
**Fareham Borough
Council**

Fareham CIL Review

April 2020

Three Dragons



This report is not a formal land valuation or scheme appraisal. It is based on planning application level data supplied by Fareham Borough Council, consultation and quoted published data sources. The toolkit provides a review of the development economics of illustrative schemes and the results depend on the data inputs provided. This analysis should not be used for individual scheme appraisal.

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

1	Introduction	6
2	Welborne viability evidence.....	9
2.1	Introduction	9
2.2	Welborne CIL testing approach	9
2.3	Viability position at Welborne	10
3	CIL setting.....	14
	Appendix A - Extracts from Site Wide Viability Report, Intelligent Land, Addendum, March 2019	16
	Appendix B – Three Dragons replication summary models.....	19

EXECUTIVE SUMMARY

1. Three Dragons was commissioned by Fareham Borough Council to undertake a review of the CIL rate at Welborne Garden Village.
2. As an early adopter of CIL the council has had a Charging Schedule in place since 1st May 2013, which was prior to the adoption of the Welborne Plan (June 2015). The Welborne site is currently subject to the same CIL rates as other residential development within Fareham. The (indexed) rate to be applied is £157.27 per sq m as of April 2020.
3. The Welborne Plan makes clear that a review of the CIL Charging Schedule is likely to be necessary to ensure *“the rate(s) at which Welborne development will need to pay CIL will be consistent with the infrastructure planning and development viability evidence”*. At the time of introducing CIL, the Council committed to reviewing the CIL once more was known about delivery options at Welborne.
4. An application for up to 6,000 homes, district and local centres, employment space, education facilities, parks and recreation and significant transport works was submitted in 2017. The application has now come before committee with a resolution to grant planning permission in October 2019. A widely accepted body of evidence has now been produced, providing a more detailed understanding of the proposed development and in particular its delivery. This includes consideration of the current CIL rate for Welborne, viability and the impact upon delivery on this key site. Both the applicant and the council consider that the provision of infrastructure relating to Welborne is best achieved through s106 mechanisms to ensure the timely delivery of the scheme, whereas the current Charging Schedule requires some delivery through CIL.
5. The aim of this report is to bring together the Welborne evidence base already established by the council during the planning application process and provide a structure by which it can demonstrate whether the CIL charging schedule needs amending in relation to Welborne. At the council’s request Three Dragons has not sought to retest the scheme or challenge the assumptions as this has already been undertaken through the application process informed by the separate council commissioned expert advice, and is therefore considered unnecessary given the level of scrutiny already undertaken.
6. The testing shows that viability is marginal for the Welborne site with 10% affordable housing. When the proportion of affordable housing is increased to 30%, the proposal is not viable. Some improvement to viability could be made through reduced developer profit, a reduction in land value and an improving market, but this improvement will contribute to increasing the affordable housing offer on subsequent stages rather than being available for other development contributions such as CIL.
7. In assuming that the site will fund and deliver all infrastructure requirements relating to the site through S106, the viability review which uses the evidence set out in the planning application shows that even with a reduced level of affordable housing the initial phase would be marginal in viability terms, with no headroom for CIL.
8. The current CIL of £149.74 sqm would therefore be unviable if applied alongside the agreed s106 and it is considered appropriate that the Council should review this charge. Given the evidence set out in the planning application and replicated in this report it is clear that the council should amend the CIL rate to zero.

1 Introduction

- 1.1.1 The Council has commissioned this study to provide evidence towards a review of that part of the CIL Charging Schedule which applies to the proposed development at Welborne identified in Policy CS13 of the adopted Fareham Core Strategy (Local Plan Part 1) and further detailed within the adopted Welborne Plan (Local Plan Part 3).
- 1.1.2 Welborne is a proposed new community in Fareham. It includes around 6,000 homes, supporting 5,700 jobs, with significant infrastructure investment and substantial green space. It has been awarded Garden Village status and unusually is being delivered through a master developer, Buckland Development Ltd. Welborne is a critical part of Fareham's housing supply and its timely delivery is critical for Fareham to meet its housing requirements.

CIL review

- 1.1.1 As an early adopter of CIL the council has had a CIL Charging Schedule in place since 1st May 2013, which was prior to the adoption of the Welborne Plan. The Welborne site is currently subject to the same CIL rates as other residential development within Fareham. The rate to be applied (as of April 2020) is £157.27¹ per sqm.
- 1.1.2 The Welborne Plan makes clear that a review of the CIL Charging Schedule is likely to be necessary to ensure *“the rate(s) at which Welborne development will need to pay CIL will be consistent with the infrastructure planning and development viability evidence”*². At the time of introducing CIL, the Council committed to reviewing the CIL once more was known about delivery options at Welborne.
- 1.1.3 Whilst CIL has successfully operated across the borough for a significant time, it has not been fully reviewed and when brought in, did not have the benefit of the evidence on delivery and viability at Welborne that has amassed in the period since.
- 1.1.4 The Council has already commissioned a review of viability in relation to Plan making and a review of the Core Strategy and Development Sites and Policies (Local Plan Parts 1 and 2). That Local Plan viability assessment has been presented on the basis of the proposed new policies being put forward³, and a review of CIL will need to take place once the new Fareham Local Plan 2036 has gone through due process to take these new policies into account. However, given that the viability evidence is directly related to the local plan, which has not been submitted yet, it is likely that the related CIL review is at least a year away. It is important to note that it is not the council's intention at this stage to review the Welborne Plan (Local Plan Part 3), which will remain extant Plan policy.
- 1.1.5 Although the new local plan viability evidence has referenced Welborne it was considered appropriate that this standalone report was produced to specifically address the current viability at Welborne in relation to CIL under the *existing* plan policies. This is to enable an earlier review of CIL, in line with the Welborne Plan, ahead of any subsequent review that may be considered necessary in respect of a new Local Plan to 2036.

Welborne planning application

- 1.1.6 An application for up to 6,000 homes, district and local centres, employment space, education facilities, parks and recreation and significant transport works was submitted in 2017. The

¹ This is the indexed rate taken from Fareham Borough Council's CIL calculator – the original non indexed rate is £105 per sqm

² Para 10.48 Local Plan Part 3 – The Welborne Plan June 2015

³ Part of the supporting evidence for the Regulation 18 consultation

application has now come before committee with a resolution to grant planning permission in October 2019. The application was supported and resolved alongside a comprehensive body of evidence, providing a more detailed understanding of the proposed development and in particular its delivery. This includes consideration of the current CIL rate for Welborne, viability and the impact upon delivery on this key site. Both the applicant and the council consider that the provision of infrastructure relating to Welborne is best achieved through s106 mechanisms to ensure the timely and effective delivery of the scheme.

Local plan

- 1.1.7 The NPPF is clear that viability testing should take into account the costs of any requirements likely to be applied to development. The Welborne Plan is the main planning document to inform testing at Welborne. It sets out the overarching spatial strategy and development principles for the area together with more detailed policies to help determine planning applications. The Welborne Plan is part of a suite of planning documents and it is important to note that it is not the council's intention for it to be replaced by the new Fareham Local Plan 2036.
- 1.1.8 A planning application has been submitted and recently recommended for approval at Welborne. It is assumed for the purposes of this report that the agreed position that is set out in the planning permission process has undertaken to meet the policy requirements within the current planning framework.
- 1.1.9 It is also of note that due to the extent and range of financial variables involved in residual valuations, they can only ever serve as a guide. Individual development parcel characteristics at Welborne mean that recommendations must always be tempered by a level of flexibility in application of policy requirements, an approach which has already been reflected in the viability process undertaken in support of the planning application. For example, the viability work undertaken in support of the planning application and supported by the council includes provision for 10% affordable housing within the tested dwelling development parcel. In the Welborne Plan this is the minimum amount allowed within any one phase with an expectation that over the whole development 30% will be provided (policy Wel18). It is understood that existing claw back mechanisms within the s106 that will allow the council to require developers to make up any shortfall on future phases, subject to viability.

CIL approach and meeting the guidance

- 1.1.10 Whilst the focus of this report is effectively a single strategic site the principles adopted are in line with the standard approaches to viability in terms of CIL as set out in government guidance and standard practice as well as taking account of the Council's planning policies. In addition, this study replicates the inputs from the significant body of work on viability that has already been undertaken in support of a comprehensive planning application at Welborne – this work has already been independently verified and agreed by the Council and the applicant.
- 1.1.11 In considering CIL there are three key questions:
- What is the overall amount of infrastructure funding required to deliver the quantum of development identified in the plan?
 - Is the proposed levy rate justified by appropriate available evidence, having regard to national guidance, local economic context and infrastructure needs?
 - Does the proposed rate strike an appropriate balance between helping to fund new infrastructure and the potential effects on economic viability (viability buffer)?

- 1.1.12 The council will set out the infrastructure position in relation to CIL through a separate document. This report will set out the available evidence and demonstrate an appropriate balance in regard to the viability position considered through the planning application process. This will assist the Council in understanding changes to viability and delivery and whether these suggest a revised approach to CIL charging at Welborne and any proposed changes to the current Charging Schedule through Examination in Public. The Study therefore provides an evidence base to show that the requirements set out within the National Planning Policy Framework (NPPF), CIL Regulations and National Planning Practice Guidance (NPPG) are met.
- 1.1.13 In terms of demonstrating viability an individual development such as that proposed at Welborne 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.
- 1.1.14 In assisting the council to come to a view this report replicates the scheme and assumptions supporting the planning application and sets it out in a form that demonstrates how the main CIL tests are met.

2 Welborne viability evidence

2.1 Introduction

- 2.1.1 The aim of this report is to bring together the Welborne evidence base already established by the council during the planning application process and provide a structure by which it can demonstrate whether the CIL charging schedule needs amending. At the council's request Three Dragons has not sought to retest the scheme or challenge the assumptions as this has already been undertaken through the application process, with separate council commissioned expert advice, and is therefore considered unnecessary, given the level of scrutiny already undertaken. Therefore, all the assumptions used are taken from the planning applications documents, where these are supported by the council. The information is re-presented in an appropriate format to help show whether there is sufficient headroom for a CIL charge.
- 2.1.2 However, as mentioned in the introduction, a separate review of viability⁴ has been provided to the council in support of the proposed Local Plan 2036 (Reg 18 stage). Three Dragons acknowledges that there are differences in some of the assumptions between the work undertaken at Welborne as part of the planning application and the wider new Local Plan 2036 evidence base, some of which are in response to the different scales of development tested and the specific site requirements at Welborne. Whilst these may change viability, overall it would not alter the view that infrastructure is most appropriately delivered through S106 mechanism and any improvement in viability would more likely be taken forward to an improved level of affordable housing to meet policy requirements rather than additional surplus to support a higher CIL charge.

2.2 Welborne CIL testing approach

- 2.2.1 The approach to reviewing the appropriateness of any CIL rate for Welborne is necessarily different to how viability has been considered in the rest of the borough in respect of the Local Plan 2036 testing. This is for two main reasons – firstly a significant body of work, which is up to date has already been produced and agreed by the council through the resolution to grant planning permission and therefore constitutes the best available evidence. This means there is no intention within this study to reopen any debates on the assumptions that have driven the viability position at Welborne, also noting that the site is unique for Fareham and any assumptions used are not necessarily the same as those that would be used elsewhere in the borough, due to the scale and specific site characteristics.
- 2.2.2 Secondly, as set out above, Welborne is being delivered through a different model than most developments. Buckland Development is the master developer (and main landowner), which means that it will be bringing forward all the supporting infrastructure and then selling serviced plots to housebuilders. In this particular circumstance, given that this report is not intending to check or challenge the viability work undertaken, the approach to testing CIL in this location needs to be amended from that used for the borough wide local plan testing.
- 2.2.3 The borough wide testing deals with setting CIL through a standard residual valuation, whereby any positivity in the headroom is potentially available for CIL. Sites are tested in a single

⁴ Fareham Local Plan Viability Assessment November 2019

appraisal and if the residual value is still positive after the benchmark land value has been allowed for then there is scope for additional CIL.

- 2.2.4 There is a different approach for Welborne, where the third-party viability evidence produced for the planning application splits the process into a) the master developer stage (bringing forward serviced land) and b) the house builder stage (buying serviced parcels and delivering houses):
- a) The costs associated with bringing forward a serviced site are judged against the gross development value (GDV) that may be achieved for the serviced parcels, including costs associated with servicing the land. The viability test is a consideration as to whether there is enough value in bringing forward the building plots to pay for the serviced land and its associated costs. It should be noted that the applicant, in agreement with the council, has set out the full costs and required value for the total site to provide serviced land and associated infrastructure.
 - b) There is then a further appraisal that sets out the residual value for a development purchasing enough serviced land for 150 units as this is the basis of the master developer intentions for delivery, i.e. selling off parcels for 150 dwelling to individual house builders.
- 2.2.5 Whilst the approach is slightly different, it is still considered that it meets the requirements set out in guidance, in that we are testing whether there is sufficient value in the scheme for its delivery, including policy and infrastructure costs and returns to the land owner and developer. Within the two stage viability process the CIL calculation would fall within the house builder stage (as this is when the floorspace will be agreed), although this would also have an implication for the amount that can be returned to the master developer for the serviced land.
- 2.2.6 In terms of CIL this means that this report needs to consider whether there is enough headroom after the cost of the serviced site has been taken into account. In order to test the calculations presented in the planning application and to be consistent with Local Plan 2036 viability evidence base modelling, the agreed appraisal for one of the '150' dwelling serviced development parcels has been replicated in our own toolkit to enable the council to consider, along with the borough wide testing, an appropriate approach to CIL.

2.3 Viability position at Welborne

- 2.3.1 The viability position is drawn from two main documents that support the Welborne planning application, namely:
- Site Wide Viability Report, Intelligent Land – Addendum, March 2019 (SWVRAMar19)
 - Site Wide Viability Report, Intelligent Land – Supplemental Position Statement, August 2019 (SWVRSAug19)
- 2.3.2 As described in the approach the viability assessment is in two stages – establishing a reasoned per hectare serviced land value and a residual value for a development parcel.
- a) Establishing the serviced land value**
- 2.3.3 There are two main components to this – the threshold land value and the cost to bring forward the necessary infrastructure to provide a serviced plot. Combined these costs will establish a minimum value which the sale of each plot will need to achieve to be viable.
- 2.3.4 The SWVRAMar19 in paras 4.26 to 4.40 sets out how the threshold land value has been established and how this conforms with the existing use plus approach set out in viability guidance within NPPG.

- 2.3.5 A figure of £272,000 per gross hectare (£110,000 per acre) for benchmark land value is agreed by both the applicant and the council as being an appropriate figure to test viability at Welborne. It was previously agreed in 2014 at £100,000 per gross acre, but this was increased in line with inflation using the RPI. The land value has been established, as is common for greenfield sites with a current agricultural use, as being an uplift on the agricultural land value. The uplift used by Intelligent Land references the former HCA (now Homes England) methodology of a multiplier of 10 to 20 times the agricultural land value. The report also considers transactions elsewhere in the locality as a sense check, noting that the minimum option agreements average above this figure. It should be noted that the suggested sites are fairly historic, and there is no indication about how they addressed policy requirements or whether they were of a similar scale. It is considered that given the size of Welborne and the policy requirements that the agreed position between the council and the applicant is at the upper end of an acceptable land value⁵.
- 2.3.6 For the purposes of this report, the total land value (unserviced) is £154,469,000 equivalent to £272,000 per gross hectare (£110,000 per acre).
- 2.3.7 In terms of the infrastructure requirements an IDP (<http://www.fareham.gov.uk/casetrackerplanning/GetFile.aspx?docref=ed9db292-b19c-4b62-838f-aac531cfdc78>) has been prepared which sets out that the cost to bring forward a serviced site with all the associated infrastructure is £307,931,655 – this includes:
- Site preparation at £19.3m
 - Transport infrastructure at £64.4m
 - Utility infrastructure at £43.7m
 - Social and green infrastructure at £113.9m
 - Contingency, fees, overheads at £66.6m
- 2.3.8 Both the promoter and the council consider the best method of delivering this infrastructure is outside of CIL i.e. through normal development costs or via a s106/278. Neither the above report, nor our testing, comments on how the infrastructure is funded in terms of normal development costs, S106/278 or CIL. The reports produced to support the planning application (e.g. para 2.11 SWVRAMar19) clearly state that it is assumed that if a CIL was in place that all of the levy would be recycled back into the required supporting infrastructure, so for testing purposes CIL would be neutral. Although it should be noted that in reality, even if this was agreed as acceptable it is likely that the funding via CIL would lag behind the time infrastructure maybe required.
- 2.3.9 Taking into account the serviced site costs, land and associated costs the applicant and the council have agreed that in order for the master developer stage to be viable the serviced parcel sales to the house builder need to achieve a purchase price of **£3,429,820 per hectare** (£1,388,241.86 per acre), based on what the applicant describes as a medium density site. As well as infrastructure and land this figure also allows for a finance cost (at 5%) and a return for the master developer. The cash flow used to work out the finance cost and developer return can be found on the final page (pg143) in SWVRRAMar19.

⁵ PPG para 006 Reference ID: 10-006-20190509 states 'It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land.'

b) Development parcel assessment

- 2.3.10 The test for viability and to demonstrate whether there is sufficient headroom for CIL for Welborne is whether a housebuilder has sufficient residual at or above the development parcel purchase price. Rather than test the full 6,000 units in one appraisal the supporting viability assessment for the planning application has instead tested a single development parcel of 150 dwellings, on the basis that it will be a common sized transaction as the serviced site parcels are sold for development by the master builder.
- 2.3.11 The viability assessment for the development parcel house builder stage will be undertaken with a standard approach that is with all the normal costs and values associated with such a development taken into account. The only difference is that the strategic infrastructure has already been considered as part of the serviced land cost, therefore the land values with which the residual will be compared, will be substantial higher than is found in the local plan testing, conversely the infrastructure costs attributed to the appraisal will be somewhat lower as they have already been considered within the land value.
- 2.3.12 The assumptions are set out in a number of places within SWVRAMMar19, for ease the main ones are listed below. The replicated model draws from these assumptions and whilst these do differ from assumptions set out in the Local Plan Viability Assessment 2019, the Council considered it was important that the CIL assessment for Welborne was consistent with that of the planning application which has taken a number of years to reach an agreement.

Form

- 4.45 hectares (gross)
- 150 dwellings
- 34 dph
- 135 market units
- 15 affordable units
- 4 year construction and sales period

Values

- Market units (blended) - £3,773 psqm
- Affordable units (blended) - £1,600 psqm (SR) & £2,694 (Intermediate)

Costs

- Professional fees - 5% of build cost
- Marketing costs - 1.5% of GDV
- Contingency – 3% build cost
- Finance cost – 5% of cost
- Agent and legal fees – 1.5% value
- Stamp duty at HMRC SDLT rates

- 2.3.13 In line with the planning application evidence the medium density 150 dwelling appraisal includes 10% affordable housing (it is understood that in the early phases of development that affordable housing is less than policy compliant to assist cash flow, a review mechanism will allow for latter phases to make up any shortfall). It is also of note that the profit level for the 150 dwelling parcel is at the higher end of what one may normally expect at 19.32% blended for both the affordable housing and market housing⁶.

⁶ Developer return is risk related and in this two stage process, risks associated with up front infrastructure provision have been taken by the master developer rather than the housebuilder – suggesting that the risk related return to the housebuilder could be lower.

2.3.14 The result below in Typology W1, is drawn from the appraisal set out in the applicant’s viability assessments, although there are some minor differences in how the two models work, including rounding issues which means the figures will not be exact. W2 uses the same inputs as W1 but increases the proportion of affordable housing to 30%.

Table 2.1 Welborne results

Typology (a)	% AH (b)	Net residual value (c)	Additional CIL headroom £/sqm (d)
W1 – Greenfield – medium density 150 units	10%	-£356,279	-£23
W2 – Greenfield – medium density 150 units	30%	-£4,003,847	-£300

2.3.15 The testing shows in typology W1 that development at Welborne results in a marginal viability position when modelled with 10% affordable housing. The impact on increasing the proportion of affordable housing in typology W2 to 30% affordable housing suggests the proposal is not viable at the higher level of affordable housing. Whilst some improvement to viability could be made through reduced developer profit, a reduction in land value and an improving market, this will contribute to improving the affordable housing offer on subsequent stages rather than being available for other development contributions such as CIL.

2.3.16 Even without CIL, development at Welborne is providing significant infrastructure contributions directly. Should the development at Welborne receive additional public funding support, this may be used to increase the proportion of affordable housing, help meet the transport infrastructure funding gap or bring forward the delivery of the infrastructure required. It should not be used to enable an increase in CIL, which in any case may be recycled back to pay for infrastructure at Welborne.

2.3.17 Based on currently available viability evidence, the Council anticipates that all or almost all developer contributions from Welborne will be secured through Section 106 Planning Obligations and therefore, it is likely that a differential CIL rate (or rates) will be justified and will need to be applied to the Welborne policy area which reflects the overall burden of planning obligations. Given the latest available evidence, a differential CIL rate of zero is justifiable.

3 CIL setting

- 3.1.1 The council needs to consider whether it has met the regulations in terms of setting its CIL – i.e. is the proposed levy rate justified by appropriate available evidence, having regard to national guidance, local economic context and infrastructure needs and does the proposed rate strike an appropriate balance between helping to fund new infrastructure and the potential effects on economic viability (viability buffer).
- 3.1.2 In coming to a view about the evidence, the council needs to consider the evidence provided and agreed by them for the purposes of the planning application at Welborne. This relatively recent, site specific evidence, reviewed in 2019, is at a level of detail needed for a planning application and therefore also a suitable basis for CIL evidence. The council therefore understands this to be the best available evidence regarding this large strategic site and, in line with the guidance⁷, has chosen to rely upon it as the most appropriate available evidence and the basis for considering whether to amend the CIL charge.
- 3.1.3 In terms of infrastructure needs and delivery it is of note that the current CIL charge (as of March 2020) that will apply to Welborne is £149.73 per square metre. Since that charge was first brought in both the Welborne specific part of the Local Plan and a planning application for the site have been adopted and approved. In support of the planning application, infrastructure delivery and viability evidence has been submitted and agreed by the council concluding that the best mechanism for delivering infrastructure at Welborne is through S106/278. Therefore, in delivery terms CIL would not be used to help bring forward Welborne.
- 3.1.4 The use of S106 rather than CIL to fund infrastructure on large strategic sites is not uncommon and was supported in particular in evidence from the government commissioned Peace review⁸. Three Dragons' own experience in helping local authorities deliver large strategic sites is that a CIL charge taken from a strategic site which is then intended to fund the infrastructure for that same strategic site is challenging due to a number of reasons including:
- **Timing** – the CIL is payable on commencement of development but is often both requested as instalments and phased through the development cycle for each reserved matters. This means that there is often a substantial funding gap between when the infrastructure is required, normally many months and even years in advance of the receipt of funding. As the council is not allowed to borrow against future CIL receipts this can stall development
 - **Reduced CIL return** – potentially some of the CIL return from a strategic site can be redirected elsewhere, e.g. there is likely to be an administrative proportion retained by the council, a neighbourhood proportion up to 25% (depending on whether there is a neighbourhood plan), or the district council may not choose to pass on CIL to other infrastructure providers such as the county council. Use of S106 would guarantee all the infrastructure payments arising from the scheme are funding the scheme infrastructure and not redirected elsewhere
 - **Certainty** – use of s106 offers more certainty as it can directly link any payments as to when the infrastructure is required. It also can be used as delivery framework so both the developer and the council agree when infrastructure is provided and by whom in terms of funding and delivery.

⁷ Paragraph 019 Reference ID: 25-019-20190901 Planning Practice Guidance

⁸ Government commissioned review of CIL - A new approach to developer contributions: A report by the CIL review team, Chaired by Liz Peace – Para 4.1.5

3.1.5 In assuming that the site will fund and deliver infrastructure requirements relating to the site through S106, the viability review which uses the evidence set out in the planning application shows that even with a reduced level of affordable housing the initial phase of 150 dwellings would be marginal in viability terms and, at an increased fully policy compliant level of 30% affordable housing, it would be unviable. In this circumstance the current CIL of £149.74 would therefore be unviable and it is considered appropriate that the Council should review this charge. Given the evidence set out in the planning application and replicated in this report it is clear that the council should amend the CIL rate to zero.

Appendix A - Extracts from Site Wide Viability Report, Intelligent Land, Addendum, March 2019

4.16 Table 3 – Summary of Major Cost Items within the IDP

ITEM	Feb-17	Jan-19
1. SITE PREPARATION	£21,498,827	£19,288,966
2. TRANSPORT INFRASTRUCTURE	£70,198,913	£64,404,787
3. UTILITY INFRASTRUCTURE	£44,670,826	£43,692,631
4. SOCIAL INFRASTRUCTURE	£68,311,000	£78,327,855
5. GREEN INFRASTRUCTURE	£45,771,293	£31,592,702
6. PROFESSIONAL FEES	£21,728,990	£22,862,040
7. DESIGN AND DEVELOPMENT CONTINGENCY	£17,820,151	£19,512,674
8. MASTER DEVELOPER – STRATEGIC COSTS, FEES AND OVERHEADS	£12,000,000	£24,250,000
TOTAL IDP COST	£302,000,000	£307,931,655*

4.44 Table 4 – Summary of Development Cash Flow Assumptions

Assumption	SWVR Feb-17	CBRE Jun-18	Addendum Mar-19	Notes
Serviced Acre Sale Rate (Av)	£1,096,000	£683,101	£1,362,000	Update report provided. CBRE rate based on CIL payable and CBRE delivery rate.
New Homes Bonus	£30,400,000	£0	£0	No longer available for Welborne. Agreed with CBRE and FBC.
CIL	Zero	Various Sensitivity	Zero	CBRE draft report confirms development is not policy compliant when CIL is charged.
Build Out Delivery Rate (max per annum)	340	240	250	CBRE and Addendum based on Nathaniel Litchfield report and IL research.
Threshold Land Value (per gross acre)	£156,400	£148,629	£150,393	Based on circa £100,000 per gross acre with uplift to reflect deferred payments to land owner to assist viability.
Cash Flow Interest Rate	6%	5%	5%	Interest rate adjusted accordingly.
Employment Land Sale Rate (per acre blended)	£425,000	£500,000	£450,000	Addendum rate supported by evidence and reflects market conditions.

APPRAISAL SUMMARY**INTELLIGENT LAND**

Welborne Plan
 Serviced Acre Viability Assessment
 150 Unit Scheme

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Market Housing	135	140,125	350.51	363,815	49,115,000
Affordable Rent	8	6,458	148.47	119,851	958,812
Shared Ownership	7	6,189	249.98	221,017	1,547,119
Totals	150	152,772			51,620,931

NET REALISATION

51,620,931

OUTLAY**ACQUISITION COSTS**

Residualised Price (11.00 Acres 1,388,241.86 pAcre)			15,270,660		
Stamp Duty				763,533	
Agent Fee		1.00%	152,707		
Legal Fee			20,000		
Acquisition Surveys Due Dil			5,000		
					941,240

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost		
Market Housing	141,070 ft ²	133.12 pF	18,778,730		
Affordable Rent	6,725 ft ²	137.61 pF	925,434		
Shared Ownership	6,294 ft ²	134.38 pF	845,819		
Totals	154,089 ft²		20,549,983	20,549,983	

Contingency		3.00%	616,499		616,499
-------------	--	-------	---------	--	---------

Other Construction

Garage Build Cost (69 No.)			534,756		534,756
----------------------------	--	--	---------	--	---------

PROFESSIONAL FEES

Professional Fees		5.00%	1,027,499		1,027,499
-------------------	--	-------	-----------	--	-----------

DISPOSAL FEES

Marketing Fees (All Tenure)		1.50%	774,314		
AH Contract Legal Fee			20,000		
Market Housing Conveyance	135 un	750.00 /un	101,250		895,564

FINANCE

Debit Rate 5.000%, Credit Rate 0.000% (Nominal)					
Land			1,615,262		
Construction			193,971		
Other			2,333		
Total Finance Cost					1,811,566

TOTAL COSTS

41,647,767

PROFIT

9,973,164

Performance Measures

Profit on Cost%	23.95%
Profit on GDV%	19.32%
Profit on NDV%	19.32%

IRR 24.22%

Profit Erosion (finance rate 5.000%) 4 yrs 4 mths

		Forecast Annual Expenditure/Returns: CALENDAR YEARS																												
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Primary Infrastructure Works		279,661,655	0	704,160	18,100,024	19,067,191	20,335,393	15,875,644	12,561,293	13,007,954	10,073,620	8,031,043	8,711,894	7,240,149	6,693,976	20,514,052	21,297,896	23,521,533	13,203,759	8,049,895	7,920,193	10,595,696	10,200,266	7,042,326	4,700,526	3,739,097	2,202,323	1,452,073	1,433,429	404,261
Strategic Goals and Fees																														
Marketing and sale of land parcels																														
Agents fees (0.80% X £608m)		5,000,000	0	0	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300	192,300
Legal fees (0.25% X £608m)		1,500,000	0	0	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692
Strategic cost and project management																														
BDL Management Fee		12,500,000	0	0	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769	480,769
Viability and cost management; strategic planning		2,250,000	0	0	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530	66,530
Estate Management and maintenance																														
Maintenance of unadopted/ unsold areas		1,500,000	0	0	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692
Community management																														
PR and communications including website		1,500,000	0	0	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692	57,692
Total		303,931,655	0	704,160	19,032,716	19,999,883	21,268,085	16,608,336	13,493,985	14,020,676	11,006,350	8,963,735	9,644,586	8,172,842	9,626,669	21,447,544	22,230,688	24,454,226	14,436,451	9,782,688	8,852,885	11,528,389	11,133,278	7,981,619	5,641,219	4,671,789	3,441,016	2,384,766	2,366,121	1,337,533
Total Ex		-303,932	0	-704	-19,033	-20,000	-21,268	-16,608	-13,494	-14,021	-11,006	-8,964	-9,645	-8,173	-9,627	-21,448	-22,231	-24,454	-14,436	-9,783	-8,853	-11,528	-11,133	-7,981	-5,641	-4,672	-3,441	-2,385	-2,366	-1,338
Manual adjustment (Health Care Provision)		-4,000	704	-704			-500								-3,500															0
Use in model		-307,932	0	0	-19,737	-20,000	-21,268	-17,108	-13,494	-14,021	-11,006	-8,964	-9,645	-8,173	-13,127	-21,448	-22,231	-24,454	-14,436	-9,783	-8,853	-11,528	-11,133	-7,981	-5,641	-4,672	-3,441	-2,385	-2,366	-1,338

		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48
UNIT SALES		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Total Unit Sales		6,000	0	25	75	150	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Cum Unit Sales		6,000	6,000	6,025	6,075	6,125	6,175	6,225	6,275	6,325	6,375	6,425	6,475	6,525	6,575	6,625	6,675	6,725	6,775	6,825	6,875	6,925	6,975	7,025	7,075	7,125	7,175	7,225	7,275	7,325	
Total Plot Sales		6,000	100	100	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	
Cum Plot Sales		6,000	6,100	6,150	6,200	6,250	6,300	6,350	6,400	6,450	6,500	6,550	6,600	6,650	6,700	6,750	6,800	6,850	6,900	6,950	7,000	7,050	7,100	7,150	7,200	7,250	7,300	7,350	7,400	7,450	
Bedroom		450	100	175	350	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	
Regional Revenue		251,375	0	2,514	7,541	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	10,055	
National Revenue		351,925	0	7,541	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	15,082	
Employment Etc Revenue		22,096	0	0	0	10,438	611	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue		625,397	0	2,514	15,082	25,137	35,575	25,748	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	
Total Revenue		625,397	0	2,514	15,082	25,137	35,575	25,748	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	

£k/acre	1,362	Sales Rate	Private	70%	80%	90%	Use	Interest	5.0%
Acres	442.9	Regional	40	57	50	44	50		
Total Housing Revenue	603,299	National	60	86	75	67	75		
Per Unit	100.5								

Cost Plan Summary (per MM Delivery Plan)	-307,932	0	-19,737	-20,000	-21,268	-17,108	-13,494	-14,021	-11,006	-8,964	-9,645	-8,173	-13,127	-21,448	-22,231	-24,454	-14,436	-9,783	-8,853	-11,528	-11,133	-7,981	-5,641	-4,672	-3,441	-2,385	-2,366	-1,338	0	0		
IDP COST	-307,932	0	-19,737	-20,000	-21,268	-17,108	-13,494	-14,021	-11,006	-8,964	-9,645	-8,173	-13,127	-21,448	-22,231	-24,454	-14,436	-9,783	-8,853	-11,528	-11,133	-7,981	-5,641	-4,672	-3,441	-2,385	-2,366	-1,338	0	0		
CL - Charged	Y	-73,925	0	0	-308	-924	-1,848	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	-3,061	0	0	
CL - Reinvested	Y	73,925	0	0	308	924	1,848	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	0	0
CL IMPACT	90%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Funding & Returns																															
Revenue		625,397	0	2,514	15,082	25,137	35,575	25,748	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	25,137	
IDP		-307,932	0	-19,737	-20,000	-21,268	-17,108	-13,494	-14,021	-11,006	-8,964	-9,645	-8,173	-13,127	-21,448	-22,231	-24,454	-14,436	-9,783	-8,853	-11,528	-11,133	-7,981	-5,641	-4,672	-3,441	-2,385	-2,366	-1,338	0	
CL		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Land		-154,469	0	-63,654	0	-23,153	0	0	-13,401	0	-15,513	0	0	-17,959	0	0	-20,789	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grant		N	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Period cash flow pre interest costs		162,997	0																												

Appendix B – Three Dragons replication summary models

Output summary

Typology	Site	Dwgs	%AH	Value area	Residual value post BMLV/ SDLT & Fees	GDV	Return @ 19.32% GDV	Net residual
W1	Welborne	150	10%	Welborne	£9,617,478	£51,624,000	£9,973,757	-£356,279
W2	Welborne	150	30%	Welborne	£4,003,847	£44,697,060	£8,635,472	-£4,631,625

W1 Appraisal Summary – 10% affordable housing

Summary Results										
Site Details	Fareham CIL Replicate IL illustrative viability for 150 dwelling medium density scheme			Site Address	Large greenfield Based on IL details for costs and values			Site Reference		
Scheme Description				Notes				Application No		
								Date Saved	22/10/2019	
Site Details				Dwellings		GIA (sq m)				
Gross Area	4.45	ha		Total	150.00		14,192.8			
Net Area	4.45	ha		Market Housing	135.00		13,017.9			
Net to Gross Ratio	100.0%			Affordable Housing	15.00		1,174.9			
Density	33.69	dwgs per net ha		% Affordable Housing	10.00%					
Scheme Revenue										
	Total		Affordable Housing							
		Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Share	Shared Ownership			
Total No of Dwellings	150.00	135.00	-	-	-	8.00	7.00			
Total GIA (sq m)	14,192.8	13,017.9	-	-	-	800.0	575.0			
Tenure Split (by % dwellings)		90.0%	0.0%	0.0%	0.0%	5.3%	4.7%			
Total Revenue	51,824,000	49,115,000	-	-	-	980,000	1,548,000			
Average Revenue per unit	344,160	363,815	-	-	-	120,000	221,286			
Average Revenue per sq m GIA	3,637	3,773	-	-	-	1,600	2,694			
Total Capital Contributions										
Total Commercial Elements										
Total Scheme Revenue	51,824,000									
Scheme Development Costs										
	Total		Affordable Housing					Per dwelling		per sq m
		Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Share	Shared Ownership			
Build Cost (inc external works & contingency)	20,352,507	19,835,628	-	-	-	605,977	830,793	135,654	1,434	
Additional Dwelling Standards	-	-	-	-	-	-	-	-	-	
Professional Fees	1,017,829	921,791	-	-	-	44,299	41,539	6,794	72	5.0% build costs
Marketing Costs (market housing)	736,725	736,725	-	-	-	-	-	5,457	57	1.5% market revenue
Marketing Costs (aff housing)	37,835	-	-	-	-	14,400	23,235	2,509	32	1.5% affordable revenue
Exceptional Development Costs	17,479,308	15,731,377	-	-	-	932,230	915,701	116,529	1,232	
Planning Obligations Costs	-	-	-	-	-	-	-	-	-	
Commercial Elements Costs	-	-	-	-	-	-	-	-	-	
Community Infrastructure Levy	-	-	-	-	-	-	-	-	-	0.0% CIL as %Revenue
Developer's Return for Risk and Profit	-	-	-	-	-	-	-	-	-	20.00 per market sq m
Developer's Return (Market housing)	-	-	-	-	-	-	-	-	-	0.0% CIL as %Dev Costs
Contractor's Return (Aff housing)	-	-	-	-	-	-	-	-	-	0.0% market revenue
Total Development Costs	39,823,885							354,159	2,792	0.0% aff build & prof fees
Total Operating Profit	12,000,115							80,001	848	
Finance Costs and Residual Value										
DCF Period	4 years									
Debit Interest Rate	5.0%									
Credit Interest Rate	0.0%									
Annual Discount Rate	0.0%									
Revenue and Capital Contributions	51,824,000									
Total Development Cost	39,823,885									
Finance Cost	1,733,340									
Annual Discount Rate Cost	-									
Total Dev Cost, Finance Cost & ADR Cost	41,557,225									
Gross Residual Value	10,266,775									
Agents Fees	97,839			1.00% residual value (post SDLT)						
Legal Fees	48,820			0.50% residual value (post SDLT)						
Stamp Duty	502,839			Based on HMRC SDLT rates						
Net Residual Value	9,617,478									
per gross ha	2,160,260									
per net ha	2,160,260									
per dwelling	64,117									
per market dwelling	71,341									
<p>Notes: Use Alt+Enter to start a new line!</p> <p>test notes can be added here and add second line!</p> <p>And a third</p>										

W2 Appraisal Summary – 30% affordable housing

Summary Results																																																																																																																																																																																	
Site Details	Fareham CIL Duplicate IL. Illustrative viability for 150 dwelling medium density scheme	Site Address	Large greenfield Based on IL details for costs and values Amended to provide 30%AH split 70%AR/30%int	Site Reference																																																																																																																																																																													
Scheme Description	Dwelling nos per type based on Mix % in IL. Medium density table	Notes		Application No																																																																																																																																																																													
				Date Saved	31/10/2019																																																																																																																																																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Site Details</th> <th style="width: 30%;">Dwellings</th> <th style="width: 40%;">GIA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Gross Area</td> <td>4.45 ha</td> <td>Total</td> <td>150.00</td> <td>13,490.4</td> </tr> <tr> <td>Net Area</td> <td>4.45 ha</td> <td>Market Housing</td> <td>105.00</td> <td>10,182.0</td> </tr> <tr> <td>Net to Gross Ratio</td> <td>100.0%</td> <td>Affordable Housing</td> <td>45.00</td> <td>3,308.4</td> </tr> <tr> <td>Density</td> <td>33.89 dwgs per net ha</td> <td>% Affordable Housing</td> <td>30.00%</td> <td></td> </tr> </tbody> </table>							Site Details	Dwellings	GIA (sq m)	Gross Area	4.45 ha	Total	150.00	13,490.4	Net Area	4.45 ha	Market Housing	105.00	10,182.0	Net to Gross Ratio	100.0%	Affordable Housing	45.00	3,308.4	Density	33.89 dwgs per net ha	% Affordable Housing	30.00%																																																																																																																																																					
Site Details	Dwellings	GIA (sq m)																																																																																																																																																																															
Gross Area	4.45 ha	Total	150.00	13,490.4																																																																																																																																																																													
Net Area	4.45 ha	Market Housing	105.00	10,182.0																																																																																																																																																																													
Net to Gross Ratio	100.0%	Affordable Housing	45.00	3,308.4																																																																																																																																																																													
Density	33.89 dwgs per net ha	% Affordable Housing	30.00%																																																																																																																																																																														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Scheme Revenue</th> <th colspan="6" style="text-align: center;">Affordable Housing</th> </tr> <tr> <th style="width: 10%;">Total</th> <th style="width: 10%;">Market</th> <th style="width: 10%;">Social Rent</th> <th style="width: 10%;">Affordable Rent</th> <th style="width: 10%;">Intermediate Rent</th> <th style="width: 10%;">Equity Shares</th> <th style="width: 10%;">Shared Ownership</th> </tr> </thead> <tbody> <tr> <td>Total No of Dwellings</td> <td>150.00</td> <td>105.00</td> <td>-</td> <td>-</td> <td>-</td> <td>31.50</td> <td>13.50</td> </tr> <tr> <td>Total GIA (sq m)</td> <td>13,490.4</td> <td>10,182.0</td> <td>-</td> <td>-</td> <td>-</td> <td>2,307.2</td> <td>1,011.2</td> </tr> <tr> <td>Tenure Split (by % dwellings)</td> <td></td> <td>70.0%</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> <td>21.0%</td> <td>9.0%</td> </tr> <tr> <td>Total Revenue</td> <td>44,887,060</td> <td>30,335,500</td> <td>-</td> <td>-</td> <td>-</td> <td>3,600,000</td> <td>2,722,600</td> </tr> <tr> <td>Average Revenue per unit</td> <td>299,247</td> <td>288,143</td> <td>-</td> <td>-</td> <td>-</td> <td>114,603</td> <td>201,600</td> </tr> <tr> <td>Average Revenue per sq m GIA</td> <td>3,313</td> <td>2,772</td> <td>-</td> <td>-</td> <td>-</td> <td>1,577</td> <td>2,666</td> </tr> <tr> <td>Total Capital Contributions</td> <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Commercial Elements</td> <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Scheme Revenue</td> <td>44,887,060</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>							Scheme Revenue	Affordable Housing						Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Shares	Shared Ownership	Total No of Dwellings	150.00	105.00	-	-	-	31.50	13.50	Total GIA (sq m)	13,490.4	10,182.0	-	-	-	2,307.2	1,011.2	Tenure Split (by % dwellings)		70.0%	0.0%	0.0%	0.0%	21.0%	9.0%	Total Revenue	44,887,060	30,335,500	-	-	-	3,600,000	2,722,600	Average Revenue per unit	299,247	288,143	-	-	-	114,603	201,600	Average Revenue per sq m GIA	3,313	2,772	-	-	-	1,577	2,666	Total Capital Contributions	-							Total Commercial Elements	-							Total Scheme Revenue	44,887,060																																																																																											
Scheme Revenue	Affordable Housing																																																																																																																																																																																
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Shares	Shared Ownership																																																																																																																																																																										
Total No of Dwellings	150.00	105.00	-	-	-	31.50	13.50																																																																																																																																																																										
Total GIA (sq m)	13,490.4	10,182.0	-	-	-	2,307.2	1,011.2																																																																																																																																																																										
Tenure Split (by % dwellings)		70.0%	0.0%	0.0%	0.0%	21.0%	9.0%																																																																																																																																																																										
Total Revenue	44,887,060	30,335,500	-	-	-	3,600,000	2,722,600																																																																																																																																																																										
Average Revenue per unit	299,247	288,143	-	-	-	114,603	201,600																																																																																																																																																																										
Average Revenue per sq m GIA	3,313	2,772	-	-	-	1,577	2,666																																																																																																																																																																										
Total Capital Contributions	-																																																																																																																																																																																
Total Commercial Elements	-																																																																																																																																																																																
Total Scheme Revenue	44,887,060																																																																																																																																																																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Scheme Development Costs</th> <th colspan="6" style="text-align: center;">Affordable Housing</th> <th rowspan="2" style="width: 10%;">Per dwelling</th> <th rowspan="2" style="width: 10%;">per sq m</th> <th rowspan="2"></th> </tr> <tr> <th style="width: 10%;">Total</th> <th style="width: 10%;">Market</th> <th style="width: 10%;">Social Rent</th> <th style="width: 10%;">Affordable Rent</th> <th style="width: 10%;">Intermediate Rent</th> <th style="width: 10%;">Equity Shares</th> <th style="width: 10%;">Shared Ownership</th> </tr> </thead> <tbody> <tr> <td>Build Cost (inc external works & contingency)</td> <td>19,444,982</td> <td>14,542,483</td> <td>-</td> <td>-</td> <td>-</td> <td>3,400,046</td> <td>1,493,193</td> <td>129,631</td> <td>1,441</td> <td></td> </tr> <tr> <td>Additional Dwelling Standards</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Professional Fees</td> <td>972,235</td> <td>727,123</td> <td>-</td> <td>-</td> <td>-</td> <td>170,462</td> <td>74,680</td> <td>6,483</td> <td>72</td> <td>5.0% build costs</td> </tr> <tr> <td>Marketing Costs (market housing)</td> <td>575,033</td> <td>575,033</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>5,477</td> <td>57</td> <td>1.5% market revenue</td> </tr> <tr> <td>Marketing Costs (aff housing)</td> <td>95,423</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>54,503</td> <td>40,540</td> <td>2,121</td> <td>29</td> <td>1.5% affordable revenue</td> </tr> <tr> <td>Exceptional Development Costs</td> <td>17,347,965</td> <td>12,143,597</td> <td>-</td> <td>-</td> <td>-</td> <td>3,643,079</td> <td>1,561,320</td> <td>115,653</td> <td>1,286</td> <td></td> </tr> <tr> <td>Planning Obligations Costs</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Commercial Elements Costs</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Community Infrastructure Levy</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.0% CIL as %Revenue 20.00 per market sq m 0.0% CIL as %Dev Costs</td> </tr> <tr> <td>Developer's Return for Risk and Profit</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Developer's Return (Market housing)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.0% market revenue</td> </tr> <tr> <td>Contractor's Return (Aff housing)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.0% aff build & prof fees</td> </tr> <tr> <td>Total Development Costs</td> <td>38,436,377</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>296,236</td> <td>2,849</td> <td></td> </tr> <tr> <td>Total Operating Profit</td> <td>6,281,683</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>41,745</td> <td>464</td> <td></td> </tr> </tbody> </table>							Scheme Development Costs	Affordable Housing						Per dwelling	per sq m		Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Shares	Shared Ownership	Build Cost (inc external works & contingency)	19,444,982	14,542,483	-	-	-	3,400,046	1,493,193	129,631	1,441		Additional Dwelling Standards	-	-	-	-	-	-	-	-	-		Professional Fees	972,235	727,123	-	-	-	170,462	74,680	6,483	72	5.0% build costs	Marketing Costs (market housing)	575,033	575,033	-	-	-	-	-	5,477	57	1.5% market revenue	Marketing Costs (aff housing)	95,423	-	-	-	-	54,503	40,540	2,121	29	1.5% affordable revenue	Exceptional Development Costs	17,347,965	12,143,597	-	-	-	3,643,079	1,561,320	115,653	1,286		Planning Obligations Costs	-	-	-	-	-	-	-	-	-		Commercial Elements Costs	-	-	-	-	-	-	-	-	-		Community Infrastructure Levy	-	-	-	-	-	-	-	-	-	0.0% CIL as %Revenue 20.00 per market sq m 0.0% CIL as %Dev Costs	Developer's Return for Risk and Profit	-	-	-	-	-	-	-	-	-		Developer's Return (Market housing)	-	-	-	-	-	-	-	-	-	0.0% market revenue	Contractor's Return (Aff housing)	-	-	-	-	-	-	-	-	-	0.0% aff build & prof fees	Total Development Costs	38,436,377							296,236	2,849		Total Operating Profit	6,281,683							41,745	464	
Scheme Development Costs	Affordable Housing							Per dwelling	per sq m																																																																																																																																																																								
	Total	Market	Social Rent	Affordable Rent	Intermediate Rent	Equity Shares	Shared Ownership																																																																																																																																																																										
Build Cost (inc external works & contingency)	19,444,982	14,542,483	-	-	-	3,400,046	1,493,193	129,631	1,441																																																																																																																																																																								
Additional Dwelling Standards	-	-	-	-	-	-	-	-	-																																																																																																																																																																								
Professional Fees	972,235	727,123	-	-	-	170,462	74,680	6,483	72	5.0% build costs																																																																																																																																																																							
Marketing Costs (market housing)	575,033	575,033	-	-	-	-	-	5,477	57	1.5% market revenue																																																																																																																																																																							
Marketing Costs (aff housing)	95,423	-	-	-	-	54,503	40,540	2,121	29	1.5% affordable revenue																																																																																																																																																																							
Exceptional Development Costs	17,347,965	12,143,597	-	-	-	3,643,079	1,561,320	115,653	1,286																																																																																																																																																																								
Planning Obligations Costs	-	-	-	-	-	-	-	-	-																																																																																																																																																																								
Commercial Elements Costs	-	-	-	-	-	-	-	-	-																																																																																																																																																																								
Community Infrastructure Levy	-	-	-	-	-	-	-	-	-	0.0% CIL as %Revenue 20.00 per market sq m 0.0% CIL as %Dev Costs																																																																																																																																																																							
Developer's Return for Risk and Profit	-	-	-	-	-	-	-	-	-																																																																																																																																																																								
Developer's Return (Market housing)	-	-	-	-	-	-	-	-	-	0.0% market revenue																																																																																																																																																																							
Contractor's Return (Aff housing)	-	-	-	-	-	-	-	-	-	0.0% aff build & prof fees																																																																																																																																																																							
Total Development Costs	38,436,377							296,236	2,849																																																																																																																																																																								
Total Operating Profit	6,281,683							41,745	464																																																																																																																																																																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Finance Costs and Residual Value</th> </tr> </thead> <tbody> <tr> <td>DCF Period</td> <td>4 years</td> </tr> <tr> <td>Debit Interest Rate</td> <td>5.0%</td> </tr> <tr> <td>Credit Interest Rate</td> <td>0.0%</td> </tr> <tr> <td>Annual Discount Rate</td> <td>0.0%</td> </tr> <tr> <td>Revenue and Capital Contributions</td> <td>44,887,060</td> </tr> <tr> <td>Total Development Cost</td> <td>38,436,377</td> </tr> <tr> <td>Finance Cost</td> <td>1,860,678</td> </tr> <tr> <td>Annual Discount Rate Cost</td> <td>-</td> </tr> <tr> <td>Total Dev Cost, Finance Cost & ADR Cost</td> <td>40,297,055</td> </tr> <tr> <td>Gross Residual Value</td> <td>4,267,794</td> </tr> <tr> <td>Agents Fees</td> <td>40,848</td> </tr> <tr> <td>Legal Fees</td> <td>20,324</td> </tr> <tr> <td>Stamp Duty</td> <td>302,605</td> </tr> <tr> <td>Net Residual Value</td> <td>4,003,967</td> </tr> <tr> <td></td> <td>per gross ha</td> <td>899,337</td> </tr> <tr> <td></td> <td>per net ha</td> <td>899,337</td> </tr> <tr> <td></td> <td>per dwelling</td> <td>26,692</td> </tr> <tr> <td></td> <td>per market dwelling</td> <td>36,132</td> </tr> </tbody> </table>							Finance Costs and Residual Value		DCF Period	4 years	Debit Interest Rate	5.0%	Credit Interest Rate	0.0%	Annual Discount Rate	0.0%	Revenue and Capital Contributions	44,887,060	Total Development Cost	38,436,377	Finance Cost	1,860,678	Annual Discount Rate Cost	-	Total Dev Cost, Finance Cost & ADR Cost	40,297,055	Gross Residual Value	4,267,794	Agents Fees	40,848	Legal Fees	20,324	Stamp Duty	302,605	Net Residual Value	4,003,967		per gross ha	899,337		per net ha	899,337		per dwelling	26,692		per market dwelling	36,132																																																																																																																																	
Finance Costs and Residual Value																																																																																																																																																																																	
DCF Period	4 years																																																																																																																																																																																
Debit Interest Rate	5.0%																																																																																																																																																																																
Credit Interest Rate	0.0%																																																																																																																																																																																
Annual Discount Rate	0.0%																																																																																																																																																																																
Revenue and Capital Contributions	44,887,060																																																																																																																																																																																
Total Development Cost	38,436,377																																																																																																																																																																																
Finance Cost	1,860,678																																																																																																																																																																																
Annual Discount Rate Cost	-																																																																																																																																																																																
Total Dev Cost, Finance Cost & ADR Cost	40,297,055																																																																																																																																																																																
Gross Residual Value	4,267,794																																																																																																																																																																																
Agents Fees	40,848																																																																																																																																																																																
Legal Fees	20,324																																																																																																																																																																																
Stamp Duty	302,605																																																																																																																																																																																
Net Residual Value	4,003,967																																																																																																																																																																																
	per gross ha	899,337																																																																																																																																																																															
	per net ha	899,337																																																																																																																																																																															
	per dwelling	26,692																																																																																																																																																																															
	per market dwelling	36,132																																																																																																																																																																															
<p>Notes: / Use Alt+Enter to start a new line net notes can be added here and add second line And a third</p>																																																																																																																																																																																	