

Middlesbrough, Redcar and Cleveland Affordable Housing Offsite Contributions Study

On behalf of **Middlesbrough and Redcar & Cleveland Borough Council**



Project Ref: 28529/001 | Rev: V.2 | Date: October2013



Document Control Sheet

Project Name: Affordable Housing Offsite Contributions Study

Project Ref: 28529

Report Title: Middlesbrough Redcar & Cleveland

Doc Ref: Final

Date: 03 October 2013

	Name	Position	Signature	Date
Prepared by:	Andrew Clarke	Senior Associates	<i>A. Clarke</i>	October 2013
Prepared by:	Stuart Cook	Principal Surveyor	<i>S. Cook</i>	October 2013
Reviewed by:	David Codling	Director	<i>D. Codling</i>	October 2013
Approved by:	Cristina Howick	Partner	<i>C. Howick</i>	October 2013
For and on behalf of Peter Brett Associates LLP				

Revision	Date	Description	Prepared	Reviewed	Approved
V. 1	12 Aug 2013	Draft report	AC	DC	CH
V.2	04 Oct 2013	Final report	SC/AC	DC	CH

Peter Brett Associates LLP disclaims any responsibility to the Client and others in respect of any matters outside the scope of this report. This report has been prepared with reasonable skill, care and diligence within the terms of the Contract with the Client and generally in accordance with the appropriate ACE Agreement and taking account of the manpower, resources, investigations and testing devoted to it by agreement with the Client. This report is confidential to the Client and Peter Brett Associates LLP accepts no responsibility of whatsoever nature to third parties to whom this report or any part thereof is made known. Any such party relies upon the report at their own risk.

© Peter Brett Associates LLP 2013

Contents

- 1 Introduction 1**
- 2 Policy Context 2**
 - 2.1 Introduction 2
 - 2.2 The changing national policy context 2
 - 2.3 A possible alternative mechanism 3
- 3 Viability Analysis Method 4**
 - 3.1 Method 4
 - 3.2 Costs assumed 4
 - 3.3 Calculation of opportunity cost 5
 - 3.4 Viability Calculation 5
- 4 Viability Analysis Findings 7**
 - 4.1 Presentation of findings 7
 - 4.2 Interpreting the summary table 8
- 5 Recommendations 10**
- 6 Next Steps 13**
 - 6.1 Introduction 13
 - 6.2 Recommendations 13

Figures

- Figure 5.1 Charging zones 10

Tables

- Table 4.1 Financial summary volume housebuilding scenarios, with key column highlighted 9

Appendices

- Appendix A Off-site affordable housing appraisals

This page is intentionally blank

1 Introduction

- 1.1.1 This report has been written for Middlesbrough Council and Redcar and Cleveland Borough Council.
- 1.1.2 It discusses the possible charge that could be levied on small housing schemes in order to make contributions towards offsite affordable housing provision.
- 1.1.3 This is a companion report to the main Whole Plan Viability (WPV) reports provided under separate cover to both Councils. This report shares a viability methodology and development appraisal assumptions with the WPV work. It is reliant on the same market evidence base. The reader should refer to the WPV documents for more detail in these areas.
- 1.1.4 This report and the accompanying appraisals have been prepared in line with RICS valuation guidance. No part of these documents is a formal 'Red Book' valuation (RICS Valuation - Professional Standards, March 2012) or should be relied upon as such.

2 Policy Context

2.1 Introduction

2.1.1 In this section, we put this advice on off-site contributions in context.

2.2 The changing national policy context

National Planning Policy Framework

2.2.1 Policy 50 of the NPPF states that local planning authorities should, where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

The effects of policy changes on viability

2.2.2 There have been alterations to national affordable housing policy which have significant implications for the delivery of affordable housing. The principal alterations are as follows.

- Before policy changes, social rents were fixed by central Government. When affordable housing was provided through S106 agreements, the developer would transfer the ownership of units to a Registered Provider at a discount to the market value of the unit. Typically, this discount would reflect the availability of grant and capitalised rental values.
- Historically, much of the affordable housing programme benefited from grant assistance from the Housing Corporation and subsequently the Homes and Communities Agency.
- From April 2010, S106 schemes are no longer eligible for grant. To compensate in part for the removal of grant, the newly introduced Affordable Rent model does not use rents that are set centrally by Government. Instead, the Affordable Rent model sets rents at a percentage of local market rents. These rents are higher than those prevailing under the social rent policy. Because rents are higher, the units produced as part of new housing schemes are more valuable. When units are transferred from the developer to the Registered Provider, transfer rates are raised, compared to a no-grant scenario.
- However in the absence of grant funding the financial burden of affordable housing subsidy on S106 schemes now falls almost entirely on the private sector (landowners and developers). Despite the benefits offered by the Affordable Rent product, the wider financial burden on the Registered Provider and the private sector has resulted in a general fall in financial transfer rates from the private to the public sector for such products and introduced significantly increased risks for RPs.

2.2.3 The policy shift from social rents to affordable rents is double edged.

- On the one hand, the policy shift improves the viability of developments. Developers receive a higher proportion of the open market value of their units compared to a social rent scenario. Their receipts are therefore higher (though perhaps not enough to offset the loss of grant). Compared to a social rent scenario, this means that developers of a given scheme will be able to produce more affordable units (because they receive higher receipts for the units produced); but

- On the other hand, occupiers will have to pay more rent for the housing they use. In areas with high market rents, the discount from market rents that tenants receive may create increased dependency upon Housing Benefit. In areas with relatively low market rents, such as Redcar and Cleveland and Middlesbrough, the effects of the policy change are less pronounced in this regard.

2.3 A possible alternative mechanism

Criteria for contributions for off-site provision

- 2.3.1 Affordable housing policy is currently being updated in both Middlesbrough and Redcar and Cleveland.
- 2.3.2 The NPPF allows local authorities to determine policies which set out requirements for provision of on-site affordable housing and setting criteria based on locally agreed minimum thresholds for different sub area or settlements. No other guidance or criteria are included in the NPPF on how any threshold or commuted sum should be set. It is left to the local authority to come to a considered approach based on their local circumstances.

A suggested streamlined approach

- 2.3.3 The policy set out here attempts to streamline the calculation of financial contributions to off-site affordable housing, and to capture contributions from smaller housing sites. Smaller housing sites currently escape making any affordable housing contribution in both Middlesbrough and Redcar and Cleveland.
- 2.3.4 We have adopted the general approach taken by the Community Infrastructure Levy policy, in that we suggest a contribution to off-site affordable housing based on the floorspace of private housing produced.
- 2.3.5 The approach taken here is intended to dovetail with the Community Infrastructure Levy and WPV financial viability calculations undertaken.
- 2.3.6 Our objectives are to:
- Reduce the market distortion of land values which can result from a policy “cliff edge”. This can arise when certain developments pay no affordable housing contribution, whilst fractionally larger developments have a greater burden.
 - Remove the financial incentive to developers to provide fewer units on site. This can arise when developers try to keep the number of units on a site underneath an affordable housing policy threshold.
 - Ensure that an authority is able to obtain contributions towards affordable housing on all, rather than some, of their sites wherever viable.
 - Ensure that any affordable housing offsite contributions do not threaten the viability of the development described in the Local Plan. In line with the approach taken in the NPPF, we have attempted to ensure that development remains viable after affordable housing, any CIL, and other policy costs have been taken into account.

3 Viability Analysis Method

3.1 Method

3.1.1 The method used in this study is very closely related to the method used in the main Whole Plan Viability work. It shares a viability methodology and development appraisal assumptions, and is reliant on the same market evidence base. It is therefore not useful to reiterate this method here.

3.1.2 The reader should refer to main CIL evidence base work for more detail on methods used. Below, we have confined ourselves to discussing the main assumptions made.

Residential scenarios tested

3.1.3 To assess the capacity of different types of development to pay an affordable housing contribution, we have produced indicative development appraisals of hypothetical schemes.

3.1.4 Our scenarios use smaller schemes, in order to reflect the types of sites which might be expected to pay off-site contributions.

3.2 Costs assumed

Affordable housing proportion assumed

3.2.1 The affordable housing analysis has been tested at a rate of 15% affordable housing contribution where relevant (the low value areas make no affordable housing contribution). This is because:

- We wished to keep the off-site contribution consistent with the on-site affordable housing percentages assumed in the main body of the WPV/CIL evidence base.
- This rate of affordable housing contribution is consistent with the headline affordable housing policies.
- Adopting a different level for offsite affordable housing (for example lower than the 15%) for offsite contributions will distort the housing market by either leading to higher land prices or incentivising developers to pursue an offsite financial solution.

3.2.2 Market conditions constantly change. This report has been based on costs and values during the first and second quarters of 2013.

CIL costs assumed

3.2.3 We assumed a CIL rate of £40 sq m in the 'high' charging zone in Middlesbrough.

3.2.4 Redcar and Cleveland do not intend to charge a CIL.

3.2.5 This is in line with the assumptions made in the main body of the CIL evidence base report.

Size and quality of affordable housing provision

- 3.2.6 In our viability appraisals, we have examined a broad range of schemes which could be provided by the private sector. We have assumed that the affordable housing produced will be of a similar size and standard to that produced for private sale.
- 3.2.7 The Homes and Communities Agency sets minimum design standards for schemes to qualify for grant funding and for approval as Affordable Rent units. These standards include a minimum gross internal floor area requirement depending on the number of persons (measured by reference to Housing Quality Indicators) and Code for Sustainable Homes standards.
- 3.2.8 The Council will need to consider whether it wishes to include a planning policy specifying that all S106 rented dwellings must comply with the HCA minimum standards thereby enabling the Registered Provider to charge affordable rents (despite there being no grant going into the dwellings). The Council may need to be mindful of the need to require HCA standards (particularly on any future large scale development) if a Registered Provider is to be able to offer affordable rented dwellings.

3.3 Calculation of opportunity cost

- 3.3.1 The scale of the contribution that developers should make for off-site affordable housing is derived from the projected opportunity cost of affordable housing provision to the developer.
- 3.3.2 To calculate the opportunity cost the following calculation is undertaken:

Value of completed development scheme with nil affordable housing
Less Value of completed development scheme with affordable housing at policy level

Equals Opportunity Cost

- 3.3.3 The value of completed development with nil affordable housing assumes a wholly private scheme. The sales values we use here align with the main sales values assumed in the main body of the WPV/CIL evidence base report.
- 3.3.4 The value of completed development with affordable housing assumes a 15% affordable housing contribution in line with policy. The transfer values for the affordable housing are in line with the WPV/CIL report, based upon consultation with Registered Providers in the region.
- 3.3.5 The difference in the value of the scenario without affordable housing and with affordable housing represents the opportunity cost to a developer. This opportunity cost is expressed as a rate per square metre of the gross floorspace provided in the development.

3.4 Viability Calculation

- 3.4.1 The above calculation helps us estimate an off-site affordable housing contribution. However, testing is needed to ensure that development remains viable with such a contribution, along with changes in developers' profit and the cumulative costs of S106 and CIL.

3.4.2 In order to test viability the following method has been undertaken:

Residual Value of completed development (without policy)

***Plus* Gross profit margin without policy *minus* Gross profit margin with policy**

***Less* Threshold land value**

***Less* Opportunity cost - GDV with nil affordable housing *minus* GDV with policy**

***Less* Costs of S106 & CIL**

***Equals* Potential policy overage**

3.4.3 Should development remain viable the potential policy overage is shown as a positive figure; equally, if development is unviable the overage is shown as a negative.

3.4.4 A further explanation of each component forming part of the calculation above is detailed in Chapter 4.

4 Viability Analysis Findings

4.1 Presentation of findings

- 4.1.1 Table 4.1 summarises the residential development appraisals.
- 4.1.2 Our objective in these summary tables is to investigate each notional development scenario. We are seeking to ensure that sites remain viable after the cumulative policy costs of CIL (where relevant), S106 and an offsite affordable housing contribution at a given rate.
- 4.1.3 Given the uncertainties surrounding viability appraisal, it is of course an approximate number, surrounded by a wide margin of uncertainty. We take account of this uncertainty in our recommendations.
- 4.1.4 Reading the tables from left to right, successive columns are as follows:
- a. Scenario description: self-explanatory.
 - b. Number and type of units: self-explanatory.
 - c. Net site area (ha): self-explanatory.
 - d. Total floorspace: the gross private and affordable housing space created.
 - e. Chargeable floorspace: the floorspace within the scheme liable for a CIL charge (this is the private housing only; affordable housing is not liable for CIL).
 - f. Residual value policy off - £ per hectare, and £ per sq m: The residual value is produced by an indicative appraisal before S106, affordable housing, CIL and all other policy costs have been taken into account. The method and assumptions used in this appraisal to arrive at this number are described in the main report. Briefly, the residual site value is the difference between the value of the completed development and the cost of that development, and developer's profit. The profit margin used in this appraisal however uses a blended margin of 20% market housing and 6% affordable, assuming affordable housing would be delivered on-site at the policy rate rather than off-site. This is to ensure the developer does not extract additional profit from the scheme through providing the affordable units off-site.
 - g. Threshold land value per ha and per sq m: the estimated minimum a developer would typically need to pay to secure a site of this kind, expressed in £ per ha or divided by its chargeable floorspace.
 - h. Cost of affordable housing: this is the cost of affordable housing per ha and per sq m, at the stated rate of affordable housing requirement. It is this sum which represents the off-site contribution level calculated. The sum is calculated by establishing the difference in GDV without affordable housing and the GDV with affordable housing
 - i. Cost of S106: this is the cost of the S106 requirements (excluding affordable housing) expressed as a rate per ha and per square metre. This sum is assumed to pay for small scale site-specific infrastructure requirements.
 - j. CIL: this is the amount of money which the tested rate of CIL requires to be paid, per ha and per sq m.
 - k. Potential policy overage: as we explain in the main CIL evidence base report, the lack of precision in all development appraisals, and individual site variances, mean that it is

important not to extract all theoretically conceivable development value from these indicative schemes to pay for policy costs. This point is reiterated in Government guidance. This column indicates the size of that 'buffer'. This column has a further valuable application, in that it would indicate when a site was unviable. In these instances, a minus number would be recorded.

4.2 Interpreting the summary table

- 4.2.1 Our calculations shown in Table 4.1 below show the cost of off-site provision of affordable housing at 15%, assuming CIL at £40 sq m in the high value zone (in Middlesbrough) and S106 payments for small-scale local infrastructure in both standard and high value zones. Copies of the appraisal are included in Appendix A.
- 4.2.2 No results are presented for the low value zone, because no affordable housing will be levied in those areas.
- 4.2.3 Using these assumptions, we can see from the table that all developments are viable, because each scheme has a 'buffer' sum which can be used by developers to cope with the margin of error, which is inevitably required in these types of calculations. This margin of error might be created by abnormal site conditions, adverse market movements, and unaccounted for contingencies.
- 4.2.4 Other baseline tests of higher affordable housing requirements (not shown here) either render sites straightforwardly unviable, or bring a number of viable development scenarios close to unviability.

Table 4.1 Financial summary volume housebuilding scenarios, with key column highlighted

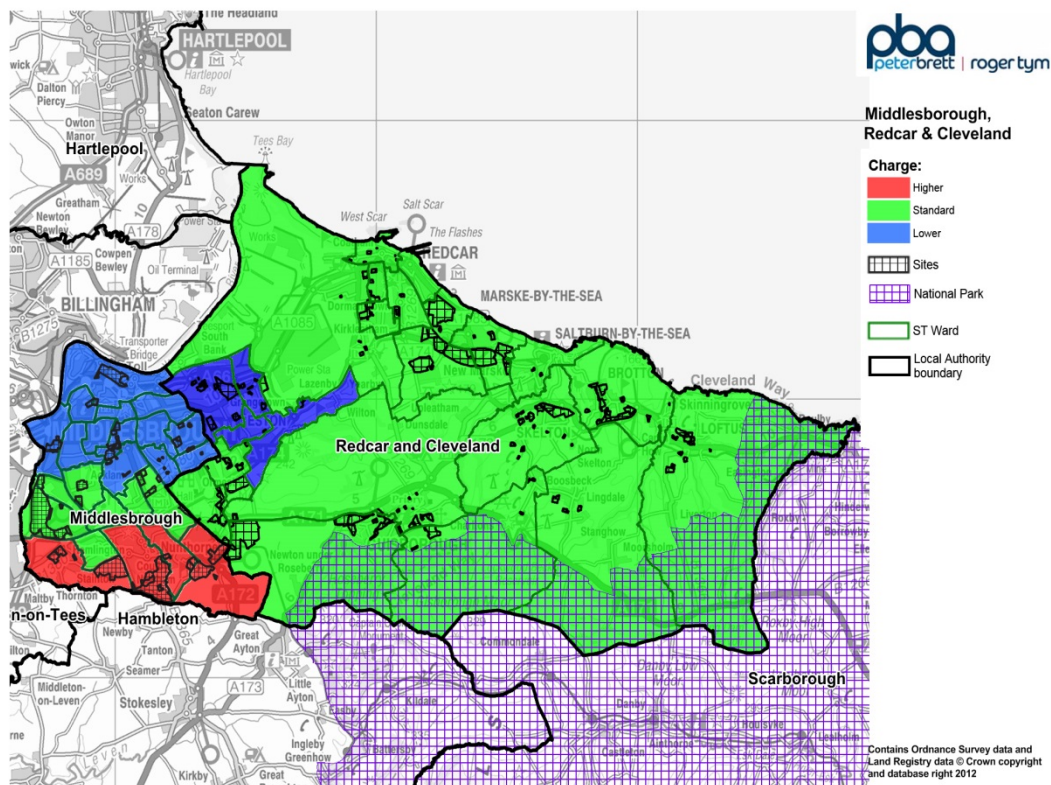
Value areas	A No of dwellings	B Net site area ha	C Total Floor Space sq.m	D CIL Chargeable Floor Space	E		F		G		H		I		J		K	
					Residual Value Policy Off		Threshold land value		Cost of affordable housing GDV without policy - GDV with policy		Cost of section 106 @ £500 per unit		Cost of CIL		Potential Policy Coverage			
					Per Ha	Per Epsm	Per Ha	Per Epsm	Per Ha	Per Epsm	Per Ha	Per Epsm	Per Ha	Per Epsm	Per Ha	Per Epsm		
Standard Value																		
Greenfield - Large	9	0.25	731	621	£1,078,755	£369	£675,000	£231	£349,414	£119	£17,500	£6	£0	£0	£36,841	£13		
Greenfield - Small	4	0.10	292	249	£1,176,932	£402	£750,000	£256	£349,414	£119	£17,500	£6	£0	£0	£60,018	£21		
Brownfield - Large	9	0.25	731	621	£975,901	£334	£525,000	£180	£349,414	£119	£17,500	£6	£0	£0	£83,987	£29		
Brownfield - Small	4	0.10	292	249	£1,061,234	£363	£600,000	£205	£349,414	£119	£17,500	£6	£0	£0	£94,320	£32		
Brownfield/greenfield - Large	9	0.25	731	621	£1,027,328	£351	£575,000	£197	£349,414	£119	£17,500	£6	£0	£0	£85,414	£29		
Brownfield/greenfield - Small	4	0.10	292	249	£1,112,484	£380	£650,000	£222	£349,414	£119	£17,500	£6	£0	£0	£95,570	£33		
Higher Value																		
Greenfield - Large	9	0.25	731	621	£1,495,592	£511	£800,000	£274	£483,683	£165	£17,500	£6	£99,435	£40	£94,974	£32		
Greenfield - Small	4	0.10	292	249	£1,614,073	£552	£900,000	£308	£483,683	£165	£17,500	£6	£99,435	£40	£113,455	£39		
Brownfield - Large	9	0.25	731	621	£1,392,738	£476	£650,000	£222	£483,683	£165	£17,500	£6	£99,435	£40	£142,121	£49		
Brownfield - Small	4	0.10	292	249	£1,493,473	£511	£750,000	£256	£483,683	£165	£17,500	£6	£99,435	£40	£142,856	£49		
Brownfield/greenfield - Large	9	0.25	731	621	£1,444,165	£494	£700,000	£239	£483,683	£165	£17,500	£6	£99,435	£40	£143,547	£49		
Brownfield/greenfield - Small	4	0.10	292	249	£1,544,724	£528	£800,000	£274	£483,683	£165	£17,500	£6	£99,435	£40	£144,106	£49		

Source: PBA

5 Recommendations

- 5.1.1 If the Councils wished to pursue this approach, we suggest that they adopt a charge of £80 per sq m on the gross floorspace provided for offsite affordable housing contributions. This would be levied in the standard and high charging zones set out on the map below.
- 5.1.2 No offsite contribution should be made in the 'low' value zone. This is because no affordable housing charge is to be levied in these areas, due to low viability.

Figure 5.1 Charging zones



Source: PBA Land Registry

- 5.1.3 Broadly speaking, this will create funding sufficient to 'buy' offsite affordable housing at the stated rate. We cannot be certain that this will be the case, because much depends on factors such as affordable housing policy, transfer rates, sales values and land values.
- 5.1.4 Our recommendations do not precisely mirror the findings in the 'Cost of Affordable' column in Table 4.1. This is because these rates are based on broad approximations of the cost of the re-provision of affordable housing, based on private market sales data and affordable housing transfer rates in Q1 and Q2 2013. Individual schemes will always have variations, and it is important to allow a margin of error that can cope with these market uncertainties. We have also allowed for a 'buffer' sum that also helps developers deal with these market uncertainties.
- 5.1.5 In theory, a higher offsite charge would be required in the high value areas to create the equivalent amount of affordable housing, when compared to the standard value area. This is because of the difference in the land costs and sales values between the high and the standard value area.

- 5.1.6 We have then suggested that a lower charge be levied, at £80 / sq m. This is to avoid 'shocking' the market. We are mindful that this charge has not been levied before on these sites.
- 5.1.7 Our calculations suggest that a charge at the recommended rate will
- Support the provision of off-site affordable housing at a rate equivalent to that of 15% housing onsite;
 - Allow the payment of CIL and other policy costs;
 - Retain the overall deliverability and viability of development in the area; and
 - Allow for sufficient 'buffer' to cope with short term adverse changes in housing markets, site specific circumstances, and unaccounted for contingencies.
- 5.1.8 The introduction of a standard offsite contribution for affordable housing will create a straightforward and transparent charge.
- 5.1.9 The charge could be reviewed at the same time that CIL or other planning policy is reviewed.
- 5.1.10 We note that all affordable housing contributions remain negotiable. However, we understand that the local authority take their responsibility to obtain affordable housing seriously.

Flexibility in policy in affordable housing policy

- 5.1.11 Given uncertainty in the economy, any Local Plan policies based on the findings of this study will need to be able to reflect fluctuations in the housing market. This flexibility is intended to:
- allow developers to negotiate current delivery based on site specific circumstances at present whilst there is uncertainty.
 - allow the local authority to adjust requirements to reflect changes (particularly improvements) in the market in the future.
- 5.1.12 The target percentage of affordable housing in the Local Plan will form part of the Local Plan proper, and therefore be difficult to change without a series of complex procedures. It should therefore be made subject to viability in order to cope with economic changes.
- 5.1.13 If house prices go up, these price shifts will (gradually) filter through to market rental prices, and thus to transfer rates for intermediate housing, and ultimately to social rents. Rental prices may change relatively independently of house prices.
- 5.1.14 These changes will alter the transfer rates of affordable housing, and thus their capital value to developers. That means that over time, the Council will want to review the target offsite affordable housing figure, in order that the Council maintains the ability to fund off-site affordable housing at a rate equivalent to on-site provision. The £/sq m sum required of developers would change as a consequence.

The role for an SPD

- 5.1.15 If the council was to pursue an offsite contributions policy, the offsite affordable housing contribution mechanism should be presented as a Supplementary Planning Document (SPD). SPDs are much more straightforward to alter than Local Plan policies. The need to alter the way that the policy is calculated is particularly important given the need for flexibility set out above.

- 5.1.16 Consultation about the draft revised SPD is a legal requirement of the Local Planning Regulations 2012. The requirement to carry out a Sustainability Appraisal was removed by the Planning Act 2008, but there remains a requirement to issue a screening opinion as to whether a Strategic Environmental Assessment (SEA) should be undertaken.
- 5.1.17 The SPD becomes a material consideration that the Council must take into account when making planning decisions. The SPD will guide the content of Planning Obligations (Section 106 Agreements) entered into by the Council.

The need for review

- 5.1.18 Much will depend on market conditions and their impacts on development viability. The development viability is highly sensitive to house price changes. Other factors which have a significant impact on viability include landowner value expectations, the density of development and policy requirements. These assumption inputs should be kept under review and used as triggers for reviewing policy linked to viability.
- 5.1.19 We suggest that the council implements a programme of monitoring market conditions in relation to a series of trigger points for a review. We suggest this monitoring takes place on an annual basis to tie in with the annual monitoring reports. Significant changes could trigger a review of both CIL and affordable housing policy, in order to review the policies themselves, and the balance between them.

6 Next Steps

6.1 Introduction

6.1.1 In this chapter we set out the next steps that the Councils might take.

6.2 Recommendations

The need for a wider consideration of costs and benefits

6.2.1 As set out in Chapter 2, our objective here is to streamline the application of offsite affordable housing charges, and iron out distortions in the land market that arise from the existing affordable housing policy cut-off point.

6.2.2 The Council should consider the idea carefully, taking both costs and benefits into account. Factors to weigh include the following.


6.2.3 The implementation of an offsite contributions policy may:


- 'shock' the market for small sites, by creating costs that were not previously paid, and have not been reflected in viability calculations. This may particularly affect self-builders.
- Slow the planning process. The negotiation of additional affordable housing requirements on smaller sites may have an effect on the delivery of statutory planning targets at some risk.

6.2.4 The Councils would also have to possess the necessary mechanisms to spend the money efficiently and effectively, if the policy were to be worthwhile.


6.2.5 There would also be a need to consider what, if any, development size cut-off point should apply to the policy; for example, would the policy apply to all developments, or only those larger than say two units?


Appendix A Off-site affordable housing appraisals

Mid Value		Greenfield - Large	
Net Site Area	0.25	Residual Land Value	£750,407 per ha
Yield	9	Private	7
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats	0.74	60	45
Houses	6.69	85	569
	7.44		614
		Total sq.m	Epsm
			£1,700
			£1,800
			Total Value
			£75,863
			£1,024,144
Intermediate		No. of units	Size sq.m
Flats	0.04	60	2
Houses	0.35	85	30
	0.39		32
		Total sq.m	Epsm
			£935
			£990
			Total Value
			£2,209
			£29,821
Affordable rent		No. of units	Size sq.m
Flats	0.09	60	6
Houses	0.83	85	70
	0.92		76
		Total sq.m	Epsm
			£935
			£990
			Total Value
			£5,154
			£69,582
Gross Development Value	9	722	£1,206,772
Development Cost			
Site Acquisition			
Site Value			£192,907
Phase 1			£64,302
Phase 2			£64,302
Phase 3			£64,302
		Less Purchaser Costs	2.75%
Net Residual Land Value			£187,602
Build Costs			
Private units		No. of units	Size sq.m
Flats	0.74	71	£832
Houses	6.69	85	£722
	7.44		
		Total Costs	
			£43,680
			£410,795
Intermediate		No. of units	Size sq.m
Flats	0.04	71	£832
Houses	0.35	85	£722
	0.39		
		Total Costs	
			£2,312
			£21,748
Affordable rent		No. of units	Size sq.m
Flats	0.09	71	£832
Houses	0.83	85	£722
	0.92		
		Total Costs	
			£5,396
			£50,745
Externals			£534,677
Plot external	15%		£80,202
Remediation/Demolition	£0 per ha		£0
Professional Fees			£80,202
as percentage of build costs	8%		£49,190
Contingency			£49,190
Based upon percentage of construction costs	3%		£16,040
Developer contributions			£16,040
S.106	£500 per unit		£4,375
Sale cost			£4,375
Legals -	£500		£4,375
Sales & Marketing cost -	3.50%		£42,237
TOTAL DEVELOPMENT COSTS			£918,698
Developers' Profit			
Private Housing	Rate		
Affordable Housing	22.0% of sales		£242,001
	6% of sales		£6,406
TOTAL PROJECT COSTS (EXCLUDING INTEREST)			£248,407
TOTAL PROJECT COSTS (INCLUDING INTEREST)			£1,167,105
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)			£39,666
Finance Costs	APR	PCM	
	7.00%	0.565%	-£39,666
TOTAL PROJECT COSTS (INCLUDING INTEREST)			
This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential coverage generated from residential development. This appraisal is not a formal Red Book (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.			


Mid Value		Greenfield - Small	
Net Site Area	0.10	Residual Land Value	£833,443 per ha
Yield	4	Private	3
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.30	60
Houses		2.68	85
		2.98	245
			Total sq.m
			18
			228
			245
		Epsm	
		£1,700	
		£1,800	
			Total Value
			£30,345
			£409,658
Intermediate		No. of units	Size sq.m
Flats		0.02	60
Houses		0.14	85
		0.16	13
			Total sq.m
			1
			12
			13
		Epsm	
		£935	
		£990	
			Total Value
			£884
			£11,928
Affordable rent		No. of units	Size sq.m
Flats		0.04	60
Houses		0.33	85
		0.37	30
			Total sq.m
			2
			28
			30
		Epsm	
		£935	
		£990	
			Total Value
			£2,062
			£27,833
Gross Development Value		4	289
			£482,709
Development Cost			
Site Acquisition			
Site Value			£84,829
		Less Purchaser Costs	1.75%
			83,344
Net Residual Land Value			
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.30	71
Houses		2.68	85
		2.98	
			Cost per sq.m
			£832
			£722
			Total Costs
			£17,472
			£164,318
Intermediate		No. of units	Size sq.m
Flats		0.02	71
Houses		0.14	85
		0.16	
			Cost per sq.m
			£832
			£722
			Total Costs
			£925
			£8,699
Affordable rent		No. of units	Size sq.m
Flats		0.04	71
Houses		0.33	85
		0.37	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,158
			£20,298
			£213,871
Externals			
Plot external	15%		£32,081
Remediation/Demolition	£0 per ha		£0
			£32,081
Professional Fees			
as percentage of build costs	8%		£19,676
			£19,676
Contingency			
Based upon percentage of construction costs	3%		£6,416
			£6,416
Developer contributions			
S.106	£500 per unit		£1,750
			£1,750
Sale cost			
Legals -	£500		£1,750
Sales & Marketing cost -	3.50%		£16,895
			£18,645
TOTAL DEVELOPMENT COSTS			£375,783
Developers' Profit			
Private Housing	Rate		
Affordable Housing	22.0% of sales		£96,801
	6% of sales		£2,562
			£99,363
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£475,146
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£7,563
Finance Costs	APR	PCM	
	7.00%	0.565%	-£7,563
TOTAL PROJECT COSTS [INCLUDING INTEREST]			


This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential overage generated from residential development. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.

Mid Value		Brownfield - Large	
Net Site Area	0.25	Residual Land Value	£647,553 per ha
Yield	9	Private	7
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.74	60
Houses		6.69	85
		7.44	614
			Total sq.m
			45
			569
			614
			Epsm
			£1,700
			£1,800
			Total Value
			£75,863
			£1,024,144
Intermediate		No. of units	Size sq.m
Flats		0.04	60
Houses		0.35	85
		0.39	32
			Total sq.m
			2
			30
			32
			Epsm
			£935
			£990
			Total Value
			£2,209
			£29,821
Affordable rent		No. of units	Size sq.m
Flats		0.09	60
Houses		0.83	85
		0.92	76
			Total sq.m
			6
			70
			76
			Epsm
			£935
			£990
			Total Value
			£5,154
			£69,582
Gross Development Value	9	722	£1,206,772
Development Cost			
Site Acquisition			
Site Value			£166,466
Phase 1			£55,489
Phase 2			£55,489
Phase 3			£55,489
		Less Purchaser Costs	2.75%
Net Residual Land Value			£161,888
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.74	71
Houses		6.69	85
		7.44	
			Cost per sq.m
			£832
			£722
			Total Costs
			£43,680
			£410,795
Intermediate		No. of units	Size sq.m
Flats		0.04	71
Houses		0.35	85
		0.39	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,312
			£21,748
Affordable rent		No. of units	Size sq.m
Flats		0.09	71
Houses		0.83	85
		0.92	
			Cost per sq.m
			£832
			£722
			Total Costs
			£5,396
			£50,745
			£534,677
Externals			
Plot external	10%		£53,468
Remediation/Demolition	£200,000 per ha		£50,000
			£103,468
Professional Fees			
as percentage of build costs	8%		£47,052
			£47,052
Contingency			
Based upon percentage of construction costs	3%		£16,040
			£16,040
Developer contributions			
S.106	£500 per unit		£4,375
			£4,375
Sale cost			
Legals -	£500		£4,375
Sales & Marketing cost -	3.50%		£42,237
			£46,612
TOTAL DEVELOPMENT COSTS			£914,112
Developers' Profit			
Private Housing	Rate		
Affordable Housing	22.0% of sales		£242,001
	6% of sales		£6,406
			£248,407
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£1,162,519
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£44,252
Finance Costs	APR	PCM	
	7.00%	0.565%	-£40,252
TOTAL PROJECT COSTS [INCLUDING INTEREST]			
This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential coverage generated from residential development. This appraisal is not a formal Red Book (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.			


Mid Value		Brownfield - Small	
Net Site Area	0.10	Residual Land Value	£721,400 per ha
Yield	4	Private	3
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.30	60
Houses		2.68	85
		2.98	245
			Total sq.m
			18
			228
			245
		Epsm	
		£1,700	
		£1,800	
			Total Value
			£30,345
			£409,658
Intermediate		No. of units	Size sq.m
Flats		0.02	60
Houses		0.14	85
		0.16	13
			Total sq.m
			1
			12
			13
		Epsm	
		£935	
		£990	
			Total Value
			£884
			£11,928
Affordable rent		No. of units	Size sq.m
Flats		0.04	60
Houses		0.33	85
		0.37	30
			Total sq.m
			2
			28
			30
		Epsm	
		£935	
		£990	
			Total Value
			£2,062
			£27,833
Gross Development Value		4	289
			£482,709
Development Cost			
Site Acquisition			
Site Value			£73,425
		Less Purchaser Costs	1.75%
			72,140
Net Residual Land Value			
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.30	71
Houses		2.68	85
		2.98	
			Cost per sq.m
			£832
			£722
			Total Costs
			£17,472
			£164,318
Intermediate		No. of units	Size sq.m
Flats		0.02	71
Houses		0.14	85
		0.16	
			Cost per sq.m
			£832
			£722
			Total Costs
			£925
			£8,699
Affordable rent		No. of units	Size sq.m
Flats		0.04	71
Houses		0.33	85
		0.37	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,158
			£20,298
			£213,871
Externals			
Plot external		10%	£21,387
Remediation/Demolition		£200,000 per ha	£20,000
			£41,387
Professional Fees			
as percentage of build costs		8%	£18,821
			£18,821
Contingency			
Based upon percentage of construction costs		3%	£6,416
			£6,416
Developer contributions			
S.106		£500 per unit	£1,750
			£1,750
Sale cost			
Legals -		£500	£1,750
Sales & Marketing cost -		3.50%	£16,895
			£18,645
TOTAL DEVELOPMENT COSTS			£373,029
Developers' Profit			
Private Housing		Rate	
Affordable Housing		22.0% of sales	£96,801
		6% of sales	£2,562
			£99,363
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£472,392
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£10,316
Finance Costs		APR	PCM
		7.00%	0.565%
			-£8,716
TOTAL PROJECT COSTS [INCLUDING INTEREST]			


This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential overage generated from residential development. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.


Mid Value		Brownfield/greenfield - Large	
Net Site Area	0.25	Residual Land Value	£698,980 per ha
Yield	9	Private	7
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		60	45
Houses		6.69	85
		7.44	614
			Total sq.m
			614
			Epsm
			£1,700
			£1,800
			Total Value
			£75,863
			£1,024,144
Intermediate		No. of units	Size sq.m
Flats		60	2
Houses		0.35	85
		0.39	32
			Total sq.m
			32
			Epsm
			£935
			£990
			Total Value
			£2,209
			£29,821
Affordable rent		No. of units	Size sq.m
Flats		60	6
Houses		0.83	85
		0.92	76
			Total sq.m
			76
			Epsm
			£935
			£990
			Total Value
			£5,154
			£69,582
Gross Development Value	9	722	£1,206,772
Development Cost			
Site Acquisition			
Site Value			£179,686
Phase 1			£59,895
Phase 2			£59,895
Phase 3			£59,895
		Less Purchaser Costs	2.75%
			£174,745
Net Residual Land Value			
Build Costs			
Private units		No. of units	Size sq.m
Flats		71	£832
Houses		6.69	£722
		7.44	
			Total Costs
			£43,680
			£410,795
Intermediate		No. of units	Size sq.m
Flats		71	£832
Houses		0.35	£722
		0.39	
			Total Costs
			£2,312
			£21,748
Affordable rent		No. of units	Size sq.m
Flats		71	£832
Houses		0.83	£722
		0.92	
			Total Costs
			£5,396
			£50,745
			£534,677
Externals			
Plot external	13%		£66,835
Remediation/Demolition	£100,000 per ha		£25,000
			£91,835
Professional Fees			
as percentage of build costs	8%		£48,121
			£48,121
Contingency			
Based upon percentage of construction costs	3%		£16,040
			£16,040
Developer contributions			
S.106	£500 per unit		£4,375
			£4,375
Sale cost			
Legals -	£500		£4,375
Sales & Marketing cost -	3.50%		£42,237
			£46,612
TOTAL DEVELOPMENT COSTS			
£916,405			
Developers' Profit			
Private Housing	Rate		
Affordable Housing	22.0% of sales		£242,001
	6% of sales		£6,406
			£248,407
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			
£1,164,812			
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			
£41,959			
Finance Costs			
	APR	PCM	
	7.00%	0.565%	-£39,959
TOTAL PROJECT COSTS [INCLUDING INTEREST]			
This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential coverage generated from residential development. This appraisal is not a formal Red Book (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.			


Mid Value		Brownfield/greenfield - Small	
Net Site Area	0.10	Residual Land Value	£772,651 per ha
Yield	4	Private	3
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.30	60
Houses		2.68	85
		2.98	245
			Total sq.m
			18
			228
			245
		Epsm	
		£1,700	
		£1,800	
			Total Value
			£30,345
			£409,658
Intermediate		No. of units	Size sq.m
Flats		0.02	60
Houses		0.14	85
		0.16	13
			Total sq.m
			1
			12
			13
		Epsm	
		£935	
		£990	
			Total Value
			£884
			£11,928
Affordable rent		No. of units	Size sq.m
Flats		0.04	60
Houses		0.33	85
		0.37	30
			Total sq.m
			2
			28
			30
		Epsm	
		£935	
		£990	
			Total Value
			£2,062
			£27,833
Gross Development Value		4	289
			£482,709
Development Cost			
Site Acquisition			
Site Value			£78,641
		Less Purchaser Costs	1.75%
			77,265
Net Residual Land Value			
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.30	71
Houses		2.68	85
		2.98	
			Cost per sq.m
			£832
			£722
			Total Costs
			£17,472
			£164,318
Intermediate		No. of units	Size sq.m
Flats		0.02	71
Houses		0.14	85
		0.16	
			Cost per sq.m
			£832
			£722
			Total Costs
			£925
			£8,699
Affordable rent		No. of units	Size sq.m
Flats		0.04	71
Houses		0.33	85
		0.37	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,158
			£20,298
			£213,871
Externals			
Plot external		13%	£26,734
Remediation/Demolition		£100,000 per ha	£10,000
			£36,734
Professional Fees			
as percentage of build costs		8%	£19,248
			£19,248
Contingency			
Based upon percentage of construction costs		3%	£6,416
			£6,416
Developer contributions			
S.106		£500 per unit	£1,750
			£1,750
Sale cost			
Legals -		£500	£1,750
Sales & Marketing cost -		3.50%	£16,895
			£18,645
TOTAL DEVELOPMENT COSTS			
			£373,929
Developers' Profit			
Private Housing		Rate	
Affordable Housing		22.0% of sales	£96,801
		6% of sales	£2,562
			£99,363
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			
			£473,292
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			
			£9,417
Finance Costs		APR	PCM
		7.00%	0.565%
			-£8,617
TOTAL PROJECT COSTS [INCLUDING INTEREST]			

This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential overage generated from residential development. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.


Higher Value		Greenfield - Large	
Net Site Area	0.25	Residual Land Value	£1,047,795 per ha
Yield	9	Private	7
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats	0.74	60	45
Houses	6.69	85	569
	7.44		614
		Total sq.m	Epsm
			£1,900
			£2,000
			Total Value
			£84,788
			£1,137,938
Intermediate		No. of units	Size sq.m
Flats	0.04	60	2
Houses	0.35	85	30
	0.39		32
		Total sq.m	Epsm
			£825
			£880
			Total Value
			£1,949
			£26,507
Affordable rent		No. of units	Size sq.m
Flats	0.09	60	6
Houses	0.83	85	70
	0.92		76
		Total sq.m	Epsm
			£825
			£880
			Total Value
			£4,548
			£61,850
Gross Development Value	9	722	£1,317,579
Development Cost			
Site Acquisition			
Site Value			£275,012
Phase 1			£91,671
Phase 2			£91,671
Phase 3			£91,671
		Less Purchaser Costs	4.75%
Net Residual Land Value			£261,949
Build Costs			
Private units		No. of units	Size sq.m
Flats	0.74	71	£832
Houses	6.69	85	£722
	7.44		
		Total Costs	
			£43,680
			£410,795
Intermediate		No. of units	Size sq.m
Flats	0.04	71	£832
Houses	0.35	85	£722
	0.39		
		Total Costs	
			£2,312
			£21,748
Affordable rent		No. of units	Size sq.m
Flats	0.09	71	£832
Houses	0.83	85	£722
	0.92		
		Total Costs	
			£5,396
			£50,745
Externals			£534,677
Plot external	15%		£80,202
Remediation/Demolition	£0 per ha		£0
Professional Fees			£80,202
as percentage of build costs	8%		£49,190
Contingency			£49,190
Based upon percentage of construction costs	3%		£16,040
Developer contributions			£16,040
S.106	£500 per unit		£4,375
Sale cost			£4,375
Legals -	£500		£4,375
Sales & Marketing cost -	3.50%		£46,115
TOTAL DEVELOPMENT COSTS			£996,923
Developers' Profit			
Private Housing	Rate		
Affordable Housing	22.0% of sales		£269,000
	6% of sales		£5,691
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£274,691
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£1,271,614
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£45,965
Finance Costs	APR	PCM	
	7.00%	0.565%	-£45,965
TOTAL PROJECT COSTS [INCLUDING INTEREST]			
This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential coverage generated from residential development. This appraisal is not a formal Red Book (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.			


Higher Value		Greenfield - Small	
Net Site Area	<input type="text" value="0.10"/>	Residual Land Value	<input type="text" value="£1,145,316 per ha"/>
Yield	<input type="text" value="4"/>	Private	<input type="text" value="3"/> Affordable <input type="text" value="1"/>
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.30	60
Houses		2.68	85
		2.98	245
			Total sq.m
			18
			228
			245
			Epsm
			£1,900
			£2,000
			Total Value
			£33,915
			£455,175
Intermediate		No. of units	Size sq.m
Flats		0.02	60
Houses		0.14	85
		0.16	13
			Total sq.m
			1
			12
			13
			Epsm
			£825
			£880
			Total Value
			£780
			£10,603
Affordable rent		No. of units	Size sq.m
Flats		0.04	60
Houses		0.33	85
		0.37	30
			Total sq.m
			2
			28
			30
			Epsm
			£825
			£880
			Total Value
			£1,819
			£24,740
Gross Development Value		4	289
			£527,032
Development Cost			
Site Acquisition			
Site Value			<input type="text" value="£116,572"/>
		Less Purchaser Costs	1.75%
			<input type="text" value="114,532"/>
Net Residual Land Value			
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.30	71
Houses		2.68	85
		2.98	
			Cost per sq.m
			£832
			£722
			Total Costs
			£17,472
			£164,318
Intermediate		No. of units	Size sq.m
Flats		0.02	71
Houses		0.14	85
		0.16	
			Cost per sq.m
			£832
			£722
			Total Costs
			£925
			£8,699
Affordable rent		No. of units	Size sq.m
Flats		0.04	71
Houses		0.33	85
		0.37	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,158
			£20,298
			£213,871
Externals			
Plot external		15%	<input type="text" value="£32,081"/>
Remediation/Demolition		£0 per ha	<input type="text" value="£0"/>
			£32,081
Professional Fees			
as percentage of build costs		<input type="text" value="8%"/>	<input type="text" value="£19,676"/>
			£19,676
Contingency			
Based upon percentage of construction costs		<input type="text" value="3%"/>	<input type="text" value="£6,416"/>
			£6,416
Developer contributions			
S.106		<input type="text" value="£500"/> per unit	<input type="text" value="£1,750"/>
			£1,750
Sale cost			
Legals -		<input type="text" value="£500"/>	<input type="text" value="£1,750"/>
Sales & Marketing cost -		<input type="text" value="3.50%"/>	<input type="text" value="£18,446"/>
			£20,196
TOTAL DEVELOPMENT COSTS			
			£408,521
Developers' Profit			
Private Housing		Rate <input type="text" value="22.0%"/> of sales	<input type="text" value="£107,600"/>
Affordable Housing		<input type="text" value="6%"/> of sales	<input type="text" value="£2,277"/>
			£109,876
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			
			£518,398
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			
			£8,634
Finance Costs			
		APR <input type="text" value="7.00%"/>	PCM <input type="text" value="0.565%"/>
			-£8,634
TOTAL PROJECT COSTS [INCLUDING INTEREST]			
			£518,398
This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential overage generated from residential development. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.			

Higher Value		Brownfield - Large	
Net Site Area	0.25	Residual Land Value	£944,941 per ha
Yield	9	Private	7
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.74	60
Houses		6.69	85
		7.44	614
			Total sq.m
			45
			569
			614
			Epsm
			£1,900
			£2,000
			Total Value
			£84,788
			£1,137,938
Intermediate		No. of units	Size sq.m
Flats		0.04	60
Houses		0.35	85
		0.39	32
			Total sq.m
			2
			30
			32
			Epsm
			£825
			£880
			Total Value
			£1,949
			£26,507
Affordable rent		No. of units	Size sq.m
Flats		0.09	60
Houses		0.83	85
		0.92	76
			Total sq.m
			6
			70
			76
			Epsm
			£825
			£880
			Total Value
			£4,548
			£61,850
Gross Development Value	9	722	£1,317,579
Development Cost			
Site Acquisition			
Site Value			£242,916
Phase 1			£80,972
Phase 2			£80,972
Phase 3			£80,972
		Less Purchaser Costs	2.75%
Net Residual Land Value			£236,235
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.74	71
Houses		6.69	85
		7.44	
			Cost per sq.m
			£832
			£722
			Total Costs
			£43,680
			£410,795
Intermediate		No. of units	Size sq.m
Flats		0.04	71
Houses		0.35	85
		0.39	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,312
			£21,748
Affordable rent		No. of units	Size sq.m
Flats		0.09	71
Houses		0.83	85
		0.92	
			Cost per sq.m
			£832
			£722
			Total Costs
			£5,396
			£50,745
Externals			£534,677
Plot external	10%		£53,468
Remediation/Demolition	£200,000 per ha		£50,000
Professional Fees			£103,468
as percentage of build costs	8%		£47,052
Contingency			£47,052
Based upon percentage of construction costs	3%		£16,040
Developer contributions			£16,040
S.106	£500 per unit		£4,375
Sale cost			£4,375
Legals -	£500		£4,375
Sales & Marketing cost -	3.50%		£46,115
TOTAL DEVELOPMENT COSTS			£992,337
Developers' Profit			
Private Housing	Rate		
	22.0%	of sales	£269,000
Affordable Housing	6%	of sales	£5,691
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£274,691
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£1,267,028
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£50,551
Finance Costs	APR	PCM	
	7.00%	0.565%	-£46,551
TOTAL PROJECT COSTS [INCLUDING INTEREST]			
This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential coverage generated from residential development. This appraisal is not a formal Red Book (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.			

Higher Value		Brownfield - Small	
Net Site Area	0.10	Residual Land Value	£1,029,777 per ha
Yield	4	Private	3
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.30	60
Houses		2.68	85
		2.98	245
			Total sq.m
			18
			228
			245
			Epsm
			£1,900
			£2,000
			Total Value
			£33,915
			£455,175
Intermediate		No. of units	Size sq.m
Flats		0.02	60
Houses		0.14	85
		0.16	13
			Total sq.m
			1
			12
			13
			Epsm
			£825
			£880
			Total Value
			£780
			£10,603
Affordable rent		No. of units	Size sq.m
Flats		0.04	60
Houses		0.33	85
		0.37	30
			Total sq.m
			2
			28
			30
			Epsm
			£825
			£880
			Total Value
			£1,819
			£24,740
Gross Development Value	4	289	£527,032
Development Cost			
Site Acquisition			
Site Value			£104,812
		Less Purchaser Costs	1.75%
Net Residual Land Value			102,978
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.30	71
Houses		2.68	85
		2.98	
			Cost per sq.m
			£832
			£722
			Total Costs
			£17,472
			£164,318
Intermediate		No. of units	Size sq.m
Flats		0.02	71
Houses		0.14	85
		0.16	
			Cost per sq.m
			£832
			£722
			Total Costs
			£925
			£8,699
Affordable rent		No. of units	Size sq.m
Flats		0.04	71
Houses		0.33	85
		0.37	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,158
			£20,298
Externals		4	£213,871
Plot external	10%		£21,387
Remediation/Demolition	£200,000 per ha		£20,000
Professional Fees			£41,387
as percentage of build costs	8%		£18,821
Contingency			£18,821
Based upon percentage of construction costs	3%		£6,416
Developer contributions			£6,416
S.106	£500 per unit		£1,750
Sale cost			£1,750
Legals -	£500		£1,750
Sales & Marketing cost -	3.50%		£18,446
TOTAL DEVELOPMENT COSTS			£405,418
Developers' Profit			
Private Housing	Rate		
Affordable Housing	22.0%	of sales	£107,600
	6%	of sales	£2,277
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£109,876
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£515,295
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£11,737
Finance Costs	APR	PCM	
	7.00%	0.565%	-£10,137
TOTAL PROJECT COSTS [INCLUDING INTEREST]			

This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential overage generated from residential development. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.

Higher Value		Brownfield/greenfield - Large	
Net Site Area	0.25	Residual Land Value	£996,368 per ha
Yield	9	Private	7
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats	0.74	60	45
Houses	6.69	85	569
	7.44		614
		Total sq.m	Epsm
			£1,900
			£2,000
			Total Value
			£84,788
			£1,137,938
Intermediate		No. of units	Size sq.m
Flats	0.04	60	2
Houses	0.35	85	30
	0.39		32
		Total sq.m	Epsm
			£825
			£880
			Total Value
			£1,949
			£26,507
Affordable rent		No. of units	Size sq.m
Flats	0.09	60	6
Houses	0.83	85	70
	0.92		76
		Total sq.m	Epsm
			£825
			£880
			Total Value
			£4,548
			£61,850
Gross Development Value	9	722	£1,317,579
Development Cost			
Site Acquisition			
Site Value			£261,514
Phase 1			£87,171
Phase 2			£87,171
Phase 3			£87,171
		Less Purchaser Costs	4.75%
Net Residual Land Value			£249,092
Build Costs			
Private units		No. of units	Size sq.m
Flats	0.74	71	£832
Houses	6.69	85	£722
	7.44		
		Cost per sq.m	Total Costs
			£43,680
			£410,795
Intermediate		No. of units	Size sq.m
Flats	0.04	71	£832
Houses	0.35	85	£722
	0.39		
		Cost per sq.m	Total Costs
			£2,312
			£21,748
Affordable rent		No. of units	Size sq.m
Flats	0.09	71	£832
Houses	0.83	85	£722
	0.92		
		Cost per sq.m	Total Costs
			£5,396
			£50,745
	9		£534,677
Externals			
Plot external	13%		£66,835
Remediation/Demolition	£100,000 per ha		£25,000
			£91,835
Professional Fees			
as percentage of build costs	8%		£48,121
			£48,121
Contingency			
Based upon percentage of construction costs	3%		£16,040
			£16,040
Developer contributions			
S.106	£500 per unit		£4,375
			£4,375
Sale cost			
Legals -	£500		£4,375
Sales & Marketing cost -	3.50%		£46,115
			£50,490
TOTAL DEVELOPMENT COSTS			£994,630
Developers' Profit			
Private Housing	Rate		
Affordable Housing	22.0% of sales		£269,000
	6% of sales		£5,691
			£274,691
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£1,269,321
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£48,258
Finance Costs			
	APR	PCM	
	7.00%	0.565%	-£46,258
TOTAL PROJECT COSTS [INCLUDING INTEREST]			
This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential coverage generated from residential development. This appraisal is not a formal Red Book (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.			

Higher Value		Brownfield/greenfield - Small	
Net Site Area	0.10	Residual Land Value	£1,081,027 per ha
Yield	4	Private	3
		Affordable	1
			
Development Value			
Private Units		No. of units	Size sq.m
Flats		0.30	60
Houses		2.68	85
		2.98	245
			Total sq.m
			18
			228
			245
			Epsm
			£1,900
			£2,000
			Total Value
			£33,915
			£455,175
Intermediate		No. of units	Size sq.m
Flats		0.02	60
Houses		0.14	85
		0.16	13
			Total sq.m
			1
			12
			13
			Epsm
			£825
			£880
			Total Value
			£780
			£10,603
Affordable rent		No. of units	Size sq.m
Flats		0.04	60
Houses		0.33	85
		0.37	30
			Total sq.m
			2
			28
			30
			Epsm
			£825
			£880
			Total Value
			£1,819
			£24,740
Gross Development Value		4	289
			£527,032
Development Cost			
Site Acquisition			
Site Value			£110,028
		Less Purchaser Costs	1.75%
			108,103
Net Residual Land Value			
Build Costs			
Private units		No. of units	Size sq.m
Flats		0.30	71
Houses		2.68	85
		2.98	
			Cost per sq.m
			£832
			£722
			Total Costs
			£17,472
			£164,318
Intermediate		No. of units	Size sq.m
Flats		0.02	71
Houses		0.14	85
		0.16	
			Cost per sq.m
			£832
			£722
			Total Costs
			£925
			£8,699
Affordable rent		No. of units	Size sq.m
Flats		0.04	71
Houses		0.33	85
		0.37	
			Cost per sq.m
			£832
			£722
			Total Costs
			£2,158
			£20,298
			£213,871
Externals			
Plot external		13%	£26,734
Remediation/Demolition		£100,000 per ha	£10,000
			£36,734
Professional Fees			
as percentage of build costs		8%	£19,248
			£19,248
Contingency			
Based upon percentage of construction costs		3%	£6,416
			£6,416
Developer contributions			
S.106		£500 per unit	£1,750
			£1,750
Sale cost			
Legals -		£500	£1,750
Sales & Marketing cost -		3.50%	£18,446
			£20,196
TOTAL DEVELOPMENT COSTS			
			£406,318
Developers' Profit			
Private Housing		Rate 22.0% of sales	£107,600
Affordable Housing		6% of sales	£2,277
			£109,876
TOTAL PROJECT COSTS [EXCLUDING INTEREST]			
			£516,194
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			
			£10,837
Finance Costs		APR 7.00%	PCM 0.565%
			-£10,037
TOTAL PROJECT COSTS [INCLUDING INTEREST]			

This appraisal has been prepared by Peter Brett Associates on behalf of the client. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the client on potential overage generated from residential development. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.