Costs	-								
Community Infrastructure Levy	113,025								
Developer's Return for Risk and Profit									
Developer's Return (Market housing)	617,400							*77,175*	*840*
Contractor's Return (Aff housing)	15,606		-	-	-	15,606	-	*7,803*	*111*
Total Development Costs	**2,516,014**							*251,601*	*2,875*
Total Operating Profit	**864,986**							*86,499*	*989*

10.0%	*build costs*
3.0%	*market revenue*
0.0%	*affordable revenue*
3.3%	*CIL as %Revenue*
£150.10	*per market sq m*
4.5%	*CIL as %Dev Costs*
20.0%	*market revenue*
6.0%	*aff build & prof fees*

Finance Costs and Residual Value

DCF Period	No DCF	years
Debit Interest Rate	No DCF	
Credit Interest Rate	No DCF	
Annual Discount Rate	No DCF	
Revenue and Capital Contributions	3,381,000	
Total Development Cost	2,516,014	
Finance Cost	96,062	
Annual Discount Rate Cost	-	
Total Dev Cost, Finance Cost & ADR Cost	2,612,076	
Gross Residual Value	**768,924**	
Agents Fees	11,116	1.50% residual value (post SDLT)
Legal Fees	5,558	0.75% residual value (post SDLT)
Stamp Duty	27,950	Based on HMRC SDLT rates
Net Residual Value	**724,300**	
per gross ha	*2,532,519*	
per net ha	*2,532,519*	
per dwelling	*72,430*	
per market dwelling	*90,538*	

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Summary Results

Site Details	Case Study CS5 - 20 units in Southwater	Site Address	Southwater	Site Reference	CS5
				Application No	
Scheme Description	20 units case study for Southwater Neighbourhood plan	Notes			
				Date Saved	07/01/2019

Site Details					
Gross Area	0.57	ha			
Net Area	0.57	ha			
Net to Gross Ratio	100.0%				
Density	35.03	dwgs per net ha			

	Dwellings		GIA (sq m)
Total	20.00		1,702.0
Market Housing	13.00		1,210.0
Affordable Housing	7.00		492.0
% Affordable Housing	35.00%		

Scheme Revenue

			Affordable Housing				
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Aff. mix of 70% AR & 30% SO	Shared Ownership
Total No of Dwellings	20.00	13.00	-	-	-	7.00	-
Total GIA (sq m)	1,702.0	1,210.0	-	-	-	492.0	-
Tenure Split (by % dwellings)		65.0%	0.0%	0.0%	0.0%	35.0%	0.0%
Total Revenue	6,079,000	5,082,000	-	-	-	997,000	-
Average Revenue per unit	*303,950*	*390,923*	-	-	-	*142,429*	-
Average Revenue per sq m GIA	*3,572*	*4,200*	-	-	-	*2,026*	-
Total Capital Contributions	-						
Total Commercial Elements	-						
Total Scheme Revenue	**6,079,000**						

Scheme Development Costs

			Affordable Housing						
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Aff. mix of 70% AR & 30% SO	Shared Ownership	*Per dwelling*	*per sq m*
Build Cost (inc external works & contingency)	2,767,242	1,942,050	-	-	-	825,192	-	*138,362*	*1,626*
Additional Dwelling Standards	-	-	-	-	-	-	-	-	-
Professional Fees	276,724	194,205	-	-	-	82,519	-	*13,836*	*163*
Marketing Costs (market housing)	152,460	152,460						*11,728*	*126*
Marketing Costs (aff housing)	-		-	-	-	-	-	-	-
Exceptional Development Costs	61,879	40,221	-	-	-	21,658	-	*3,094*	*36*
Planning Obligations Costs	60,000							*3,000*	*35*
Commercial Elements Costs	-								
Community Infrastructure Levy	192,428								
Developer's Return for Risk and Profit									
Developer's Return (Market housing)	1,016,400							*78,185*	*840*
Contractor's Return (Aff housing)	54,463		-	-	-	54,463	-	*7,780*	*111*
Total Development Costs	**4,581,596**							*229,080*	*2,692*
Total Operating Profit	**1,497,404**							*74,870*	*880*

10.0%	*build costs*
3.0%	*market revenue*
0.0%	*affordable revenue*
3.2%	*CIL as %Revenue*
£150.10	*per market sq m*
4.2%	*CIL as %Dev Costs*
20.0%	*market revenue*
6.0%	*aff build & prof fees*

Finance Costs and Residual Value

DCF Period	No DCF	years
Debit Interest Rate	No DCF	
Credit Interest Rate	No DCF	
Annual Discount Rate	No DCF	
Revenue and Capital Contributions	6,079,000	
Total Development Cost	4,581,596	
Finance Cost	179,871	
Annual Discount Rate Cost	-	
Total Dev Cost, Finance Cost & ADR Cost	4,761,467	
Gross Residual Value	**1,317,533**	
Agents Fees	18,939	1.50% residual value (post SDLT)
Legal Fees	9,470	0.75% residual value (post SDLT)
Stamp Duty	55,400	Based on HMRC SDLT rates
Net Residual Value	**1,233,725**	
per gross ha	*2,160,639*	
per net ha	*2,160,639*	
per dwelling	*61,686*	
per market dwelling	*94,902*	

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Summary Results

Site Details	Case Study CS6 - 350 units in Southwater	Site Address	Southwater	Site Reference	CS6
				Application No	Policy SNP2
Scheme Description	350 units case study for Southwater Neighbourhood plan	Notes			
				Date Saved	07/01/2019

Site Details			Dwellings		GIA (sq m)
Gross Area	22.11 ha	Total	350.00		28,797.0
Net Area	12.16 ha	Market Housing	228.00		19,191.0
Net to Gross Ratio	55.0%	Affordable Housing	122.00		9,606.0
Density	28.78 dwgs per net ha	% Affordable Housing	34.86%		

Scheme Revenue

			Affordable Housing				
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Aff. mix of 70% AR & 30% SO	Shared Ownership
Total No of Dwellings	350.00	228.00	-	-	-	122.00	-
Total GIA (sq m)	28,797.0	19,191.0	-	-	-	9,606.0	-
Tenure Split (by % dwellings)		65.1%	0.0%	0.0%	0.0%	34.9%	0.0%
Total Revenue	98,584,000	79,014,000	-	-	-	19,570,000	-
Average Revenue per unit	*281,669*	*346,553*	-	-	-	*160,410*	-
Average Revenue per sq m GIA	*3,423*	*4,117*	-	-	-	*2,037*	-
Total Capital Contributions	-						
Total Commercial Elements	-						
Total Scheme Revenue	**98,584,000**						

Scheme Development Costs

			Affordable Housing						
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Aff. mix of 70% AR & 30% SO	Shared Ownership	*Per dwelling*	*per sq m*
Build Cost (inc external works & contingency)	42,354,101	27,912,483	-	-	-	14,441,618	-	*121,012*	*1,471*
Additional Dwelling Standards	-	-	-	-	-	-	-	-	-
Professional Fees	4,235,410	2,791,248	-	-	-	1,444,162	-	*12,101*	*147*
Marketing Costs (market housing)	2,370,420	2,370,420						*10,397*	*124*
Marketing Costs (aff housing)	-		-	-	-	-	-	-	-
Exceptional Development Costs	3,492,695	2,275,241	-	-	-	1,217,454	-	*9,979*	*121*
Planning Obligations Costs	3,500,000							*10,000*	*122*
Commercial Elements Costs	-								
Community Infrastructure Levy	2,983,238								
Developer's Return for Risk and Profit									
Developer's Return (Market housing)	15,802,800							*69,311*	*823*
Contractor's Return (Aff housing)	953,147		-	-	-	953,147	-	*7,813*	*99*
Total Development Costs	**75,691,810**							*216,262*	*2,628*
Total Operating Profit	**22,892,190**							*65,406*	*795*

10.0%	*build costs*
3.0%	*market revenue*
0.0%	*affordable revenue*
3.0%	*CIL as %Revenue*
£150.10	*per market sq m*
3.9%	*CIL as %Dev Costs*
20.0%	*market revenue*
6.0%	*aff build & prof fees*

Finance Costs and Residual Value

DCF Period	6 years
Debit Interest Rate	6.5%
Credit Interest Rate	0.0%
Annual Discount Rate	0.0%
Revenue and Capital Contributions	98,584,000
Total Development Cost	75,691,810
Finance Cost	2,912,609
Annual Discount Rate Cost	-
Total Dev Cost, Finance Cost & ADR Cost	78,604,419
Gross Residual Value	**19,979,581**
Agents Fees	284,867
Legal Fees	142,433
Stamp Duty	988,479
Net Residual Value	**18,563,802**
per gross ha	*839,611*
per net ha	*1,526,503*
per dwelling	*53,039*
per market dwelling	*81,420*

1.50%	residual value (post SDLT)
0.75%	residual value (post SDLT)
Based on HMRC SDLT rates	

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And a third