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Chippenham Town Council



The Brunel Arches.

Report for Chippenham Town Council

Chippenham Neighbourhood Plan

Viability Assessment – May 2022

Three Dragons & McBains

| Document control sheet | |
|---------------------------|---|
| Project name | Chippenham Neighbourhood Plan |
| Project reference | Viability Assessment |
| Report title | Chippenham Neighbourhood Plan Viability Assessment |
| Doc ref | Final Report |
| Date | May 2023 |
| Prepared by | Mark Felgate, Ben Vickers and Nicholas Bell |
| Reviewed by | Lin Cousins, Tom Marshall and Tassos Kougionis |
| Quality statement | In preparing this report, the authors have followed national and professional standards, acted with objectivity, impartially, without interference and with reference to appropriate available sources of information. No performance-related or contingent fees have been agreed and there is no known conflict of interest in advising the client group. |
| Use of this report | <p>This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons toolkit and is based on town level data supplied by the Town Council and Wiltshire 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.</p> <p>No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed.</p> |

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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 Chippenham Neighbourhood Plan, alongside the plan policies currently adopted in Wiltshire, 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. Typologies - Following a process commonly used in the testing of plan policies at the local authority level, a range of typologies, using assumptions that are considered reflective of the type of development anticipated in Chippenham, have been appraised to determine their viability.
4. The typologies tested:

| Reference | Units | Type Greenfield GF Brownfield BF |
|-----------|-------|--|
| Res1 | 3 | BF - houses |
| Res2 | 8 | BF - houses |
| Res3 | 17 | BF - flats |
| Res4 | 17 | GF- houses |
| Res5 | 50 | GF – mixed |
| Res6 | 100 | GF - mixed |
| Res7 | 200 | GF- mixed |
| Res8 | 2,000 | GF - mixed |
| Res OP | 50 | BF (Sheltered scheme) |

5. Assumptions - Gross development value was derived from Land Registry data of actual sales of new homes within Chippenham and cross referenced to homes currently being marketed. Cost assumptions used in the testing are based on published sources, local research and industry norms.
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 Chippenham Neighbourhood Plan are considered deliverable.

Chapter 1 Introduction

Purpose of the viability assessment

- 1.1** Chippenham Town Council (CTC) is the qualifying body preparing a Neighbourhood Plan for Chippenham. The Chippenham Neighbourhood Development Plan (NP), once made, will form part of the development plan for the plan area.
- 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 policies in a Plan will put too great a burden on development finance that risks the development not being able to proceed.
- 1.3** During consultation on the NP, concerns were raised by stakeholders with regard to policy requirements potentially negatively impacting viability, especially those policies relating to combatting the climate emergency. To address these concerns, the Neighbourhood Plan 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.
- 1.4** 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.
- 1.5** The main purpose of a 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, CTC 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.

National planning context

- 1.6** For the purposes of local plan viability testing the July 2021 revised NPPF and associated revisions within the National Policy Practice Guidance (PPG) apply.
- 1.7** The NPPF recognises the importance of positive planning but states that this should be done 'in a way that is aspirational but deliverable'. It advises that cumulative effects of policy should not combine to render plans unviable.
- 1.8** PPG provides further detail about how the NPPF should be applied and sets out that viability assessments should be proportionate, simple, transparent and publicly available. Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability, however "in some

circumstances more detailed assessment maybe necessary for particular areas or key sites on which the delivery of the plan relies".

- 1.9** A more detailed discussion of the NPPF, PPG and other associated guidance can be found at Appendix A.

Local policy requirements

Wiltshire Core Strategy 2015 (Local Plan)

- 1.10** 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 Wiltshire Core Strategy¹ is the main planning document that guides development in Chippenham. It sets out the overarching spatial strategy and development principles for Wiltshire as a whole together with more detailed policies to help determine planning applications. Core policies that have been identified as having implications for viability testing include:

- Policy 43: Providing affordable homes
- Policy 45: Meeting Wiltshire's housing needs
- Policy 46: Meeting the needs of Wiltshire's vulnerable and older people
- Policy 50: Biodiversity and geodiversity
- Policy 52: Green infrastructure
- Policy 61: Transport and new development
- Policy 62: Development impacts on the transport network
- Policy 63: Transport strategies
- Policy CF3: Provision of open space (North Wiltshire Local Plan (2011) Saved Policies)

Wiltshire Local Plan emerging

- 1.11** Whilst the Core Strategy is currently the development plan for Wiltshire and will need to be conformed with in terms of the NP, it should be noted that a new local plan is currently being prepared. The local plan review will set out a vision for the future of Wiltshire for the period to 2038 and a framework for addressing housing needs and other economic, social and environmental priorities.

¹ This also includes saved policies from previous district local plans, Chippenham Site Allocations Plan, Wiltshire Site Allocations Plans and Minerals and Waste.

- 1.12** The emerging evidence base and policy approach has been used to help guide some of the assumptions within the PV, especially those relating to the type of anticipated future development – thus assisting some future proofing and relevance for the PV.

Chippenham Neighbourhood Plan

- 1.13** As set out in the introduction, the main purpose of this assessment is to test Chippenham 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 Chapter 3

Chapter 2 Requirements of viability assessment

Principles of viability testing

- 2.1 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:
- 2.2 *'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 landowner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.'* (page 14)
- 2.3 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.

Figure 2.1 Overview of viability

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)

- 2.4** 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, for testing purposes, is considered unviable. If the residual value exceeds the benchmark, then it can be considered viable in terms of policy testing.
- 2.5** The benchmark land values used in the testing should, “... reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land.”² 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.
- 2.6** The residual land value assessments carried out in this study to model the viability of typologies have been undertaken using the Three Dragons toolkit. The range of development scenarios in the NP 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, typologies, 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 the NP area. The assumptions have been checked with developers who have or are currently active in Chippenham, no concerns have been raised from those contacted.

² PPG Para 013 Reference ID: 10-013-20190509

Chapter 3 Proposed Chippenham Neighbourhood Plan

Scoping the policies in the Chippenham Neighbourhood Plan

3.1 A key part of this Plan Viability Assessment is to review the emerging policies (as presented at time of study). Each policy has been considered and a traffic light system employed to demonstrate the relative effects that each 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 (mainly in terms of typologies and approach); and red indicates a cost impact (beyond standard) that will need testing within the assessment. The final column also sets out how this impact will be taken into account. In many cases these impacts will be considered within the testing of typologies to demonstrate what effect they might have on viability. The table below summarises the policies with a potential viability implication, with an analysis of the associated Design Guidance shown in Appendix B.

Table 3.1 Chippenham Neighbourhood Plan summary policy review

| Policy | Policy summary | Viability implication |
|---|--|---|
| Policy SCC1 – Net Zero Carbon Development | Proposals for all new buildings should demonstrate annual operational net zero carbon emissions balance. | Build costs will be higher than required to meet current Building Regulations. Additional costs estimated and included in the viability testing. |
| Policy SCC2 – Sustainable Construction | All buildings within major development should achieve the sustainability features set out in 'Figure 5.2' - Sustainable Design, Sustainable Construction Materials + Sustainable Construction Methods. | These features are aimed at helping to achieve the objectives set out SCC1 and are considered through the application of above Building Regulation costs. |
| Policy GI1 – Enhancing Biodiversity | Major development only permitted where a Biodiversity Net Gain of at least 10% is secured. | Allowances made for net gain in accordance with government requirements. |
| Policy GI4 - Trees, Woodlands and Hedgerows | Proposals should demonstrate a minimum future tree canopy cover of 20% of the site area on sites outside of the town centre and greater than 0.5 ha in size. Can be demonstrated through green roofs if necessary. | Costs allowed for in the viability testing (external works) will generally accommodate this policy. In some instances, additional costs may be identified for individual sites and should be reviewed in detail at application. However, not anticipated that |

| | | |
|--|--|---|
| | | such additional costs will impact on scheme viability. |
| Policy H1 - Housing Mix and Types | <p>Proposals for 10 or more dwellings: -60% market housing, 28% affordable rent, 10% First Homes, 2% shared ownership</p> <p>House size mix (guideline): - 10% One bedroom, 30% Two bedrooms (of which 10-15% shall be bungalows), 40% Three bedrooms (of which 10-15% shall be bungalows), 5% Four bedrooms, 15% Five or more bedrooms. Major development should also consider (provision of) self/custom build plots</p> | <p>Tenure type taken into account in the testing. Assumed revenues for the affordable housing calculated and included in the testing</p> <p>The house size mix guidelines reflected in the typologies used for testing – assuming 10% for bungalows (as advised by the Council). 5% of units in larger typologies assumed to be for self/custom build plots</p> |
| Policy H2 – Housing Design | All residential development will be designed in accordance with the Design Guide Annex 1. Major development schemes shall demonstrate that they achieve 9 out of 12 ‘green’ indicators, using the ‘Building for a Healthy Life’ design tool. | See Appendix B |
| Policy T1 – Provision and Enhancement of Cycle Paths | Major development proposals will be required to meet standards set out in LTN 1/20 + on-site or off-site developer contributions likely sought for improvements to the cycle network. | Standard allowances included in the testing, for external works and planning obligations should take this policy into account |
| Policy T2 - Access to the Bus Network | Major Developments, likely required to provide contributions towards on-site and off-site improvements to the local bus network. | Standard allowances in the testing for planning obligations takes this into account – noting that the policy may not apply to all major developments. |
| Policy T3 - Electric Vehicle Charging Infrastructure | All new development with associated off-street car parking spaces will provide electric vehicle charge points. | Allowances made for EV charging points in new development are in accordance with Building Regulations |
| Policy CI1 – Community Infrastructure | Largescale major development will be expected to provide community infrastructure on site. | Standard allowances in the testing for planning obligations takes this into account. |

Chapter 4 Viability typologies and assumptions

Information sources and approach

- 4.1** Our testing approach, following national guidance, uses a series of site typologies that are illustrative of the likely future supply of sites over the plan period and tests these with a series of assumptions about development values and costs.
- 4.2** The assumptions have been drawn from an analysis of the draft Neighbourhood Plan, local and national datasets and from industry standard assumptions and from discussions with Wiltshire Council and Chippenham Town Council.

Residential typologies

- 4.3** We have identified a series of residential development typologies for testing they have been derived from an analysis of the 2017 SHELAA, the draft Plan (and discussions with Wiltshire and the Town councils) and a review of recent planning applications.

Table 4.1 Site typologies

| Reference | Units | Type Greenfield GF Brownfield BF | Gross ha | Net ha | Dwellings per net ha |
|-----------|-------|--|----------|--------|----------------------|
| Res1 | 3 | BF - houses | 0.67 | 0.67 | 45 |
| Res2 | 8 | BF - houses | 0.18 | 0.18 | 45 |
| Res3 | 17 | BF - flats | 0.25 | 0.25 | 68 |
| Res4 | 17 | GF- houses | 0.45 | 0.45 | 38 |
| Res5 | 50 | GF – mixed | 2.00 | 1.43 | 35 |
| Res6 | 100 | GF - mixed | 4.81 | 3.13 | 32 |
| Res7 | 200 | GF- mixed | 9.77 | 6.25 | 32 |
| Res8 | 2,000 | GF - mixed | 133.00 | 67.00 | 30 |
| Res OP | 50 | BF (Sheltered scheme) | 0.50 | 0.50 | 100 |

Dwelling Mixes

- 4.4** The table below sets out the dwelling mix and dwelling sizes. The mixes are informed by the draft Neighbourhood Plan, overall dwelling mix (policy H1) and discussions with Wiltshire Council re the 'standard' mix for affordable housing. We checked the implied mix for market housing with information about recent newbuild sales (by flats, terrace, semi, detached) and this confirmed that our mixes are broadly in line with the profile of actual newbuild homes. Dwelling sizes are taken from the Nationally Described Space Standards as per the Neighbourhood Plan – Chippenham Design Guide policy.

Table 4.2 Dwelling size and mix

| Type | Market | Affordable | Total | Dwelling size |
|----------------------|--------|------------|-------|---------------|
| Residential | | | | |
| Flat - 1b | 0.0% | 10.0% | 10.0% | 50 sq m |
| Terrace - 2b | 16.25% | 10.0% | 26.3% | 70 sq m |
| Bungalow – 2b | 1.75% | 2.0% | 3.8% | 70 sq m |
| Terrace – 3b | | 14.5% | 14.5% | 84 sq m |
| Semi - 3b | 21.0% | | 21.0% | 84 sq m |
| Bungalow - 3b | 3.0% | 1.5% | 4.5% | 86 sq m |
| Semi - 4b | | 2.0% | 2.0% | 97 sq m |
| Detached 4b | 3.0% | | 3.0% | 106 sq m |
| Detached 5b | 15.0% | | 15.0% | 110 sq m |
| Total | 60% | 40% | | |
| Older persons | 60% | 40% | | |
| Flat 1b | 30% | 20% | 50% | 50 sq m |
| Flat 2b | 30% | 20% | 50% | 75 sq m |

(%s are of the total dwellings in a scheme – mixes for schemes of under 10 dwellings will vary)

- 4.5** Provision of bungalows is specified in draft Plan policy H1 i.e. for two and three bedroom units as 10-15% as bungalows. On advice from the Town Council, testing has assumed 10% of two and three bedroom units as bungalows.

Affordable housing

- 4.6** Policy H1 of the draft Neighbourhood Plan sets out a tenure mix for all housing and shows an overall target delivery for affordable housing of 40% and which is made up of three types of affordable housing. The figures in the table below are percentages of all housing.
- 28% affordable housing for rent
 - 10% First Homes
 - 2% shared ownership
- 4.7** On advice from Wiltshire Council, the affordable housing for rent will be modelled as Affordable Rent.
- 4.8** For First Homes, we have assumed a 30% discount against open market value and that the maximum value (after discount) for a First Home will be £250,000 (as per government policy). In practice this means that terrace properties only will be available as First Homes. The one bed flats included in our mixes have been identified as Affordable Rent homes (as advised by Wiltshire Council) so not available for other forms of affordable housing.

- 4.9** To estimate the transfer values for the affordable housing (i.e. the revenue paid to a developer), we calculated the values based on a series of assumptions as set out in the tables below. These assumptions were discussed with three locally active Registered Providers (RPs).

Table 4.3 Affordable housing assumptions

| Affordable rent | | Shared ownership | |
|----------------------------|---------------------------|--------------------|-----------------|
| Service charge | £12 per flat/£5 per house | Share size | 40% |
| Management and maintenance | £600 | Rental charge | 2.75% |
| Voids/bad debts | 3% | Repairs obligation | £4,000 per unit |
| Repairs reserve | £600 | Capitalisation | 6.0% |
| Capitalisation | 4.5% | | |

Table 4.4 Affordable housing rents per week

| | Affordable rent |
|------------------|-----------------|
| 1 bed properties | £120 |
| 2 bed properties | £150 |
| 3 bed properties | £183 |
| 4 bed properties | £230 |

Rents are the Local Housing Allowances³ taken from the VoA website as at March 2023

- 4.10** On the basis of the above assumptions and feedback from the RPs, for the testing we have assumed the following transfer values expressed as a percentage of open market values (OMV):
- For Affordable Rent – 50% OMV
 - For shared ownership – 75% OMV
 - First Homes – 70% OMV

Market Values

- 4.11** The table below sets out the sales values per sq m we are proposing to use. Sales values are based on over 460 records of new build sales from Land Registry, 2019 to beginning of 2023, adjusted by the HPI to provide sales values as at December 2022. Values are matched against EPC data on dwelling sizes to provide a per sq m value by different dwelling types. These are set out in the table below:

³ For the West Wiltshire BRMA which includes Chippenham

Table 4.5 Market sales values £/sq m

| Dwelling | £/sq m |
|---------------|--------|
| Flat | £3,431 |
| Houses (all) | £4,149 |
| Terrace | £4,391 |
| Semi | £4,193 |
| Detached | £4,047 |
| Bungalow | £4,500 |
| Older persons | £3,726 |

4.12 This gives, for example, a full open market value for a 2bed terrace at 70 sq m of £307,000. The analysis of house prices also shows how few newbuild market flats have been developed in recent years.

4.13 Values for the sheltered housing scheme to be tested will be derived on a different basis, using the Retirement Housing Group guide, based on the resale value of a 3-bed semi.⁴

Benchmark land values

4.14 Benchmark land values provide the notional land values used in viability testing. The benchmarks apply to the gross site areas for 'standard' development and would, for example, include incidental and formal open space as well as land on which the housing is developed.

4.15 Planning Policy Guidance states that benchmark land value should be established on the basis of Existing Use Value plus a premium⁵. The PPG is clear that, "Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value."⁶

4.16 The data we have drawn on to estimate benchmark land values is from a variety of sources including:

- MHCLG/VOA⁷ estimates of land values as at 2019 showing that:
 - Agricultural land - £25,000 per hectare (Swindon and Wiltshire)
 - Industrial land - £775,000 per hectare (Wiltshire)
 - Residential land - £1,920,000 per hectare (Wiltshire)
- Data from EGi giving the rental values of industrial land in Chippenham;

⁴ <https://retirementhousinggroup.com/rhg/wp-content/uploads/2017/01/CIL-viability-appraisal-issues-RHG-February-2016.pdf>

⁵ See Appendix A para ix for a fuller explanation

⁶ PPG para 014 Reference ID: 10-014-20190509

⁷ MHCLG – predecessor to DLUHC, VOA – Valuation Office Agency

- Existing use value (EUV) calculations
- Value of land currently/recently available for sale in Chippenham

4.17 Based on this evidence, the benchmarks used are shown in the table below – setting out the assumed EUV and premium applied.

Table 4.6 Benchmark land values

| Site type | EUV/ha | Premium | BLV/ha | Based on |
|--------------------------|----------|----------|------------|-------------------------------|
| Large greenfield 1 | £24,300 | 10 times | £243,000 | 10 times agricultural value |
| Large greenfield 2 | £24,300 | 15 times | £364,500 | 15 times agricultural value |
| Large greenfield 3 | £24,300 | 20 times | £486,000 | 20 times agricultural value |
| Small greenfield 1 | £61,000 | 10 times | £610,000 | 10 times paddock value |
| Small greenfield 2 | £61,000 | 15 times | £915,000 | 15 times paddock value |
| Small greenfield 3 | £61,000 | 20 times | £1,220,000 | 20 times paddock value |
| Town centre brownfield 1 | £865,000 | 10 % | £951,500 | Town centre EUV + 10% |
| Town centre brownfield 2 | £865,000 | 20 % | £1,038,000 | Town centre EUV + 20% |
| Town centre brownfield 3 | £865,000 | 30 % | £1,124,500 | Town centre EUV + 30% |
| Higher brownfield 1 | £722,000 | 10 % | £794,200 | Standard brownfield EUV + 10% |
| Higher brownfield 2 | £722,000 | 20 % | £866,400 | Standard brownfield EUV + 20% |
| Higher brownfield 3 | £722,000 | 30 % | £938,600 | Standard brownfield EUV + 30% |
| Standard brownfield 1 | £384,000 | 10 % | £422,400 | Low value EUV + 10% |
| Standard brownfield 2 | £384,000 | 20 % | £460,800 | Low value EUV + 20% |
| Standard brownfield 3 | £384,000 | 30 % | £499,200 | Low value EUV + 30% |

Residential development costs

Build costs

4.18 Build costs used are taken from BCIS⁸ as Q4 2022 (in line with values data), using data for the last 5 years locally adjusted to Wiltshire. Based on an analysis undertaken by BCIS this is scaled so that build cost/sq m reduces as volume increases. For volume developments, the use of BCIS lower quartile (LQ) is standard in viability assessments of this type. Appendix C shows the information from BCIS that was used.

4.19 For flats and older persons sheltered accommodation, we also make an allowance for circulation space which for flats increases with the height of buildings.

⁸ BCIS - Building Cost Information Service & Wiltshire figure used as it is most robustly local to Chippenham

Table 4.7 Build costs – Flats(per sq m)

| | | Circulation space | Build costs |
|--------------------------|----------------|-------------------|-------------|
| Flats | 1 to 2 storeys | 10% | £1,686 |
| Flats | 3 to 5 storeys | 15% | £1,647 |
| Sheltered housing | 3 storey | 25% | £1,652 |

Table 4.8 Build costs – Houses (per sq m)

| | Build costs |
|-------------------------------|-------------|
| 2-5 units | £1,510 |
| 6-9 units | £1,438 |
| 10-50 units | £1,366 |
| 51-100 units | £1,323 |
| 101-250 units | £1,280 |
| 251+ units | £1,217 |
| Large strategic (500+) | £1,217 |
| Bungalow | £1,388 |

Plot/external /site infrastructure costs

4.20 Plot/external and additional site costs allowances are detailed in the tables below, expressed as % of base build cost and £/dwelling respectively. Plot/external costs include gardens, drives/paths, fencing, walls, drainage, external services and some limited estate roads with associated services, landscaping and drainage. Additional site costs are further allowances for the types of costs associated with sites as they become larger – roads, drainage, lighting, utilities, landscaping, adoption along with 'normal' site clearance and preparation as well as fees for these items. The plot/external and additional site costs do not include garages or s106 costs, which are added separately.

Table 4.9 Plot/external /site infrastructure costs

| Scheme size | Plot costs and site infrastructure (% of base build cost) |
|-------------------------|---|
| 100 dwellings and below | 15% |
| 101 to 250 dwellings | 20% |
| 251 to 500 dwellings | 25% |
| Large strategic site | 25% |

4.21 A separate allowance is made for garages, for market dwellings only. An analysis of a selection of recent planning applications in Chippenham indicated that a third of three bed houses and three-quarters of four and five bed and houses have garages. Taking a 'generous' approach, we will assume that all detached houses have a garage and that half of semi do so. We use a cost of £7,700 per garage – which is a cost of a single garage. This broad assumption recognises that some houses will not have a garage and some larger houses may have double garages.

Other development costs

4.22 The other standard development costs used in the testing are set out in the table below.

Table 4.10 Other development costs

| Development cost | Assumption | Note |
|----------------------|---|-----------------------------------|
| Professional fees | 1-9 units 10% 10-100 units 8% 101+ units 6% | of build and plot/external costs |
| Finance rate | 6% | of all costs including land value |
| Marketing/sales fees | 3% of GDV for market housing/First Homes (1.0% agents, 0.5% legal costs and 1.5% marketing/incentives) £500 legal costs per AH rented and shared ownership unit £150 First Homes additional costs | 6% for older person housing |
| Developer return | 17.5% market GDV & 6% AH GDV 10% First Homes GDV | |
| Agents and legal | 1.75% of land value | |
| | | |
| SDLT | Prevailing rate | |

Policy costs

4.23 The testing includes the set of national and local policy costs that will apply to new residential development in Chippenham. The local policies are taken from the Neighbourhood Plan.

Table 4.11 Policy costs

| Development cost | Assumption | Note/Source |
|---------------------------------------|---|--|
| National policy | | |
| Biodiversity net gain | £270 per unit on brownfield & £998 per unit on greenfield | UK Government impact assessment |
| Local policy | | |
| Custom & self build | 5% plots tested with typologies 7 and 8 | Policy H1 of the draft Neighbourhood Plan |
| Accessibility | 100% M4(2) - £1,400 per dwelling | Neighbourhood Plan – emphasises ageing population Government signalled intention ⁹ /UK Government impact assessment |
| EV charging | EV charging @£865/dwg | Neighbourhood Plan and Government policy and impact assessment (for costs) |
| S106 | £5,500 per dwelling | £5,500 figure from analysis of local recent s106 agreements |
| Building standards (towards net zero) | Houses – 20% uplift from BCIS Bungalows - 21% uplift from BCIS Flats - 22% uplift from BCIS | Neighbourhood Plan policies to go beyond current and proposed Part L Building Regs – Cost advice from McBains and Future Homes Hub ¹⁰ Please see Appendix F for more detail. |
| CIL | £116 per sq m | Original rate (2016) indexed to 2023 |

⁹ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#building-regulations-and-accessible-homes>

¹⁰ <https://irp.cdn-website.com/bdbb2d99/files/uploaded/Ready%20for%20Zero%20-%20Evidence%20to%20inform%20the%202025%20Future%20Homes%20Standard%20-Task%20Group%20Report%20FINAL-%20280223-%20MID%20RES.pdf>

Chapter 5 Residential viability testing results

- 5.1** This chapter summarises results of the residential viability appraisals for Chippenham. As noted in the testing assumptions earlier, the modelling includes affordable housing, s106, as well as a base set of additional national and local policy costs. Existing CIL rates are included. As noted in Chapter 4, we have identified a range to benchmarks for each typology but for clarity of analysis only the middle benchmark land value '2' is shown in these results.
- 5.2** Each typology has been appraised in detail, complete with cashflow analysis. A range of different scenarios are then presented, including residential and older person homes.
- 5.3** In terms of policy costs the base scenario covers:
- Improved building standards
 - EV chargers
 - Biodiversity net gain
 - Accessibility
 - General s106
 - Self and custom build
 - CIL
 - Affordable housing at 40% (Affordable Rent, shared ownership & first homes)
- 5.4** The results are summarised below, with the full residential testing results in Appendix D and appraisal summary sheet examples (one for each typology) in Appendix E. The results are presented as net viability 'headroom' after all costs including construction and other development costs (fees, return, policy costs and land costs) have been deducted, tested against the range of benchmark land values for that typology. The figures are presented as £/sq m 'headroom' i.e. the headroom divided by the market homes and garage floorspace. Where the headroom is positive the typology can be considered viable.

Residential testing and analysis

- 5.5** The general residential typologies include:
- Two that are under the affordable housing threshold - three and eight dwellings - tested on brownfield sites;
 - Seven that are over the affordable housing threshold - 17, 50, 100, 200, 2,000 dwellings. Typologies at 17 dwellings are tested on greenfield and brownfield sites and 50 is tested with a standard mix and as an older persons sheltered scheme; while the largest typologies are just tested on greenfield sites.
- 5.6** The results of the testing are set out in the following table:

Table 5.1 Testing results

| Typology | Description | Dwellings | BLV 2 – headroom £/sq m |
|----------|-------------|-----------|----------------------------|
| Res 1 | Brownfield | 3 | £379 |
| Res 2 | Brownfield | 8 | £428 |
| Res 3 | Brownfield | 17 | £732 |
| Res 4 | Greenfield | 17 | £385 |
| Res 5 | Greenfield | 50 | £481 |
| Res 6 | Greenfield | 100 | £513 |
| Res 7 | Greenfield | 200 | £632 |
| Res 8 | Greenfield | 2000 | £406 |
| OP1 | Brownfield | 50 | -£2,944 |

Commentary on testing

- 5.7** The main finding from this viability testing is that most residential development in Chippenham is viable and able to deliver the proposed policies in the Neighbourhood Plan. Most development is also able to support the current CIL charge in addition to the likely s106 requirements, in order to assist in the funding of the infrastructure necessary to support development in Chippenham.
- 5.8** Whilst the general housing typologies are viable the testing for the older persons housing shows that sheltered housing is not viable using the assumptions and policy costs set out earlier. Even if some of the unique draft Neighbourhood Plan policies were not applicable, older person housing does not generate sufficient value to meet all the policy costs arising from both the Neighbourhood Plan and those more widely at a Wiltshire or national level. In particular the level of affordable housing will be having the largest impact, however this will be for the Wiltshire Plan to consider during the review as this is where the relevant policy is set.

Chapter 6 Non residential development

Non-residential assumptions

Typologies

6.1 We have identified a series of non residential development typologies for consideration within this assessment. These have been derived from past experience around the types of sites that could come forward in an area such as Chippenham over the lifetime of the NP.

6.2 They are as follows:

Table 6.1 Site typologies

| Reference | Description | Floorspace GIA sq m |
|-----------|------------------------|---------------------|
| Nr1 | Office | 1,500 |
| Nr2 | Retail (town centre) | 200 |
| Nr3 | Retail (out of centre) | 1000 |
| Nr4 | Retail (supermarket) | 1100 |
| Nr5 | Industrial | 1600 |
| Nr6 | Hotel | 2800 |

Approach to testing

6.3 The approach to reviewing impact of NP policy on non-residential development is different to that taken for the residential development. This is for two main reasons. Whilst a limited amount of non residential development maybe built speculatively for subsequent sale or rent to a commercial tenant, the majority of this form of development will be undertaken for specific commercial operators, either as owners or pre-lets. 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. Linked to this, policies around carbon reduction will very much relate to the user of the building rather than the building itself, so a full appraisal would not necessarily provide any clarity as to whether the policy impacts will render development unviable or not. Therefore, a standard residential type appraisal approach is not appropriate, especially as for a strategic study such as this there is no end user known.

6.4 However, it is recognised that the Town Council will need some assurance as to the impact of their policies on non residential development, so an alternative assessment is required. One of the approaches to assessing cost impact is to consider it in respect of a percentage of total cost or total value. So in that spirit, this assessment will consider the most likely additional development costs associated with policy and compare them with a standard build cost drawn from BCIS.

NP policy impacts

- 6.5** Most of the proposed policies within the NP are not considered to add significantly to the development costs for non-residential uses in the plan period. The exception to this is SCC2 which includes a requirement that non-residential development meet the BREEAM Excellent standard and T3 that requires 20% of car parking spaces to provide EV chargers.
- 6.6** The cost of moving to BREEAM Excellent has been provided by McBains and the cost associated with provided EV charging as per the policy is taken from the Government Impact Assessment for Part S of the building regulations, using the surface car park costs. The number of car parking spaces for each use is derived from Wiltshire Council's parking standards strategy. However it should be noted that the cost associated with EV provision is conservative and could be lower on the basis that the parking standards are a maximum, the number of spaces and thus number of charging units could be lower and that provision of EV charging at these types of locations can be undertaken on a commercial basis with an EV charging operator providing the facility at low or no cost on the basis that they will charge for the use.

Non residential testing and analysis

Testing results

- 6.7** The following table sets out the base build cost for each typology and the cost of meeting the policy requirements described above, as a percentage of the base build cost.

Table 6.2 Non residential testing results

| Ref | Description | Build cost £/sq m (BCIS) | Policy impact – EV charging cost % of build cost | Policy impact – BREEAM Excellent charging cost % of build cost | Policy impact % build cost combined |
|-----|------------------------|--------------------------------|---|--|---|
| Nr1 | Office | 1,500 | 0.6% | 0.8% | 1.4% |
| Nr2 | Retail (town centre) | 200 | 1.1% | 1.8% | 2.9% |
| Nr3 | Retail (out of centre) | 1000 | 1.0% | 1.8% | 2.8% |
| Nr4 | Retail (supermarket) | 1100 | 0.6% | 1.8% | 2.4% |
| Nr5 | Industrial | 1600 | 0.8% | 0.4% | 1.2% |
| Nr6 | Hotel | 2800 | 0.5% | 1.5% | 2.0% |

Commentary on testing

- 6.8** The review of costs as set out above in Table 6.2 shows that individually and combined the impact of the policies is minimal as a proportion of build costs. By way of comparison site specific viability assessments often include a contingency of 5% of build cost to deal with unknown cost factors – the costs outlined above in combination are below that figure in all cases.
- 6.9** Therefore it is considered that the two main policies within the Neighbourhood Plan that relate to non residential uses, should not unduly impact on delivery of these forms of development.

Chapter 7 Summary and conclusions

Is the Chippenham Neighbourhood Plan deliverable?

- 7.1** 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.
- 7.2** Chapter 5 shows that all the residential development typologies 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. The exception is older person housing, which with a requirement for 40% affordable housing is shown to be unviable. It will be for the Wiltshire Local Plan review to consider the level of affordable housing that this type of development can support in the future. It may show that a percentage below 40% is deliverable.
- 7.3** It should be noted that the viability assessment has been undertaken using current costs and current values as per standard practice. 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.
- 7.4** It is therefore not considered necessary to alter any of the policies within the NP on the basis of impact on viability and delivery.

Conclusion

- 7.5** 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 and/or affordable housing tenure.

Appendix A – National Planning Policy

National policy context

- i. **National framework** - 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'¹¹.
- ii. 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 (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.'*¹²
- iii. The government has 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.'*¹³
- iv. In terms of affordable homes the government has reiterated previous policy on affordable homes thresholds and a desire to increase affordable home 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'*¹⁴
*'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.'*¹⁵
- v. With regard to non-residential development, the NPPF states that local planning authorities should:

¹¹ DLUHC, 2021 NPPF Para 16

¹² DLUHC, 2021 NPPF Para 34

¹³ DLUHC, 2021 NPPF Para 58

¹⁴ DLUHC, 2021 NPPF Para 64

¹⁵ DLUHC, 2021 NPPF Para 65

*'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.'*¹⁶

- vi. However, 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 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.
- vii. **Planning Practice Guidance** - Planning Practice Guidance¹⁷ (PPG) provides further detail about how the NPPF should be applied. PPG contains general principles for understanding viability (also relevant to CIL viability testing). The approach taken reflects the latest version of PPG. 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 helpful¹⁸. Evidence should be proportionate to ensure plans are underpinned by a broad understanding of viability, with further detail for strategic sites that provide a significant proportion of planned supply¹⁹.
- viii. For a specific site, values should be based on market evidence (rather than average figures) from the actual site²⁰. All development costs should be taken into account, including within setting of benchmark land values, in particular para 012 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.*

¹⁶ DLUHC, 2021 NPPF, para 82

¹⁷ DLUHC, Planning Practice Guidance

¹⁸ PPG Paragraph: 010 Reference ID: 10-001-20180724

¹⁹ PPG Paragraph: 005 Reference ID: 10-004-20180724

²⁰ PPG Paragraph: 011 Reference ID: 10-011-20180724

- 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.
 - 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.'
- ix. Land values²¹ 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 can 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.
- x. PPG states that developer return should be 15 - 20% of gross development value and that a lower figure may be more appropriate for affordable homes delivery²².
- xi. **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)²³. Custom & self-build is exempt, along with affordable homes, charitable development, buildings into which people do not normally go and vacant buildings brought back into the same use²⁴.
- xii. CIL rates should be set so that they strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments²⁵.
- xiii. For the purposes of CIL, a charging authority should use an area-based approach, involving a broad test of viability across their area. This should use appropriate available evidence, recognising that the available data is unlikely to be fully comprehensive. A sample of site types should be used, however more fine-grained sampling may be required where differential CIL rates are set. Rates

²¹ PPG Paragraph: 013 Reference ID: 10-013-20190509 and 014 Reference ID: 10-014-20190509

²² PPG Paragraph: 018 Reference ID: 10-018-20190509

²³ PPG Paragraph: 001 Reference ID: 25-001-20190901

²⁴ PPG Paragraph: 005 Reference ID: 25-005-20190901

²⁵ PPG Paragraph: 010 Reference ID: 25-010-20190901

should be reasonable and include a buffer, but there is no requirement for a proposed rate to exactly mirror the evidence²⁶.

- xiv. Differential rates may be set in relation to geography, development type and/or scale. However undue complexity and disproportionate impact should be avoided. The charging authority should consider a zero CIL where plan policies require significant contributions towards homes or infrastructure through planning obligations²⁷. The guidance for testing viability for plan-making and for setting CIL rates is closely aligned and so testing both together follows the same approach and can use common assumptions.
- xv. **Other guidance on viability testing for development** - Guidance has been published to assist practitioners in undertaking viability studies for policy making purposes - "*Viability Testing Local Plans - Advice for planning practitioners*"²⁸. The foreword to the Advice for planning practitioners includes support from DHCLG, the LGA, the HBF, PINS and POS. PINS and the POS²⁹ state that:
'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'
- xvi. 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'
- xvii. The Advice also comments on how viability testing should deal with potential future changes in market conditions and other costs and values and 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)
- xviii. 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)

²⁶ PPG Paragraph: 020 Reference ID: 25-020-20190901

²⁷ PPG Paragraph: 026 Reference ID: 25-026-20190901

²⁸ 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

²⁹ Acronyms for the following organisations - Department of Communities and Local Government, LGA Environment and Housing Board, Home Builders Federation, Planning Inspectorate, Planning Officers Society

Principles of viability testing

- xix. The Advice for planning practitioners³⁰ summarises viability as follows:
- xx. '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)
- xxi. 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 homes and affordable homes (and other non-residential values). Scheme costs include the costs of building the development, plus professional fees, scheme finance and a return to the developer. Scheme costs also include planning obligations (including affordable homes, direct s106 costs) and the greater the planning obligations, the less will be the residual value.
- xxii. 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.
- xxiii. 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. The benchmark land values used in this study are based on the principle of 'Existing Use Value Plus' which is considered further in other parts of this report.
- xxiv. Note the approach to Local Plan level viability (or CIL) assessment does not require all sites in the plan to be viable. The Harman Report says that a site typologies approach (i.e. assessing a range of example development sites likely to come forward) to understanding plan viability is sensible, a view echoed in CIL guidance. Viability '*...is to provide high level assurance that the policies with the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan*'.

³⁰ Local Housing Delivery Group, 2012, Viability Testing Local Plans - Advice for planning practitioners

Appendix B – Analysis of design guide

| Policy | Policy summary | Viability implication |
|--|--|---|
| Chippenham Design Guide: Neighbourhood Plan Annex 1 | Para 9: Apartment blocks should be provided in higher density locations but shall not exceed 4 storeys. | Where apartments are included in the testing – assumed to be 3 storey. |
| Chippenham Design Guide: Neighbourhood Plan Annex 1 | Para 11: School provision is to be considered by the local authority and where included within a masterplan shall be built and be operational before at least 50% of the development is occupied. | To be included in any site specific testing. Standard allowances in the testing for planning obligations, takes account of education requirements |
| Chippenham Design Guide: Neighbourhood Plan Annex 1: B1-B6 | For Large Scale Major Development: A local centre shall be provided. | To be included in any site specific testing. Not included in this Plan Viability Assessment |
| Chippenham Design Guide: Neighbourhood Plan Annex 1: C1 | For major development: Parks and public open space will be provided in accordance with at least the minimum Wiltshire Open Space Standards. | Notional schemes tested allow for a proportion of open space (that varies with size of site) |
| Chippenham Design Guide: Neighbourhood Plan Annex 1: C6 | For Large Scale Major Development (in addition to the requirements listed for Major Development): Development will be expected to provide at least one main park of a size in accordance with the minimum Wiltshire Open Space Standards and pocket parks. | See above. The testing includes a typology of 2,000 dwellings, and where it is assumed that only half the site is developed |
| Chippenham Design Guide: Neighbourhood Plan Annex 1: D1-D7 | For All Development: Provide SUD and Open Space management plans. For Large Scale Major Development provide allotments on site, with small plots of 125 square metres at a ratio of 1 plot per 10 households for the development. | See above |
| Chippenham Design Guide: | For Major Development: “Some houses” shall be provided to offer level living for older people and | All dwellings assumed to be designed to M4(2) standards |

| | | |
|--|---|--|
| Neighbourhood Plan Annex 1: H1 – H5 | people with mobility difficulties. Refer to evidence of need. | i.e. are designed to be accessible and adaptable. |
| Chippenham Design Guide: Neighbourhood Plan Annex 1: I1-I8 | For All Development: New housing shall include technologies that reduce heating and running costs All new homes shall have capacity to generate electricity from solar panels on roofs. For new homes: provision shall be made for the following sustainability measures, energy generation, battery storage, electric vehicle charging, on plot shed/garage, communal cycle storage areas for flats/apartments, rear gardens of a regular shape, and a size that is at least equal to the ground floor footprint of the dwelling, SUDS, Green or brown roofs. New dwellings will comply with at least the minimum size standards set out in 'Technical Housing Standards – Nationally Described Space Standards. | Many of these requirements are considered within other policies already addressed in this schedule, but please note on plot garages provided on basis of past provision and NDSS has been reflected. |
| Chippenham Design Guide: Neighbourhood Plan Annex 1: L1-L2 | For Large Scale Major Development: Before the first dwelling is occupied, the following elements of the Masterplan will be delivered -walking and cycling network, allotments. Before the 100th dwelling is occupied, or 50% of dwellings are occupied, whichever is the lower number, or before the second phase of the development, whichever occurs first, the following will be delivered -local centre and main park, community hall. | Phased development has been assumed for larger developments. Details of the relationship between phasing and delivery of specific facilities will need to be tested at application stage when there is detailed information about scheme requirements and costs. |

Appendix C – Build costs from BCIS



£/m2 study

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

Last updated: 25-Mar-2023 05:56

➤ Rebased to 4Q 2022 (375) and Wiltshire (101; sample 112)

Maximum age of results: 5 years

| Building function (Maximum age of projects) | £/m² gross internal floor area | | | | | | Sample |
|---|--------------------------------|--------|-----------------|--------|-----------------|---------|--------|
| | Mean | Lowest | Lower quartiles | Median | Upper quartiles | Highest | |
| New build | | | | | | | |
| 810. Housing, mixed developments (5) | 1,462 | 803 | 1,286 | 1,418 | 1,580 | 3,104 | 386 |
| 810.1 Estate housing | | | | | | | |
| Generally (5) | 1,438 | 781 | 1,217 | 1,387 | 1,606 | 2,931 | 229 |
| Single storey (5) | 1,627 | 988 | 1,388 | 1,600 | 1,825 | 2,931 | 51 |
| 2-storey (5) | 1,381 | 781 | 1,205 | 1,338 | 1,509 | 2,543 | 175 |
| 810.11 Estate housing detached (5) | 1,970 | 1,216 | - | 1,867 | - | 2,931 | 4 |
| 810.12 Estate housing semi detached | | | | | | | |
| Generally (5) | 1,500 | 932 | 1,265 | 1,420 | 1,648 | 2,543 | 63 |
| Single storey (5) | 1,569 | 1,151 | 1,388 | 1,559 | 1,804 | 2,541 | 29 |
| 2-storey (5) | 1,441 | 932 | 1,259 | 1,349 | 1,522 | 2,543 | 34 |
| 810.13 Estate housing terraced | | | | | | | |
| Generally (5) | 1,377 | 892 | 1,157 | 1,314 | 1,606 | 2,099 | 13 |
| Single storey (5) | 1,402 | - | - | - | - | - | 1 |
| 2-storey (5) | 1,331 | 892 | 1,162 | 1,261 | 1,572 | 1,888 | 10 |
| 816. Flats (apartments) | | | | | | | |
| Generally (5) | 1,669 | 917 | 1,378 | 1,562 | 1,867 | 3,638 | 199 |
| 1-2 storey (5) | 1,686 | 1,023 | 1,358 | 1,535 | 1,988 | 3,397 | 36 |
| 3-5 storey (5) | 1,647 | 917 | 1,361 | 1,536 | 1,786 | 3,638 | 138 |
| 6 storey or above (5) | 1,763 | 1,263 | 1,503 | 1,757 | 1,918 | 2,552 | 25 |
| 843. Supported housing | | | | | | | |
| Generally (5) | 1,831 | 1,155 | 1,521 | 1,663 | 2,157 | 3,287 | 26 |
| Single storey (5) | 1,673 | - | - | - | - | - | 1 |
| 2-storey (5) | 1,930 | 1,155 | 1,541 | 1,663 | 2,274 | 3,287 | 12 |
| 3-storey (5) | 1,652 | 1,203 | 1,455 | 1,539 | 1,666 | 2,584 | 7 |
| 4-storey or above (5) | 1,815 | 1,273 | 1,551 | 1,876 | 1,980 | 2,392 | 5 |
| 843.1 Supported housing with shops, restaurants or the like (5) | 1,486 | 1,278 | 1,409 | 1,441 | 1,584 | 1,719 | 5 |

£/m2 study

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

Last updated: 25-Mar-2023 05:56

➤ Rebased to 4Q 2022 (375) and Wiltshire (101; sample 112)

Maximum age of results: Default period

| Building function (Maximum age of projects) | £/m² gross internal floor area | | | | | | Sample |
|--|--------------------------------|--------|-----------------|--------|-----------------|---------|--------|
| | Mean | Lowest | Lower quartiles | Median | Upper quartiles | Highest | |
| New build | | | | | | | |
| 282. Factories | | | | | | | |
| Generally (20) | 1,220 | 280 | 678 | 1,002 | 1,432 | 4,655 | 91 |
| Up to 500m2 GFA (20) | 1,557 | 997 | 1,131 | 1,320 | 1,954 | 2,660 | 13 |
| 500 to 2000m2 GFA (20) | 1,307 | 280 | 725 | 1,170 | 1,432 | 4,655 | 39 |
| Over 2000m2 GFA (20) | 1,019 | 507 | 620 | 831 | 1,128 | 2,672 | 39 |
| 282.1 Advance factories | | | | | | | |
| Generally (15) | 1,072 | 498 | 834 | 1,024 | 1,305 | 1,739 | 20 |
| Up to 500m2 GFA (15) | 1,187 | 997 | 1,007 | 1,119 | 1,293 | 1,563 | 6 |
| 500 to 2000m2 GFA (15) | 1,152 | 498 | 965 | 1,232 | 1,330 | 1,739 | 9 |
| Over 2000m2 GFA (15) | 789 | 605 | 673 | 801 | 845 | 1,022 | 5 |
| 282.12 Advance factories/offices - mixed facilities (class B1) | | | | | | | |
| Generally (20) | 1,463 | 533 | 915 | 1,477 | 1,779 | 2,672 | 18 |
| Up to 500m2 GFA (20) | 2,363 | 1,954 | - | 2,476 | - | 2,660 | 3 |
| 500 to 2000m2 GFA (20) | 1,349 | 533 | 1,202 | 1,477 | 1,634 | 1,810 | 6 |
| Over 2000m2 GFA (20) | 1,240 | 634 | 831 | 969 | 1,636 | 2,672 | 9 |
| 282.2 Purpose built factories | | | | | | | |
| Generally (30) | 1,331 | 280 | 706 | 1,134 | 1,691 | 4,655 | 79 |
| Up to 500m2 GFA (30) | 1,550 | 829 | 1,069 | 1,325 | 2,090 | 2,380 | 7 |
| 500 to 2000m2 GFA (30) | 1,437 | 280 | 750 | 1,072 | 1,612 | 4,655 | 28 |
| Over 2000m2 GFA (30) | 1,229 | 373 | 668 | 1,132 | 1,652 | 2,515 | 44 |
| 282.22 Purpose built factories/Offices - mixed facilities (15) | 1,066 | 511 | 854 | 1,029 | 1,190 | 2,297 | 24 |
| 284. Warehouses/stores | | | | | | | |
| Generally (15) | 1,063 | 421 | 643 | 853 | 1,114 | 4,901 | 45 |
| Up to 500m2 GFA (15) | 1,965 | 707 | 1,082 | 1,392 | 2,331 | 4,901 | 8 |
| 500 to 2000m2 GFA (15) | 954 | 501 | 704 | 868 | 1,094 | 1,727 | 16 |
| Over 2000m2 GFA (15) | 802 | 421 | 591 | 647 | 929 | 1,688 | 21 |
| 284.1 Advance warehouses/stores (15) | 798 | 436 | 638 | 750 | 1,015 | 1,114 | 9 |

| Building function (Maximum age of projects) | £/m² gross internal floor area | | | | | | Sample |
|--|--------------------------------|--------|-----------------|--------|-----------------|---------|--------|
| | Mean | Lowest | Lower quartiles | Median | Upper quartiles | Highest | |
| 284.2 Purpose built warehouses/stores | | | | | | | |
| Generally (15) | 1,132 | 421 | 658 | 855 | 1,289 | 4,901 | 34 |
| Up to 500m2 GFA (15) | 2,266 | 707 | 1,353 | 1,764 | 2,877 | 4,901 | 6 |
| 500 to 2000m2 GFA (15) | 940 | 501 | 689 | 855 | 1,073 | 1,727 | 14 |
| Over 2000m2 GFA (15) | 838 | 421 | 629 | 740 | 994 | 1,685 | 14 |
| 284.5 Cold stores/refrigerated stores (25) | 1,360 | 1,011 | - | 1,073 | - | 1,998 | 3 |
| 320. Offices | | | | | | | |
| Generally (15) | 2,279 | 1,107 | 1,614 | 2,113 | 2,733 | 5,489 | 61 |
| Air-conditioned | | | | | | | |
| Generally (15) | 2,262 | 1,318 | 1,884 | 2,168 | 2,624 | 3,857 | 20 |
| 1-2 storey (15) | 2,208 | 1,318 | 1,924 | 1,994 | 2,227 | 3,857 | 9 |
| 3-5 storey (15) | 2,178 | 1,504 | 1,736 | 2,109 | 2,625 | 3,027 | 8 |
| 6 storey or above (20) | 2,782 | 1,919 | 2,279 | 2,485 | 2,815 | 4,962 | 9 |
| Not air-conditioned | | | | | | | |
| Generally (15) | 2,246 | 1,107 | 1,522 | 2,093 | 2,860 | 3,796 | 27 |
| 1-2 storey (15) | 2,316 | 1,284 | 1,563 | 2,183 | 2,860 | 3,554 | 15 |
| 3-5 storey (15) | 2,130 | 1,107 | 1,411 | 1,560 | 3,073 | 3,796 | 10 |
| 6 storey or above (25) | 2,646 | 2,058 | - | 2,735 | - | 3,057 | 4 |
| 341.1 Retail warehouses | | | | | | | |
| Generally (25) | 1,032 | 517 | 778 | 924 | 1,094 | 3,060 | 49 |
| Up to 1000m2 (25) | 1,160 | 769 | 870 | 980 | 1,106 | 3,060 | 11 |
| 1000 to 7000m2 GFA (25) | 1,025 | 517 | 780 | 929 | 1,135 | 2,199 | 34 |
| 7000 to 15000m2 (25) | 801 | 778 | - | - | - | 823 | 2 |
| Over 15000m2 GFA (30) | 879 | 777 | - | - | - | 981 | 2 |
| 344. Hypermarkets, supermarkets | | | | | | | |
| Generally (35) | 1,832 | 298 | 1,311 | 1,774 | 2,368 | 3,184 | 46 |
| Up to 1000m2 (35) | 1,869 | 1,258 | - | 1,608 | - | 3,003 | 4 |
| 1000 to 7000m2 GFA (35) | 1,858 | 298 | 1,284 | 1,961 | 2,406 | 3,184 | 38 |
| 7000 to 15000m2 (35) | 1,514 | - | - | - | - | - | 1 |
| Over 15000m2 GFA (35) | 1,930 | - | - | - | - | - | 1 |
| 345. Shops | | | | | | | |
| Generally (30) | 1,811 | 667 | 963 | 1,482 | 2,322 | 4,639 | 19 |
| 1-2 storey (30) | 1,830 | 667 | 962 | 1,546 | 2,345 | 4,639 | 18 |
| 3-5 storey (30) | 1,482 | - | - | - | - | - | 1 |
| 853. Motels (20) | 1,784 | 1,491 | - | 1,926 | - | 1,934 | 3 |

Appendix D – Summary of viability testing results

| | | | | | | | | | | | | | | Developer Return 17.50% | First Homes 10.00% | Contractor Return 6.00% | | | | | |
|----------------|------------|---------------------------|------|-----------------------------|---------------|----------------------|-----------------|------|------------|----------|--------|--------------------------------|-------------------|----------------------------|-----------------------|----------------------------|---|---|-------------|--|---|
| Scheme Details | | | | | | | | | | | | | | Scheme Results | | | | BMLV 2 Residual Value | | | |
| Value Area | Scheme Ref | Greenfield/ Brownfield | Dwgs | Build Period (months) | Market sgm | Mkt garage sgm | Total CL sgm | Mkt% | Total AH % | Gross Ha | Net Ha | Density (dws per net ha) | Net to gross % | Market & SBCH GDV | First Homes GDV | Affordable GDV | Total return based on market GDV & affordable GDV | BMLV, SDLT & Land acq fees (inc within taxes) | Scheme RV | Scheme headroom (RV less Dev & Cont Rtn) | Scheme Headroom per market sgm |
| All | Res 1 | Brownfield | 3 | 12 | 274 | 36.00 | 310 | 100% | 0% | 0.067 | 0.067 | 44.78 | 100.0% | 1,133,417 | - | - | 198,348 | 59,065 | 315,933 | 117,585 | 379 |
| All | Res 2 | Brownfield | 8 | 12 | 812 | 126.00 | 938 | 100% | 0% | 0.178 | 0.178 | 44.94 | 100.0% | 3,310,452 | - | - | 579,329 | 156,918 | 981,259 | 401,930 | 428 |
| All | Res 3 | Brownfield | 17 | 24 | 892 | 88.20 | 981 | 60% | 40% | 0.250 | 0.250 | 68.00 | 100.0% | 3,746,955 | 402,333 | 771,538 | 742,243 | 117,216 | 1,460,163 | 717,920 | 732 |
| All | Res 4 | Greenfield | 17 | 24 | 892 | 88.20 | 981 | 60% | 40% | 0.450 | 0.450 | 37.00 | 100.0% | 3,746,955 | 402,333 | 771,538 | 742,243 | 429,044 | 1,119,948 | 377,705 | 385 |
| All | Res 5 | Greenfield | 50 | 24 | 2,624 | 259.20 | 2,884 | 60% | 40% | 2.000 | 1.410 | 35.46 | 70.5% | 11,020,456 | 1,183,333 | 2,269,229 | 2,183,067 | 767,708 | 3,570,094 | 1,387,027 | 481 |
| All | Res 6 | Greenfield | 100 | 36 | 5,249 | 518 | 5,767 | 60% | 40% | 4.808 | 3.125 | 32.00 | 65.0% | 22,040,912 | 2,366,665 | 4,538,456 | 4,366,133 | 1,861,089 | 7,321,914 | 2,955,781 | 513 |
| All | Res 7 | Greenfield | 200 | 36 | 9,404 | 856.80 | 10,261 | 60% | 40% | 9.766 | 6.250 | 32.00 | 64.0% | 44,303,034 | 4,733,330 | 9,076,912 | 8,770,979 | 3,789,341 | 15,252,018 | 6,481,039 | 632 |
| All | Res 8 | Greenfield | 2000 | 180 | 94,043 | 8,568.00 | 102,611 | 60% | 40% | 133.333 | 66.667 | 30.00 | 50.0% | 443,030,338 | 47,333,300 | 91,425,326 | 87,749,159 | 51,740,299 | 129,432,117 | 41,682,958 | 406 |
| All | Res OP1 | Brownfield | 50 | 48 | 2,490 | - | 2,490 | 60% | 40% | 0.500 | 0.500 | 100.00 | 100.0% | 6,958,905 | - | 2,209,076 | 1,350,353 | 543,533 | 5,981,230 | -7,331,583 | -2,944 |

Appendix E – Viability assessment summary appraisals

| Summary Report 3 | | | | | | | | | | | | |
|--|--|------------|---------|--|-------------|----|---|--------------------------------|--------------|--------------|--------------------------------------|--------------|
| Site Name RES 1 | | | | | | | Land and Developer Returns Assumptions | | | | | |
| Site Information | | | | | | | Land & associated costs included in cashflow | | | | | |
| | | | | | | | Developer & contractor returns excluded from cashflow | | | | | |
| Date | | 13/04/2023 | Updated | | Compiled by | BV | Reference | RES 1 | | | | |
| Summary Details | | | | | | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | |
| Net Area | | | | | | | 3.00 | 274.0 | 36.0 | - | 310.0 | |
| Gross Area | | | | | | | 3.00 | 274.0 | 36.0 | - | 310.0 | |
| Net to Gross % | | | | | | | - | - | - | - | - | |
| Density | | | | | | | 44.78 per net ha | % Affordable | 0.00% | | | |
| Scheme Revenue | | | | | | | | | | | | |
| | | | | | | | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected |
| Total No of Units | | | | | | | 3.00 | 3.00 | - | - | - | - |
| Total NIA exc garages & circ space (sq m) | | | | | | | 274.0 | 274.0 | - | - | - | - |
| Garages (sq m) | | | | | | | 36.0 | 36.0 | - | - | - | - |
| Total NIA inc garages exc circ space (sq m) | | | | | | | 310.0 | 310.0 | - | - | - | - |
| Tenure Split (by %) | | | | | | | | 100.00% | | | | |
| Sales Revenue (£) | | | | | | | 1,133,417 | 1,133,417 | - | - | - | - |
| Average Revenue per unit | | | | | | | 377,806 | 377,806 | - | - | - | - |
| Average Revenue per sq m GIA | | | | | | | 4,137 | 4,137 | - | - | - | - |
| Capital Contributions | | | | | | | | | | | | |
| 0 | | | | | | | - | | | | | |
| 0 | | | | | | | - | | | | | |
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| 0 | | | | | | | - | | | | | |
| 0 | | | | | | | - | | | | | |
| 0 | | | | | | | - | | | | | |
| Total Capital contributions (£) | | | | | | | - | | | | | |
| Total Revenue (£) | | | | | | | 1,133,417 | | | | | |
| Scheme Development Costs | | | | | | | | | | | | |
| Land | | | | | | | 58,049 | 866,400 per gross ha | | | | |
| SDLT at prevailing rate | | | | | | | - | | | | | |
| Agents fees (1%), Legal fees (11/2%) total | | | | | | | 1,016 | | | | | |
| Land & associated fees Total | | | | | | | 59,065 | 881,567 per gross ha | | | | |
| | | | | | | | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected |
| Build Cost (£) | | | | | | | 504,242 | 504,242 | - | - | - | - |
| Plot costs (£) | | | | | | | 28,960 | 28,960 | - | - | - | - |
| Garage Build Costs (£) | | | | | | | 15,400 | 15,400 | - | - | - | - |
| Additional Build Costs (£) | | | | | | | 8,366 | 8,366 | - | - | - | - |
| Total GIA inc circ space & garages (sq m) | | | | | | | 274 | 274 | - | - | - | - |
| Total Contingency - 0% Build Cost | | | | | | | - | | | | | |
| Total Build Cost (£) | | | | | | | 556,968 | 556,968 | - | - | - | - |
| Policy & Infrastructure Costs | | | | | | | | | | | | |
| Total Site Infrastructure Costs | | | | | | | 36,407 | | | | | |
| First Home Admin | | | | | | | - | | | | | |
| S106 | | | | | | | 16,500 | | | | | |
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| Total Policy & Infrastructure Costs (£) | | | | | | | 52,907 | | | | | |
| Sales & Marketing/Legal Fees (mkt) | | | | | | | 34,003 | 34,003 | - | - | - | |
| Sales & Marketing/Legal Fees (aff) | | | | | | | | | | - | - | - |
| Professional Fees Total (£) | | | | | | | 54,860 | 54,860 | - | - | - | - |
| CIL (£) | | | | | | | 35,979 | | | | | |
| Total Development Costs (£) | | | | | | | 793,782 | | | | | |
| Development Period | | | | | | | 1 Year | | | | | |
| Debit Interest Rate | | | | | | | 6.00% | | | | | |
| Credit Interest Rate | | | | | | | 0.00% | | | | | |
| Annual Discount Rate | | | | | | | 0.00% | | | | | |
| Revenue and Capital Contribution | | | | | | | 1,133,417 | | | | | |
| Land & associated Fees - inc in interest calc | | | | | | | 59,065 | | | | | |
| Development Costs | | | | | | | 734,717 | | | | | |
| Finance | | | | | | | 23,702 | | | | | |
| ADR Cost | | | | | | | 0 | | | | | |
| Total Dev Costs Inc Finance & ADR Costs | | | | | | | 817,484 | | | | | |
| Gross Residual Value inc land less finance (£) | | | | | | | 315,933 | | | | | |
| Total Developer/Contractor Return | | | | | | | 0 | | | | | |
| Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£) | | | | | | | 315,933 | | | | | |
| | | | | | | | | | | | | |

| Summary Report 3 | | | | | | | | | | | |
|---|------------|-------------|--------------|--------------|----------------|--------------------------------|-------------------|---|--------------------------------------|--------------|--------------|
| Site Name | | RES 2 | | | | | | Land and Developer Returns Assumptions | | | |
| Site Information | | | | | | | | Land & associated costs included in cashflow | | | |
| | | | | | | | | Developer & contractor returns excluded from cashflow | | | |
| Date | 13/04/2023 | Updated | | Compiled by | BV | Reference | RES 2 | | | | |
| Summary Details | | | | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | | |
| | | | | | 8.00 | 812.0 | 126.0 | - | 938.0 | | |
| | | | | | 8.00 | 812.0 | 126.0 | - | 938.0 | | |
| | | | | | Net to Gross % | 100.00% | Market Affordable | - | - | - | - |
| | | | | | Density | 44.94 per net ha | % Affordable | 0.00% | | | |
| Scheme Revenue | | | | | | | | | | | |
| | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected |
| Total No of Units | 8.00 | 8.00 | - | - | - | - | - | - | - | - | - |
| Total NIA exc garages & circ space (sq m) | 812.0 | 812.0 | - | - | - | - | - | - | - | - | - |
| Garages (sq m) | 126.0 | 126.0 | - | - | - | - | - | - | - | - | - |
| Total NIA inc garages exc circ space (sq m) | 938.0 | 938.0 | - | - | - | - | - | - | - | - | - |
| Tenure Split (by %) | | 100.00% | | | | | | | | | |
| Sales Revenue (£) | 3,310,452 | 3,310,452 | - | - | - | - | - | - | - | - | - |
| Average Revenue per unit | 413,807 | 413,807 | - | - | - | - | - | - | - | - | - |
| Average Revenue per sq m GIA | 4,077 | 4,077 | - | - | - | - | - | - | - | - | - |
| Capital Contributions | | | | | | | | | | | |
| | 0 | - | | | | | | | | | |
| | 0 | - | | | | | | | | | |
| | 0 | - | | | | | | | | | |
| | 0 | - | | | | | | | | | |
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| | 0 | - | | | | | | | | | |
| | 0 | - | | | | | | | | | |
| | 0 | - | | | | | | | | | |
| Total Capital contributions (£) | | - | | | | | | | | | |
| Total Revenue (£) | 3,310,452 | | | | | | | | | | |
| Scheme Development Costs | | | | | | | | | | | |
| Land | 154,219 | 866,400 | per gross ha | | | | | | | | |
| SDLT at prevailing rate | | - | | | | | | | | | |
| Agents Fees (1%), Legal Fees (0.75%) Total | 2,699 | | | | | | | | | | |
| Land & associated fees Total | 156,918 | 881,562 | per gross ha | | | | | | | | |
| | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected | Not Selected |
| Build Cost (£) | 1,435,941 | 1,435,941 | - | - | - | - | - | - | - | - | - |
| Plot costs (£) | 81,736 | 81,736 | - | - | - | - | - | - | - | - | - |
| Garage Build Costs (£) | 53,900 | 53,900 | - | - | - | - | - | - | - | - | - |
| Additional Build Costs (£) | 22,308 | 22,308 | - | - | - | - | - | - | - | - | - |
| Total GIA inc circ space & garages (sq m) | 812 | 812 | - | - | - | - | - | - | - | - | - |
| Total Contingency - % Build Cost | | | | | | | | | | | |
| Total Build Cost (£) | 1,593,885 | 1,593,885 | - | - | - | - | - | - | - | - | - |
| Policy & Infrastructure Costs | | | | | | | | | | | |
| Total Site Infrastructure Costs | 102,754 | | | | | | | | | | |
| First Home Admin | - | | | | | | | | | | |
| S106 | 44,000 | | | | | | | | | | |
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| Summary Report 3 | | | | | | | | | | | |
|---|------------|------------------------|------------------|-------------------|--------------|--------------------------------|-----------------|---|--------------------------------------|------------------|-------------|
| Site Name | | RES 4 | | | | | | Land and Developer Returns Assumptions | | | |
| Site Information | | 40% Affordable housing | | | | | | Land & associated costs included in cashflow | | | |
| | | | | | | | | Developer & contractor returns excluded from cashflow | | | |
| Date | 13/04/2023 | Updated | | Compiled by | BV | Reference | RES 4 | | | | |
| Summary Details | | | | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | | |
| | | Net Area | 0.45 hectares | | 17.00 | 1,390.5 | 88.2 | 10.4 | 1,489.1 | | |
| | | Gross Area | 0.45 hectares | | 10.20 | 892.3 | 88.2 | - | 980.5 | | |
| | | Net to Gross % | 100.00% | Market Affordable | 6.80 | 498.2 | - | 10.4 | 508.6 | | |
| | | Density | 37.78 per net ha | % Affordable | 40.00% | | | | | | |
| Scheme Revenue | | | | | | | | | | | |
| | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected | Affordable Rent | Not Selected | Not Selected | Shared Ownership | First Homes |
| Total No of Units | 17.00 | 10.20 | - | - | - | - | 4.76 | - | - | 0.34 | 1.70 |
| Total NIA exc garages & circ space (sq m) | 1,390.5 | 892.3 | - | - | - | - | 338.7 | - | - | 28.6 | 130.9 |
| Garages (sq m) | 88.2 | 88.2 | - | - | - | - | - | - | - | - | - |
| Total NIA inc garages exc circ space (sq m) | 1,478.7 | 980.5 | - | - | - | - | 338.7 | - | - | 28.6 | 130.9 |
| Tenure Split (by %) | | 60.00% | | | | | 28.00% | | | 2.00% | 10.00% |
| Sales Revenue (£) | 4,920,826 | 3,746,955 | - | - | - | - | 681,716 | - | - | 89,822 | 402,333 |
| Average Revenue per unit | 289,460 | 367,349 | - | - | - | - | 143,218 | - | - | 264,182 | 236,667 |
| Average Revenue per sq m GIA | 3,539 | 4,199 | - | - | - | - | 2,013 | - | - | 3,145 | 3,074 |
| Capital Contributions | | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
| Total Capital contributions (£) | - | | | | | | | | | | |
| Total Revenue (£) | 4,920,826 | | | | | | | | | | |
| Scheme Development Costs | | | | | | | | | | | |
| Land | 411,750 | 915,000 per gross ha | | | | | | | | | |
| SDLT at prevailing rate | 10,088 | | | | | | | | | | |
| Agents Fees (1%), Legal Fees (0.75%) Total | 7,206 | | | | | | | | | | |
| Land & associated fees Total | 429,044 | 953,431 per gross ha | | | | | | | | | |
| | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected | Affordable Rent | Not Selected | Not Selected | Shared Ownership | First Homes |
| Build Cost (£) | 2,412,831 | 1,515,585 | - | - | - | - | 626,722 | - | - | 48,452 | 222,072 |
| Plot costs (£) | 136,421 | 85,400 | - | - | - | - | 35,773 | - | - | 2,731 | 12,518 |
| Garage Build Costs (£) | 37,730 | 37,730 | - | - | - | - | - | - | - | - | - |
| Additional Build Costs (£) | 59,908 | 35,945 | - | - | - | - | 16,774 | - | - | 1,198 | 5,991 |
| Total GIA inc circ space & garages (sq m) | 1,401 | 892 | - | - | - | - | 349 | - | - | 29 | 131 |
| Total Contingency - % Build Cost | | | | | | | | | | | |
| Total Build Cost (£) | 2,646,891 | 1,674,660 | - | - | - | - | 679,269 | - | - | 52,381 | 240,580 |
| Policy & Infrastructure Costs | | | | | | | | | | | |
| Total Site Infrastructure Costs | 168,383 | | | | | | | | | | |
| First Homes Admin | 255 | | | | | | | | | | |
| S106 | 93,500 | | | | | | | | | | |
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| Notes |
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| Summary Report 3 | | | | | | | | | | | |
|---|---------------------------------|------------------|--------------|-------------------|--------------|--------------------------------|-----------------|---|--------------------------------------|------------------|-------------|
| Site Name Site Information | RES 6 40% Affordable housing | | | | | | | Land and Developer Returns Assumptions | | | |
| | | | | | | | | Land & associated costs included in cashflow | | | |
| | | | | | | | | Developer & contractor returns excluded from cashflow | | | |
| Date | 13/04/2023 | Updated | | Compiled by | BV | Reference | RES 6 | | | | |
| Summary Details | | | | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | | |
| | Net Area | 3.13 hectares | | | 100.00 | 8,179.2 | 518.4 | 61.1 | 8,758.7 | | |
| | Gross Area | 4.81 hectares | | | 60.00 | 5,248.8 | 518.4 | - | 5,767.2 | | |
| | Net to Gross % | 65.07% | | Market Affordable | 40.00 | 2,930.4 | - | 61.1 | 2,991.5 | | |
| | Density | 31.95 per net ha | | % Affordable | 40.00% | | | | | | |
| Scheme Revenue | | | | | | | | | | | |
| | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected | Affordable Rent | Not Selected | Not Selected | Shared Ownership | First Homes |
| Total No of Units | 100.00 | 60.00 | - | - | - | - | 28.00 | - | - | 2.00 | 10.00 |
| Total NIA exc garages & circ space (sq m) | 8,179.2 | 5,248.8 | - | - | - | - | 1,992.4 | - | - | 168.0 | 770.0 |
| Garages (sq m) | 518.4 | 518.4 | - | - | - | - | - | - | - | - | - |
| Total NIA inc garages exc circ space (sq m) | 8,697.6 | 5,767.2 | - | - | - | - | 1,992.4 | - | - | 168.0 | 770.0 |
| Tenure Split (by %) | 60.00% | | - | - | - | - | 28.00% | - | - | 2.00% | 10.00% |
| Sales Revenue (£) | 28,946,033 | 22,040,912 | - | - | - | - | 4,010,093 | - | - | 528,363 | 2,366,665 |
| Average Revenue per unit | 289,460 | 367,349 | - | - | - | - | 143,218 | - | - | 264,182 | 236,667 |
| Average Revenue per sq m GIA | 3,539 | 4,199 | - | - | - | - | 2,013 | - | - | 3,145 | 3,074 |
| Capital Contributions | | | | | | | | | | | |
| 0 | - | | | | | | | | | | |
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| Total Capital contributions (£) | - | | | | | | | | | | |
| Total Revenue (£) | 28,946,033 | | | | | | | | | | |
| Scheme Development Costs | | | | | | | | | | | |
| Land | 1,753,245 | 364,500 | per gross ha | | | | | | | | |
| SDLT at prevailing rate | 77,162 | | | | | | | | | | |
| Agents Fees (1%), Legal Fees (0.75%) Total | 30,682 | | | | | | | | | | |
| Land & associated fees Total | 1,861,089 | 386,921 | per gross ha | | | | | | | | |
| | Total | Market Sale | Not Selected | Not Selected | Not Selected | Not Selected | Affordable Rent | Not Selected | Not Selected | Shared Ownership | First Homes |
| Build Cost (£) | 13,886,418 | 8,700,699 | - | - | - | - | 3,634,867 | - | - | 277,764 | 1,273,087 |
| Plot costs (£) | 781,008 | 487,335 | - | - | - | - | 206,807 | - | - | 15,558 | 71,308 |
| Garage Build Costs (£) | 221,760 | 221,760 | - | - | - | - | - | - | - | - | - |
| Additional Build Costs (£) | 352,403 | 211,442 | - | - | - | - | 98,673 | - | - | 7,048 | 35,240 |
| Total GIA inc circ space & garages (sq m) | 8,240 | 5,249 | - | - | - | - | 2,054 | - | - | 168 | 770 |
| Total Contingency - 0% Build Cost | | | | | | | | | | | |
| Total Build Cost (£) | 15,241,589 | 9,621,236 | - | - | - | - | 3,940,347 | - | - | 300,371 | 1,379,635 |
| Policy & Infrastructure Costs | | | | | | | | | | | |
| Total Site Infrastructure Costs | 963,987 | | | | | | | | | | |
| First Homes Admin | 1,500 | | | | | | | | | | |
| S106 | 550,000 | | | | | | | | | | |
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| Summary Report 3 | | | | | | | | | | | |
|--|-------------|----------------------|------------------|--------------|--------------|--------------------------------|-----------------|---|--------------------------------------|------------------|-------------|
| Site Name: RES 8 | | | | | | | | Land and Developer Returns Assumptions | | | |
| Site Information: 40% Affordable housing | | | | | | | | Land & associated costs included in cashflow | | | |
| | | | | | | | | Developer & contractor returns excluded from cashflow | | | |
| Date: | 19/04/2023 | Updated: | | Compiled by: | BV | Reference: | RES 8 | | | | |
| Summary Details | | | | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | | |
| | | Net Area | 66.67 hectares | | 2,000.00 | 163,584.0 | 10,368.0 | 1,222.2 | 175,174.2 | | |
| | | Gross Area | 133.00 hectares | Market | 1,200.00 | 104,976.0 | 10,368.0 | - | 115,344.0 | | |
| | | Net to Gross % | 50.13% | Affordable | 800.00 | 58,608.0 | - | 1,222.2 | 59,830.2 | | |
| | | Density | 30.00 per net ha | % Affordable | 40.00% | | | | | | |
| Scheme Revenue | | | | | | | | | | | |
| | Total | Market Sale | Not Selected | Custom Build | Not Selected | Not Selected | Affordable Rent | Not Selected | Not Selected | Shared Ownership | First Homes |
| Total No of Units | 2,000.00 | 1,100.00 | - | 100.00 | - | - | 560.00 | - | - | 40.00 | 200.00 |
| Total NIA exc garages & circ space (sq m) | 163,584.0 | 94,042.8 | - | 10,933.2 | - | - | 39,848.0 | - | - | 3,360.0 | 15,400.0 |
| Garages (sq m) | 10,368.0 | 8,568.0 | - | 1,800.0 | - | - | - | - | - | - | - |
| Total NIA inc garages exc circ space (sq m) | 173,952.0 | 102,610.8 | - | 12,733.2 | - | - | 39,848.0 | - | - | 3,360.0 | 15,400.0 |
| Tenure Split (by %) | - | 55.00% | - | 5.00% | - | - | 28.00% | - | - | 2.00% | 10.00% |
| Sales Revenue (£) | 581,788,964 | 396,576,671 | - | 46,453,667 | - | - | 80,858,062 | - | - | 10,567,264 | 47,333,300 |
| Average Revenue per unit | 290,894 | 360,524 | - | 464,537 | - | - | 144,389 | - | - | 264,182 | 236,667 |
| Average Revenue per sq m GIA | 3,557 | 4,217 | - | 4,249 | - | - | 2,029 | - | - | 3,145 | 3,074 |
| Capital Contributions | | | | | | | | | | | |
| 0 | - | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital contributions (£) | | | | | | | | | | | |
| Total Revenue (£) | | | | | | | | | | | |
| Scheme Development Costs | | | | | | | | | | | |
| Land | 48,478,500 | 364,500 per gross ha | | | | | | | | | |
| SDLT at prevailing rate | 2,413,425 | | | | | | | | | | |
| Agents Fees (1%), Legal Fees (0.75%) Total | 848,374 | | | | | | | | | | |
| Land & associated fees Total | 51,740,299 | 389,025 per gross ha | | | | | | | | | |
| | Total | Market Sale | Not Selected | Custom Build | Not Selected | Not Selected | Affordable Rent | Not Selected | Not Selected | Shared Ownership | First Homes |
| Build Cost (£) | 262,661,696 | 146,558,439 | - | 16,918,034 | - | - | 70,155,999 | - | - | 5,199,264 | 23,829,960 |
| Plot costs (£) | 14,565,490 | 8,077,676 | - | 931,399 | - | - | 3,958,250 | - | - | 286,238 | 1,311,926 |
| Garage Build Costs (£) | 4,435,200 | 3,665,200 | - | 770,000 | - | - | - | - | - | - | - |
| Additional Build Costs (£) | 6,571,682 | 3,804,658 | - | - | - | - | 1,936,917 | - | - | 138,351 | 691,756 |
| Total GIA inc circ space & garages (sq m) | 164,806 | 94,043 | - | 10,933 | - | - | 41,070 | - | - | 3,360 | 15,400 |
| Total Contingency - 0% Build Cost | - | - | - | - | - | - | - | - | - | - | - |
| Total Build Cost (£) | | | | | | | | | | | |
| Policy & Infrastructure Costs | | | | | | | | | | | |
| Total Site Infrastructure Costs | 39,701,364 | | | | | | | | | | |
| First Homes Admin | 30,000 | | | | | | | | | | |
| S106 | 11,000,000 | | | | | | | | | | |
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| Total Policy & Infrastructure Costs (£) | 50,731,364 | | | | | | | | | | |
| Sales & Marketing/Legal Fees (mkt) | 13,290,910 | 11,897,300 | - | 1,393,610 | - | - | - | - | - | 20,000 | 1,419,999 |
| Sales & Marketing/Legal Fees (aff) | 1,719,999 | - | - | - | - | - | 280,000 | - | - | - | - |
| Professional Fees Total (£) | 16,853,543 | 9,498,079 | - | 1,070,966 | - | - | 4,446,855 | - | - | 329,130 | 1,508,513 |
| CIL (£) | 11,909,009 | | | | | | | | | | |
| Total Development Costs (£) | | | | | | | | | | | |
| Development Period: 15 Years | | | | | | | | | | | |
| Debit Interest Rate: 6.00% | | | | | | | | | | | |
| Credit Interest Rate: 0.00% | | | | | | | | | | | |
| Annual Discount Rate: 0.00% | | | | | | | | | | | |
| Notes | | | | | | | | | | | |
| Revenue and Capital Contribution | 581,788,964 | | | | | | | | | | |
| Land & associated Fees - inc in interest calc | 51,740,299 | | | | | | | | | | |
| Development Costs | 382,738,893 | | | | | | | | | | |
| Finance | 17,877,654 | | | | | | | | | | |
| ADR Cost | 0 | | | | | | | | | | |
| Total Dev Costs inc Finance & ADR Costs | 452,356,846 | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) | 129,432,117 | | | | | | | | | | |
| Total Developer/Contractor Return | 0 | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£) | 129,432,117 | | | | | | | | | | |

Appendix F – Building standards (towards net zero)

During April 2023 the McBains ESG team reviewed the emerging policies, as presented within the draft Chippenham Neighbourhood Plan. The team, led by Tassos Kougonis, identified key statements and scope of the policies, and proceeded to their technical interpretation.

- The interpreted scope of the key net zero and sustainability policies was extracted and discussed with the Chippenham Planning team.
- This acted the basis to produce capital cost uplift estimates for different building typologies used by the Three Dragons team in their viability assessment.
- The assessment of the capital cost uplift for residential properties was undertaken by the McBains Quantity Surveyors (QS).
- Cost uplifts were based on the BCIS data and represent the anticipated percentage increase in capital construction costs for each archetype.

The key extracts from the policies analyses included:

1. Domestic: the requirements appear to be in alignment with the level of performance expected to be delivered by homes designed to meet the potential Future Homes Standard.
The Chippenham policy would most likely lead to solutions close to CS3 specification as described within the 'Ready for Zero – Evidence to inform the 2025 Future Homes Standard', Task Group Report, February 2023³¹.
2. Non-Domestic: the requirements are in alignment with current industry practice, following BREEAM standards.
3. Additional requirements such as the carbon offset payments or specific material options were acknowledged. Most material and design options allowed for flexibility. Payments in terms of carbon offsetting due to regulated predicted energy use in the case of residential types would be around £650-700 per property³². In the case of non-domestic properties, these could vary due to the different typologies. In both cases the instruction of minimising energy demand first, and moving to all electric solutions, along with the continuous decarbonisation of the electricity grid, the payments were minimised.

Following a bottom up NRM elemental approach, McBains' QsS utilised the CS3 specification build-up to identify the cost uplift sensitivities related to the specification. The end-terrace property was used as the primary model. Other residential typology-specific build-ups and cost uplifts were scaled and

³¹<https://irp.cdn-website.com/bdbb2d99/files/uploaded/Ready%20for%20Zero%20-%20Evidence%20to%20inform%20the%202025%20Future%20Homes%20Standard%20-Task%20Group%20Report%20FINAL-%20280223-%20MID%20RES.pdf>

³² Based on a £95/tCO₂e carbon offset price

https://www.london.gov.uk/sites/default/files/carbon_offset_funds_guidance_2018.pdf

produced based on the representative floor areas and recent applications provided to McBains by Three Dragons and Chippenham.

A summary of two key policies is provided below:

- Policy SCC1 - Net Zero Carbon Development:

This policy requires new buildings in major development proposals to include an Energy Statement demonstrating how they will achieve an annual operational net zero carbon emissions balance (regulated energy).

The statement should use a recognised industry calculation method/s and show how fabric energy efficiency is prioritised.

If reducing demand, and installing all-electric solutions, cannot achieve net zero emissions, proposals must demonstrate the use of on-site renewable electricity generation, or carbon offsetting in agreement with the local planning authority.

- Policy SCC2 - Sustainable Design and Construction:

This policy mandates that new buildings in major development schemes demonstrate sustainability through a Sustainability Statement.

The statement should cover design, construction materials, and construction methods. It should demonstrate optimization of design, avoidance or minimization of emissions and other environmental impacts, and compliance with recognized environmental performance standards. Major non-residential developments are additionally required to meet BREEAM 'Excellent' standards.

Table 3 - Potential cost uplifts - meeting the CNP policies targets for Net Zero - Residential

| Residential | GIA (m²) | Future Homes Standard (FHS) | CNP policy uplift (CS3) over FHS |
|--------------------------|----------------------------|------------------------------------|---|
| Flat | 63 | 5% | 11% |
| Mid terrace | 70 | 4% | 11% |
| Semi detached | 80 | 4% | 9% |
| Detached | 110 | 4% | 8% |
| Bungalow | 80 | 5% | 10% |
| Older persons (60 units) | 83 | 2% | 8% |

Table 4 - Potential cost uplifts - meeting the CNP policies targets for Non-Domestic

| Non-Domestic | GIA (m²) | BREEAM 'Very Good' | BREEAM 'Excellent' |
|------------------------|----------------------------|-------------------------------|---------------------------|
| Office | 1,500 | 0.2% | 0.8% |
| Retail (town centre) | 200 | 0.2% | 1.8% |
| Retail (out of centre) | 1000 | 0.2% | 1.8% |
| Retail (supermarket) | 1100 | 0.2% | 1.8% |
| Industrial | 1600 | 0.1% | 0.4% |
| Hotel | 2800 | 0.2% | 1.5% |

Please note that the construction cost uplifts presented in this report are estimates based on the best available information, and live market data. It is important to consider the potential future savings that can be achieved through economies of scale and adopting standardised building practices. These cost estimate uplifts concern cost differentiators and do not account for potential increases in material costs or actual overall baseline cost increases as they are proportionate. They are also specific to this current point in time.

The study specifically focuses on requirements that go beyond the minimum regulatory standards. However, it is anticipated that the Chippenham Neighbourhood Plan (CNP) will encompass changes within the evolving regulatory landscape.

As Building Regulations become more stringent, the additional costs associated with achieving CNP's Net Zero and Sustainability policies are expected to decrease relative to the increasing baseline costs. Currently though, the uplift to Part L 2021 from current BCIS is around 4% depending on building type.

Regarding non-domestic buildings, the data used in this study was derived from previous studies conducted by the BRE and literature reviews. McBains incorporated this information to support the assessment of cost uplifts for non-domestic units.

To ensure accurate cost planning and mitigate the risk of cost overruns, it is essential to regularly review and update the cost estimates throughout the project lifecycle.

This entails monitoring changes in market conditions, material prices, labour costs, and project-specific requirements. Engaging with industry professionals, such as quantity surveyors, and conducting regular cost reviews are valuable practices in managing and controlling costs.