



Final Report

Viability Assessment of Site Allocations

Prepared on behalf of Fareham Borough Council

Date of Report August 2013

Knight Frank



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Contact details

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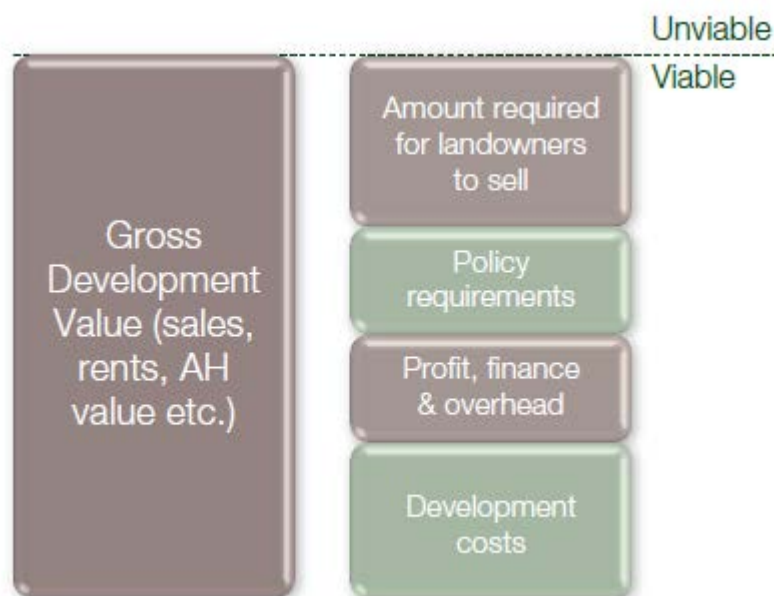
Appendix 1 - Housing Market Partnership



1 Introduction

- 1.1 Knight Frank LLP was instructed in January 2013 by Fareham Borough Council to undertake a viability assessment of the sites proposed to be included within the emerging Local Plan Part 2: Development Sites and Policies Plan.
- 1.2 This Development Plan Document is in the process of production following the adoption of the Fareham Borough Core Strategy in August 2011, which sets out the strategic planning policies up to 2026.
- 1.3 This report is designed to form part of the Council's evidence base for the DPD taking account of the policies within the National Planning Policy Framework (NPPF) and the need to ensure viability and deliverability. Paragraph 173 states:

“Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-making. Plans should be deliverable. Therefore, the site and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viability is threatened. To ensure viability, the costs of nay requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements, should , when taking account of normal cost of development and mitigation, provide competitive returns to a willing land owners and willing developer to enable the development to be deliverable.”
- 1.4 In addition, to the policies within the NPPF, there are two key guidance reports that we have considered in formulating the viability assessment, which are:
 - Local Housing Delivery Group – ‘Viability Testing Local Plans’ June 2012; and
 - RICS – ‘Financial Viability in Planning’ August 2012.
- 1.5 The objective of the viability assessment is to test whether sites are viable after taking account of the Council's key development policies including sustainability and affordable housing, CIL payment, and normal development costs and values. Viability, as per the NPPF is defined as *“competitive returns to a willing land owner and willing developer”*.
- 1.6 The diagram below, taken from the Local Housing Delivery Group report ‘Viability Testing Local Plans’ chaired by Sir John Harman summarises the key components of the viability assessment:



1.7 The report adopts the residual method of valuation as the basis for undertaking a series of development appraisals for each of the identified potential site allocations, together with estimates of the current use value of the sites with established buildings. It should be noted that the appraisals and estimates are high level and indicative, as detailed knowledge of each particular site is limited. The appraisals therefore do not constitute formal Red Book valuations in accordance with the RICS Valuation – Professional Standards, March 2012.

1.8 Within the assessment, there will be a range of sites to be delivered within the first five year period of the Local Plan, and sites between years 6-10 and years 11-15. For the sites identified within the first five years, the NPPF states that these should be “**deliverable**”. Footnote 11 paragraph 47 states that:

“To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer demand for the type of units or sites have long term phasing plans.”

For the longer term sites 6-10 years and beyond, the NPPF states that these sites should be “**developable**”. Footnote 12 paragraph 12 states that:

“To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.”

1.9 In producing the report, we have sought advice and feedback from the Council’s Housing Market Partnership. A list of companies and organisations within this local group is presented at Appendix 1.



2 List of Sites to Assess

1.10 The list of sites identified by the Council and requiring viability assessment are set out in the table below:

Site Address	Location	Current Use	Site Area Gross
Hinton Hotel and The Limes, Catisfield Lane	Fareham	Hostel/House/Public House	2.6 acres (1.05 ha)
Former Community Facilities, Wynton Way	Fareham	Garages/Parking	1.1 acres (0.44 ha)
Hope Lodge, Fareham Park Road	Fareham	House/Garden	1.1 acres (0.44 ha)
Collingwood House, Gibraltar Close	Fareham	Sheltered Housing	0.7 acres (0.28 ha)
Turbo Cam/Ambulance Station, Highlands Road	Fareham	Industrial/Station	1.3 acres (0.53 ha)
Citroen Garage/Bison Site, Wickham Road	Fareham	Car Showroom / Industrial Unit	1 acre (0.4 ha)
Croft House, Redlands Lane	Fareham	Care Home	0.8 acres (0.32 ha)
Fareham College, Bishopsfield Road	Fareham	College Buildings/Playing Fields	6.6 acres (2.67 ha)
Seaeeye House, Lower Quay Road	Fareham	Industrial Unit	0.3 acres (0.12 ha)
Bus Depot, Gosport Road	Fareham	Bus Depot	3.7 acres (1.5 ha)
Land Between 335-337 Gosport Road	Fareham	Cleared Brownfield	0.6 acres (0.24 ha)
Peter's Road	Locks Heath	Vacant land/former garden nursery	22.1 acres (8.9 ha)
East of Raley Road	Locks Heath	Vacant Gardens	4.9 acres (2 ha)
Nook Caravan Park South, Lodge Road	Locks Heath	Vacant House	0.9 acres (0.36 ha)
School Site, Heath Road	Locks Heath	Wooded Area	8 acres (3.24 ha)
Genesis Centre, Centre Way	Locks Heath	Youth Centre	0.67 acres (0.27 ha)
Hunts Pond Road North	Titchfield Common	Back Gardens/Paddocks	3 acres (1.2 ha)
Hunts Pond Road South	Titchfield Common	Back Gardens	0.6 acres (0.24 ha)
Farm Road	Titchfield Common	Air Training Corps	1.1 acres (0.44 ha)



		Unit/Car Parking	
Fleet End Road	Warsash	Back Gardens	2 acres (0.8 ha)
East of Church Road	Warsash	Undeveloped	2.1 acres (0.85 ha)
Rear of Swinton Hall, 80 Warsash Road	Warsash	Grassed Area/Car Parking	0.5 acres (0.2 ha)
118 Bridge Road	Sarisbury Green	Car Showroom	0.6 acres (0.24 ha)
Rear of 123 Bridge Road	Sarisbury Green	Back Gardens/Wooded Area	0.83 acres (0.32 ha)
38 Columbus Drive	Sarisbury Green	Former Care Home	0.84 acres (0.34 ha)
Cold East Close	Sarisbury Green	Back Gardens	0.4 acres (0.16 ha)
Solent 2, Rookery Avenue	Whiteley	Greenfield	14.8 acres (6 ha)
Land at Corner of Station Road/A27	Portchester	Industrial Unit/Verge	0.5 acres (0.2 ha)
22-26 Titchfield Road	Stubbington	2 Houses/Back Gardens	0.7 acres (0.28 ha)
Stubbington Lane	Stubbington	Paddocks	1 acre (0.4 ha)
Sea Lane	Stubbington	Paddocks	0.6 acres (0.24 ha)
Station West	Town Centre	Sidings/Industrial/Aggregates	3.1 acres (1.25 ha)
Station East	Town Centre	Industrial/Fire Station/Car Parking	3.7 acres (1.5 ha)
Maytree Road	Town Centre	Vacant Car Showroom	1.7 acres (0.7 ha)
142-144 West Street	Town Centre	Retail/Offices/Car Parking	0.5 acres (0.14 ha)
Russell Place	Town Centre	Car Parking/Tyre Centre	1.5 acres (0.6 ha)
Malthouse Lane	Town Centre	Offices/Houses/Gospel Hall	0.38 acres (0.15 ha)
Corner of Trinity Street and Osborn Road	Town Centre	Community Hall/Car Parking	1 acre (0.4 ha)
Telephone Exchange	Town Centre	Telecommunications	0.5 acres (0.2 ha)
Civic Area/Market Quay	Town Centre	Car Parking/Theatre/Library	6.7 acres (2.7 ha)
Fareham Shopping Centre	Town Centre	Shopping Mall	6.2 acres (2.5 ha)



2 Key Assumptions

Appraisal Model

- 2.11 Knight Frank has used the Argus Developer software package to construct and run the various residual land value appraisals for the individual sites. Argus Developer (formerly known as Circle Developer) is a recognised industry-standard development appraisal model.
- 2.12 The appraisals are based on the assumption that the a developer will purchase the sites on a subject to planning deal and on an un-serviced basis i.e. the developer will bear all the usual costs of development including securing planning, providing the infrastructure and building out the scheme and realising a profit margin.

Key Council Policies

- 2.13 The Fareham Borough Adopted Core Strategy, August 2011 provides several key policies that have been used in the construction of the viability assessment. The policies include:
- Code for Sustainable Homes Level 4 from 2012 and BREEAM 'Excellent' (under Policy CS15 Sustainable Development and Climate Change);
 - 40% affordable housing on sites of 15 or more dwellings; 30% on sites of 10-14 dwellings and 30% or equivalent off-site financial contribution for sites of 5-9 dwellings (under Policy CS18 Provision of Affordable Housing);
 - Community Infrastructure Levy – which was introduced on 1st May 2013 with £105 per sq.m. for residential; £60 per sq.m. for care homes; £120 per sq.m. for non-comparison retail uses; and £35 per sq.m. for hotels.

Density, Housing Size and Tenure Mix

- 2.14 Where sites have either a planning proposal, planning application or planning permission, we have adopted a similar density and therefore position in relation to housing numbers. For the remainder of the sites we have adopted a suitable density based on the net developable area of the site, which ranges from 20 dwellings per hectare (dph) for large houses to 100 dwellings per hectare (dph) for flats. The density adopted for the site also takes account of the Council's own design and planning policy work carried out on the sites to date.
- 2.15 The housing mix for each individual site has been undertaken by reviewing the market demand dynamics in each locality, and by taking account of the viability issues of building flats versus houses.
- 2.16 In terms of tenure, we have adopted the Council's current affordable housing policy position, which is 65% affordable rent and 35% shared ownership within the overall



affordable housing level for sites.

- 2.17 The individual sizes of the units also varies between sites, although we set out the range for the private and affordable units below, which meets the Council's minimum size thresholds:

Private Market dwellings:

- 1 Bedroom Flat = 500 sq.ft. (46m²) Net Sales Area
- 2 Bedroom Flat = 650-700 sq.ft. (60-65m²) Net Sales Area
- 2 Bedroom House = 800 sq.ft. (74m²) Net Sales Area
- 3 Bedroom House = 900-1,100 sq.ft. (84-102m²) Net Sales Area
- 4 Bedroom House = 1,250-1,500 sq.ft. (116-139m²) Net Sales Area
- 5 Bedroom House = 2,000 sq.ft. (186m²) Net Sales Area

Affordable Rent/Shared Ownership dwellings:

- 1 Bedroom Flat = 500 sq.ft. (46m²) Net Sales Area
- 2 Bedroom Flat = 650 sq.ft. (60m²) Net Sales Area
- 2 Bedroom House = 800 sq.ft. (74m²) Net Sales Area
- 3 Bedroom House = 900 sq.ft. (84m²) Net Sales Area
- 4 Bedroom House = 1,100 sq.ft. (102-139m²) Net Sales Area

- 2.18 For the flats we have adopted an 80% Net Sales Area to Gross Internal Area to account for circulation space within the flatted building. For the houses the Net Sales Area equals the Gross Internal Area.
- 2.19 For the commercial uses we have assumed 85% Net Internal Area to Gross Internal Area for the retail uses and 80% for the office uses.

Construction Costs

- 2.20 **Planning Costs** – These vary from site to site and are based on an estimate of the level of fees and technical consultancy reports required for a detailed application. The costs will range from £30,000 for a small site up to £250,000 for the largest site.
- 2.21 **Demolition** – We have adopted a generic cost of £5 per sq.ft. (£54 per m²) for demolition cost of commercial buildings, although we recognise that asbestos removal in some buildings could command a higher cost.
- 2.22 **Services/Roads** – Again, we have adopted a generic £100,000 per acre (£247,100 per hectare) for drainage, utilities, roads, lighting etc and applied it to our estimated



developable area.

2.23 **Remediation** – For those sites that have been identified from Council historic land-use records of potentially having issues of contamination, we have added a nominal sum for remediation of £100,000 per developable acre (£247,000 per hectare) taken from best practice note ‘Contamination and Derelict Remediation Costs’ produced by English Partnerships (now HCA) in 2008.

2.24 **Build Costs** - We have extracted the base build costs from the RICS BCIS (Building Cost Information Service) database as advocated by the ‘Harman Report’, which is rebased to Hampshire and at the Upper Quartile range provides the following average prices:

- Houses = £90 per sq.ft. (£969 per m2) GIA;
- Flats = £105 per sq.ft. (1,130 per m2) GIA;
- Retail = £95 per sq.ft. (1,076 per m2) GIA shell and core (includes an allowance for BREEAM ‘Excellent’)
- Offices = £125 per sq.ft. (£1,345 per m2) GIA for non air-conditioned space (includes an allowance for BREEAM ‘excellent’)
- Hotels = £145 per sq.ft. (£1,560 per m2) GIA (includes an allowance for BREEAM ‘Excellent’).
- Care Homes = £120 per sq.ft. (1,292m2) GIA (includes an allowance for BREEAM ‘Excellent’).

An additional cost for Code for Sustainable Homes Level 4 has also been added to the residential build costs at:

- £5 per sq.ft. for each flat and two and three bedroom house;
- £4 per sq.ft. for each four and five bedroom house.

(The CSH costs have been taken from DCLG ‘Cost of Building to Code for Sustainable Homes – Update Cost Review’, August 2011).

In addition, we have made an allowance of on-plot external works for the residential floorspace at:

- 5% of base build costs for flats (to include surface car parking and landscaping)
- 10% of base build costs for two bedroom houses (to include surface car parking, front and rear gardens)
- 15% of base build costs for three, four and five bedroom houses (to include garage(s), surface car parking and front and rear gardens)



Therefore, the inclusive cost breakdown for the residential units are as follows:

Private Market dwellings:

- 1 Bed Flat @ 500 sq.ft. = £60,500 / £115.5 per sq.ft. (£1,243 per m2)
- 2 Bed Flat @ 700 sq.ft. = £84,700 / £115.5 per sq.ft. (£1,243 per m2)
- 2 Bed House @ 800 sq.ft. = £83,600 / £104.5 per sq.ft. (£1,125 per m2)
- 3 Bed House @ 900-1,100 sq.ft. = £98,100-£119,900 / £109 per sq.ft. (£1,173 per m2)
- 4 Bed House @ 1,250-1,500 sq.ft. = £135,000-£162,000 / £108 per sq.ft. (£1,162 per m2)
- 5 Bed House @ 1,850 sq.ft. = £199,800 / £108 per sq.ft. (£1,162 per m2).

Affordable Rent/Shared Ownership dwellings:

- 1 Bed Flat @ 500 sq.ft. = £60,500 / £115.5 per sq.ft. (£1,243 per m2)
- 2 Bed Flat @ 700 sq.ft. = £84,700 / £115.5 per sq.ft. (£1,243 per m2)
- 2 Bed House @ 800 sq.ft. = £83,600 / £104.5 per sq.ft. (£1,125 per m2)
- 3 Bed House @ 900 sq.ft. = £98,100 / £109 per sq.ft. (£1,173 per m2)
- 4 Bed House @ 1,100 sq.ft. = £118,800 / £108 per sq.ft. (£1,162 per m2)

Please note that these costs are average build costs and therefore we recognise that contractors and developers will be building at costs below and above these averages. We acknowledge that build costs for local contractors are likely to be higher than the national house builders, and therefore for housing sites under 20 dwellings, we have undertaken a sensitivity test by increasing the base build costs by 10%. We also acknowledge that national volume house-builders will be able to build at costs lower than the BCIS averages, and therefore we have undertaken a sensitivity test by decreasing the base build cost for housing sites above 20 dwellings by 10%.

2.25 **Play areas/green space** – For the larger schemes over 50 dwellings we have added the cost for a LAP/LEAP, which is estimated at £100,000.

2.26 **Contingency** – We have applied a contingency of 5% to build costs.

Fees and Finance

2.27 **Professional Fees** – We have applied 8% for all sites.



- 2.28 **Marketing Costs/Sales and Agency Fees** – We have applied 3% for the private market dwellings to incorporate agency and legal fees plus marketing costs. For any commercial/retail sales we have adopted 1.5% for sales fees and 1% legal fees.
- 2.29 **Letting Fees** – We have applied 10% agency fees and 5% legal fees for retail and office space within the town centre.
- 2.30 **Purchaser's Costs** – We have applied 5.8% to the purchase of any retail, offices, care home and hotel space.
- 2.31 **Finance Cost** – 6.5% debt borrowing rate.

Developer's Profit Margin

- 2.32 For the residential uses we have adopted an 18% profit on Gross Development Value to cover both private and affordable units.
- 2.33 For commercial uses such as retail, offices, hotels and care homes, a 15% profit on cost developer's margin is adopted.

Construction and Sales Rates

- 2.34 Rates of construction vary according to the number of dwelling and complexity of each scheme, but we have used the following range:
 - 1-10 units = 6 months
 - 10-20 units = 9 months
 - 20-50 units = 12-18 months
 - 80-100 units = 24 months
- 2.35 The rate of sales adopted is:
 - two sales per month for the private units, and;
 - sale on completion of the phase or scheme for the affordable units.

Values

- 2.36 Values for the private residential units have been assessed based on evidence from new developments and re-sale values. Details of the values are given on a site-by-site basis within the assessment set out below.
- 2.37 For private market flats, we have applied a ground rent of £3,333 per unit, which is based on £200 per annum ground rent capitalised at a yield of 6%.
- 2.38 In terms of the affordable housing values Knight Frank has run a 'Pamwin Plus' Appraisal (the appraisal package widely employed by developing Registered Providers) of both Affordable Rent and Shared Ownership tenures. For the



Affordable Rent values we have capped these based on the Local Housing Allowance rents applicable to the Borough and applied to a general housing mix that the Council is seeking to deliver on sites, which is are follows:

- 20% 1 bedroom units;
- 45% 2 bedroom units;
- 30% 3 bedroom units; and
- 5% 4 bedroom units.

For the shared ownership, the model has been appraised on the basis of 50% initial equity purchase (at an average sale price of £230 per sq.ft.), and a policy rent of 2.75% allowing affordability to a range of household incomes (£24,000-£54,000 per annum). For both the Affordable Rent and Shared Ownership tenures, a discount rate of 6.5% has been applied in the discounted cashflow and an 8% Registered Provider on-cost has also been assumed to account for the RP's internal overheads, purchase costs, professional fees and interest costs accrued. It is assumed that there is no 'staircasing' of equity within the shared ownership appraisal as reliable evidence of staircasing is not published.

The appraisals produces a unit value (£ per sq.ft.) that we have applied to each of the sites:

- Affordable Rent = £125 per sq.ft. (£1,345 per m2); and
- Shared Ownership = £165 per sq.ft. (£1,776 per m2).

We recognise that this is a generic approach for sites across the Borough and is likely to vary due to the Registered Provider selected, and the ultimate mix of housing to be delivered.

- 2.39 For the town centre commercial uses, again these will vary depending on location and covenant strength of the occupier, so please refer to each site assessment for details of the values used.

House Price/Build Cost Forecasts

- 2.40 It is acknowledged that some sites will not come forward until the latter years of the Core Strategy period, and therefore house prices and build costs are subject to change over that period of time.
- 2.41 In terms of house price growth, we have taken our own Knight Frank residential research on house prices and compared this to forecasts for build cost inflation over time. The annual change in UK house prices is forecasted as follows:



2013	2014	2015	2016	2017-2021
-2%	1%	2%	3.50%	4.20% each year

Source: Knight Frank Q4 2012 Edition

The forecast changes in build costs is taken from the RICS Building Cost Information Service (BCIS), which sets out the following annual change over the period 2013 to 2017 for the UK.

2013	2014	2015	2016	2017
-1.30%	3.10%	3.40%	4.10%	4.8%

Source: BCIS

Admittedly, South East forecast house prices and costs may be slightly higher than the UK position, although based on the UK forecasts, it is clear to see at the current time that house prices and build costs are set to remain broadly in a balanced position, unless the UK economy sees significant growth over the next few years. The impact of the Government's 'Help To Buy' Scheme may well provide greater confidence in the housing market that leads to increased growth in house prices above these forecasts. However, the impact of greater levels of sustainability moving from Code Level 4 to 6 within the Code for Sustainable Homes and Building Regulations also requires careful monitoring over time as this is likely to push build costs higher.

- 2.42 Based on the forecasts, we have not undertaken any sensitivity testing based on future rises in house prices or build costs and believe that the 'here and now' appraisals based on today's costs and values are more reliable.

Viability Thresholds

- 2.43 In order to benchmark the results of the residual appraisals of each of the sites, we have considered the merits of three indicators:
- Transacting land values on a £ per acre basis;
 - Premium above current use value; and
 - % of residual land value to Gross Development Value.
- 2.44 **Market evidence of land sales** - provides a snapshot of land values at a particular point in time and for a particular site and is a useful guide for larger greenfield and backland sites. There is unsurprisingly a huge variation in prices paid for land



depending on the density of the scheme, type of housing and local market conditions, proportion of affordable housing, s.106 contributions, abnormal costs of development etc. Some sites will have more hope value attached to them due to the planning policy position than others. Having consulted developers, the range of values is concentrated between £500,000-£1,000,000 per acre. This indicates that the minimum a landowner would anticipate is £500,000 per acre for unserviced land transacted on a subject to planning basis (i.e. a developer is tasked with securing planning permission) and excluding any significant areas of open space/landscape buffers.

- 2.45 **Premium above current use value** – is often used by developers where they are purchasing sites that contain an existing commercial building or residential dwelling, or having to assemble sites for mixed use town centre schemes, as there will be existing value within that current use. The premium is difficult to establish, but for the purposes of our assessment we have adopted a 20% uplift on current use value as the basis for testing the residential/mixed use redevelopment value.
- 2.46 **% of residual land value to Gross Development Value** – this is a useful indicator of the viability of a scheme, especially for higher density, mixed-use schemes on small sites, such as in town centre locations, where benchmarking on a price per acre basis could be misleading. Again, there is a range of potential thresholds, usually between 15-30%. In the current market a target proportion of residual land value to Gross Development value of 20% appears to be a reasonable indicator of viability.
- 2.47 It is interesting to note that Local Housing Delivery Group ‘Viability Testing Local Plans’ guidance note advocates the adoption of premium above current use value as the preferred method for viability benchmarking and RICS in its guidance note ‘Financial Viability in Planning’ advocates market evidence of land sales. For the purposes of this assessment, we intend to benchmark the viability threshold using a combination of all three indicators, depending on the type, size and characteristics of the site in question.
- 2.48 It should also be noted that the results of the viability testing produces a high level indicative assessment of site viability and should not be used by landowners and developers in negotiating s.106 agreements, including levels of affordable housing as part of planning applications. This is because the inputs used in the assessments are generic/standard in terms of build costs and values, and we acknowledge that these will differ from site to site and developer to developer. The objective of the assessment for the site allocations is to test broad viability rather than design the planning solution for each individual site.
- 2.49 In addition, it should be noted that the appraisals and estimates on current use value are not formal RICS Red Book valuations, but designed to provide a broad and indicative assessment of scheme viability, as they are based on limited information of a site or property, and therefore should not be relied upon.



3 Site Assessments

3.50 This section of the report presents the individual site assessments for the proposed residential allocations and the town centre sites. We have grouped the site according to location, as follows:

- Fareham Town;
- Locks Heath;
- Titchfield Common;
- Warsash;
- Sarisbury Green;
- Whiteley;
- Portchester;
- Stubbington; and
- Fareham Town Centre.

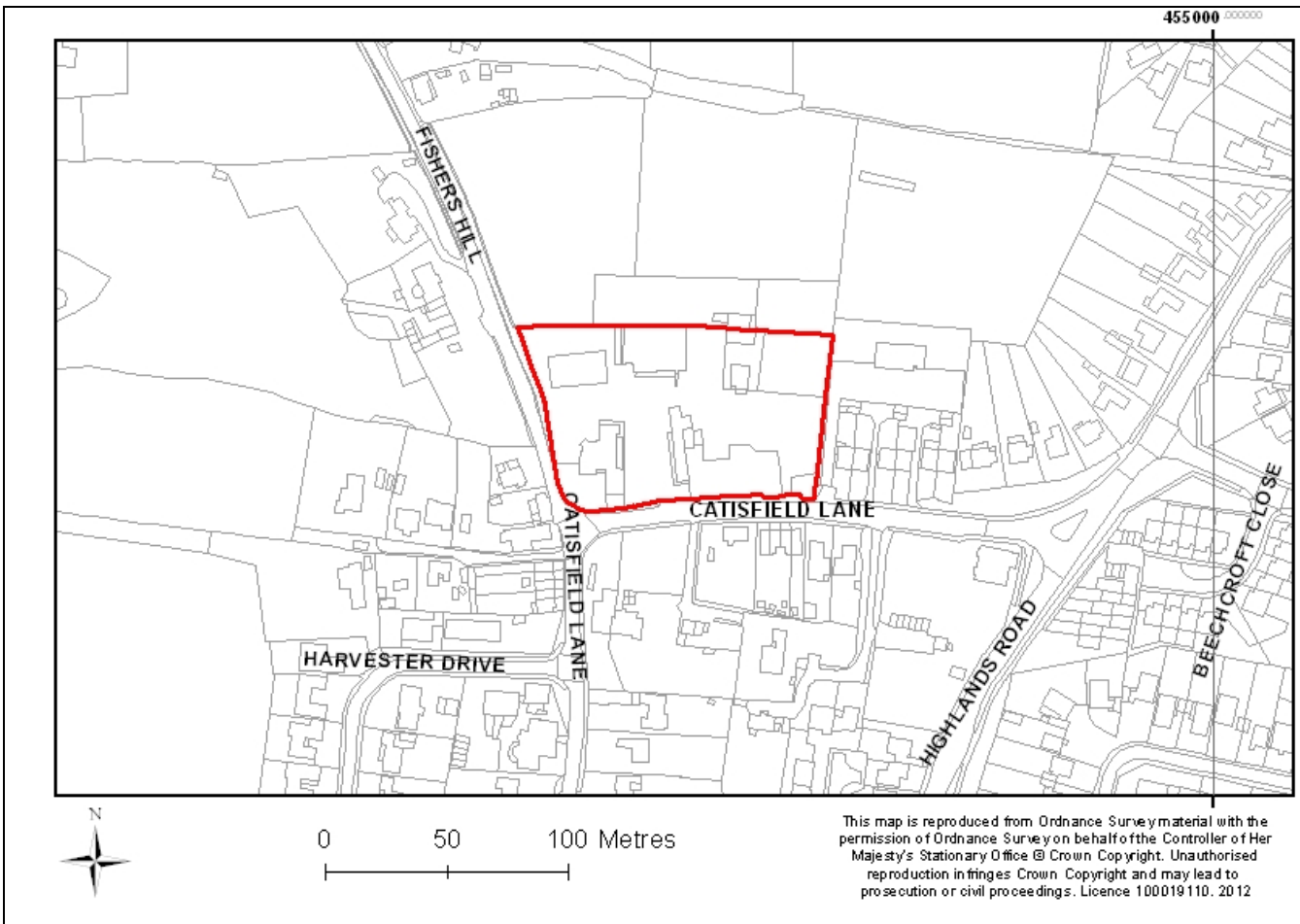
3.51 We have provided a summary at the end of the section for each site assessment and our interpretation of the results.



FAREHAM TOWN SITES



Hinton Hotel and The Limes site, Catisfield Lane, Fareham



Site Area:

Gross Area = 2.6 acres (1.05 hectares)



Developable Area = 2.6 acres (1.05 hectares)
Description: The site comprises the Limes Public House and Hotel, which appears to be vacant, the three storey Hinton Hotel (hostel) and adjacent two storey building at No.30, plus a dwelling house at No.24.
Site Constraints: The planning documents as submitted with the planning application for the site indicates that there are various contaminants on the site requiring remedial works or further investigation.
Planning Status: Planning permission for 32 dwellings and a care home (Ref: P/12/0644/FP) was granted in April 2013.
Is the Site Available? The site now has planning permission and Mansell Partnership Housing was the applicant, which suggests that the site should be delivered in the short term within the time limit of the application, especially as the inclusion of the care home indicates a pre-arranged agreement for this component.
Market Attractiveness of the Site Catisfield Lane is partly within the Catisfield Conservation Area, which includes a number of historic properties of predominantly early 18 th Century. The Limes Public House is within the Conservation Area, and the rest of the site is opposite the cluster of historic buildings. The proposed development should be a welcomed addition to Catisfield and help to enhance the Conservation Area and attractiveness of the properties within it. There has been little in the way of new development in this part of Fareham. Taylor Wimpey's Nightingales development at Wickham Road is the latest scheme being developed in Fareham. Asking Prices here are as follows: <ul style="list-style-type: none">• One bedroom coach house flat = £165,000 (£216 per sq.ft.)• Two bedroom end of terrace house = £195,000 (£288 per sq.ft.)• Three bedroom end of terrace house = £225,000 (£251 per sq.ft.)• Three bedroom terraced house at 2.5 storeys = £250,000 (£225 per sq.ft.)• Three bedroom detached house = £300,000 (£265 per sq.ft.)• Four bedroom terraced 3 storey house = £250,000 (£195 per sq.ft.)• Four bedroom detached house = £450,000 (£241 per sq.ft.) At Highlands Road, there are new units at the Tea Oliver scheme at Highlands Road, which are being marketed at £300,000 for a four bedroom chalet bungalow detached house and also at Relf Close, two new four bedroom houses are being marketed at £264,950, which equates to circa £230 per sq.ft. Also, there are some new large four bedroom detached houses on the market at Chalford Grange, off The Avenue for asking prices of £479,950.
Is the Site Viable? It is difficult to estimate the value of the hostel and The Limes public house, as this will be dependent upon its potential trading performance. For the purposes of the viability testing, we have considered the Rateable Value of the commercial properties and estimated the value of the three bedroom house, which indicates a current use value for the site of circa £600,000-£700,000. The landowners would expect a premium on top of the



current use value for their properties of say 20%.

We have based our appraisal on the application scheme of 32 dwellings and a 50 bedroom care home. The breakdown of the units and mix is as follows:

Private Market dwellings:

- Two Bedroom Flats = 1 unit @ 812 sq.ft.
- Two Bedroom Houses = 1 unit @ 865 sq.ft.
- Three Bedroom Houses = 11 units @ 1,100 sq.ft. each
- Four Bedroom Houses = 7 units @ 1,450 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Flat = 5 unit @ 781 sq.ft.
- Two Bedroom Houses = 3 units @ 865 sq.ft. each
- Three Bedroom Houses = 4 units @ 942 sq.ft. each

The private market values are estimated to be:

- Two Bedroom Flat = £195,000 (£240 per sq.ft.)
- Two Bedroom House = £220,000 (£254 per sq.ft.)
- Three Bedroom House = £275,000 (£250 per sq.ft.)
- Four Bedroom House = £360,000 (£248 per sq.ft.)

The care home is valued on the basis of £95,000 per bedroom capital value.

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £660,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 0-10%

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £770,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 10-28%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £1,000,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 42-66%

Assuming Base Build Costs @ 10% Affordable Housing



- The residual land value for the scheme = £1,100,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 57-83%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £1,400,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 100-133%

Assuming 10% below Base Build Costs for National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £1,000,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 43-66%

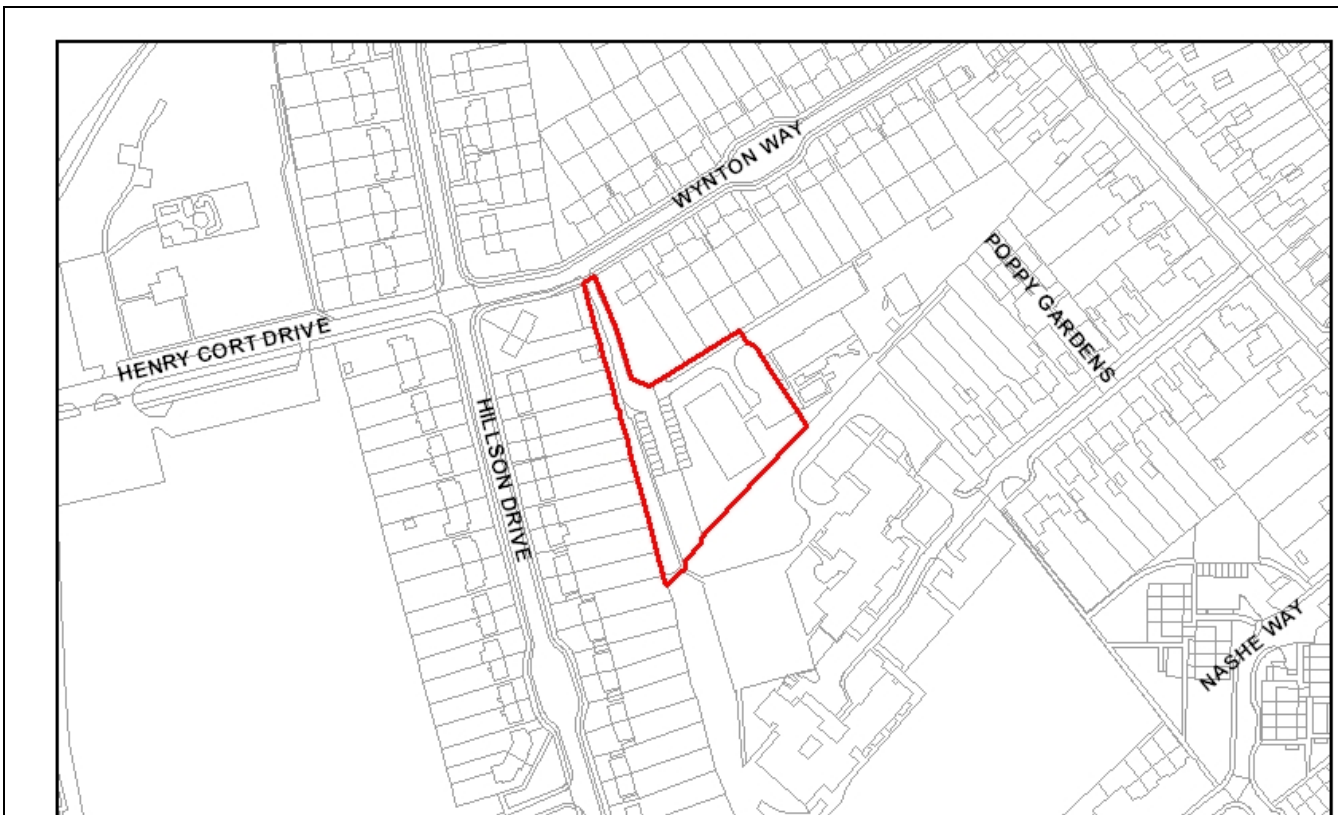
Based on the viability threshold of 20% uplift on current use value, it appears that the site is viable at between 20% to 40% affordable housing.

Timing

It is anticipated that the scheme will be delivered within the first five year period of the Core Strategy.



Former Community Facilities Wynton Way, Fareham



0 50 100 Metres

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Site Area:

Gross Area = 1.1 acres (0.44 hectares)



Developable Area = 1.1 acres (0.44 hectares)
Description: The site comprises a block of garages and hard standing area that is located off Wynton Way and adjacent to Oak Meadow Primary School.
Site Constraints: Access is too narrow to accommodate a scheme of 10 dwellings, and may require acquisition of third party land, unless a low density scheme is proposed. The Council's historic land-use records also indicate that contaminants could be present on the site.
Planning Status: There are no planning applications or permissions related to residential development for the site.
Is the Site Available? The site has been declared surplus by Hampshire County Council and is therefore available for development.
Market Attractiveness of the Site Wynton Way and Hillson Drive is an area of poorer quality housing where values are low and the attractiveness of the site to developers and private market end occupiers is likely to be low as well. The majority of houses in this area command capital values of less than £200,000. Given the scale of the site and the market dynamics, it would suit an affordable housing scheme to be delivered either by Fareham Borough Council or Hampshire County Council or a Registered Provider.
Is the Site Viable? We have appraised the scheme on the basis of a scheme of 8 x three bedroom private houses of 900 sq.ft. each and at capital values of £200,000 (£223 per sq.ft.) per house. <u>Appraisal Results</u> Assuming Base Build Costs @ 30% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = Negative value• The price per gross acre = Negative value• The Land Value as a proportion of Gross Development Value = Negative Assuming Base Build Costs @ 0% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = Negative value• The price per gross acre = Negative value• The Land Value as a proportion of Gross Development Value = Negative Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = Negative value• The price per gross acre = Negative value• The Land Value as a proportion of Gross Development Value = Negative



Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

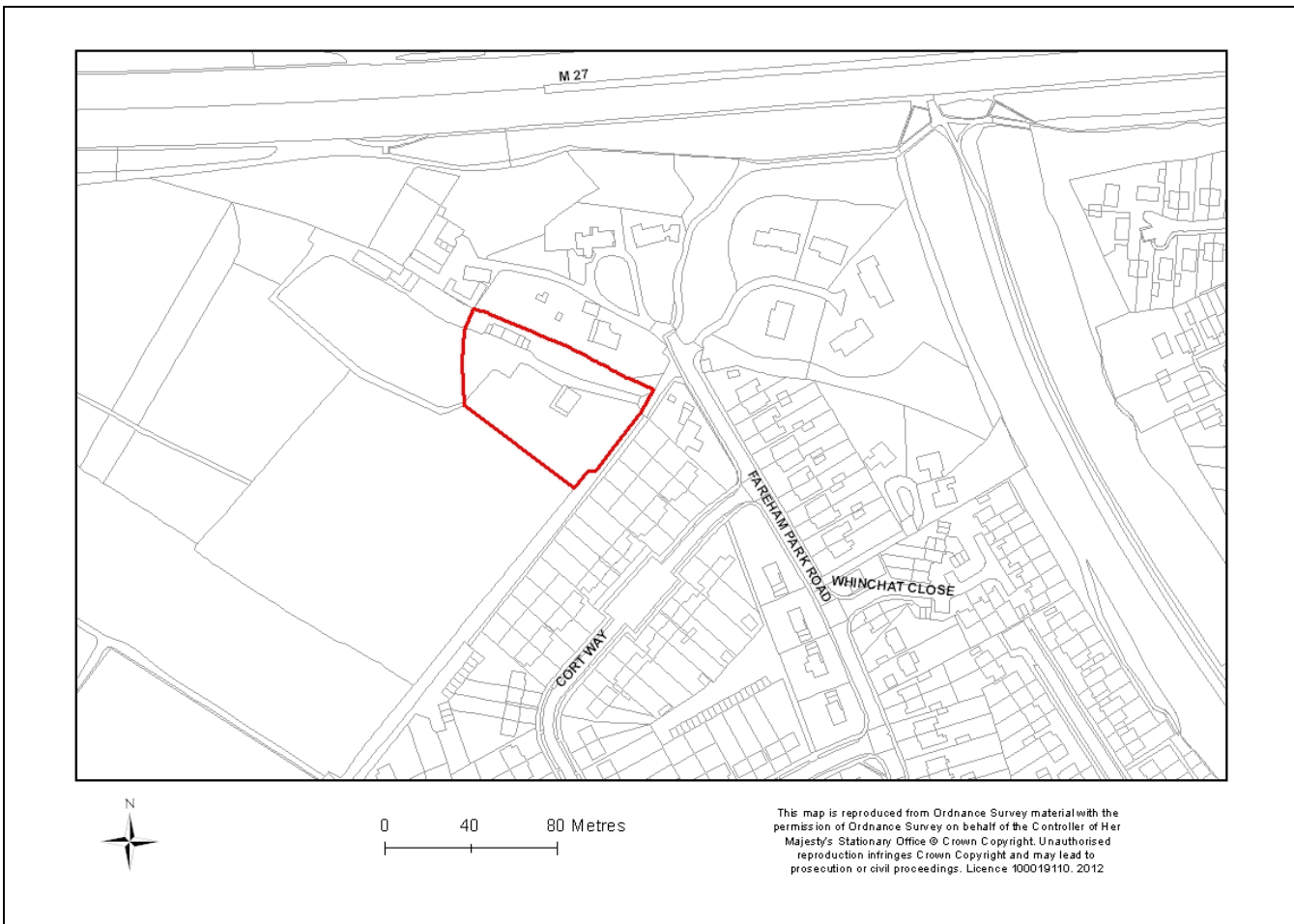
On this basis, the scheme produces a negative land value at both 30% affordable and 0% affordable housing levels and therefore is considered to be unviable.

Timing

The site is within the ownership of Hampshire County Council and is available for development, although it is not viable. The site could be developed in the short term where it is promoted for affordable housing.



Hope Lodge, 84 Fareham Park Road, Fareham



Site Area:

Gross Area = 1.1 acres (0.44 hectares)



Developable Area = 1.1 acres (0.44 hectares)
Description: The site is located at the northern end of Fareham Park Road and includes a single residential detached house plus garden and part hard standing area, which is currently used to store caravans.
Site Constraints: The site is located within an area of archaeological significance, and part of the site is allocated within the County Minerals and Waste Plan 2011. There are three tree preservation orders on the northern edge of the site. The Council's historic land-use records also indicate that there could be contamination on the site.
Planning Status: The owner has submitted two outline applications for the site. The first is for 7 x four bedroom houses (Ref: P/13/0059/OA) and the second is 14 x two bedroom bungalows for the elderly (Ref: P/13/0137/OA). Both applications are undecided at the present time.
Is the Site Available? The owner of the site is a private individual who is seeking planning permission for residential on the site, which indicates that the site is available for development.
Market Attractiveness of the Site The northern end of Fareham Park Road is characterised by a small number of large dwellings set in a semi-rural environment, and therefore the site would be attractive to residents seeking large family dwellings within the town. A five bedroom house is currently on the market at the northern end of Fareham Park Road for £585,000. The most recent new build four bedroom properties to come to the market are at Taylor Wimpey's Nightingales scheme, where asking prices are £450,000 for large detached four bedroom houses of 1,865 sq.ft.
Is the Site Viable? The existing house is worth in the region of £400,000-£500,000, and therefore the viability threshold needs to be a premium above this current use value. We have appraised the planning application for 7 x four bedroom houses. We have adopted a size of 1,500 sq.ft. for each house and estimated the capital value of each to be £400,000 (£267 per sq.ft.). We have run a policy compliant scheme at 30% affordable housing, with the two units for affordable rent, and also the scheme at 100% private. There are the results: <u>Appraisal Results</u> Assuming Base Build Costs @ 30% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = £275,000• Current Use Value = £400,000-£500,000• % uplift on Current Use Value = 0% Assuming Base Build Costs @ 0% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = £540,000• Current Use Value = £400,000-£500,000



- % uplift on Current Use Value = 8-35%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = £160,000
- Current Use Value = £400,000-£500,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £430,000
- Current Use Value = £400,000-£500,000
- % uplift on Current Use Value = 0-7.5%

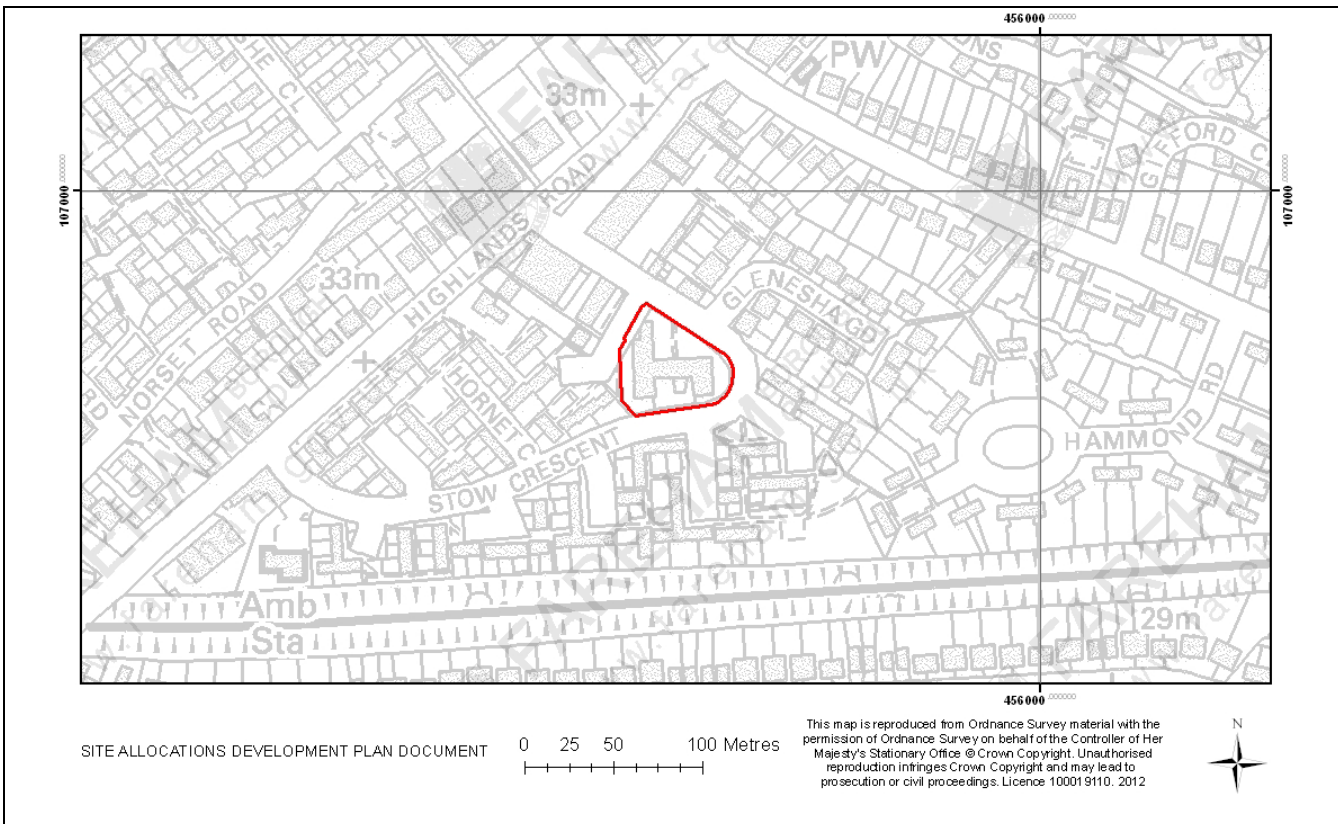
The results show that the scheme is marginal where the build costs are higher and viable where these costs can be reduced.

Timing

The site could come forward within Years 1-5.



Collingwood House, Gibraltar Close, Fareham



Site Area:

Gross Area = 0.7 acres (0.28 hectares)

Developable Area = 0.7 acres (0.28 hectares)

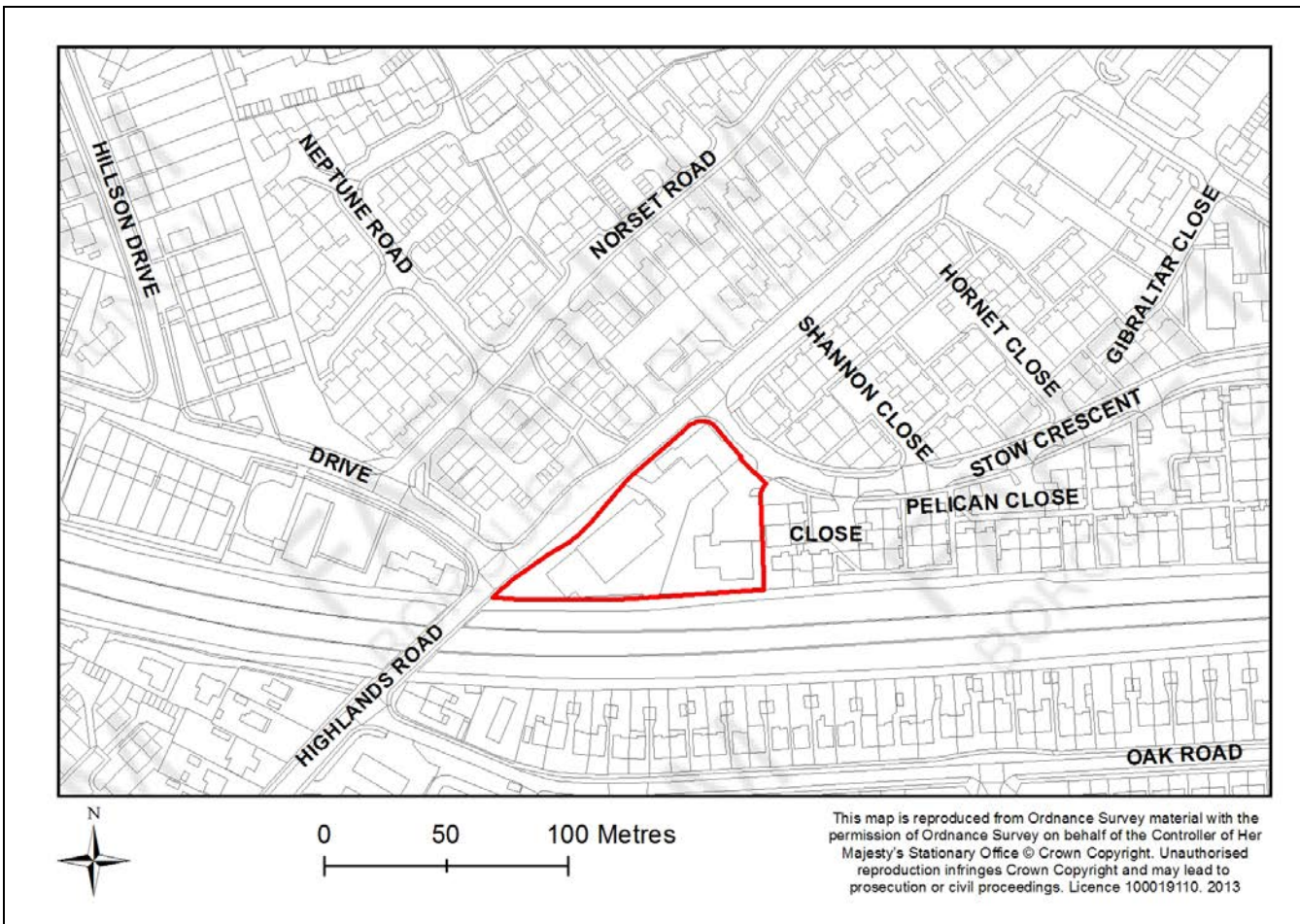
Description:



<p>Collingwood House is a sheltered housing block with 34 units that is owned and managed by Fareham Borough Council.</p>
<p>Site Constraints:</p> <p>There are no perceived site constraints.</p>
<p>Planning Status:</p> <p>The site was granted planning permission (Ref: P/12/0470/FP) in September 2012 for the demolition of the existing Collingwood House and construction of new 40 unit sheltered scheme.</p>
<p>Is the Site Available?</p> <p>Fareham Borough Council owns the site and will deliver the new scheme for 40 units, which is 6 additional units.</p>
<p>Market Attractiveness of the Site</p> <p>n/a</p>
<p>Is the Site Viable?</p> <p>The Council has the funding in place to deliver the new scheme, and therefore we assume that it is deliverable.</p>
<p>Timing</p> <p>To be constructed in the short term within the first five years of the Core Strategy.</p>



Turbo Cam/Ambulance Station, Highlands Road, Fareham



Site Area:

Gross Area = 1.3 acres (0.53 hectares)



Developable Area = 1.3 acres (0.53 hectares)
Description: The site comprises the existing Turbo Cam industrial premises at Highlands Road plus the Fareham Ambulance Service station at Stow Crescent.
Site Constraints: Due to the existing industrial use on the site, we assume that there could be contaminants present requiring remedial works.
Planning Status: There are no current planning applications on the site for residential redevelopment.
Is the Site Available? Both the Ambulance Service and Turbo Cam have made representations to the Council indicating that their respective sites maybe vacated in the near future.
Market Attractiveness of the Site This part of Highlands Road is characterised by a concentration of social housing, and this proximity may impact on the private market attractiveness and values generated from a residential redevelopment. In terms of comparable evidence, there are new units at the Tea Oliver scheme at Highlands Road, which are being marketed at £300,000 for a four bedroom chalet bungalow detached house and also at Relf Close, two new four bedroom houses are being marketed at £264,950, which equates to circa £230 per sq.ft. Taylor Wimpey's Nightingales development at Wickham Road is the latest scheme being developed in Fareham. Asking Prices here are as follows: <ul style="list-style-type: none">• One bedroom coach house flat = £165,000 (£216 per sq.ft.)• Two bedroom end of terrace house = £195,000 (£288 per sq.ft.)• Three bedroom end of terrace house = £225,000 (£251 per sq.ft.)• Three bedroom terraced house at 2.5 storeys = £250,000 (£225 per sq.ft.)• Three bedroom detached house = £300,000 (£265 per sq.ft.)• Four bedroom terraced 3 storey house = £250,000 (£195 per sq.ft.)• Four bedroom detached house = £450,000 (£241 per sq.ft.)
Is the Site Viable? The current use value of the Turbo Cam site in particular needs to be taken into consideration, as the premises could be potentially purchased by another industrial occupier or investor. We estimate that the value of the premises with the current occupier in-situ would be in the region of £400,000-£500,000. The Ambulance Station site is in the region of 3,500 sq.ft. and is a single storey office and garage. The estimated value of this site with an industrial use is £100,000. We have appraised a scheme of 18 houses with the following mix at a policy compliant 40% affordable housing level. Private Market dwellings: <ul style="list-style-type: none">• Three Bedroom Houses = 11 units @ 900 sq.ft. each



Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Houses = 7 units @ 800 sq.ft. each

We have estimated that the three bedroom private dwellings would achieve £220,000 (£244 per sq.ft.).

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £185,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £560,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0-12%

Assuming 10% above Base Build Costs for Local Contractor @ 40% Affordable Housing

- The residual land value for the scheme = £nil
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £380,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

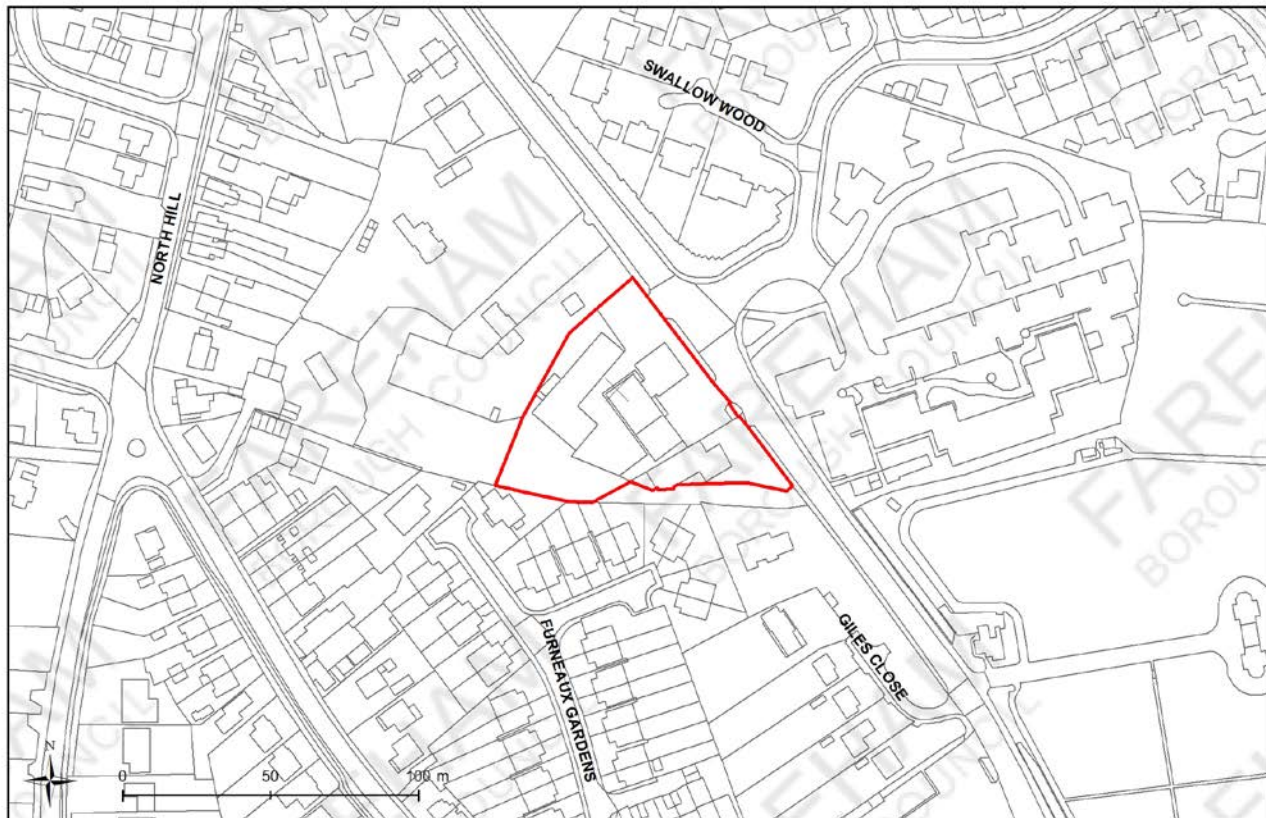
Based on the viability threshold of 20% uplift on current use value, the site is deemed to be marginal at best, which is based on the zero affordable housing scenario and at base build costs.

Timing

The site should be considered a 'windfall' site that may or may not come forward for development over the plan period.



Citroen Garage/Former Bison Premises, 123 Wickham Road, Fareham



Site ID: 1057 - Citroen Garage, Wickham Road, Fareham

FAREHAM
BOROUGH COUNCIL

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Site Area:

Gross Area = 1 acre (0.4 hectares)



Developable Area = 1 acre (0.4 hectares)
Description: The site comprises the occupied Citroen car showroom and the former Bison industrial/office unit, which is arranged over two floors.
Site Constraints: There are several tree preservation orders on the edge of the site on higher ground, to the rear of the properties at Furneaux Gardens. The Council's historic land-use records indicate that the site was formerly used as a petrol station, car repair and mineral excavation, and therefore there could be contamination issues.
Planning Status: There are no current planning applications or permissions relating to the redevelopment of the site.
Is the Site Available? The Citroen site is occupied although the owners have made representations to the Council seeking a residential allocation. The Bison unit is not currently being actively marketed, so this site may not be genuinely available.
Market Attractiveness of the Site Wickham Road is a mixture of commercial, industrial and residential uses, and it has experienced some new residential development with the Taylor Wimpey Nightingales scheme which is in close proximity to the Citroen/Bison site. Current asking Prices at the Nightingales are: Asking Prices here are as follows: <ul style="list-style-type: none">• One bedroom coach house flat = £165,000 (£216 per sq.ft.)• Two bedroom end of terrace house = £195,000 (£288 per sq.ft.)• Three bedroom end of terrace house = £225,000 (£251 per sq.ft.)• Three bedroom terraced house at 2.5 storeys = £250,000 (£225 per sq.ft.)• Three bedroom detached house = £300,000 (£265 per sq.ft.)• Four bedroom terraced 3 storey house = £250,000 (£195 per sq.ft.)• Four bedroom detached house = £450,000 (£241 per sq.ft.)
Is the Site Viable? The Citroen Garage and former Bison unit both have a current use value that needs to be taken into consideration and compared against the residential redevelopment value of the site. We have estimated that the combined site has a current use value of £1.2m. We have appraised a scheme of 10 houses with the following mix at a policy compliant 30% affordable housing level. Private Market dwellings: <ul style="list-style-type: none">• Three Bedroom Houses = 8 units @ 1,000 sq.ft. each Affordable Rent/Shared Ownership dwellings:



- Two Bedroom Houses = 2 units @ 800 sq.ft. each

We have estimated that the three bedroom private dwellings would achieve £250,000 (£250 per sq.ft.).

Appraisal Results

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £170,000
- Current Use Value = £1,200,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £375,000
- Current Use Value = £1,200,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = £60,000
- Current Use Value = £1,200,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £260,000
- Current Use Value = £1,200,000
- % uplift on Current Use Value = 0%

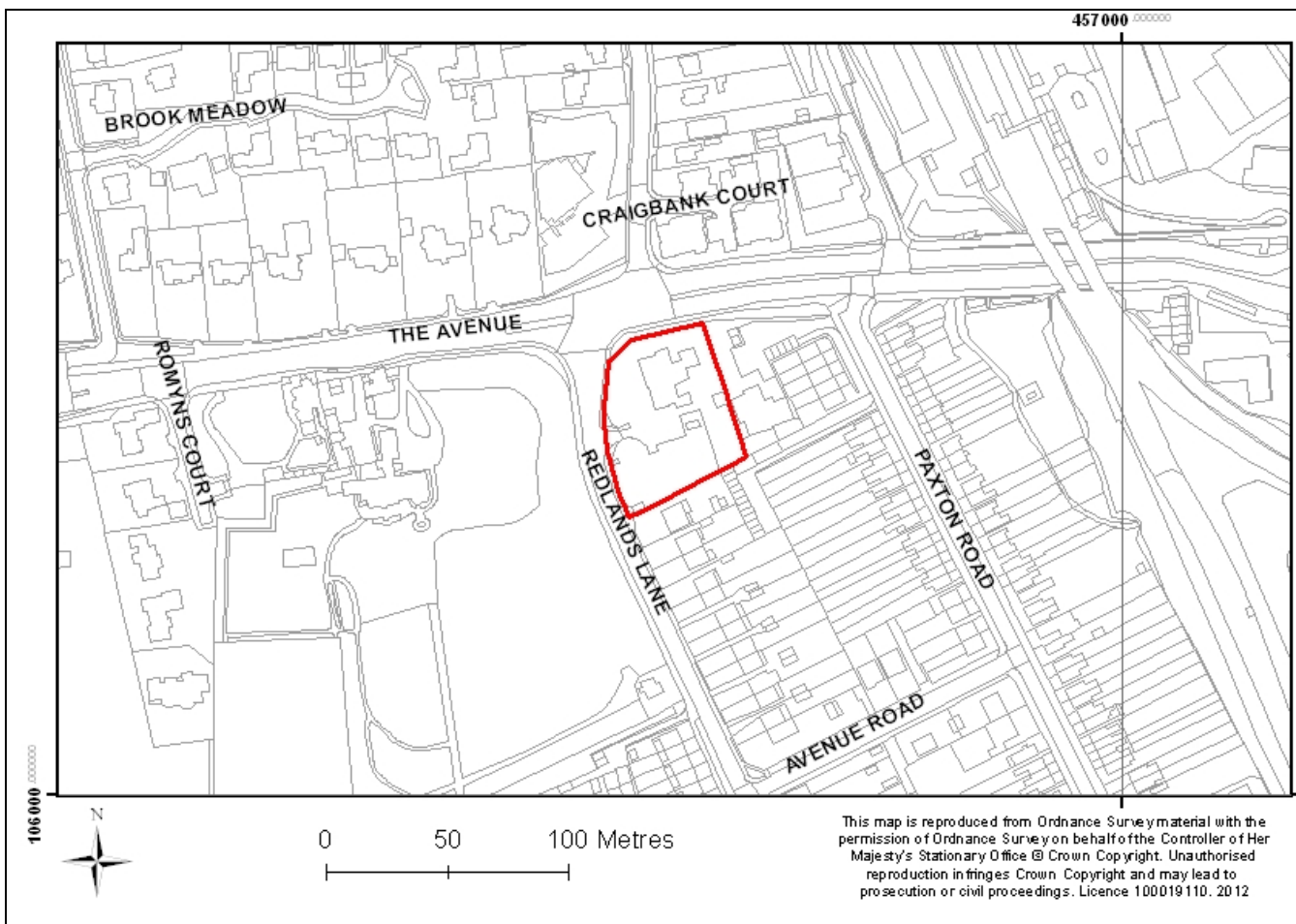
Based on the viability threshold of 20% uplift on current use value, the site does not appear to be viable.

Timing

The site should be considered a 'windfall' site that may or may not come forward for development over the plan period.



Croft House, Redlands Lane, Fareham



Site Area:

Gross Area = 0.8 acres (0.32 hectares)



Developable Area = 0.8 acres (0.32 hectares)
Description: The site is an existing care home facility without nursing with 12 single rooms owned and managed by Hampshire County Council, although it has been declared surplus to requirements.
Site Constraints: The site has four tree preservation orders.
Planning Status: There are no current planning applications or permissions relating to the redevelopment of the site.
Is the Site Available? The site is likely to become available in the next 6-10 years, due to the restructuring in the care home provision in the area.
Market Attractiveness of the Site This part of the town along The Avenue has experienced some flatted development in the last ten years with the construction of York House, Chalford Grange and Craighbank Court, although the flatted market remains price sensitive with modern units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. In terms of houses, there are some new large four bedroom detached houses on the market at Chalford Grange for asking prices of £479,950. However, re-sale prices at the northern end of Redlands Lane indicates lower values. For example, 1a Redlands Lane, a four bedroom detached house was sold for £318,000 in January 2013.
Is the Site Viable? The existing building has value as either a single dwelling house, flat conversion or potentially as a private care home. Given the size of the building its value is likely to be in the region of £500,000-£700,000 and depending on the level of investment required. Therefore, any redevelopment value must seek to deliver a premium above the current use value. We have appraised a scheme of 13 two and three bedroom houses at a policy compliant 30% affordable housing level. The housing mix is as follows: Private Market dwellings: <ul style="list-style-type: none">• Three Bedroom Houses = 9 units @ 1,000 sq.ft. each Affordable Rent/Shared Ownership dwellings: <ul style="list-style-type: none">• Two Bedroom Houses = 3 units @ 800 sq.ft. each• Three Bedroom Houses = 1 unit @ 900 sq.ft. We have estimated that the three bedroom private dwellings would achieve £250,000 (£250 per sq.ft.). <u>Appraisal Results</u> Assuming Base Build Costs @ 30% Affordable Housing



- The residual land value for the scheme = £360,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £420,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £535,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0-7%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £600,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0-20%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = £330,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 20% Affordable Housing

- The residual land value for the scheme = £285,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 10% Affordable Housing

- The residual land value for the scheme = £390,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £450,000
- Current Use Value = £500,000-£700,000
- % uplift on Current Use Value = 0%

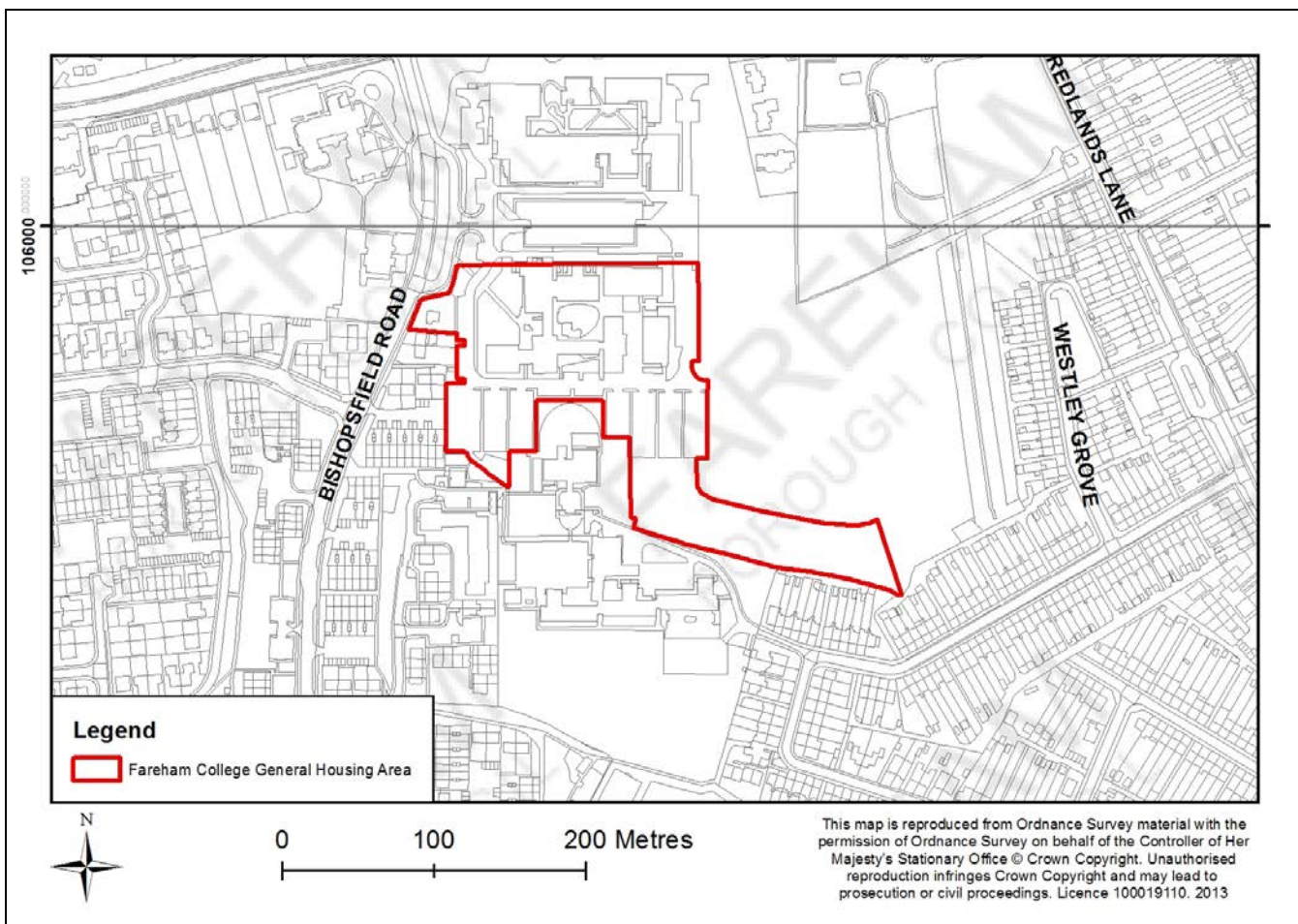
Based on the viability threshold of 20% uplift on current use value, the site is marginal at best based on average build costs and zero affordable housing.

Timing

The site is due to come forward in Years 6-10.



Fareham College, Bishopsfield Road, Fareham



Site Area:

Gross Area = 6.6 acres (2.67 hectares)

Developable Area = 6.6 acres (2.67 hectares)

Description:

Part of the Fareham College site has been identified as being surplus to requirements and potentially can be released for residential development. The area of land includes a number of college buildings, car parking and part of the sports field to the south east.

Site Constraints:

We are not aware of any site constraints at this moment in time.

Planning Status:

There are no current planning applications or permissions relating to the redevelopment of the site.

Is the Site Available?



The College are promoting the land for residential development through the Site Allocations DPD process.

Market Attractiveness of the Site

The site is located south of The Avenue, and is located in a poorer quality housing area with clusters of social housing. As a result, the values that can be achieved here are lower than the Avenue and other parts of Fareham town. There is little in the way of new development in this part of the town, although second hand 3 bedroom house command values of £165,000-£210,000.

Is the Site Viable?

The land area identified within the College is surplus to requirements and therefore the College will be expecting prevailing residential land value for the site. We have appraised a scheme of 110 dwellings, firstly at a planning compliant 40%. The mix and values used in the appraisals are as follows:

Private Market dwellings:

- One Bedroom Flats = 7 units @ 500 sq.ft. each
- Two Bedroom Flats = 12 units @ 650 sq.ft. each
- Two Bedroom Houses = 20 units @ 800 sq.ft. each
- Three Bedroom Houses = 27 units @ 1,000 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- One Bedroom Flats = 10 units @ 500 sq.ft. each
- Two Bedroom Flats = 10 units @ 650 sq.ft. each
- Two Bedroom Houses = 12 units @ 800 sq.ft. each
- Three Bedroom Houses = 12 units @ 900 sq.ft. each

The private sales adopted for the appraisals are:

- One Bedroom Flats = £120,000 (£240 per sq.ft.)
- Two Bedroom Flats = £140,000 (£215 per sq.ft.)
- Two Bedroom Houses = £200,000 (£250 per sq.ft.)
- Three Bedroom Houses = £230,000 (£230 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative land value
- The price per gross acre = Negative
- The Land Value as a proportion of Gross Development Value = Negative

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £1,200,000
- The price per gross acre = £175,000
- The Land Value as a proportion of Gross Development Value = 6%

Assuming 10% below Base Build Costs for National House Builder @ 40% Affordable Housing



- The residual land value for the scheme = £1,000,000
- The price per gross acre = £150,000
- The Land Value as a proportion of Gross Development Value = 6%

Assuming 10% below Base Build Costs for National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £2,000,000
- The price per gross acre = £295,000
- The Land Value as a proportion of Gross Development Value = 10%

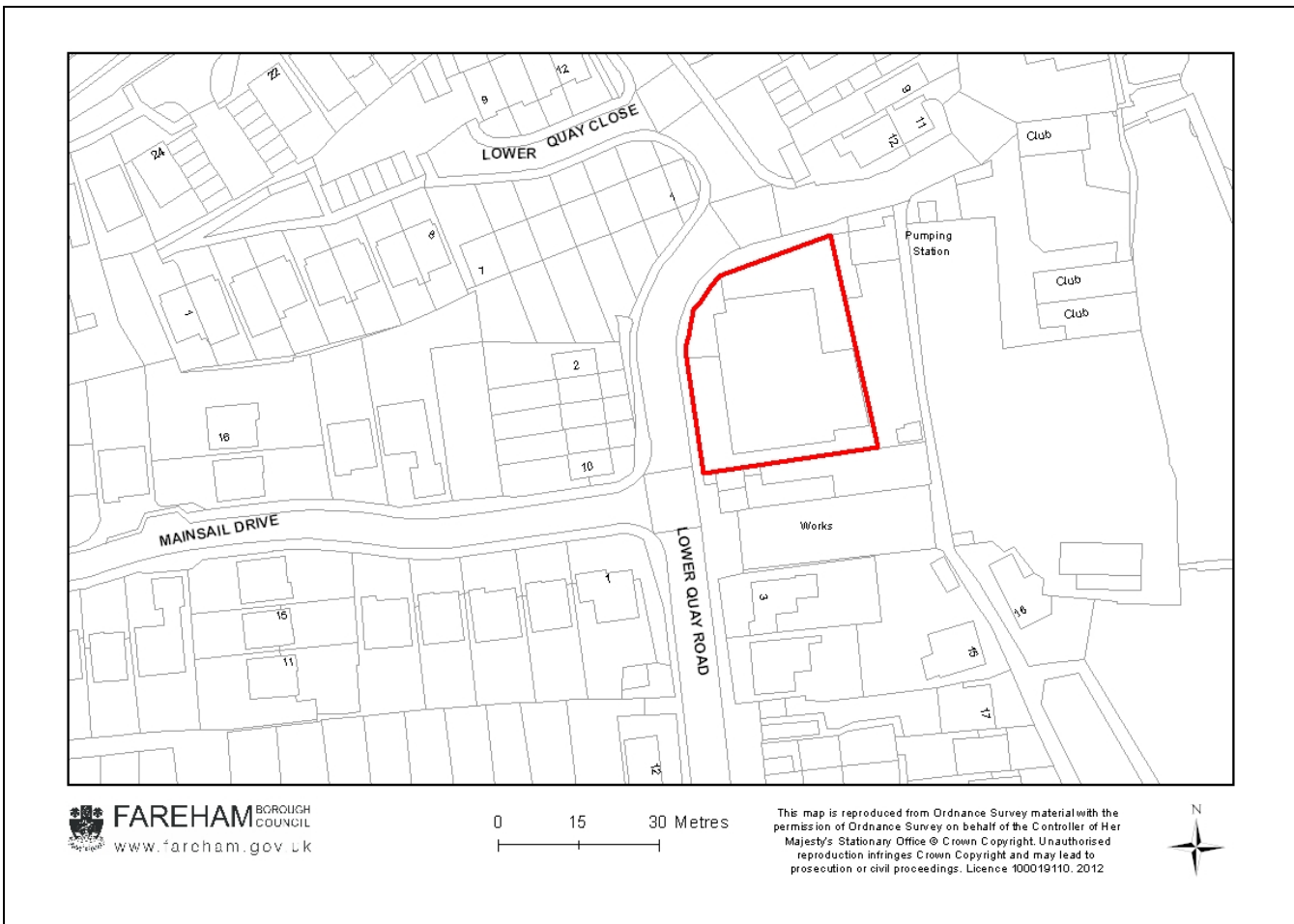
On this basis, the scheme does not appear to be viable in the current market.

Timing

The site should be treated as a windfall site that may come forward over the period of the Core Strategy.



Seaeeye House, Lower Quay Road, Fareham



Site Area:

Gross Area = 0.3 acres (0.12 hectares)



Developable Area = 0.3 acres (0.12 hectares)
Description: A one/two storey industrial unit with offices located at Lower Quay Road providing 9,590 sq.ft. of floorspace. The site is close to the Fareham Creek and the Lower Quay Conservation Area, which has a cluster of listed buildings and sailing activities.
Site Constraints: The Environment Agency has confirmed that the site is located within Flood Zone 3 (the highest probability of flooding) and therefore the design solution require residential uses to be one metre above ground level, indicating that flatted development is more appropriate for the site. Safe access and egress is also required from any new development. The Council's historic land-use records also indicate that the site's current and former use with timber yard, boat yard and other activities may indicate some level of contamination on the site.
Planning Status: There are no current planning applications or permissions relating to the redevelopment of the site.
Is the Site Available? The industrial unit is current vacant and the owner of the site have met with Council officers to explore development options for the site, which indicates that the site is available for development.
Market Attractiveness of the Site Lower Quay Road is characterised by some attractive historic buildings within the Conservation Area, together with more modern terraced, semi-detached and detached properties built in the late 1990s. There are some flats in part of the town that benefit from views of the Creek. For example, there is a two bedroom flat of 775 sq.ft. for sale at Millers Quay House, a Grade II listed converted flour mill which enjoys views of the Creek and the asking price is £179,995, which equates to £230 per sq.ft. In addition, there are two units at Fareham Quays Elmhurst Road, built in circa 2008/09 with asking prices of £169,950 and £180,000 or £245 per sq.ft. (736 sq.ft.) both with views of the Creek. Recent transactions at Fareham Quays include: <ul style="list-style-type: none">• 2 Fareham Quays – One Bedroom Flat sold for £122,000 in November 2012• 18 Fareham Quays – Two Bedroom Flat sold for £139,950 in August 2012• 12 Fareham Quays - Two Bedroom Flat sold for £153,000 in January 2012• 9 Fareham Quays – One Bedroom Flat sol for £125,000 in July 2011• 6 Fareham Quays – One Bedroom Flat sold for £127,000 in July 2011• 7 Fareham Quays – Two Bedroom Flat sold for £140,000 in May 2011
Is the Site Viable? The current use value of the industrial unit is circa £500,000. Due to the flood risk issues associated with the site, we have appraised a flatted scheme of 12 units with parking at the ground floor of the units and the habitable rooms at first floor level. The housing mix is as follows: Private Market dwellings: <ul style="list-style-type: none">• One Bedroom Flats = 4 units @ 500 sq.ft. each



- Two Bedroom Flats = 4 units @ 700 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- One Bedroom Flats = 2 units @ 500 sq.ft. each
- Two Bedroom Flats = 2 units @ 650 sq.ft. each

We have estimated that the one bedroom flats would achieve £120,000 (£240 per sq.ft.) and the two bedroom flats would achieve £160,000 (£229 per sq.ft.).

Appraisal Results

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £500,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £nil
- Current Use Value = £500,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £500,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £500,000
- % uplift on Current Use Value = 0%

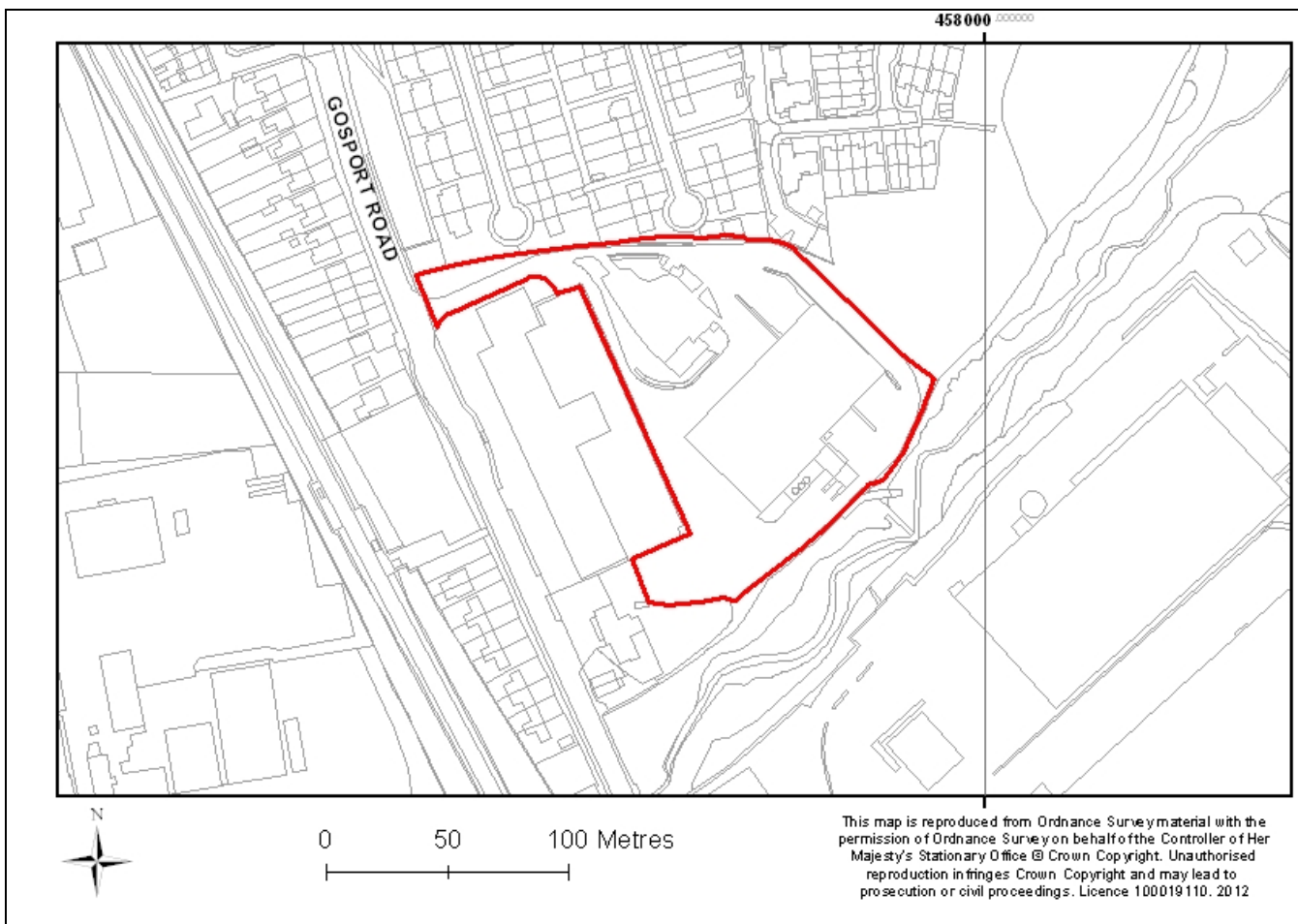
The site is not considered to be viable for a flatted housing scheme.

Timing

The site is likely to remain in industrial or commercial use for the foreseeable future given its current use value.



Bus Depot, Gosport Road, Fareham



Site Area:

Gross Area = 3.7 acres (1.5 hectares)



Developable Area = 3.2 acres (1.2 hectares)
Description: We understand that the existing bus depot is owned and operated by First Group and comprises a series of large storage and maintenance sheds for the bus vehicles plus staff surface car parking. The site is adjacent to the retail warehouses that front onto Gosport Road, and the access arrangement is shared.
Site Constraints: The eastern edge of the site is located within Flood Zone 2 and would require appropriate mitigation works to be undertaken in association with the Environment Agency. The Council's historic land-use records also indicate the possibility of previous infill/land raising of the site and potential contamination from previous uses such as former factories, tramway power station garage and/or filling station.
Planning Status: The site is allocated as a Category A Employment Site within the Fareham Borough Local Plan Review (June 2000). There are no current planning applications or permissions related to the redevelopment of the site.
Is the Site Available? First Group has made representations to the Council seeking a residential allocation where the current use is discontinued and an alternative site for a bus depot is found. The site is in current occupation, so it is not considered to be available now for development, but could be in the future.
Market Attractiveness of the Site Gosport Road is characterised by older, lower value properties along Gosport Road itself, although values are higher for modern units, such as at the late 1990s Bloor Homes Watersmeet development. Recent re-sale transactions reveal the following: <ul style="list-style-type: none">• 45 Watersmeet – Five Bedroom Detached House sold for £347,500 in December 2012• 15 Watersmeet – Four Bedroom Detached House sold for £375,000 in November 2012• 42 Watersmeet – Three Bedroom Terraced House sold for £195,000 in May 2012• 11 Watersmeet – Four Bedroom Detached House sold for £390,000 in March 2012• 7 Watersmeet – Four Bedroom Detached House sold for £284,000 in July 2011• 41 Watersmeet – Four Bedroom Detached House sold for £354,500 in June 2011• 33 Watersmeet – Four Bedroom Detached House sold for £367,000 in June 2011• 12 Bosuns Close – Three Bedroom Terraced House sold for £195,000 in April 2012• 8 Fen Avenue – Two Bedroom Terraced House sold for £169,000 in November 2012• 35 Fen Avenue – Three Bedroom End Terrace House sold for £195,000 in March 2012• 23 Fen Avenue – Three Bedroom End Terrace House sold for £182,000 in June 2011• 19 The Moorings – Three Bedroom Semi-detached House sold for £195,000 in October 2012• 7 The Moorings – Three Bedroom Semi-detached House sold for £197,000 in July 2011• 11 The Moorings – Two Bedroom Terraced House sold for £160,000 in May 2011 In terms of new build properties, the recent 'Wheatsheaf' development at Brockhurst Road, Gosport are marketing properties at the following asking prices: <ul style="list-style-type: none">• Three Bedroom Semi-detached House - £160,000



- Three Bedroom Detached House - £184,995

Is the Site Viable?

We estimate that the current use value of the bus depot is in the region of £700,000-£1,000,000, where the First Group relocated from the premises and the units can be re-let to other occupiers.

We have appraised a scheme of 32 houses, with the following mix:

Private Market dwellings:

- Two Bedroom House = 6 units @ 800 sq.ft. each
- Three Bedroom Houses = 13 units @ 1,000 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom House = 7 units @ 800 sq.ft. each
- Three Bedroom Houses = 6 units @ 900 sq.ft. each

We have estimated that the two bedroom houses would command values of £185,000 (£232 per sq.ft.) and the three bedroom houses of £220,000 (£220 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £700,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £340,000
- Current Use Value = £700,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% below Base Build Costs for National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £70,000
- Current Use Value = £700,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% below Base Build Costs for National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £660,000
- Current Use Value = £700,000-£1,000,000
- % uplift on Current Use Value = 0%



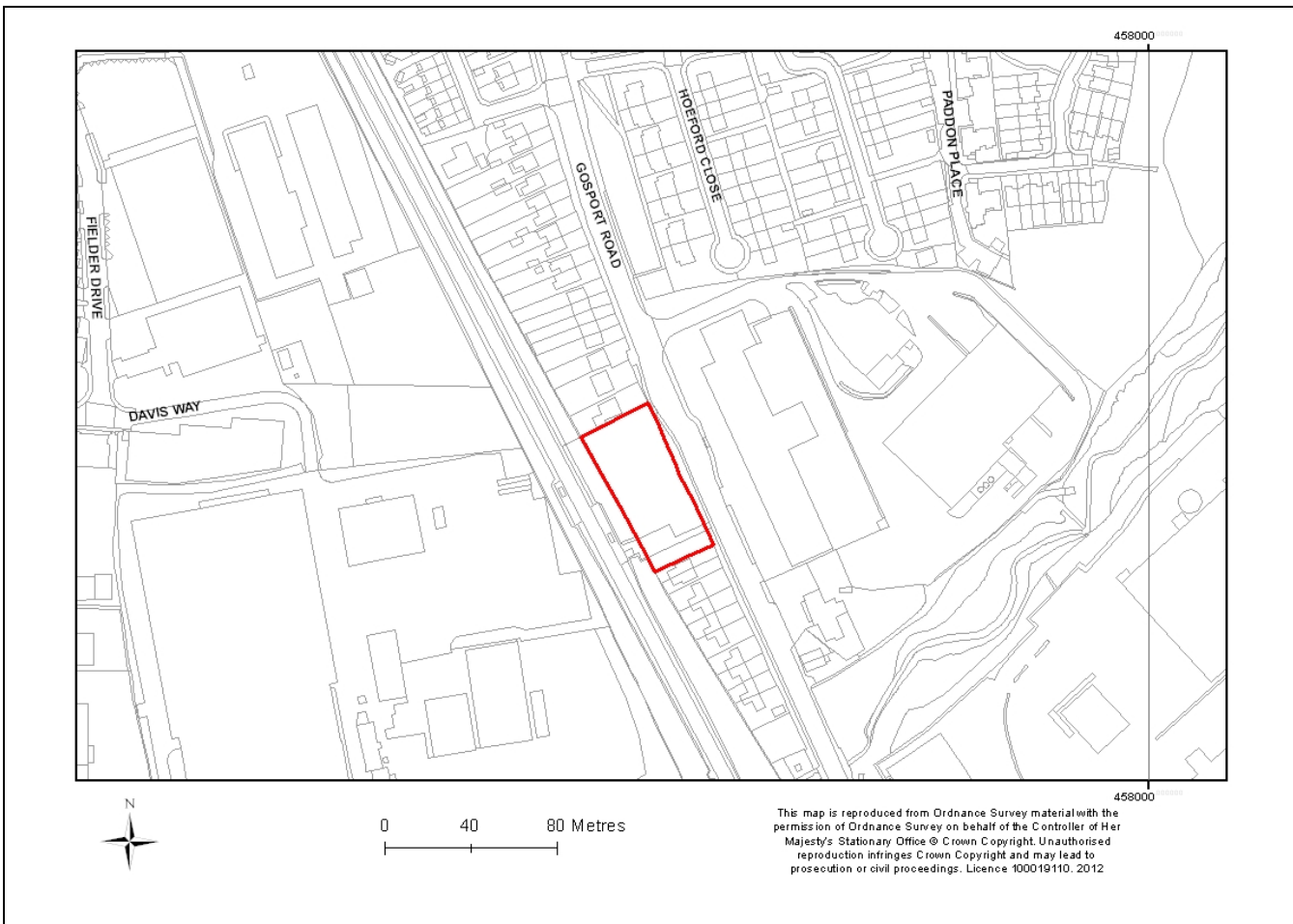
Based on the viability threshold of 20% uplift on current use value, the site does not appear to be viable.

Timing

The site remains an allocated employment site, and it is likely to remain in industrial use for the foreseeable future.



Land Between 335-337 Gosport Road, Fareham



Site Area:

Gross Area = 0.6 acres (0.24 hectares)



Developable Area = 0.4 acres (0.16 hectares)
Description: A cleared site ready for development at Gosport Road. The land is adjacent to the new Bus Rapid Transit (BRT) route and a walkway on the site connects the pedestrians to Gosport Road from the BRT. The site has been used as a compound for the BRT.
Site Constraints: No major constraints.
Planning Status: There are no current planning applications or permissions relating to the redevelopment of the site.
Is the Site Available? The site is cleared and Hampshire County Council has declared the site surplus to requirements, so it is available for development.
Market Attractiveness of the Site Gosport Road is characterised by older, lower value properties along Gosport Road itself, although values are higher for modern units, such as at the late 1990s Bloor Homes Watersmeet development. This site with only a small number of houses will not be able to create the same type of estate environment that Bloor Home created at Watersmeet, and therefore the new build properties at the recent 'Wheatsheaf' development at Brockhurst Road, Gosport are a better indication of the potential prices, as follows: <ul style="list-style-type: none">• Three Bedroom Semi-detached House - £160,000• Three Bedroom Detached House - £184,995 Recent re-sales of older stock along Gosport Road reveal the following: <ul style="list-style-type: none">• 363 Gosport Road – Two Bedroom Terraced House sold for £160,000 in December 2012• 319 Gosport Road – Two Bedroom Semi-detached House sold for £135,000 in June 2011
Is the Site Viable? The site is a cleared site, so the owners Hampshire County Council may be expecting to receive prevailing residential land value for the site. A scheme of 8 houses has been appraised at the policy compliant 30% affordable housing level. The mix is as follows: Private Market dwellings: <ul style="list-style-type: none">• Two Bedroom House = 4 units @ 800 sq.ft. each• Three Bedroom Houses = 2 units @ 900 sq.ft. each Affordable Rent dwellings: <ul style="list-style-type: none">• Two Bedroom House = 2 units @ 800 sq.ft. each• Three Bedroom Houses = 6 units @ 900 sq.ft. each



We have estimated that the two bedroom houses would command values of £180,000 (£225 per sq.ft.) and the three bedroom houses of £200,000 (£232 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £150,000
- The price per gross acre (excluding existing walkway) = £375,000
- The Land Value as a proportion of Gross Development Value = 11%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £150,000
- The price per gross acre (excluding existing walkway) = £375,000
- The Land Value as a proportion of Gross Development Value = 11%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £200,000
- The price per gross acre (excluding existing walkway) = £500,000
- The Land Value as a proportion of Gross Development Value = 14%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £245,000
- The price per gross acre (excluding existing walkway) = £612,500
- The Land Value as a proportion of Gross Development Value = 16%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = £70,000
- The price per gross acre (excluding existing walkway) = £175,000
- The Land Value as a proportion of Gross Development Value = 5%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £165,000
- The price per gross acre (excluding existing walkway) = £412,500
- The Land Value as a proportion of Gross Development Value = 11%

The scheme meets the viability threshold of £500,000 per acre, and therefore considered to be marginal/viable at between 0% and 10% affordable housing depending on the build costs adopted.

Timing

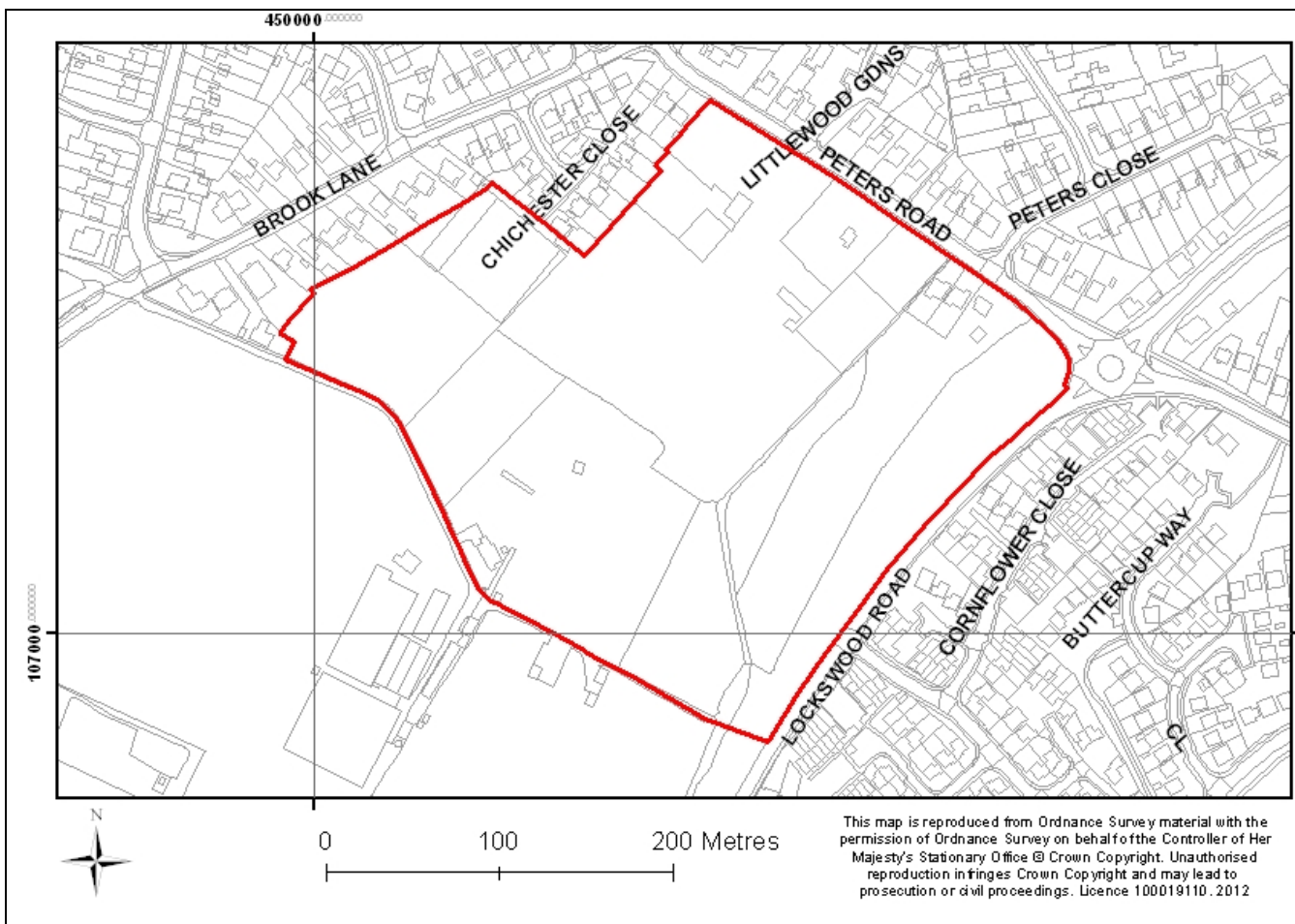
The site is cleared and could come forward in the next 1-5 years.



LOCKS HEATH SITES



Peters Road, Locks Heath



Site Area:

Gross Area = 22.1 acres (8.9 hectares)



Developable Area = 16.1 acres (6.5 hectares)
Description: Land south of Peters Road in Locks Heath comprises vacant open land with hedgerows, part of which was formerly used as a commercial garden nursery.
Planning Status: The site has an adopted Development Brief (November 2007) and part of the site has full planning permission for 49 dwellings (Ref: P/11/0125/DP/A). A recent application by Taylor Wimpey and Bovis Homes for 207 dwellings was refused in May 2013 (Ref: P/12/0717/FP).
Site Constraints: The eastern boundary has a significant belt of trees, and there are several trees preservation orders across the site, especially along the southern and eastern boundaries. The site has local ecological value with potential for protected species requiring mitigation measures. Watercourses and ditches are also present across the site.
Is the Site Available? The site is within the control of three developers – Highwood Group, Taylor Wimpey and Bovis Homes, and part of the site has planning permission. Therefore the site is considered to be available for development.
Market Attractiveness of the Site Locks Heath is an attractive area of Fareham Borough with both large areas of family housing and pockets of flatted developments, especially close to the District Centre. Peters Road is the largest development in the development pipeline in Locks Heath with the capacity to deliver a range of housing types and tenures to appeal a wide range of different markets, which again is an attractive attribute to the developers involved in this scheme. The most recent comparable scheme to Peters Road is Miller Homes' development Admirals Wood at the former Coldeast Hospital site. The analysis of new build quoting prices at the Miller Homes' development shows the following range: <ul style="list-style-type: none">• 3 Bedroom Houses = £269,950-£304,995 (£216-£256 per sq.ft.)• 4 Bedroom Houses = £369,950-£467,500 (£263-£294 per sq.ft.)• 5 Bedroom Houses = £474,950 (£230 per sq.ft.) In terms of re-sales, an analysis of key residential websites reveal the following recent transactions: <ul style="list-style-type: none">• 70 Peters Road – Four Bedroom Bungalow sold for £238,000 in December 2012• 9 Peters Road – Two Bedroom Bungalow sold for £310,000 in October 2012• 83 Peters Road – Three Bedroom Detached House sold for £250,000 in August 2012• 92 Peters Road – Three Bedroom Bungalow Semi-detached sold for £205,000 in January 2012• 34 Peters Road – Three/Four Bedroom Detached House sold for £370,000 in December 2011
Is the Site Viable? The site is vacant, and therefore there are no issues with valuable existing uses to consider. We have undertaken a development appraisal based on a scheme of 280 dwellings to test the indicative viability of the whole site. We have taken the general housing mix from the two recent planning applications and modelled



this through the appraisal as follows, firstly at the policy compliant 40% affordable housing:

Private Market dwellings:

- One Bedroom Flats = 20 units @ 500 sq.ft. each
- Two Bedroom Flats = 45 units @ 650 sq.ft. each
- Two Bedroom Houses = 10 units @ 800 sq.ft. each
- Three Bedroom Houses = 85 units @ 1,000 sq.ft. each
- Four Bedroom Houses = 10 units @ 1,300 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- One Bedroom Flats = 23 units @ 500 sq.ft. each
- Two Bedroom Flats = 23 units @ 650 sq.ft. each
- Two Bedroom Houses = 28 units @ 800 sq.ft. each
- Three Bedroom Houses = 34 units @ 900 sq.ft. each
- Four Bedroom Houses = 2 units @ 1,100 sq.ft. each

The private sales adopted for the appraisals are:

- One Bedroom Flats = £130,000 (£260 per sq.ft.)
- Two Bedroom Flats = £165,000 (£255 per sq.ft.)
- Two Bedroom Houses = £220,000 (£275 per sq.ft.)
- Three Bedroom Houses = £265,000 (£265 per sq.ft.)
- Four Bedroom Houses = £350,000 (£275 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £4,800,000
- The price per gross acre (excluding landscape buffer) = £300,000
- The Land Value as a proportion of Gross Development Value = 10%

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £6,200,000
- The price per gross acre (excluding landscape buffer) = £385,000
- The Land Value as a proportion of Gross Development Value = 12%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £7,700,000
- The price per acre (excluding landscape buffer) = £480,000
- The Land Value as a proportion of Gross Development Value = 14%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £9,400,000
- The price per gross acre (excluding landscape buffer) = £585,000



- The Land Value as a proportion of Gross Development Value = 16%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £10,900,000
- The price per gross acre (excluding landscape buffer) = £680,000
- The Land Value as a proportion of Gross Development Value = 18%

Assuming 10% below Base Build Costs for National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £7,200,000
- The price per gross acre (excluding landscape buffer) = £450,000
- The Land Value as a proportion of Gross Development Value = 14%

Assuming 10% Below Base Build Costs for a National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £8,600,000
- The price per gross acre (excluding landscape buffer) = £535,000
- The Land Value as a proportion of Gross Development Value = 16%

Assuming 10% Below Base Build Costs for National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £10,000,000
- The price per gross acre (excluding landscape buffer) = £620,000
- The Land Value as a proportion of Gross Development Value = 18%

Assuming 10% Below Base Build Costs for National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £11,800,000
- The price per gross acre (excluding landscape buffer) = £730,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming 10% Below Base Build Costs for National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £13,300,000
- The price per gross acre (excluding landscape buffer) = £825,000
- The Land Value as a proportion of Gross Development Value = 22%

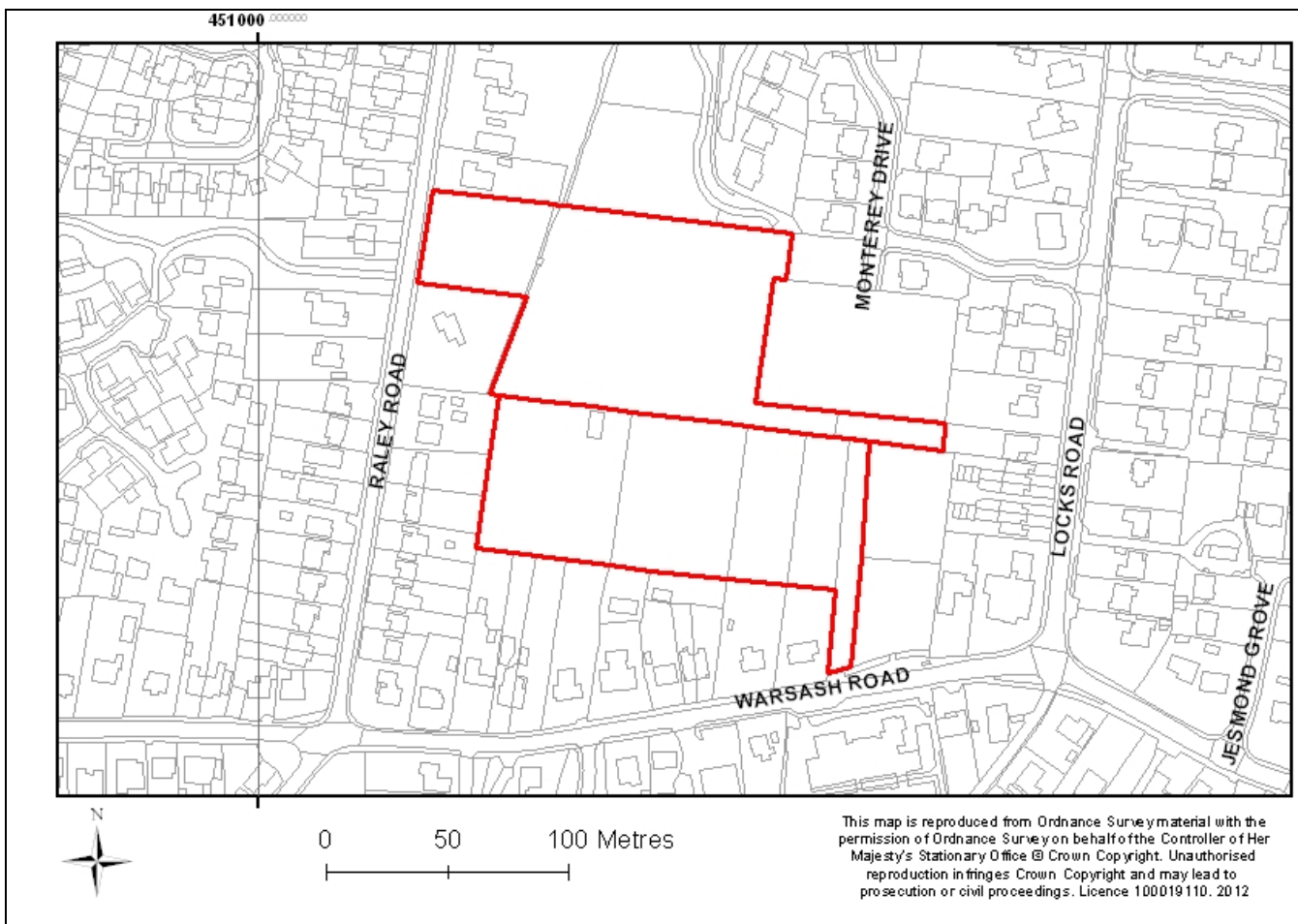
On this basis, the site as a whole appears to be at viable at between 10% and 30% affordable housing depending on the build costs adopted.

Timing

There is planning permission for 49 dwellings, which is likely to come to the market within the first five years of the Core Strategy period. The remaining units are likely to be developed during Years 0-5 and Years 6-10.



East of Raley Road, Locks Heath



Site Area:

Gross Area = 4.9 acres (2.1 hectares)



Developable Area = 4.4 acres (1.8 hectares)
Description: Land to the East of Raley Road comprises open grassed and wooded land and rear gardens, with no signs of previous commercial uses.
Site Constraints: The site has clusters of tree preservation orders on the site, and protected species, such as reptiles and badgers have been recorded on the site, and therefore appropriate mitigation measures will be required.
Planning Status: The site does not have planning permission and was allocated in the Fareham Borough Local Plan Review (June 2000).
Is the Site Available? The site has three landowners and this may be a factor in the site having not come to the market. The preferred access point for the scheme is at Raley Road, and therefore a comprehensive development appears to be the most suitable and appropriate way of bringing the site forward. There is no planning application or proposals for the site and given the historic nature of the allocation it is debatable whether the site will come forward in the first five years of the Core Strategy.
Market Attractiveness of the Site This part of Locks Heath remains an attractive residential market for buyers and developers with several recent large family housing schemes at Stillmeadows and Monterey Drive. Foreman Homes has recently constructed a scheme of 10 five bedroom houses at Monterey Drive, which is an adjacent to the site. These five bedroom detached houses are selling for £500,000. Elsewhere in the locality, the Fragorum Fields development by Mildren Homes a development of 40 dwellings, achieved the following prices: <ul style="list-style-type: none">• 2 Fragorum Fields – Three Bedroom Detached House sold for £300,000 in July 2012 (size circa 1,001 sq.ft. = £300 per sq.ft.)• 23 Fragorum Fields – Three Bedroom Detached House sold for £285,000 in April 2012 (size circa 1,001 sq.ft. = £285 per sq.ft.)• 11 Fragorum Fields – Three Bedroom Detached House sold for £280,000 in March 2012 (size circa 1,001 sq.ft. = £280 per sq.ft.)• 1 Fragorum Fields – Three Bedroom End Terrace House sold for £265,000 in March 2012 (size circa 1,001 sq.ft. = £265 per sq.ft.)• 56 Fragorum Fields – Four Bedroom Detached House sold for £345,000 in November 2012 (size circa 1,372 sq.ft. = £251 per sq.ft.)• 54 Fragorum Fields – Four Bedroom Detached House sold for £349,995 in October 2012 (size circa 1,401 sq.ft. = £250 per sq.ft.)• 52 Fragorum Fields – Four Bedroom Detached House sold for £349,995 in October 2012 (size circa 1,401 sq.ft. = £250 per sq.ft.) the resale values for recent transactions are as follows: <ul style="list-style-type: none">• 21 Monterey Drive – Four Bedroom Detached House sold for £385,000 in December 2012



- 25 Monterey Drive – Four Bedroom Detached House sold for £365,000 in February 2012
- 5 Stillmeadows – Four (Double) Bedroom Detached House sold for £438,000 in August 2012
- 1 Stillmeadows – Five Bedroom Detached House sold for £415,000 in June 2012

Is the Site Viable?

The site is vacant, and therefore there are no issues with valuable existing uses to consider. We have undertaken a development appraisal based on a scheme of 55 houses of predominantly detached and semi-detached dwellings. At a policy compliant 40% affordable housing level, the adopted housing mix is as follows:

Private Market dwellings:

- Two Bedroom Houses = 6 units @ 800 sq.ft. each
- Three Bedroom Houses = 17 units @ 1,000 sq.ft. each
- Four Bedroom Houses = 10 units @ 1,400 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Houses = 10 units @ 800 sq.ft. each
- Three Bedroom Houses = 11 units @ 900 sq.ft. each
- Four Bedroom Houses = 1 units @ 1,100 sq.ft. each

The private sales adopted for the appraisals are:

- Two Bedroom Houses = £220,000 (£275 per sq.ft.)
- Three Bedroom Houses = £285,000 (£285 per sq.ft.)
- Four Bedroom Houses = £385,000 (£275 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £1,800,000
- The price per gross acre (excluding landscape buffer strips) = £410,000
- The Land Value as a proportion of Gross Development Value = 14%

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £2,200,000
- The price per gross acre (excluding landscape buffer strips) = £500,000
- The Land Value as a proportion of Gross Development Value = 16%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £2,600,000
- The price per gross acre (excluding landscape buffer strips) = £590,000
- The Land Value as a proportion of Gross Development Value = 18%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £2,900,000



- The price per gross acre (excluding landscape buffer strips) = £660,000
- The Land Value as a proportion of Gross Development Value = 19%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £3,300,000
- The price per gross acre (excluding landscape buffer strips) = £750,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming 10% below Base Build Costs for National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £2,400,000
- The price per gross acre (excluding landscape buffer strips) = £490,000
- The Land Value as a proportion of Gross Development Value = 19%

Assuming 10% below Base Build Costs for National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £2,800,000
- The price per gross acre (excluding landscape buffer strips) = £635,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming 10% below Base Build Costs for National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £3,200,000
- The price per gross acre (excluding landscape buffer strips) = £725,000
- The Land Value as a proportion of Gross Development Value = 22%

Assuming 10% below Base Build Costs for National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £3,500,000
- The price per gross acre (excluding landscape buffer strips) = £795,000
- The Land Value as a proportion of Gross Development Value = 23%

Assuming 10% below Base Build Costs for National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £4,000,000
- The price per gross acre (excluding landscape buffer strips) = £910,000
- The Land Value as a proportion of Gross Development Value = 25%

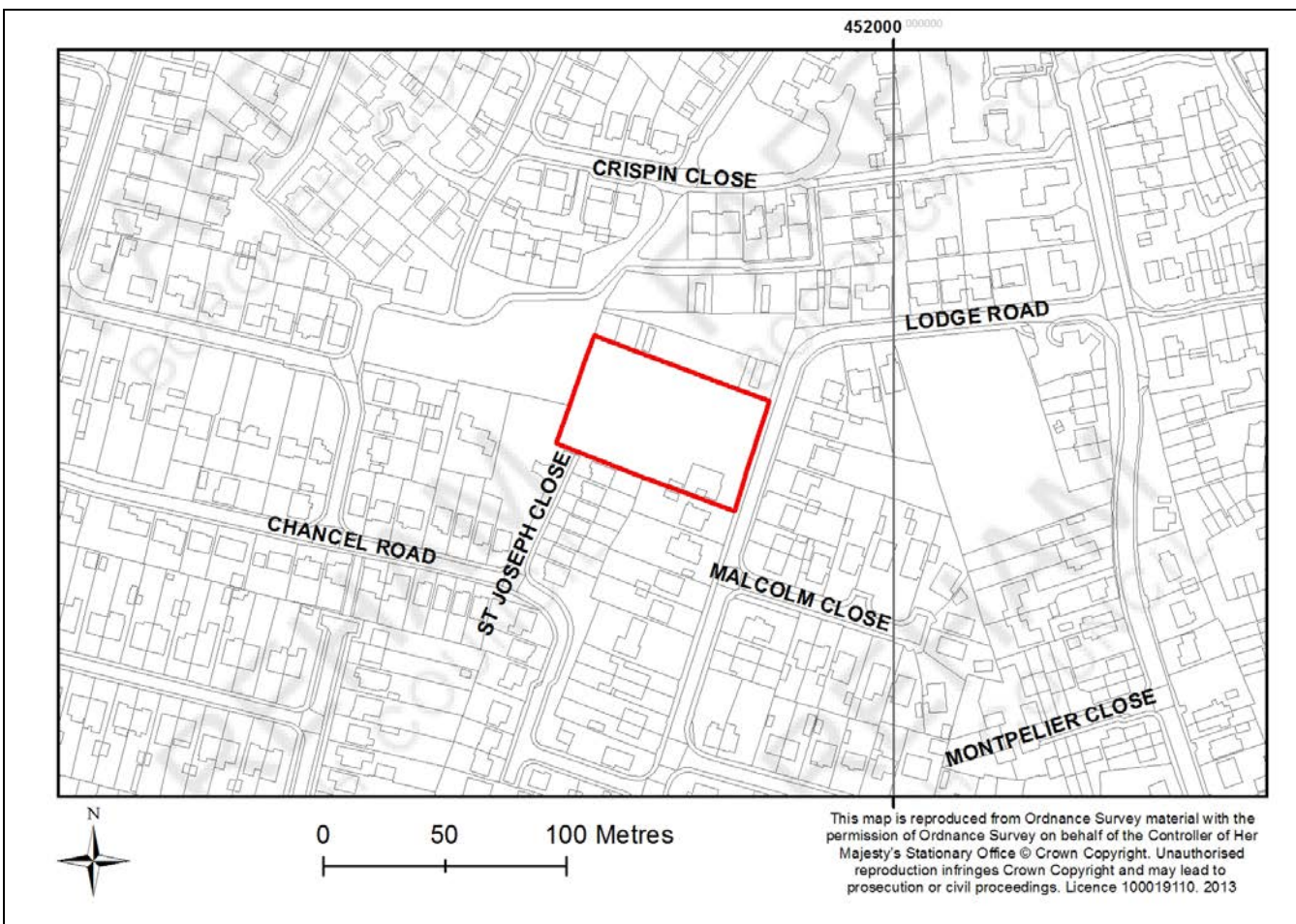
Based on the viability threshold of £500,000 per acre, the site appears viable at circa between 20% and 40% affordable housing level depending on the level of build costs adopted.

Timing

The site is more likely to come forward in the medium to long term beyond the first five years of the Core Strategy due to the landownership position.



Nook Caravan Park Site South, Lodge Road



Site Area:

Gross Area = 0.9 acres (0.36 hectares)



Developable Area = 0.9 acres (0.36 hectares)
Description: The site comprises a derelict house at 33 Lodge Road and vacant overgrown land south of existing caravan park.
Site Constraints: There are two tree preservation orders on the southern edge of the site, and the overgrown nature of the site may harbour ecological species that require mitigation.
Planning Status: There are no planning applications or permissions on the site, although the site was allocated within the Fareham Local Plan Review (June 2000).
Is the Site Available? The site is owned by a private individual, although the site is not being marketed as a development site and we are unaware of any option agreements on the site. The site was previously part of a larger allocation with the Caravan Park, but the issues of multiple-ownership have possibly held back the release of this southern land. Recent Council discussions with the landowner indicate that it is available for development.
Market Attractiveness of the Site This part of locks Heath is characterised by semi-detached and detached family housing, with some recent development at Chancel Road which is from 2006 onwards. The site would suit a scheme of family houses of three bedrooms. A couple of recent new build three bedroom detached houses at 22 and 24 Chancel Road were sold for £325,000 in September 2010 and £315,000 in March 2011. In addition, there have been a several re-sale transactions of modern stock as follows: <ul style="list-style-type: none">• 37 Chancel Road – Three Bedroom linked Detached House built circa 2006 sold for £249,000 in October 2012• 43 Chancel Road – Three Bedroom linked Detached House built circa 2006 sold for £247,000 in July 2012 In addition, there is the nearby Fragorum Fields development by Mildren Homes a development of 40 dwellings, achieved the following prices for three bedroom houses: <ul style="list-style-type: none">• 2 Fragorum Fields – Three Bedroom Detached House sold for £300,000 in July 2012 (size circa 1,001 sq.ft. = £300 per sq.ft.)• 23 Fragorum Fields – Three Bedroom Detached House sold for £285,000 in April 2012 (size circa 1,001 sq.ft. = £285 per sq.ft.)• 11 Fragorum Fields – Three Bedroom Detached House sold for £280,000 in March 2012 (size circa 1,001 sq.ft. = £280 per sq.ft.)• 1 Fragorum Fields – Three Bedroom End Terrace House sold for £265,000 in March 2012 (size circa 1,001 sq.ft. = £265 per sq.ft.)
Is the Site Viable? The existing house is derelict so no current use value is attached to the property. We have appraised a



scheme of 10 three bedroom houses at a policy compliant 30% to start with (two affordable rent units and one shared ownership unit). The private houses are 1,000 sq.ft. each in size for detached dwellings and the affordable houses are 900 sq.ft. for terraced dwellings. The private market values are estimated to be £280,000 for the three bedroom detached houses based on comparable evidence of new and modern re-sale stock in the vicinity.

Appraisal Results

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £395,000
- The price per gross acre = £440,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £490,000
- The price per gross acre = £545,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £550,000
- The price per gross acre = £615,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £650,000
- The price per gross acre = £720,000
- The Land Value as a proportion of Gross Development Value = 23%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = £280,000
- The price per gross acre = £315,000
- The Land Value as a proportion of Gross Development Value = 12%

Assuming 10% above Base Build Costs for Local Contractor @ 20% Affordable Housing

- The residual land value for the scheme = £380,000
- The price per gross acre = £420,000
- The Land Value as a proportion of Gross Development Value = 15%

Assuming 10% above Base Build Costs for Local Contractor @ 10% Affordable Housing

- The residual land value for the scheme = £445,000
- The price per gross acre = £495,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing



- The residual land value for the scheme = £535,000
- The price per gross acre = £595,000
- The Land Value as a proportion of Gross Development Value = 19%

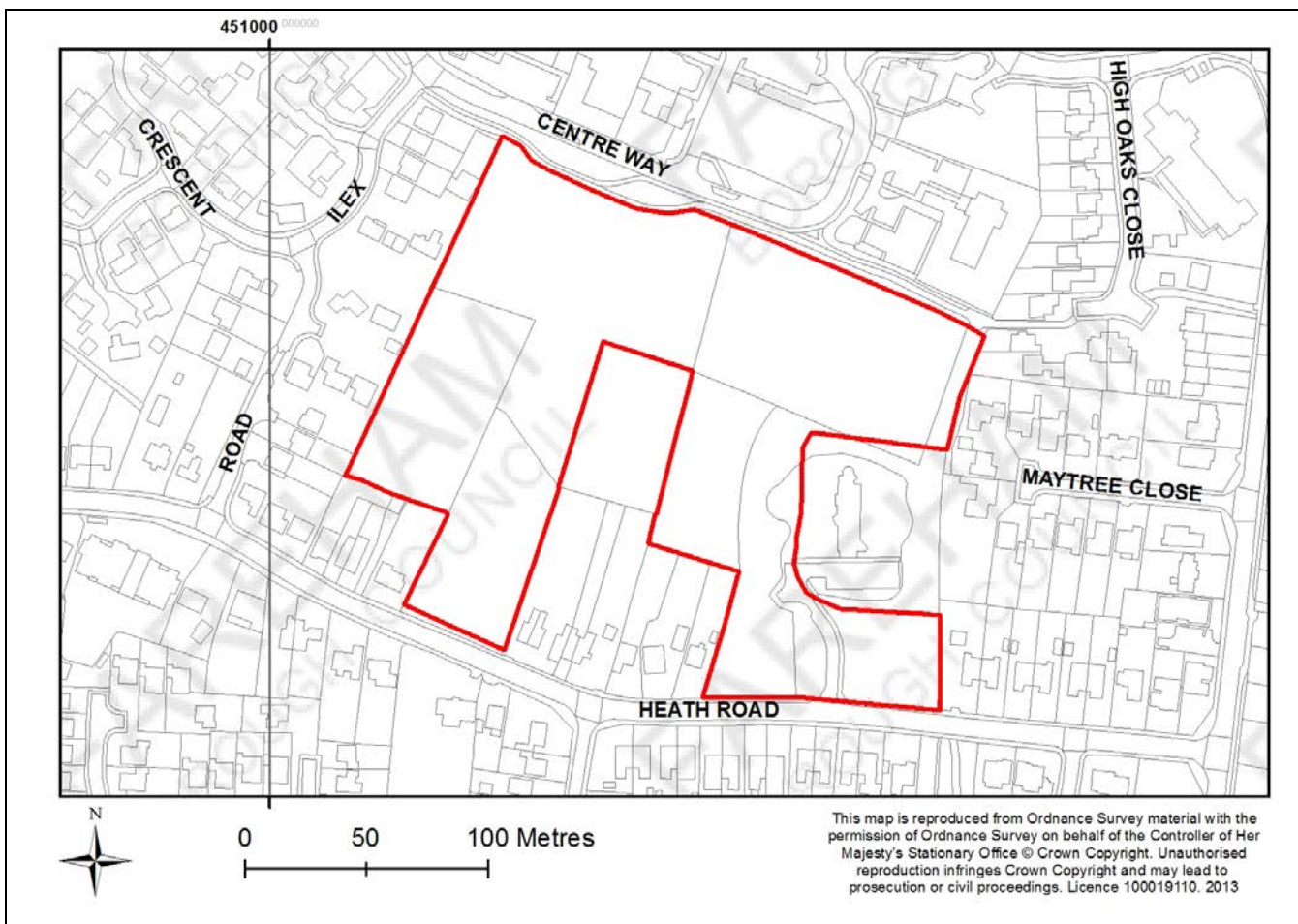
Based on the viability threshold of £500,000 per acre, the site appears viable at circa at between 10% and 20% affordable housing level depending on the build costs incurred by the developer.

Timing

The site is in one ownership and available for development, so potentially could come forward within the first five years of the Core Strategy.



School Site, Heath Road, Locks Heath



Site Area:

Gross Area = 7.1 acres (2.9 hectares)



Developable Area = 6.1 acres (2.5 hectares)
Description: The site comprises a wooded area to the north of Heath Road
Site Constraints: The site has clusters of tree preservation orders that limit the developable area. The site is likely to have local ecological value and require mitigation measures. Contamination maybe an issue in the south western corner of the site, due former coal yard and vehicle repair uses.
Planning Status: There are no planning applications or permissions on the site, although Hampshire County Council is undertaking a masterplanning exercise on its land holdings within the site to promote a residential scheme. The County Council had previously submitted an outline planning application for their part of the site for at least 67 dwellings in 2008 (Ref: P/08/0065/OA), although this application was subsequently withdrawn.
Is the Site Available? The site has two principal owners, with Hampshire County Council the freeholder of the majority of the site including the eastern and northern parts, and a private landowner owning a section with access off Heath Road. We also understand from the County Council that land is unregistered in the centre of the site where the greatest concentration of TPOs exist (this land parcel is omitted from the red-line site boundary). We understand that the site is now surplus to Hampshire County Council requirements, with the exception of the Day Care Centre that occupies part of the their landholding to the east. Due to the access arrangements the two principal parcels can be delivered separately without holding back either landowner.
Market Attractiveness of the Site The School Site is located adjacent to Locks Heath District Centre, and local agents indicate that there is demand for both houses and flats in this area. As the potential scheme could comprise 60 or more dwellings, there should be scope to include a small component of flats, especially to help deliver the wider affordable housing needs in the Borough. The most recent comparable scheme to the School Site is Miller Homes' development Admirals Wood at the former Coldeast Hospital site. The analysis of new build quoting prices at the Miller Homes' development shows the following range: <ul style="list-style-type: none">• 3 Bedroom Houses = £269,950-£304,995 (£216-£256 per sq.ft.)• 4 Bedroom Houses = £369,950-£467,500 (£263-£294 per sq.ft.)• 5 Bedroom Houses = £474,950 (£230 per sq.ft.) In terms of re-sales, an analysis of key residential websites reveal the following recent transactions: <ul style="list-style-type: none">• 5 Stillmeadows – Four (Double) Bedroom Detached House sold for £438,000 in August 2012• 1 Stillmeadows – Five Bedroom Detached House sold for £415,000 in June 2012• 112 Locks Road – Five Bedroom Detached House sold for £535,000 in March 2012
Is the Site Viable? The site capacity is difficult to gauge without further work and understanding on the ecological issues and the



impact of the TPOs. However, given the level of dwellings promoted through the outline application and taking a modest density of 20 dwellings per hectare, the site capacity could be in the region of 60 dwellings. Both landowners are likely to have aspirations for prevailing residential land values.

The scheme of 60 dwellings that has been appraised provides houses only, given the constraints of the site. The mix is as follows at a policy compliant 40% affordable housing level.

Private Market dwellings:

- Two Bedroom Houses = 4 units @ 800 sq.ft. each
- Three Bedroom Houses = 20 units @ 1,000 sq.ft. each
- Four Bedroom Houses = 12 units @ 1,400 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Houses = 12 units @ 800 sq.ft. each
- Three Bedroom Houses = 11 units @ 900 sq.ft. each
- Four Bedroom Houses = 1 units @ 1,100 sq.ft. each

The private sales adopted for the appraisals are:

- Two Bedroom Houses = £220,000 (£275 per sq.ft.)
- Three Bedroom Houses = £285,000 (£285 per sq.ft.)
- Four Bedroom Houses = £350,000 (£250 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £1,700,000
- The price per gross acre (excluding landscape buffer strips) = £280,000
- The Land Value as a proportion of Gross Development Value = 13%

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £2,200,000
- The price per gross acre (excluding landscape buffer strips) = £360,000
- The Land Value as a proportion of Gross Development Value = 15%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £2,600,000
- The price per gross acre (excluding landscape buffer strips) = £425,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £3,000,000
- The price per gross acre (excluding landscape buffer strips) = £490,000
- The Land Value as a proportion of Gross Development Value = 18%



Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £3,300,000
- The price per gross acre (excluding landscape buffer strips) = £540,000
- The Land Value as a proportion of Gross Development Value = 19%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £2,400,000
- The price per gross acre(excluding landscape buffer strips) = £390,000
- The Land Value as a proportion of Gross Development Value = 17.5%

Assuming 10% Below Base Build Costs for a National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £2,900,000
- The price per gross acre (excluding landscape buffer strips) = £475,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming 10% Below Base Build Costs for a National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £3,300,000
- The price per gross acre (excluding landscape buffer strips) = £540,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming 10% Below Base Build Costs for a National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £3,650,000
- The price per gross acre (excluding landscape buffer strips) = £600,000
- The Land Value as a proportion of Gross Development Value = 22%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £3,900,000
- The price per gross acre (excluding landscape buffer strips) = £640,000
- The Land Value as a proportion of Gross Development Value = 23%

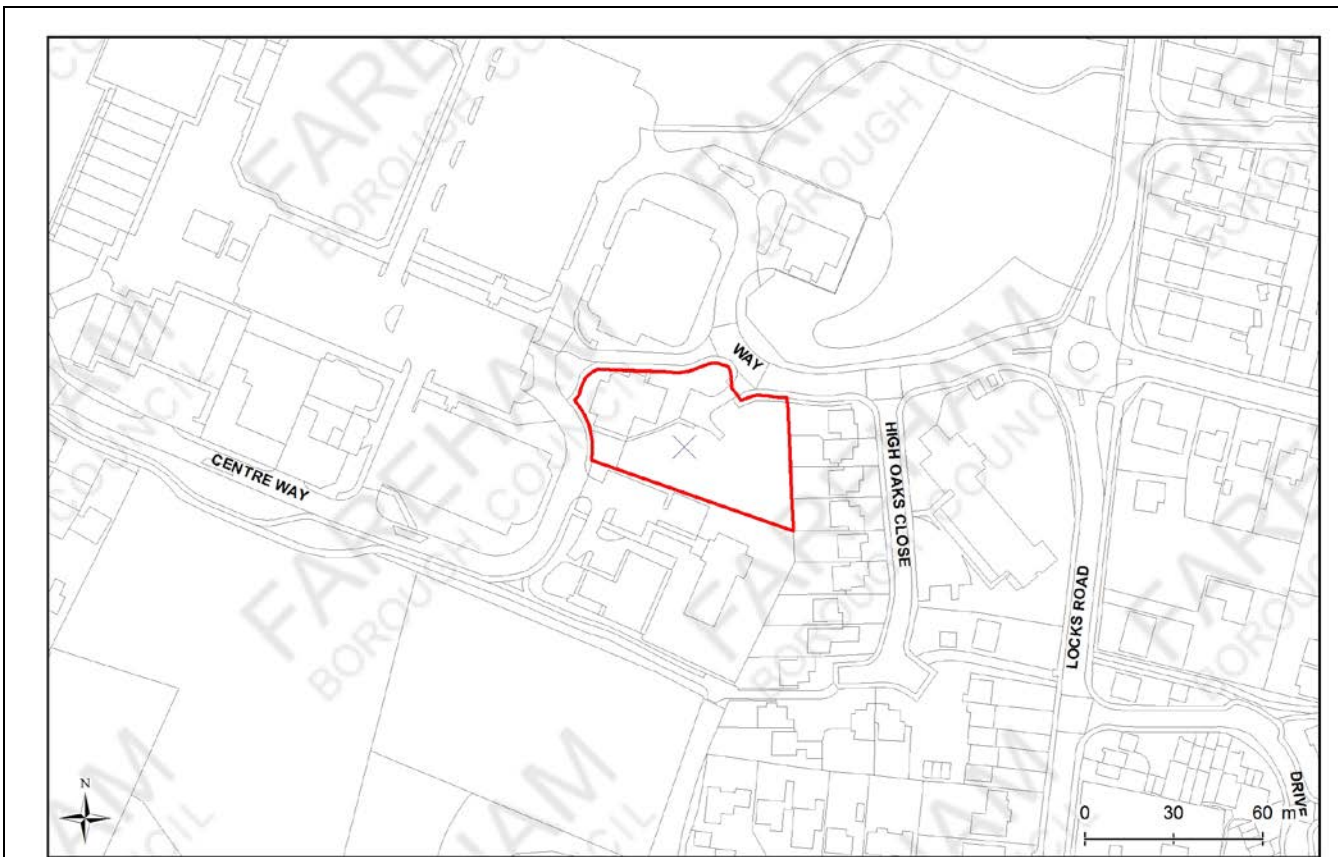
Based on the viability threshold of £500,000 per acre, the site appears to be viable at between 0% and 30% affordable housing depending on the level of build costs adopted.

Timing

The site could come forward on a comprehensive basis or as two separate sites depending on the negotiations between the landowners. It is anticipated that development would come forward between Years 6-10 for the Hampshire County Council land and possibly the land owned by the private landowner.



Genesis Centre, Centre Way, Locks Heath



Site Area:

Gross Area = 0.67 acres (0.27 hectares)

Developable Area = 0.67 acres (0.27 hectares)

Description:



<p>The site comprises a special needs youth centre plus incidental open space and car parking.</p>
<p>Site Constraints:</p> <p>The site has clusters of tree preservation orders that limit the developable area. The site is likely to have local ecological value and require mitigation measures. Contamination maybe an issue in the south western corner of the site, due former coal yard and vehicle repair uses.</p>
<p>Planning Status:</p> <p>The site is a youth centre and therefore has a D1 use class. There are no current planning applications for the site.</p>
<p>Is the Site Available?</p> <p>The site is owned by Fareham Borough Council, and it is reviewing options for the site.</p>
<p>Market Attractiveness of the Site</p> <p>The Genesis Centre is located adjacent to Locks Heath District Centre, and local agents indicate that there is demand for both houses and flats in this area.</p>
<p>Is the Site Viable?</p> <p>We have appraised a scheme of 35 one and two bedroom flats that maintain the mature trees in the centre of the site. The following mix has been appraised at a policy compliant 40% affordable housing level.</p> <p>Private Market dwellings:</p> <ul style="list-style-type: none">• One Bedroom Flats = 6 units @ 500 sq.ft. each• Two Bedroom Flats = 15 units @ 650 sq.ft. each <p>Affordable Rent/Shared Ownership dwellings:</p> <ul style="list-style-type: none">• One Bedroom Flats = 4 units @ 500 sq.ft. each• Two Bedroom Flats = 10 units @ 650 sq.ft. each <p>The private sales adopted for the appraisals are:</p> <ul style="list-style-type: none">• One Bedroom Flats = £130,000 (£260 per sq.ft.)• Two Bedroom Flats = £165,750 (£255 per sq.ft.) <p><u>Appraisal Results</u></p> <p>Assuming Base Build Costs @ 40% Affordable Housing</p> <ul style="list-style-type: none">• The residual land value for the scheme = Negative value• The price per gross acre = Negative• The Land Value as a proportion of Gross Development Value = Negative <p>Assuming Base Build Costs @ 30% Affordable Housing</p> <ul style="list-style-type: none">• The residual land value for the scheme = £Nil• The price per gross acre = £Nil



- The Land Value as a proportion of Gross Development Value = 0%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £130,000
- The price per gross acre = £190,000
- The Land Value as a proportion of Gross Development Value = 2.5%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £270,000
- The price per gross acre = £400,000
- The Land Value as a proportion of Gross Development Value = 5%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £375,000
- The price per gross acre = £560,000
- The Land Value as a proportion of Gross Development Value = 7%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £120,000
- The price per gross acre = £175,000
- The Land Value as a proportion of Gross Development Value = 3%

Assuming 10% Below Base Build Costs for a National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £300,000
- The price per gross acre = £450,000
- The Land Value as a proportion of Gross Development Value = 6%

Assuming 10% Below Base Build Costs for a National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £435,000
- The price per gross acre = £650,000
- The Land Value as a proportion of Gross Development Value = 9%

Assuming 10% Below Base Build Costs for a National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £575,000
- The price per gross acre = £860,000
- The Land Value as a proportion of Gross Development Value = 11%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £680,000
- The price per gross acre = £1,000,000
- The Land Value as a proportion of Gross Development Value = 12%

Based on the viability threshold of £500,000 per acre, the site appears to be marginal/viable at between 0%



and 30% affordable housing depending on the level of build costs adopted.

Timing

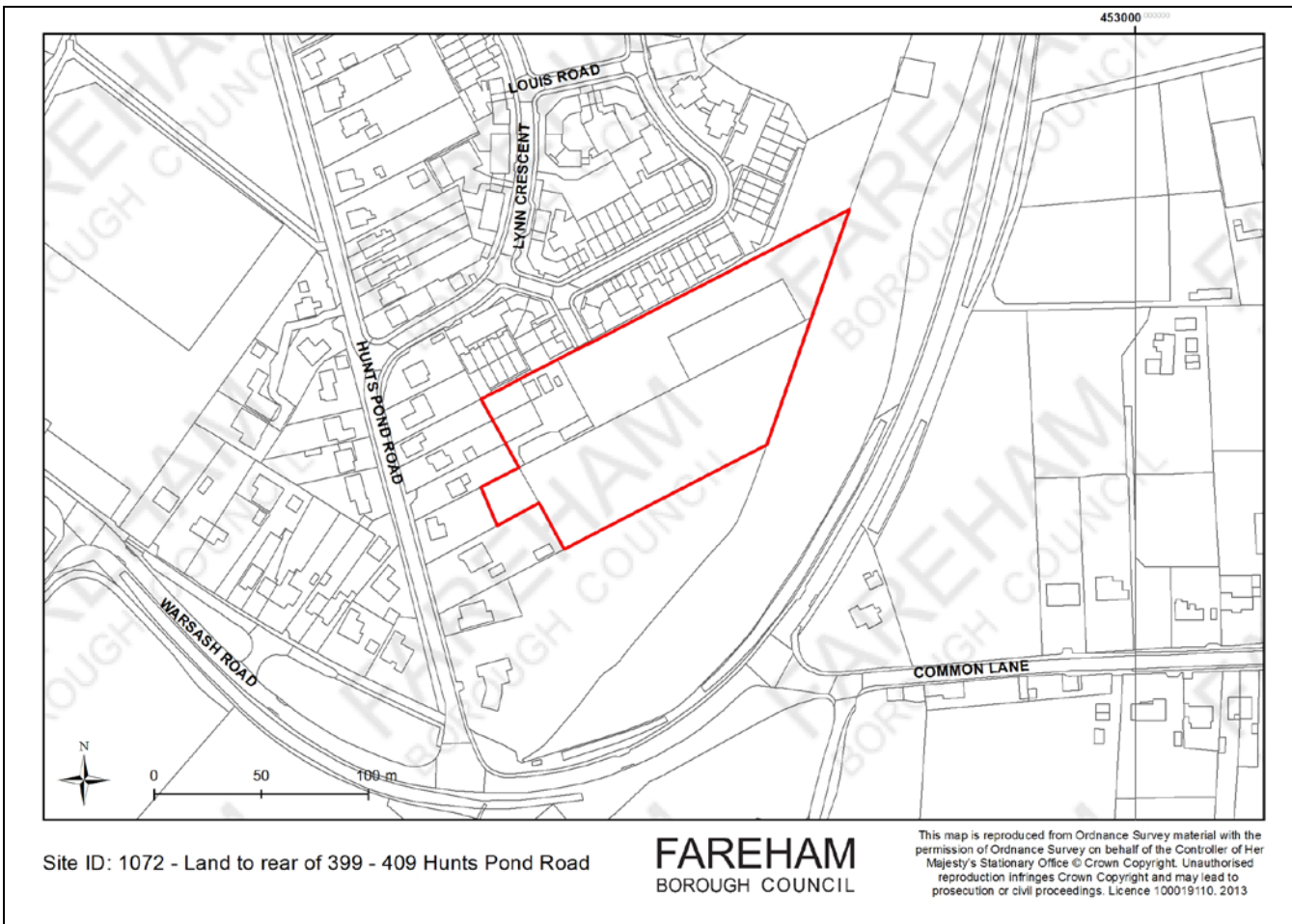
The site could come forward in the medium term 6-10 years, following its release and relocation of youth services.



TITCHFIELD COMMON SITES



Hunts Pond Road North



Site Area:

Gross Area = 3 acres (1.2 hectares)



Developable Area = 2.2 acres (0.89 hectare)
Description: The parcel of land is a collection of back gardens due south of the Charles Church and Persimmon Homes' Tanners Gate housing scheme.
Site Constraints: There are overhead power lines across the eastern part of the site which has a 20 metre exclusion zone around them. The eastern part of the site where Brownwich Stream is located is also within Flood Zone 2 and 3, restricting housing development here coupled with the power lines. There are tree preservation orders scattered across the site, and the presence of dormice from the adjacent Wilderness SINC requiring appropriate buffering and mitigation.
Planning Status: A planning application for the site (P/12/0843/OA) was submitted in October 2012 by Highwood Residential but subsequently withdrawn in April 2013. The scheme was for 30 dwellings (20 three bedroom houses, 1 four bedroom house, 8 two bedroom flats and 1 one bedroom flat). The site has the benefit of a Development Brief, which cover this site and the wider land at Hunts Pond Road (2006).
Is the Site Available? As Highwood Residential has submitted a recent planning application, it is assumed that the site is available for development.
Market Attractiveness of the Site This represents an additional phase to the Tanners Gate residential scheme. The scheme has now been withdrawn, but as a stand-alone scheme would suit houses rather than flats, given the numbers of flats already within the Tanners Gate scheme. An analysis of the new build sales at Tanners Gate reveals the following ranges of transacted prices: <ul style="list-style-type: none">• 160 Bedford Drive = 2 Bedroom Maisonette sold for £128,500 in January 2013• 60 Lynn Crescent = Three Bedroom Detached House sold for £235,000 in December 2012• 152 Bedford Drive = Three Bedroom Detached House sold for £249,500 in December 2012• 150a Bedford Drive – Four Bedroom Detached House sold for £299,999 in December 2012• 124 Bedford Drive – Three Bedroom House sold for £229,950 in December 2012• 89 Bedford Drive – Three Bedroom House sold for £239,999 in November 2012• 122 Bedford Drive – Three Bedroom Semi-detached House for £243,000 in October 2012• 128 Bedford Drive – Three Bedroom Semi-detached House for £240,000 in July 2012• 126 Bedford Drive – Three Bedroom Semi-detached House for £242,950 in July 2012• 67 Bedford Drive – One Bedroom Flat sold for £122,998 in December 2011• 69 Bedford Drive – One Bedroom Flat sold for £115,000 in December 2011



- 73 Bedford Drive – One Bedroom Flat sold for £110,000 in December 2011
- 121 Bedford Drive – Two Bedroom Flat sold for £144,950 in December 2011
- 127 Bedford Drive – Two Bedroom Flat sold for £149,950 in December 2011
- 30 Lynn Crescent – Two Bedroom Flat sold for £145,000 in June 2011

In addition, there is the nearby Fragorum Fields development by Mildren Homes a development of 40 dwellings, including flats and houses. Achieved prices at Fragorum Fields as are follows:

- 2 Fragorum Fields – Three Bedroom Detached House sold for £300,000 in July 2012 (size circa 1,001 sq.ft. = £300 per sq.ft.)
- 23 Fragorum Fields – Three Bedroom Detached House sold for £285,000 in April 2012 (size circa 1,001 sq.ft. = £285 per sq.ft.)
- 11 Fragorum Fields – Three Bedroom Detached House sold for £280,000 in March 2012 (size circa 1,001 sq.ft. = £280 per sq.ft.)
- 1 Fragorum Fields – Three Bedroom End Terrace House sold for £265,000 in March 2012 (size circa 1,001 sq.ft. = £265 per sq.ft.)
- 56 Fragorum Fields – Four Bedroom Detached House sold for £345,000 in November 2012 (size circa 1,372 sq.ft. = £251 per sq.ft.)
- 54 Fragorum Fields – Four Bedroom Detached House sold for £349,995 in October 2012 (size circa 1,401 sq.ft. = £250 per sq.ft.)
- 52 Fragorum Fields – Four Bedroom Detached House sold for £349,995 in October 2012 (size circa 1,401 sq.ft. = £250 per sq.ft.)

Is the Site Viable?

The existing site is a series of back gardens and paddocks, and therefore the owners of the land would be seeking prevailing residential land value for the site. The viability of developing flats at £110,000-£120,000 capital value for one bedroom units and £140,000-£150,000 for two bedroom units is going to be marginal, especially for a smaller site as this. Therefore, we have appraised a scheme of 25 houses, with a mix of two, three and four bedroom houses as follows:

Private Market dwellings:

- Two Bedroom Houses = 2 units @ 800 sq.ft. each
- Three Bedroom Houses = 11 units @ 1,000 sq.ft. each
- Four Bedroom Houses = 2 units @ 1,250 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Houses = 7 units @ 800 sq.ft. each
- Three Bedroom Houses = 3 units @ 900 sq.ft. each

The private market values are estimated to be £200,000 (£250 psq.ft.) for the two bedroom houses, £250,000 for the three bedroom houses (£250 per sq.ft.) and £325,000 (£260 per sq.ft.) for the four bedroom houses.



Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £515,000
- The price per gross acre (excluding landscape buffer) = £235,000
- The Land Value as a proportion of Gross Development Value = 10%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £1,000,000
- The price per gross acre (excluding landscape buffer) = £455,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £775,000
- The price per gross acre (excluding landscape buffer) = £350,000
- The Land Value as a proportion of Gross Development Value = 15.5%

Assuming 10% Below Base Build Costs for a National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £950,000
- The price per gross acre (excluding landscape buffer) = £430,000
- The Land Value as a proportion of Gross Development Value = 18%

Assuming 10% Below Base Build Costs for a National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £1,000,000
- The price per gross acre (excluding landscape buffer) = £475,000
- The Land Value as a proportion of Gross Development Value = 19%

Assuming 10% Below Base Build Costs for a National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £1,100,000
- The price per gross acre (excluding landscape buffer) = £515,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £1,300,000
- The price per gross acre (excluding landscape buffer) = £590,000
- The Land Value as a proportion of Gross Development Value = 21.5%

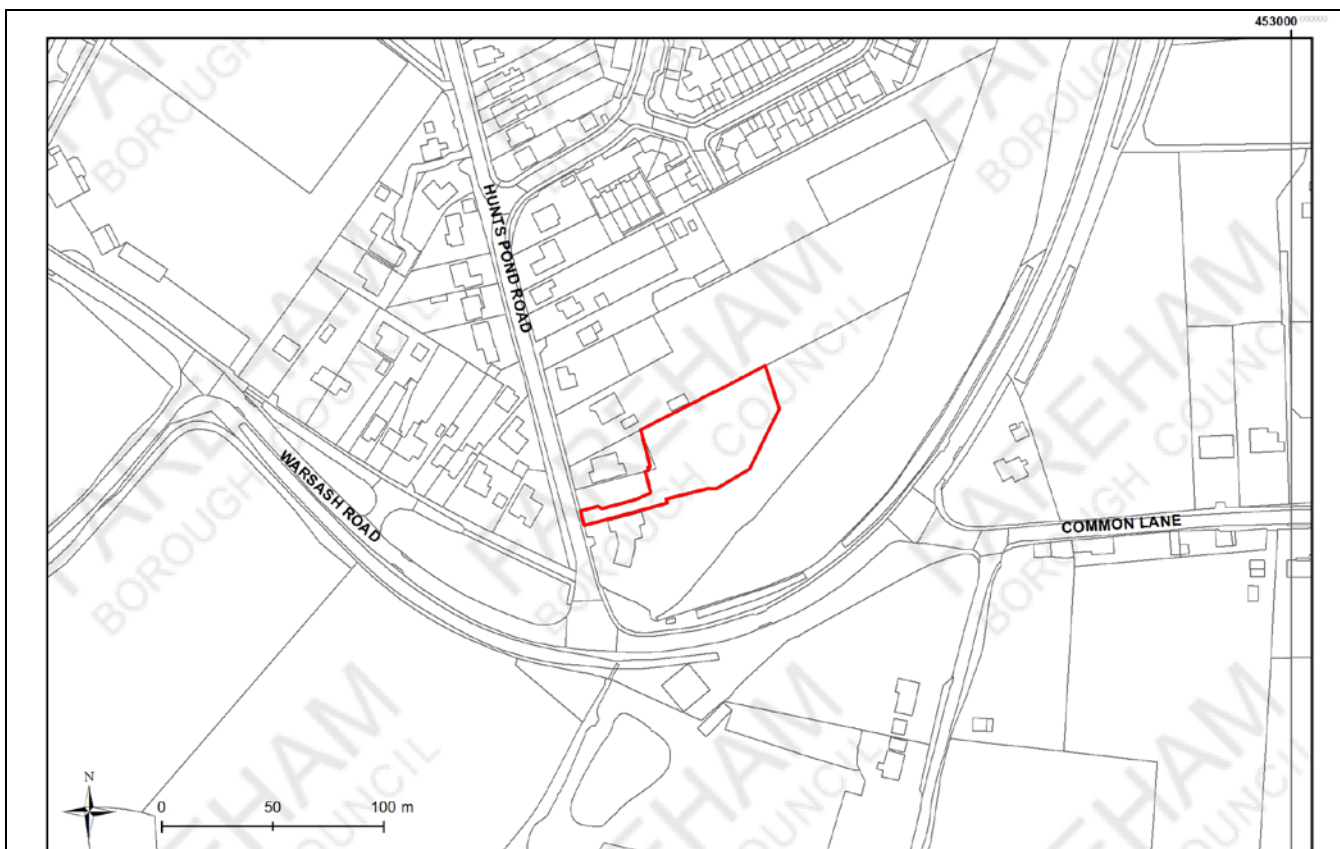
On this basis the scheme is marginal/viable at between 0% and 20% affordable housing depending on the build costs adopted.

Timing

The site is available now as a recent planning application was submitted to the Council and it is likely that the site will come forward in the first five years of the Core Strategy.



Hunts Pond Road South



Site ID: 2524 - Land to rear of 411 - 417 Hunts Pond Road

FAREHAM
BOROUGH COUNCIL

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Site Area:

Gross Area = 0.6 acres (0.24 hectares)



Developable Area = 0.6 acres (0.24 hectares)
Description: Another backland site along Hunts Pond Road at the southern end behind 411 Hunts Pond Road, which comprises back gardens of properties.
Site Constraints: There are overhead power lines across the eastern part of the site which has an exclusion zone around them. The eastern part of the site where Brownich Stream is located is also within Flood Zone 2 and 3, restricting housing development here coupled with the power lines. There are several tree preservation orders scattered across the site, and the presence of dormice from the adjacent Wilderness SINC requiring appropriate buffering and mitigation.
Planning Status: An outline planning application was received for 4 x four detached houses in April 2013 by Serene Developments (Ref: P/13/0355/OA). The application has yet to be decided. The site has the benefit of a Development Brief, which cover this site and the wider land at Hunts Pond Road (2006).
Is the Site Available? The site is being promoted through planning by the landowner Serene Developments and therefore it is available.
Market Attractiveness of the Site This represents a separate development and phase to the Tanners Gate residential scheme, as the access point to the proposed four house scheme will be directly onto Hunts Pond Road. Hunts Pond Road continues to be an attractive location for developers and residential buyers given the success of the two recent schemes at Tanners Gate and Frorum Fields. Recent transactional data shows the following for four bedroom dwellings: <ul style="list-style-type: none">• 56 Frorum Fields – Four bedroom detached house sold for £345,000 in November 2012 (size 1,372 sq.ft. = £251 per sq.ft.)• 54 Frorum Fields – Four bedroom detached house sold for £349,995 in October 2012 (size 1,401 sq.ft. = £250 per sq.ft.)• 52 Frorum Fields – Four bedroom detached house sold for £349,995 in October 2012 (size 1,401 sq.ft. = £250 per sq.ft.)• 150a Bedford Drive – Four bedroom detached house sold for £299,999 in December 2012
Is the Site Viable? The existing site is back gardens, and therefore the owners of the land would be seeking prevailing residential land value for the site. We have appraised the current proposed scheme of 4 x four detached houses, and the power line exclusion zone and access onto Hunts Pond Road, plus the affordable housing threshold all point to a small scale private only scheme. We have assumed that the units are circa 1,500 sq.ft. and the market value for each unit is estimated at £400,000 (£267 per sq.ft.) as this is a small non-estate scheme and therefore should command higher values



compared to say Fragorum Fields or Tanners Gate.

Appraisal Results

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £350,000
- The price per gross acre = £580,000
- The Land Value as a proportion of Gross Development Value = 22%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £280,000
- The price per gross acre = £470,000
- The Land Value as a proportion of Gross Development Value = 17.5%

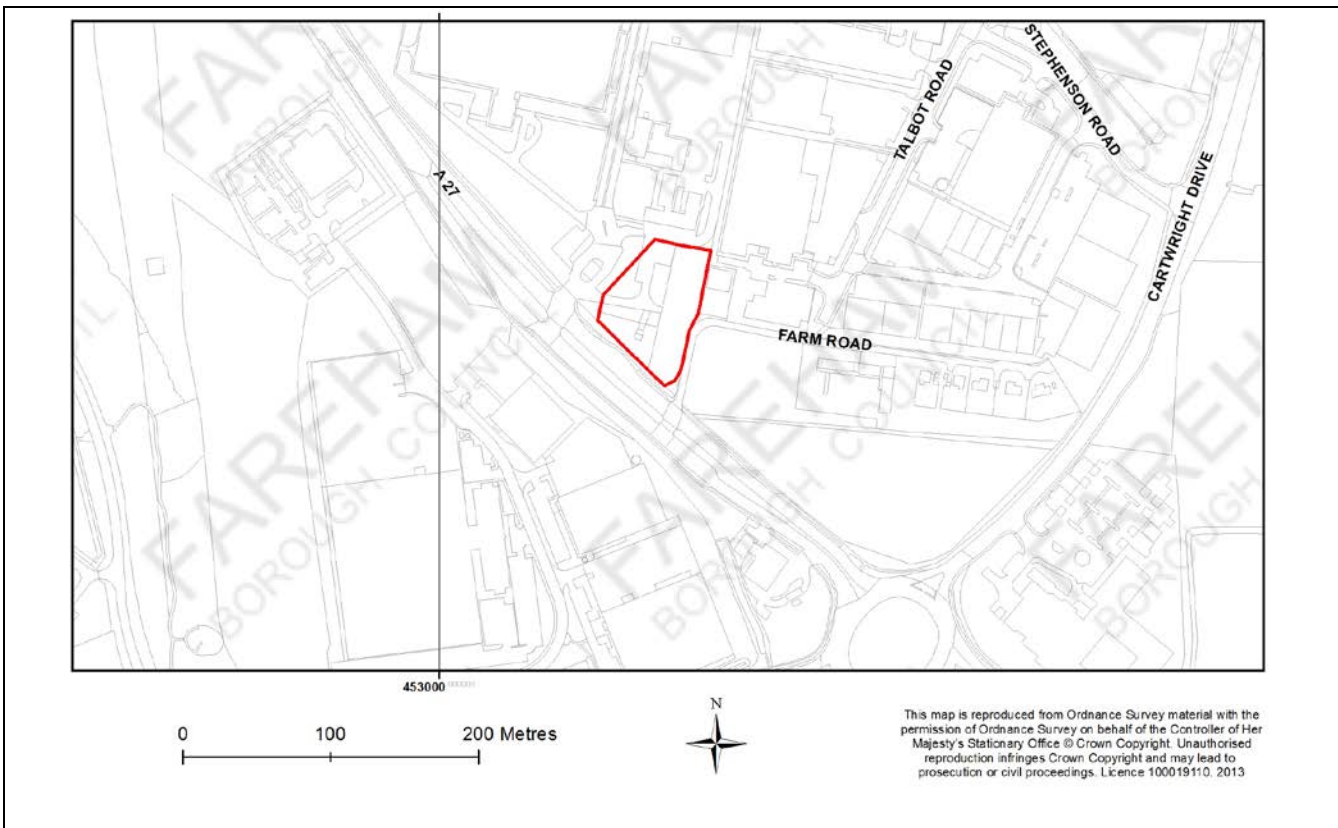
Based on the viability threshold of £500,000 per acre, the site appears to be marginal / viable depending on the build costs adopted.

Timing

An application for the site has been submitted and therefore the site is likely to come forward within the first five years of the Core Strategy.



Farm Road, Titchfield Common



Site Area:

Gross Area = 1.1 acres (0.44 hectares)

Developable Area = 1.1 acres (0.44 hectares)

Description:

The site comprises the car parking area within the curtilage of Batleys and land formerly occupied by the 1350



squadron air training corps (which has a new building adjacent). The site is located on the edge of an industrial area, although there are several existing dwellings located at the eastern end of Farm Road.

Site Constraints:

Contamination may be an issue due to the industrial uses adjacent to the site.

Planning Status:

There are no planning applications or permission relating to the site. However, Foreman Homes has recently been granted planning permission for the erection of 19 houses and 9 flats (Ref: P/11/0386/MA/A).

Is the Site Available?

The site is not currently being used, other than for parking vehicles, so it is assumed that it is available for development as representations may be made to the Council for its allocation.

Market Attractiveness of the Site

Farm Road is not considered to be a particularly attractive private market residential location given the proximity of the industrial units at Funtley industrial estate. We recognise that Foreman Homes has secured planning permission for an adjacent site at Farm Road. The most modern housing stock in the vicinity can be found to the north of Funtley Industrial Estate in the Segensworth Road area. Recent re-sale transactions include:

- 16 Orpine Close – Three Bedroom Detached House sold for £225,000 in February 2013
- 19 Grevillea Avenue – Four Bedroom Detached House sold for £322,500 in February 2013
- 27 Grevillea Avenue – Three Bedroom Terraced House sold for £195,000 in November 2012
- 23 Grevillea Avenue – Two Bedroom End Terrace House sold for £179,950 in November 2012
- Flat 3 Wiltshire Square, Park Cottage Drive – Two Bedroom Flat sold for £144,950 in October 2012
- 19 Park Cottage Drive – Three Bedroom Terraced House sold for £203,000 in July 2012

Is the Site Viable?

The current use of the site is car parking and other hard and soft areas, and therefore there is no valuable current use value to take into consideration. The owner of the site would have aspirations at prevailing residential land values in the area. Given the current viability and funding issues with the deliverability of flatted schemes, we have opted to appraise a scheme of 13 two and three bedroom houses. The breakdown of the appraised scheme at 30% affordable housing is as follows:

Private Market dwellings:

- Two Bedroom Houses = 2 units @ 800 sq.ft. each
- Three Bedroom Houses = 7 units @ 900 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Houses = 4 units @ 800 sq.ft. each

The private market values for the site taking into account its position next to the industrial estate, and



comparable evidence in the locality are estimated at £180,000 for a two bedroom house and £200,000 for a three bedroom house.

Appraisal Results

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £135,000
- The price per gross acre = £125,000
- The Land Value as a proportion of Gross Development Value = 5%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £nil
- The price per gross acre = £nil
- The Land Value as a proportion of Gross Development Value = 0%

Based on the viability threshold of £500,000 per acre, the site appears to be unviable.

Timing

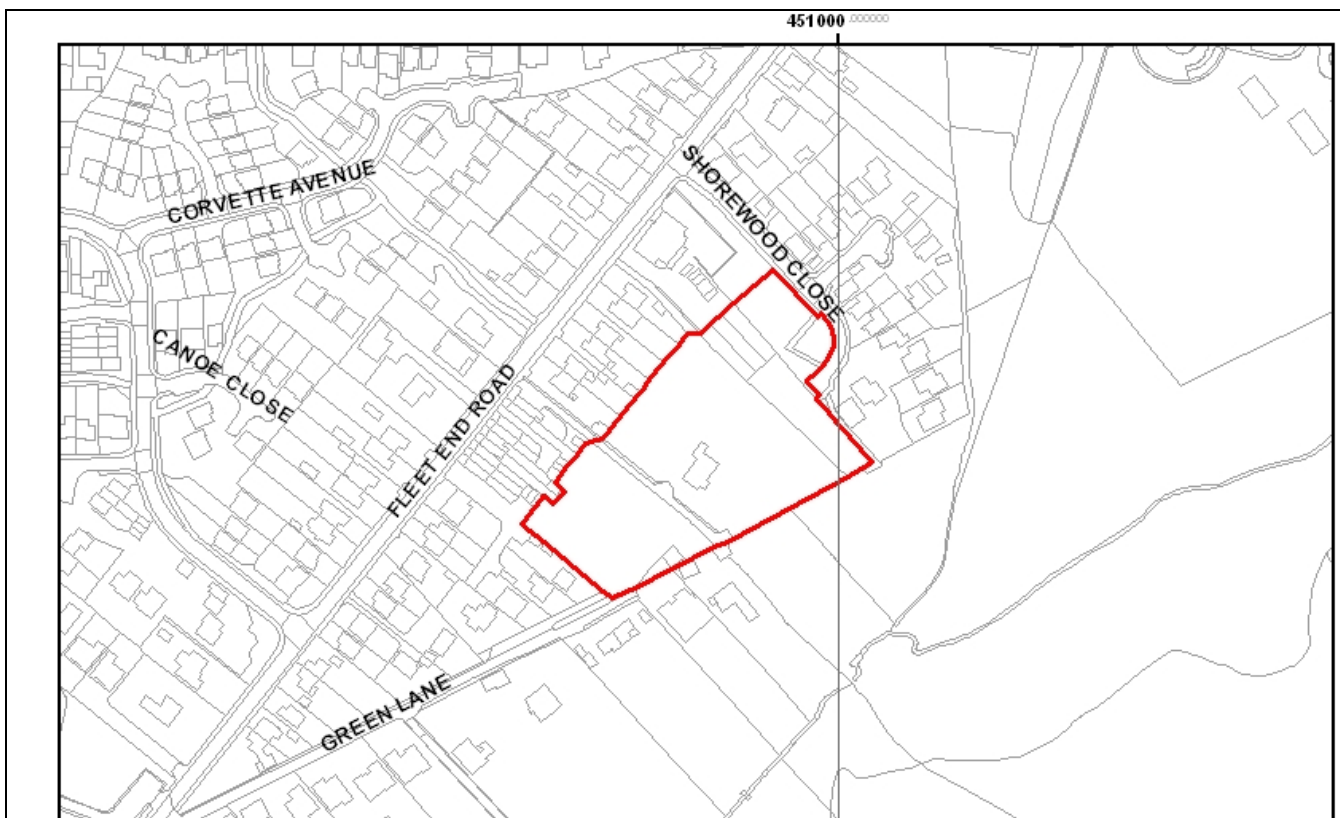
It is a long term opportunity, which may not come forward due to viability issues.



WARSASH SITES



Fleet End Road, Warsash



0 50 100 Metres

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Site Area:

Gross Area = 2 acres (0.8 hectares)



Developable Area = 2 acres (0.8 hectares)
Description: <p>The site comprises a number of parcels, including the pub garden of the Jolly Farmer Inn, the existing vacant dwelling and garden of 45 Fleet End Road, part of the front garden of 32 Green Lane and a strip of land to the rear of 47 Fleet End Road. The Shorewood Close development was designed to enable road access into the site, as the existing access point between 43 and 47 Fleet End Road is narrow and would restrict a comprehensive housing scheme for the site.</p>
Site Constraints: <p>Apart of the access issues, there are several tree preservation orders on the land parcel at 32 Green Lane. In addition, Council historic land-use records indicate that there is the potential for contamination on the site within the vicinity of the pub car park. There are several listed buildings fronting Fleet End Road, such as the Jolly Farmer Inn and No. 29, and therefore the design of the new scheme needs to not adversely affect the setting of these listed properties.</p>
Planning Status: <p>The site was allocated within the Fareham Borough Local Plan Review (June 2000), which follows the production of a Development Brief in 1990. A recent planning application (Ref: P/13/0065/FP) for 3 x five bedroom houses by Kebbell Homes Ltd on the land at 45 Fleet End Road has been refused, principally on highways grounds.</p>
Is the Site Available? <p>The site has not come forward for comprehensive development despite the allocation in 2000 and a very buoyant housing market during the mid-2000s. The Jolly Farmer Inn appears to hold the key to unlock the site, given that the recent planning application for three houses at No. 45 Fleet End Road was refused principally on highways grounds. The site cannot be considered available until there is a landowner's agreement in place between the parties to develop the site comprehensively. The Council is not aware of any such agreement, and therefore it is debatable whether the site is genuinely available.</p>
Market Attractiveness of the Site <p>Fleet End Road is an attractive residential area, particularly for detached family houses, and a new scheme would form a natural extension to Shorewood Close with additional detached or semi-detached houses of 3, 4 or 5 bedrooms. Recent new build developments in the local area include the Foreman Homes five bedroom house scheme at Monterey Drive, where the houses are available for £500,000, plus the Crayfern Homes scheme of 8 four and five bedroom houses at Connaught Gardens, Dibbles Road, where four bedroom houses were on the market for £450,000-£460,000 which equates to circa £290-£300 per sq.ft. Recent transactions at Shorewood Close reveal the following re-sale transactions:</p> <ul style="list-style-type: none">• 22 Shorewood Close – Four Bedroom Detached House sold for £327,000 in July 2011• 24 Shorewood Close – Four Bedroom Detached House sold for £318,000 in January 2011
Is the Site Viable? <p>The land comprises backland sites, including the pub garden of the Jolly Farmer Inn and a derelict house at No. 45 Fleet End Road. The landowners collectively are likely to have aspirations to achieve prevailing residential land values in the area. We have appraised a scheme of 24 houses on the whole site providing three and four</p>



bedroom private houses and two and three bedroom affordable houses. The housing mix at a policy compliant 40% affordable housing level is as follows:

Private Market dwellings:

- Three Bedroom Houses = 9 units @ 1,000 sq.ft. each
- Four Bedroom Houses = 5 units @ 1,400 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Houses = 3 units @ 800 sq.ft. each
- Three Bedroom Houses = 7 units @ 900 sq.ft. each

The private sales adopted for the appraisals are:

- Three Bedroom Houses = £285,000 (£285 per sq.ft.)
- Four Bedroom Houses = £385,000 (£275 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £680,000
- The price per gross acre = £340,000
- The Land Value as a proportion of Gross Development Value = 12%

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £890,000
- The price per gross acre = £445,000
- The Land Value as a proportion of Gross Development Value = 14%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £1,100,000
- The price per gross acre = £535,000
- The Land Value as a proportion of Gross Development Value = 16%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £1,300,000
- The price per gross acre = £655,000
- The Land Value as a proportion of Gross Development Value = 19%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £1,500,000
- The price per gross acre = £730,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming 10% below Base Build Costs for National House Builder @ 40% Affordable Housing



- The residual land value for the scheme = £950,000
- The price per gross acre = £480,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming 10% below Base Build Costs for National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £1,200,000
- The price per gross acre = £580,000
- The Land Value as a proportion of Gross Development Value = 19%

Assuming 10% below Base Build Costs for National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £1,350,000
- The price per gross acre = £675,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming 10% below Base Build Costs for National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £1,600,000
- The price per gross acre = £800,000
- The Land Value as a proportion of Gross Development Value = 23%

Assuming 10% below Base Build Costs for National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £1,700,000
- The price per gross acre = £870,000
- The Land Value as a proportion of Gross Development Value = 24%

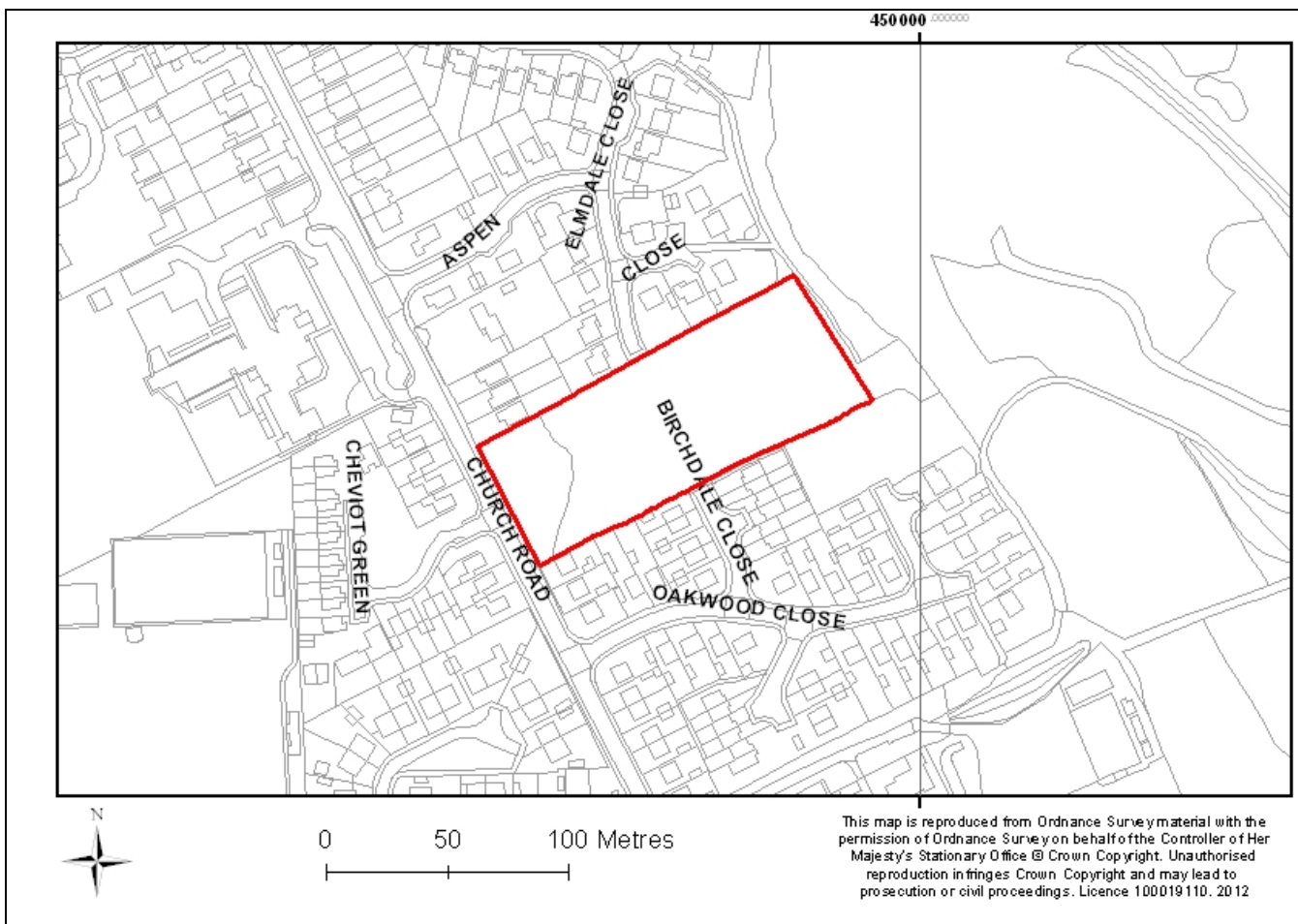
Based on the viability threshold of £500,000 per acre, the site appears viable at circa at between 20% and 40% affordable housing level depending on the level of build costs adopted.

Timing

The site could remain undeveloped during the lifetime of the Core Strategy period due to the landownership issues across the site.



East of Church Road, Warsash



Site Area:

Gross Area = 2.1 acres (0.85 ha)



Developable Area = 1.5 acres (0.62 hectares)
Description: A scrubland site adjacent to Warsash Common Local Nature Reserve and Dibles Road SINC and two access points from Church Road and Elmdale Close.
Site Constraints: The proximity of the site to the Local Nature Reserve and its overgrown state at present suggests that there may be protected ecological species on the site requiring mitigation. In addition to this, the eastern end of the site has a series of tree preservation orders on it, which will restrict development and also provide the necessary area for potential ecological mitigation. The Council's historic land-use records indicate that there is the possibility of contamination on the site given its proximity to a former scarp yard and landfill sites.
Planning Status: The site was allocated within the Fareham Borough Local Plan Review (June 2000), which follows the production of a Development Brief in 1980. An outline planning application for the development of 24 houses (Ref: P/06/0837/OA) was refused in 2006.
Is the Site Available? We understand that the site is owned by a private landowner, although the planning agent has confirmed that there are no plans to bring forward the site in the short term, which suggests that the site is a medium to long term opportunity.
Market Attractiveness of the Site Warsash is an attractive residential area, which has experienced recent developments, including the Sartoris Close scheme, off Church Road built in 2006, and the recently completed four and five bedroom house scheme by Crayfern Homes at Dibles Road. A four bedroom house was on the market for £450,000-£460,000 which equates to circa £290-£300 per sq.ft. The site would suit a scheme of family houses given the proximity to Hook-with-Warsash primary school, which is also located at Church End Road.
Is the Site Viable? The site has no existing use on the site, and the landowner would be expecting a receipt in-line with prevailing residential land values for the site. We have appraised a scheme based on the application submitted in 2006, which was for 24 houses, The breakdown based on a policy compliant 40% affordable housing position is as follows: Private Market dwellings: <ul style="list-style-type: none">• Three Bedroom Houses = 5 units @ 1,000 sq.ft. each• Four Bedroom Houses = 9 units @ 1,400 sq.ft. each Affordable Rent/Shared Ownership dwellings: <ul style="list-style-type: none">• Two Bedroom Houses = 2 units @ 800 sq.ft. each• Three Bedroom Houses = 8 units @ 900 sq.ft. each The private market values are estimated to £385,000 (£275 per sq.ft.) for the four bedroom houses and



£285,000 (£285 per sq.ft.) for the three bedroom houses.

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £840,000
- The price per gross acre (excluding landscape buffer) = £560,000
- The Land Value as a proportion of Gross Development Value = 14%

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £1,100,000
- The price per gross acre (excluding landscape buffer) = £730,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £1,250,000
- The price per gross acre (excluding landscape buffer) = £830,000
- The Land Value as a proportion of Gross Development Value = 18%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £1,500,000
- The price per gross acre (excluding landscape buffer) = £1,000,000
- The Land Value as a proportion of Gross Development Value = 20.5%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £1,600,000
- The price per gross acre (excluding landscape buffer) = £1,050,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming 10% below Base Build Costs for National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £1,100,000
- The price per gross acre (excluding landscape buffer) = £735,000
- The Land Value as a proportion of Gross Development Value = 18.5%

Assuming 10% below Base Build Costs for National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £1,400,000
- The price per gross acre (excluding landscape buffer) = £930,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming 10% below Base Build Costs for National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £1,500,000
- The price per gross acre (excluding landscape buffer) = £1,000,000
- The Land Value as a proportion of Gross Development Value = 22.5%



Assuming 10% below Base Build Costs for National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £1,800,000
- The price per gross acre (excluding landscape buffer) = £1,200,000
- The Land Value as a proportion of Gross Development Value = 25%

Assuming 10% below Base Build Costs for National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £1,900,000
- The price per gross acre (excluding landscape buffer) = £1,250,000
- The Land Value as a proportion of Gross Development Value = 25%

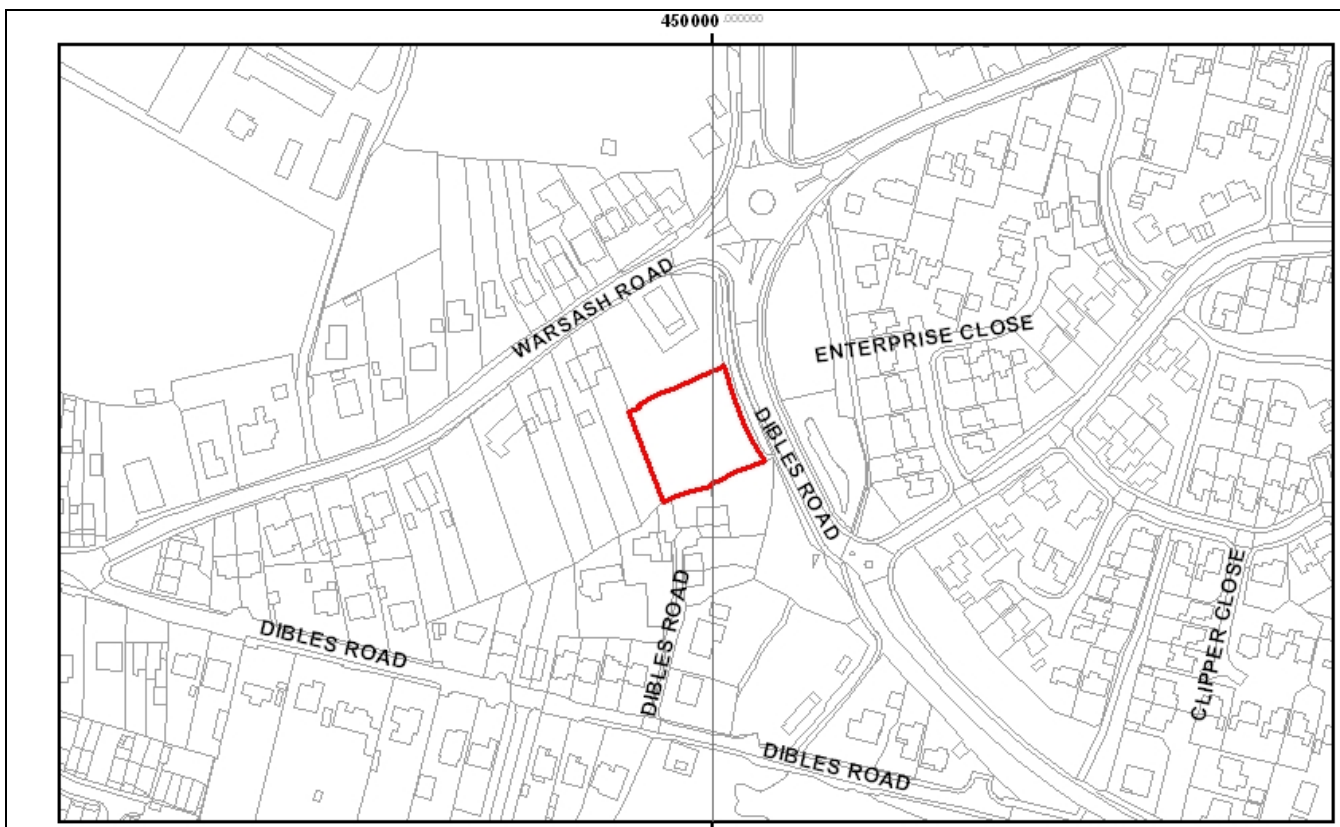
Based on the viability threshold of £500,000 per acre, the site appears viable at 40% affordable housing level.

Timing

The site is a medium term opportunity for Years 6-10.



Rear of Swinton Hall, 80 Warsash Road, Warsash



0 50 100 Metres

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Site Area:

Gross Area = 0.5 acres (0.2 hectares)



Developable Area = 0.5 acres (0.2 hectares)
Description: An area of hardstanding and grassed area at the rear of Swinton Gospel Hall at Warsash Road.
Site Constraints: Access to the site is due to the provided via the new Western Distributor Road to the east of the site, so this should not be a constraint on the development.
Planning Status: Planning permission for 4 x four bedroom detached houses (Ref: P/11/0892/OA) was granted in November 2012.
Is the Site Available? The site now has planning permission and there is no reason why it should not come forward for development in the lifetime of the planning permission.
Market Attractiveness of the Site Warsash is an attractive residential area, which has experienced recent developments, including the Sartoris Close scheme, off Church Road and at 79-91 Warsash Road, which were both built in 2006, and the recently completed four and five bedroom house scheme by Crayfern Homes at Dibles Road. A four bedroom house was on the market for £450,000-£460,000 which equates to circa £290-£300 per sq.ft. In terms of recent re-sale transactions of modern stock, we have found the following: <ul style="list-style-type: none">• 85 Warsash Road – Three Bedroom Semi-detached House sold for £250,000 in January 2011
Is the Site Viable? The site is a backland site with hardstanding and grassed area and therefore the owners would expect to receive prevailing residential land value for the site. We have appraised the site on the basis of the planning application. The scheme comprises 4 x four bedroom houses of 1,292 sq.ft. each. The market values for the four bedroom houses are estimated at £350,000 (£271 per sq.ft.) each. <u>Appraisal Results</u> Assuming Base Build Costs @ 0% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = £330,000• The price per gross acre = £660,000• The Land Value as a proportion of Gross Development Value = 23% Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = £270,000• The price per gross acre = £540,000• The Land Value as a proportion of Gross Development Value = 19%



Based on the viability threshold of £500,000 per acre, the site appears viable.

Timing

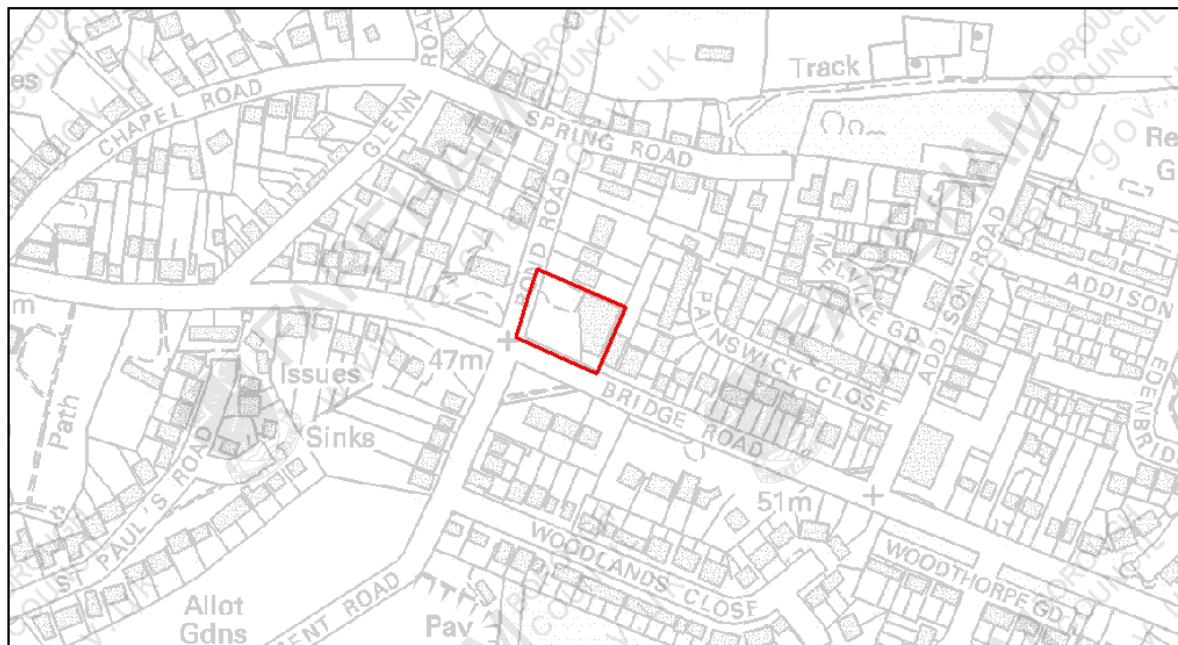
The site is available now and viable and should be developed out in the first five years of the Core Strategy.



SARISBURY GREEN SITES



118 Bridge Road, Sarisbury Green



SITE ALLOCATIONS DEVELOPMENT PLAN DOCUMENT

0 25 50 100 Metres
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Site Area:

Gross Area = 0.6 acres (0.24 hectares)

Net Developable Area = 0.6 acres (0.24 hectares)

Description:



118 Bridge Road is currently occupied by a Fiat car dealership within a modern one-storey car showroom building with surface car parking in front. The building is circa 6,000 sq.ft. (557 m²) in size.

Site Constraints:

The Council's historic land-use records reveal that the site may be contaminated, as the previous use on the site was a petrol station.

Planning Status:

There are no current planning applications or extant planning permissions relating to residential development on the site, although we understand that the landowner has made representations to the Council seeking a residential allocation.

Is the Site Available?

The site remains occupied and it is not currently being marketed for sale. Therefore, it is difficult to consider this site as available now. In our view, the site appears to be a 'windfall' site that may or may not come forward for residential in the future.

Market Attractiveness of the Site

The site's position at Bridge Road in Sarisbury Green makes it an attractive location, especially for family houses, with good connections to the M27 and Southampton and Fareham in particular. The area is experiencing development activity with the redevelopment of the former Coldeast Hospital site that the HCA has brought forward with developer partner Miller Homes. The analysis of new build quoting prices at the Miller Homes' Admirals Wood development shows the following range:

- 3 Bedroom Houses = £269,950-£304,995 (£216-£256 per sq.ft.)
- 4 Bedroom Houses = £369,950-£467,500 (£263-£294 per sq.ft.)
- 5 Bedroom Houses = £474,950 (£230 per sq.ft.)

In terms of re-sales, an analysis of key residential websites reveal the following recent transactions:

- 10 Pond Road – Three Bedroom Detached House £340,000 sold in October 2012
- 96 Bridge Road – Four Bedroom Detached House £429,950 sold in September 2012
- 15 Spring Road – Four Bedroom Detached House £425,000 sold in October 2011
- 139 Bridge Road – Four Bedroom Detached House £350,000 sold in August 2011

Is the Site Viable?

Because the car showroom is operational, it is important to assess the current use value against the residential development value of the site. We have estimated the freehold value of the garage in its current use with the occupier in situ would be in the region of £900,000-£1,000,000.

For the residential appraisal, we have modelled a scheme of 5 x four bedroom detached houses of 1,500 sq.ft. (139 m²) each. The residential values for the units have been estimated at £400,000, taking into consideration the new build sales and re-sales evidence. This equates to £267 per sq.ft.

Appraisal Results

**Assuming Base Build Costs @ 30% Affordable Housing**

- The residual land value for the scheme = £355,000
- Current Use Value = £900,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £475,000
- Current Use Value = £900,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = £275,000
- Current Use Value = £900,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £390,000
- Current Use Value = £900,000-£1,000,000
- % uplift on Current Use Value = 0%

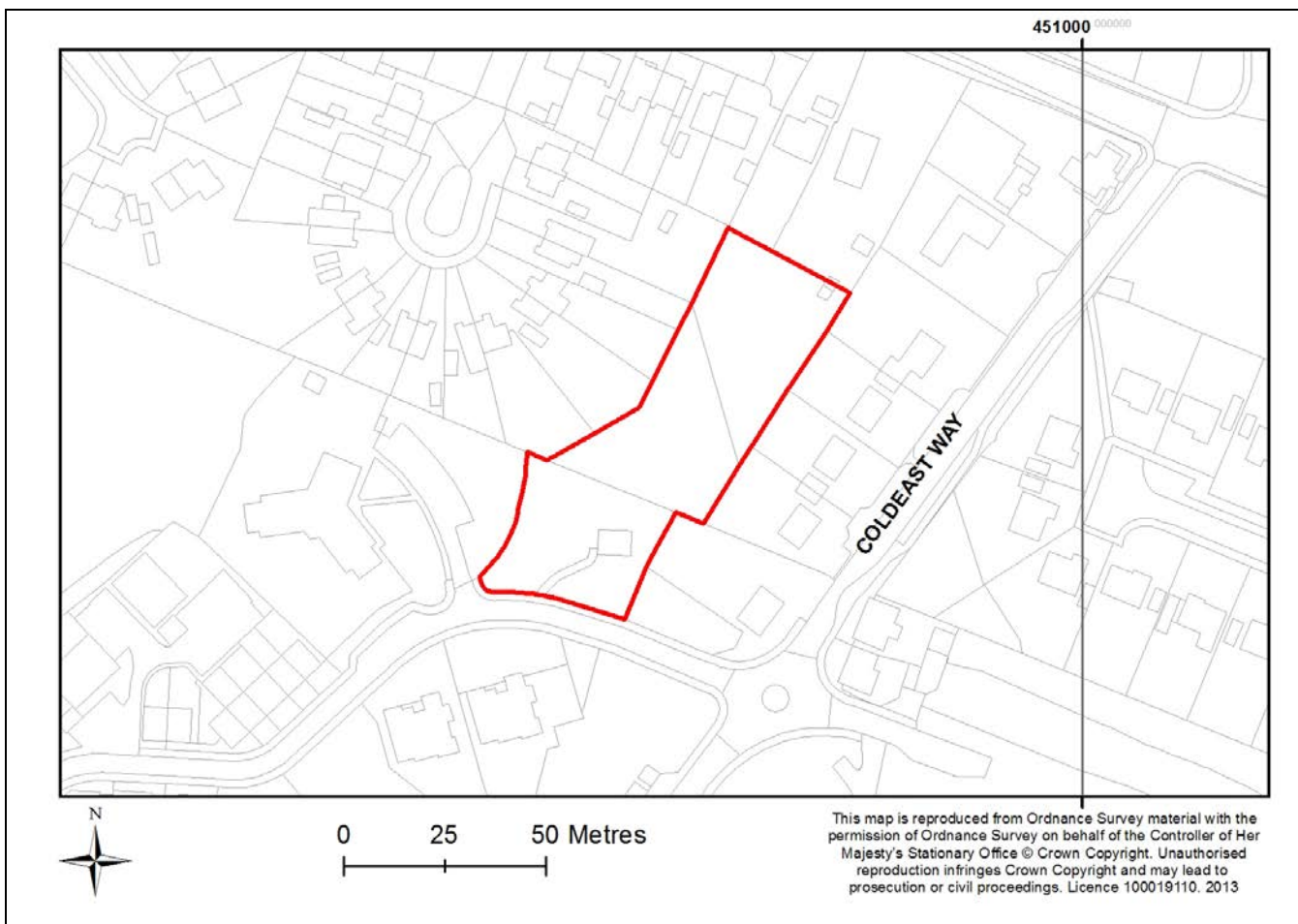
The results show that the development value is likely to be considerable lower than the current use value at the present time with the Fiat dealership in occupation. It remains to be seen whether the site will become vacant in future years, and whether the site can be sold or leased to another car dealership. On this basis, the site possibly should be treated as a 'windfall' rather than an allocation.

Timing

The site is viewed as a Windfall opportunity, which may or may not come forward for residential development over the period of the Core Strategy.



Rear of 123 Bridge Road, Sarisbury Green



Site Area:

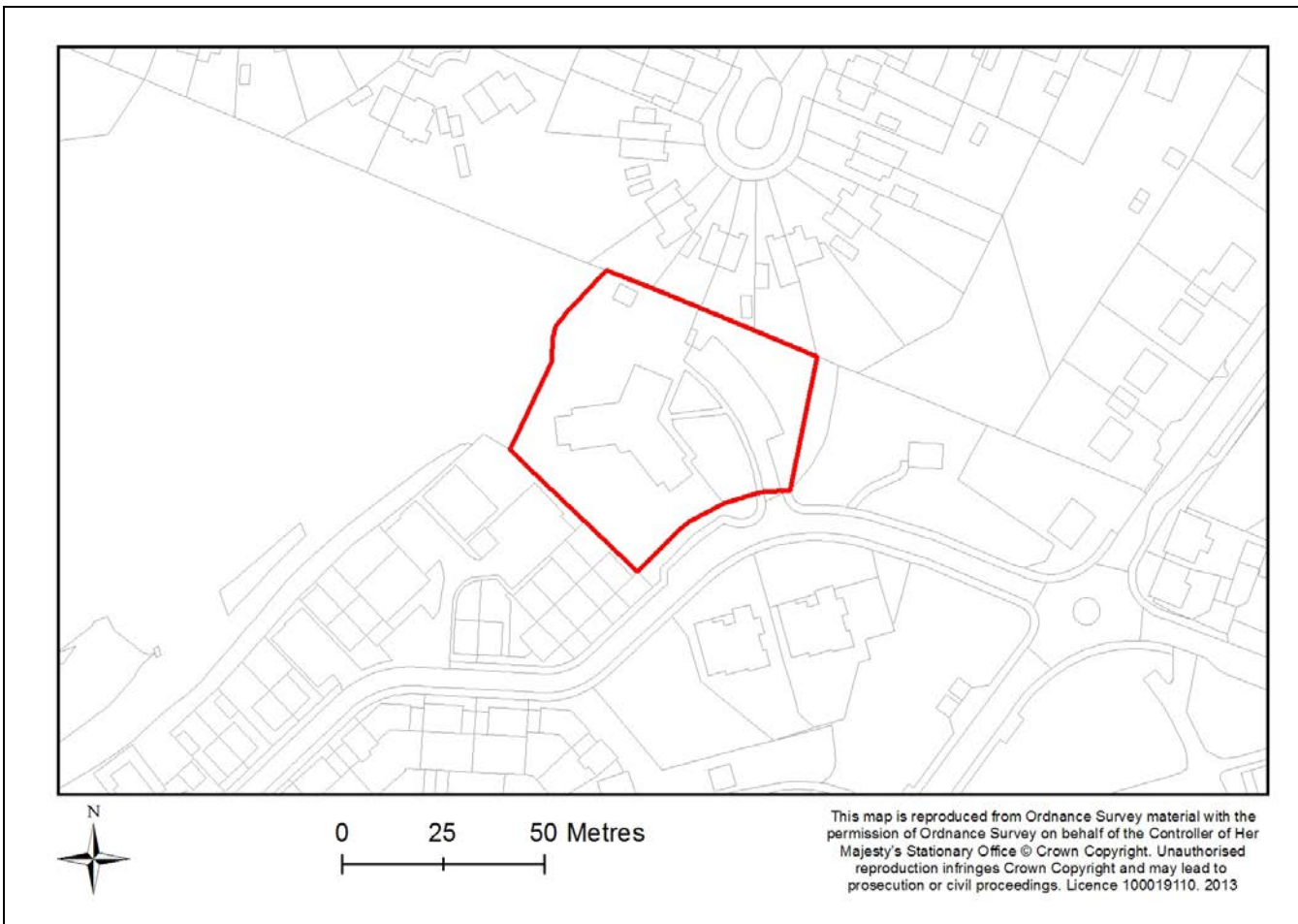
Gross Area = 0.83 acres (0.34 ha)



Developable Area = 0.35 acres (0.14 hectares)
Description: A backland site owned by Homes & Communities Agency at the former Coldeast Hospital site, which is being developed out by developer partner Miller Homes, with other developers such as Foreman Homes also set to deliver individual parcels. The site includes a building to the south and densely wooded area in the central part. The developable area of the site appears to be at the eastern and northern ends.
Site Constraints: There is a cluster of tree preservation orders on the site, which restricts the developable area of the site. In addition, we understand from the HCA that there is a restrictive covenant on part of the back garden of 123 Bridge Road, which could limit the developable area further.
Planning Status: There are no current applications or permissions on this particular site.
Is the Site Available? The owner of the site is the HCA, and Fareham Borough Council is seeking to possibly acquire the site, including the house at No. 123 Bridge Road for the delivery of social housing.
Market Attractiveness of the Site n/a
Is the Site Viable? The housing capacity of the site is relatively low at five houses, due to the presence of the existing trees. The site is being promoted for social housing and will depend on the Council's capital investment programme for social housing delivery.
Timing It is considered to be a long term scheme beyond the first five years of the Core Strategy especially with the potential restrictions on the back garden area of No.123. An alternative would be to acquire the house at No.123 and redevelop this area for social housing with part of the rear garden that is not restricted.



38 Columbus Drive, Sarisbury Green



Site Area:

Gross Area = 0.84 acres (0.34 hectares)



Developable Area = 0.84 acres (0.34 hectares)
Description: The site currently comprises the Rivendale former Care Home and adjacent surface car park which is in the ownership of Southern NHS Foundation Trust. The site is adjacent to the Miller Homes new Admirals Wood development at the former Coldeast Hospital.
Site Constraints: The Council identifies that contamination may be an issue due to the historic use of adjacent land within the hospital site.
Planning Status: A scheme of 10 three bedroom houses and 2 four bedroom houses submitted by Foreman Homes was granted planning permission by Fareham Borough Council on 29 th April 2013 (Ref: P/12/0885/FP).
Is the Site Available? The site now has full planning permission, and Foreman Homes are likely to take ownership of the site following the permission.
Market Attractiveness of the Site The site is located within the attractive former Coldeast Hospital site that is being developed out the HCA's developer partner Miller Homes. The location offers a high quality residential environment with good access to the M27 and Southampton and Fareham in particular. The analysis of new build quoting prices at the Miller Homes' Admirals Wood development shows the following range: <ul style="list-style-type: none">• 3 Bedroom Houses = £269,950-£304,995 (£216-£256 per sq.ft.)• 4 Bedroom Houses = £369,950-£467,500 (£263-£294 per sq.ft.)• 5 Bedroom Houses = £474,950 (£230 per sq.ft.)
Is the Site Viable? The former care home is a small facility and has been vacated and made available for residential development therefore there is no current use value to take into consideration. We have undertaken a development appraisal of the Foreman Homes scheme based on their planning permission of 10 three bedroom houses and 2 four bedroom houses, with three of the units (2 three beds and 1 four bed) permitted for affordable housing. The residential values for the units have been estimated as follows: <ul style="list-style-type: none">• Four Bedroom Detached House @ 1,750 sq.ft. = £420,000 (£240 per sq.ft.)• Three Bedroom Terraced Houses @ 900 sq.ft. = £250,000 (£278 per sq.ft.)• Three Bedroom Semi-detached Houses @ 950 sq.ft. = £260,000 (£275 per sq.ft.)• Three Bedroom Terraced Affordable Rent House @ 950 sq.ft. = £118,750 (£125 per sq.ft.)• Three Bedroom Terraced Affordable Shared Ownership House @ 950 sq.ft. = £156,750 (£165 per sq.ft.)• Four Bedroom Terraced Affordable Rent House @ 1,450 sq.ft. = £181,250 (£125 per sq.ft.)
<u>Appraisal Results</u>



Assuming Base Build Costs @ 25% affordable housing

- The residual land value for the scheme = £400,000
- The price per gross acre = £495,000
- The Land Value as a proportion of Gross Development Value = 14%

Assuming Base Build Costs @ 10% affordable housing

- The residual land value for the scheme = £535,000
- The price per gross acre = £670,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming Base Build Costs @ 0% affordable housing

- The residual land value for the scheme = £680,000
- The price per gross acre = £850,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming 10% above Base Build Costs for Local Contractor @ 25% affordable housing

- The residual land value for the scheme = £255,000
- The price per gross acre = £320,000
- The Land Value as a proportion of Gross Development Value = 9%

Assuming 10% above Base Build Costs for Local Contractor @ 10% affordable housing

- The residual land value for the scheme = £395,000
- The price per gross acre = £495,000
- The Land Value as a proportion of Gross Development Value = 12.5%

Assuming 10% above Base Build Costs for Local Contractor @ 0% affordable housing

- The residual land value for the scheme = £540,000
- The price per gross acre = £670,000
- The Land Value as a proportion of Gross Development Value = 16%

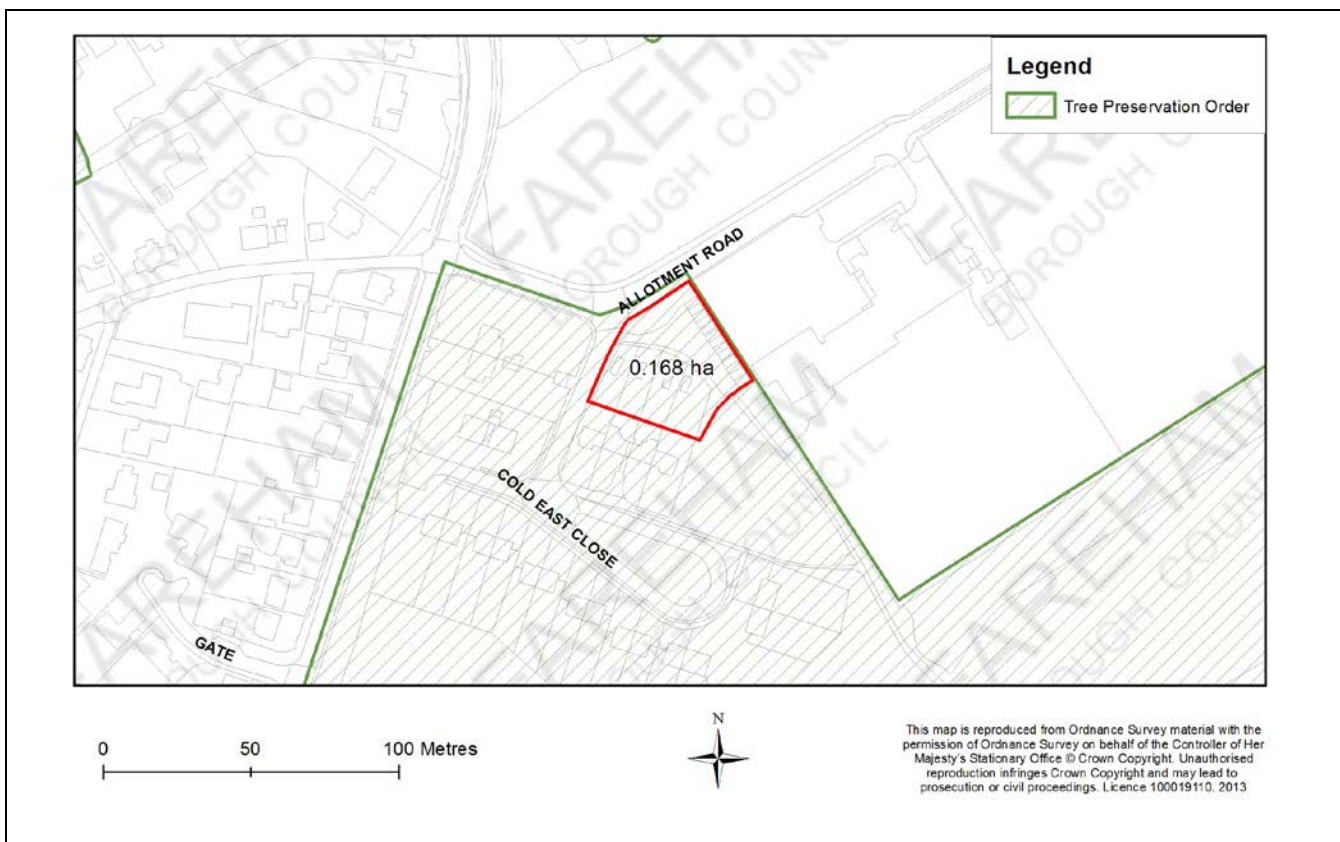
Based on the viability threshold of £500,000 per acre, the site appears viable at circa at 10-25% affordable housing depending on level of build costs incurred by the developer.

Timing

The site is likely to come to the market in the short term and within the first 5 years of the Core Strategy.



Cold East Close, Sarisbury Green



Site Area:

Gross Area = 0.4 acres (0.16 ha)

Developable Area = 0.4 acres (0.16 hectares)

Description:

The site comprises the rear gardens of properties at Cold East Close, plus a grassed and hardstanding areas



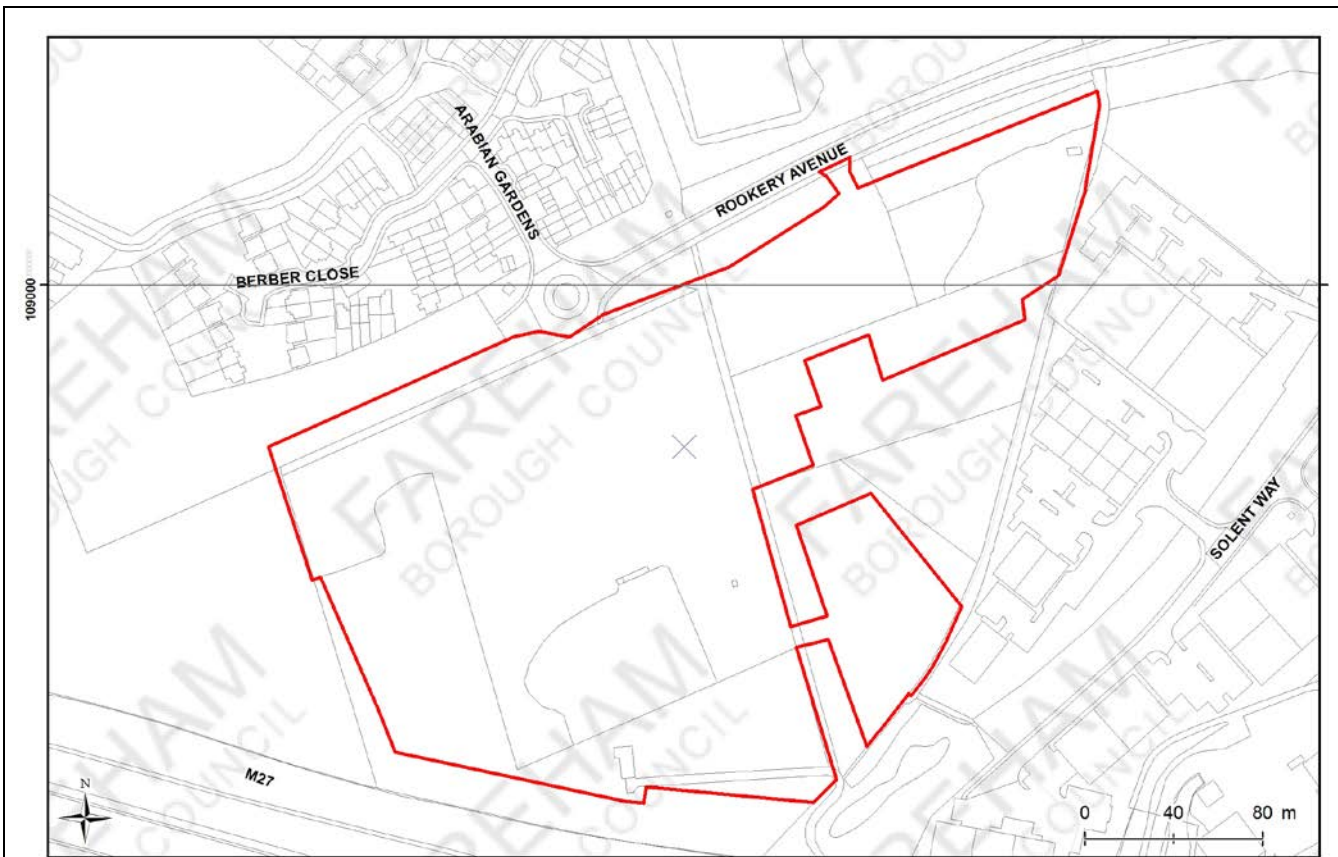
adjacent to the Sarisbury Church of England Junior School, which is currently used for informal car parking for the school.
Site Constraints: The proximity to the Junior School requires an appropriate design solution. There may also be rights of way over the land connecting to the areas of open space behind the Junior School.
Planning Status: There are no current applications or permissions on this particular site.
Is the Site Available? The owners of the site are the HCA and Fareham Borough Council, and Fareham Council is seeking to acquire the whole site to deliver social housing.
Market Attractiveness of the Site n/a
Is the Site Viable? The housing capacity of the site is five houses. The site is being promoted for social housing and will depend on the Council's capital investment programme for social housing delivery.
Timing It is considered to be a medium to long term scheme beyond the first five years of the Core Strategy but should be developable with the public sector ownership.



WHITELEY SITES



Solent 2, Rookery Avenue, Whiteley



Site Area:

Gross Area = 14.8 acres (6 hectares)

Developable Area = 11 acres (4.5 hectares)



<p>Description:</p> <p>The site comprises a current undeveloped employment site at Solent 2 at Rookery Avenue, Whiteley.</p>
<p>Site Constraints:</p> <p>The site is currently greenfield with belts of trees. Large parts of the site are designated as SINC (Sites of Importance for Nature Conservation).</p>
<p>Planning Status:</p> <p>The site at Solent 2 has planning permission for 15,979 sq.m of B1 and 7,547 sq.m of B2/B8 uses. The site is also an existing B1 employment allocation under Policy E3 in Fareham Borough Local Plan Review (June 2000). The site identified within the Local Plan Review is 11 hectares in total and Policy E3 states that 40% (4.4 hectares) should be retained as parkland.</p>
<p>Is the Site Available?</p> <p>The owners are seeking to promote the site for residential development.</p>
<p>Market Attractiveness of the Site</p> <p>The site is located adjacent to Whiteley Village, and local agents indicate that there is demand for both houses and flats in this area. As the potential scheme could comprise family dwellings. The most recent comparable scheme to the site is Coldeast Hospital, although this is on the other side of the M27.</p> <p>The analysis of new build quoting prices at the Miller Homes' development shows the following range:</p> <ul style="list-style-type: none">• 3 Bedroom Houses = £269,950-£304,995 (£216-£256 per sq.ft.)• 4 Bedroom Houses = £369,950-£467,500 (£263-£294 per sq.ft.)• 5 Bedroom Houses = £474,950 (£230 per sq.ft.) <p>In terms of re-sales, an analysis of key residential websites reveal the following recent transactions:</p> <ul style="list-style-type: none">• 18 Arabian Gardens – Two Bedroom Terraced House sold for £160,000 in August 2012 (£276psf)• 33 Arabian Gardens – Two Bedroom Terraced House sold for £160,000 in March 2012 (£263psf)• 18 Berber Close – Three Bedroom Semi-detached House sold for £229,950 in May 2013• 23 Berber Close – Three Bedroom Detached House sold for £273,000 in August 2012
<p>Is the Site Viable?</p> <p>The site capacity is difficult to gauge without further work and understanding on the ecological issues and the impact of the SINC areas. However, taking a modest density of 20 dwellings per hectare, the site capacity could be in the region of 120 dwellings. The landowner is likely to have aspirations for prevailing residential land values.</p> <p>The scheme of 120 dwellings that has been appraised provides houses only given the constraints of the site. The mix is as follows at a policy compliant 40% affordable housing level.</p> <p>Private Market dwellings:</p> <ul style="list-style-type: none">• Two Bedroom Houses = 8 units @ 800 sq.ft. each



- Three Bedroom Houses = 40 units @ 1,000 sq.ft. each
- Four Bedroom Houses = 24 units @ 1,400 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- Two Bedroom Houses = 24 units @ 800 sq.ft. each
- Three Bedroom Houses = 22 units @ 900 sq.ft. each
- Four Bedroom Houses = 2 units @ 1,100 sq.ft. each

The private sales adopted for the appraisals are:

- Two Bedroom Houses = £220,000 (£275 per sq.ft.)
- Three Bedroom Houses = £285,000 (£285 per sq.ft.)
- Four Bedroom Houses = £350,000 (£250 per sq.ft.)

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £3,300,000
- The price per gross acre (excluding some of the SINC areas) = £300,000
- The Land Value as a proportion of Gross Development Value = 12%

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £4,000,000
- The price per gross acre (excluding some of the SINC areas) = £360,000
- The Land Value as a proportion of Gross Development Value = 13.5%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £4,600,000
- The price per gross acre (excluding some of the SINC areas) = £415,000
- The Land Value as a proportion of Gross Development Value = 15%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £5,400,000
- The price per gross acre (excluding some of the SINC areas) = £490,000
- The Land Value as a proportion of Gross Development Value = 16%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £5,600,000
- The price per gross acre (excluding SINC areas) = £510,000
- The Land Value as a proportion of Gross Development Value = 16.5%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £4,600,000
- The price per gross acre (excluding some of the SINC areas) = £420,000



- The Land Value as a proportion of Gross Development Value = 17%

Assuming 10% Below Base Build Costs for a National House Builder @ 30% Affordable Housing

- The residual land value for the scheme = £5,200,000
- The price per gross acre (excluding some of the SINC areas) = £480,000
- The Land Value as a proportion of Gross Development Value = 18%

Assuming 10% Below Base Build Costs for a National House Builder @ 20% Affordable Housing

- The residual land value for the scheme = £5,900,000
- The price per gross acre (excluding some of the SINC areas) = £535,000
- The Land Value as a proportion of Gross Development Value = 19%

Assuming 10% Below Base Build Costs for a National House Builder @ 10% Affordable Housing

- The residual land value for the scheme = £6,700,000
- The price per gross acre (excluding some of the SINC areas) = £610,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £6,900,000
- The price per gross acre (excluding some of the SINC areas) = £625,000
- The Land Value as a proportion of Gross Development Value = 20%

Based on the viability threshold of £500,000 per acre, the site appears to be viable at between 0% and 30% affordable housing depending on the level of build costs adopted.

Timing

The site is a greenfield site and could come forward in the next 1-5 years.



PORTCHESTER SITES



Land at Corner of Station Road/A27, Portchester

0 50 100 Metres

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Site Area:

Gross Area = 0.5 acres (0.2 hectares)

Developable Area = 0.5 acres (0.2 hectares)

Description:



The site comprises a grass verge owned by Fareham Borough Council and an industrial unit occupied by Merjen Engineering at the corner of the A27 and Station Road in Portchester, close to the town centre.

Site Constraints:

Due to the proximity to the roundabout there may be services and other easements that run over the grass verge area that need investigating as this may limit the developable area of the site. In addition, the Environment Agency has confirmed that the site is located within Flood Zone 3 (the highest probability of flooding) and recommends raising the ground level or finished floor levels by half a metre. With such a small site, raising the ground to construct houses doesn't appear to be feasible. Therefore, a flatted scheme is the best opportunity for any development on the site.

Planning Status:

There are no current applications or permissions on the site relating to its redevelopment. A planning application for 15 two bedroom apartments and 5 on bedroom apartments was submitted and subsequently withdrawn in 2008 (Ref: P/08/0429/FP).

Is the Site Available?

The two owners, Fareham Borough Council and the owners of the industrial unit are keen to progress a development on the site. Merjen remain in the industrial unit, so the site is not available now, but could be in the medium to long term.

Market Attractiveness of the Site

The market in Portchester is mixed with parts of the town commanding higher values, especially close to the sea, and other areas close to the town centre having lower values. Most of the flats on the market close to the town centre are retirement flats for the over 55s/60s. There is little other purpose build flatted blocks in Portchester for private purchase. This suggests that the site would suit a specific housing product such as retirement living or affordable housing, as the demand from private buyers of working age is likely to be limited.

Is the Site Viable?

We have appraised a scheme of 15 flats for 100% private comprising 6 x one bedroom units of 500 sq.ft. each and 9 x two bedroom units of 700 sq.ft. each. The capital values for the flats are estimated to be £110,000 for the one bedroom units (£220 per sq.ft.) and £140,000 (£200 per sq.ft.) for the two bedroom units.

Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- Negative land value

Assuming Base Build Costs @ 0% Affordable Housing

- Negative land value

Assuming 10% above Base Build Costs for Local Contractor @ 40% Affordable Housing

- Negative land value

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing



- Negative land value

On this basis the site is unviable.

Timing

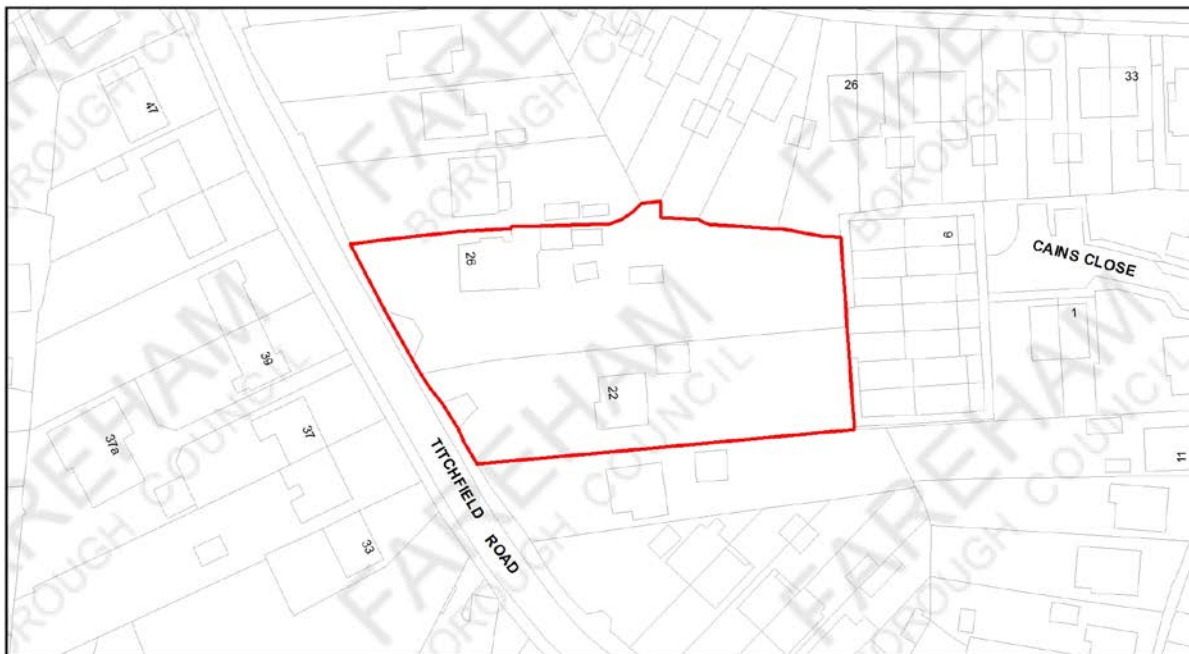
There appears to be no financial incentive for the landowner of the Merjen industrial unit to sell at the current time as a residential scheme is financially unviable.



STUBBINGTON SITES



22-26 Titchfield Road, Stubbington



0 25 50 Metres



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Site Area:

Gross Area = 0.7 acres (0.28 ha)

Developable Area = 0.35 acres (0.14 hectares)

Description:



The site comprises two residential properties at 22 and 26 Titchfield Road in Stubbington. No. 22 is believed to be a four bedroom chalet bungalow detached house and No. 26 is a five bedroom house. Both properties have large rear gardens.

Site Constraints:

There are no major issues identified with the site.

Planning Status:

Planning permission was granted in August 2012 to convert and extend No.26 to create 4 x two bedroom flats and 2 x one bedroom flats. Agincourt Securities Ltd, based at 20 Titchfield Road, Stubbington is the owner of No.26.

Is the Site Available?

We understand that both owners have made representations to the Council seeking to allocate their combined site for housing.

Market Attractiveness of the Site

Stubbington is an attractive village that is predominantly characterised by family houses, although there are also clusters of flats. New build properties on the market include the following:

- Burnt House Lane – One Bedroom Ground Floor Flat asking price £129,995
- Burnt House Lane – Three Bedroom Detached House asking price £299,950
- Hill Head Road – Four Bedroom House coastal location asking price £599,950

Recent transactions for new build properties reveal the sale of a one bedroom flat for £123,000 at 11d Burnt House Lane in November 2012. Re-sale of modern dwellings in Stubbington are as follows:

- Flat 17 Solent Court, Bells Lane – Two Bedroom Flat sold for £140,500 in May 2012
- Flat 11 Solent Court, Bells Lane – Two Bedroom Flat sold for £168,000 in March 2011
- Flat 12 Solent Court, Bells Lane – Two Bedroom Flat sold for £165,000 in September 2012
- Flat 9 Amberley Court, Stubbington Lane – One Bedroom Flat sold for £130,000 in July 2012

Along Titchfield Road, recent re-sale transactions include:

- 25 Titchfield Road – Four Bedroom Semi-detached House 1970s sold for £213,000 in June 2012
- 34 Titchfield Road – Five Bedroom Detached House 1950s sold for £385,000 in February 2013
- 62 Titchfield Road – Three Bedroom Semi-detached House sold for £250,000 in July 2012
- 89 Titchfield Road – Four Bedroom Detached House sold for £321,000 in February 2013
- 64 Titchfield Road – Four Bedroom Semi-detached House sold for £260,000 in January 2013
- 84 Titchfield Road – Three Bedroom Detached House sold for £227,000 in July 2012

Is the Site Viable?

The estimated value of the two existing properties at No.22 and 26 Titchfield Road are likely to be in the region of £1,000,000. Therefore, it is considered financially viable to demolish the two properties and build a scheme of houses on the site and deliver a land receipt in excess of £1,000,000. Therefore, we have firstly appraised a scheme for the conversion and extension of No.26 plus 4 x four bedroom houses in the back gardens of No.22 and No.26. Secondly, we have appraised 4 x four bedroom houses in the back gardens of No.22 and No. 26.



It is assumed that the proportion of affordable housing is zero, as an additional planning application for the four houses would be submitted separately. The housing mix adopted is therefore:

- One Bedroom Flats = 2 units @ 500 sq.ft.
- Two Bedroom Flats = 4 units @ 650 sq.ft.
- Four Bedroom Houses = 4 units @ 1,400 sq.ft.

The estimated private market sales prices applied to the appraisals are:

- One Bedroom Flats = £120,000 (£240 per sq.ft.)
- Two Bedroom Flats = £150,000 (£230 per sq.ft.)
- Four Bedroom Houses = £375,000 (£268 per sq.ft.)

Appraisal Results

Scenario 1: Conversion/Extension of No.26 Plus 4 x Four Bedroom Houses

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £325,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £180,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

Scenario 2: 4 X Four Bedroom Houses in the Back Gardens of No.22 and No.26

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £345,000
- The price per acre of developable land = £980,000
- The Land Value as a proportion of Gross Development Value = 23%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £280,000
- The price per acre of developable land = £800,000
- The Land Value as a proportion of Gross Development Value = 19%

On this basis, the Scenario 1 scheme with flats and houses does not appear to meet the existing value of the house at No.26, which is estimated to be worth between £500,000-£600,000. As an alternative, Scenario 2 produces a site value of £800,000-£1m per acre and is therefore considered to be viable, as it is above the



viability threshold of £500,000 per acre.

Timing

The site could come forward in the first five years of the Core Strategy.



Land at Stubbington Lane, Stubbington

SITE ALLOCATIONS DEVELOPMENT PLAN DOCUMENT

0 25 50 100 Metres

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Site Area:

Gross Area = 1 acre (0.4 hectares)

Developable Area = 1 acre (0.4 hectares)

Description:



<p>A greenfield site currently used as horse paddocks located at Stubbington Lane in Stubbington.</p>
<p>Site Constraints:</p> <p>The access point would ideally be off Stubbington Lane, where a bus stop and lay-by is currently positioned. This would therefore need to be relocated to a different position along Stubbington Lane.</p>
<p>Planning Status:</p> <p>There is no current application or permission for the site's development, but it is identified within the Daedalus Visioning Framework Document prepared by SEEDA (now part of HCA) in January 2009.</p>
<p>Is the Site Available?</p> <p>The site is owned by the Homes & Communities Agency, although it is not being marketed or promoted through the planning system. Therefore, it is probably a medium term opportunity beyond the first five years of the Core Strategy.</p>
<p>Market Attractiveness of the Site</p> <p>Stubbington is an attractive village that is predominantly characterised by family houses, although there are also clusters of flats. The site would suit a scheme of family houses. New build houses on the market include the following:</p> <ul style="list-style-type: none">• Burnt House Lane – Three Bedroom Detached House asking price £299,950• Hill Head Road – Four Bedroom House coastal location asking price £599,950 <p>Along Stubbington Lane and Seamead, recent re-sale transactions include:</p> <ul style="list-style-type: none">• 168 Stubbington Lane – Three Bedroom Detached House sold for £300,000 in May 2012• 179 Stubbington Lane – Four Bedroom Detached House sold for £445,000 in October 2012• 11 Seamead – Three Bedroom Chalet Bungalow sold for £395,000 in September 2012• 24a Seamead – Five Bedroom Detached House sold for £500,000 in August 2012• 25 Seamead – Four Bedroom Detached House sold for £361,000 in January 2012
<p>Is the Site Viable?</p> <p>The site is being used as paddocks at the current time and therefore the HCA is likely to expect prevailing residential land values for the site. We have appraised a scheme of 10 x three and four bedroom houses that reflects the market in this part of Stubbington. The housing mix as a policy compliant 30% affordable housing level is as follows:</p> <p>Private Market dwellings:</p> <ul style="list-style-type: none">• Four Bedroom Houses = 7 units @ 1,500 sq.ft. each <p>Affordable Rent dwellings:</p> <ul style="list-style-type: none">• Three Bedroom Houses = 3 units @ 900 sq.ft. each <p>We have estimated that the three bedroom houses would command prices of £300,000 (£273 per sq.ft.) each,</p>



and four bedroom houses £400,000 (£267 per sq.ft.) each.

Appraisal Results

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £560,000
- The price per gross acre = £560,000
- The Land Value as a proportion of Gross Development Value = 18%

Assuming Base Build Costs @ 20% Affordable Housing

- The residual land value for the scheme = £670,000
- The price per gross acre = £670,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming Base Build Costs @ 10% Affordable Housing

- The residual land value for the scheme = £745,000
- The price per gross acre = £745,000
- The Land Value as a proportion of Gross Development Value = 21%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £840,000
- The price per gross acre = £840,000
- The Land Value as a proportion of Gross Development Value = 23%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = £415,000
- The price per gross acre = £415,000
- The Land Value as a proportion of Gross Development Value = 13%

Assuming 10% above Base Build Costs for Local Contractor @ 20% Affordable Housing

- The residual land value for the scheme = £520,000
- The price per gross acre = £520,000
- The Land Value as a proportion of Gross Development Value = 16%

Assuming 10% above Base Build Costs for Local Contractor @ 10% Affordable Housing

- The residual land value for the scheme = £600,000
- The price per gross acre = £600,000
- The Land Value as a proportion of Gross Development Value = 17%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £690,000
- The price per gross acre = £690,000
- The Land Value as a proportion of Gross Development Value = 19%



The scheme meets the viability threshold of £500,000 per acre at 20% or 30% affordable housing, and therefore is considered to be viable.

Timing

The site does not have planning permission at the moment, so is considered to be a medium term opportunity between Years 6-10 of the Core Strategy period.



Land at Sea Lane, Stubbington

SITE ALLOCATIONS DEVELOPMENT PLAN DOCUMENT	0 25 50 100 Metres
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Site Area:	
Gross Area = 0.6 acres (0.24 hectares)	
Developable Area = 0.6 acres (0.24 hectares)	
Description:	



A greenfield site currently used as horse paddocks located at Sea Lane in Stubbington.

Site Constraints:

The site access should be adequate to support a small number of dwellings, as any major intensification of the Sea Lane and Stubbington Lane junction would require improvements. The site may have ecological value in terms of species and this will need to be mitigated as part of the scheme.

Planning Status:

There is no current application or permission for the site's development, but it is identified within the Daedalus Visioning Framework Document prepared by SEEDA (now part of HCA) in January 2009.

Is the Site Available?

The site is owned by the Homes & Communities Agency, although it is not being marketed or promoted through the planning system. Therefore, it is probably a medium term opportunity beyond the first five years of the Core Strategy.

Market Attractiveness of the Site

Stubbington is an attractive village that is predominantly characterised by family houses, although there are also clusters of flats. The site would suit a scheme of large family houses. New build houses on the market include the following:

- Burnt House Lane – Three Bedroom Detached House asking price £299,950
- Hill Head Road – Four Bedroom House coastal location asking price £599,950

Along Stubbington Lane and Seamead, recent re-sale transactions include:

- 168 Stubbington Lane – Three Bedroom Detached House sold for £300,000 in May 2012
- 179 Stubbington Lane – Four Bedroom Detached House sold for £445,000 in October 2012
- 11 Seamead – Three Bedroom Chalet Bungalow sold for £395,000 in September 2012
- 24a Seamead – Five Bedroom Detached House sold for £500,000 in August 2012
- 25 Seamead – Four Bedroom Detached House sold for £361,000 in January 2012

Is the Site Viable?

The site is being used as paddocks at the current time and therefore the HCA is likely to expect prevailing residential land values for the site. We have appraised a scheme of 4 x five bedroom houses of 1,850 sq.ft. to reflect the type of houses to be found at Sea Lane. We have estimated that the five bedroom houses would command prices of £500,000 (£270 per sq.ft.) each.

Appraisal Results

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £440,000
- The price per acre = £740,000
- The Land Value as a proportion of Gross Development Value = 22%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing



- The residual land value for the scheme = £360,000
- The price per acre = £600,000
- The Land Value as a proportion of Gross Development Value = 18%

The site value meets the viability threshold of £500,000 per acre, and therefore we consider the site to be viable.

Timing

The site does not have planning permission at the moment, so is considered to be a medium term opportunity between Years 6-10 of the Core Strategy period.



Summary of Residential Site Allocations

3.52 The table below sets out the summary of the viability assessments for the 31 proposed residential allocations.

Site Address	Location	Number of Potential Dwellings	Available Now	Viable	Comments on viability	Timing Core Strategy
Hinton Hotel and The Limes, Catisfield Lane	Fareham	32	√	√		1-5
Former Community Facilities, Wynton Way	Fareham	8	√	x	Low value area	Windfall
Hope Lodge, Fareham Park Road	Fareham	7	√	√	Marginal scheme	1-5
Collingwood House, Gibraltar Close	Fareham	Additional 6	√	√	Council funded scheme	1-5
Turbo Cam/Ambulance Station, Highlands Road	Fareham	18	x	√	Marginal scheme	6-10
Citroen Garage/Bison Site, Wickham Road	Fareham	10	x	x	Existing use value is higher	Windfall
Croft House, Redlands Lane	Fareham	13	x	√	Marginal scheme	6-10
Fareham College, Bishopsfield Road	Fareham	100	x	x	Low value area	Windfall
Seaeeye House, Lower Quay Road	Fareham	12	√	x	Existing use value is higher	Windfall
Bus Depot, Gosport Road	Fareham	32	x	x	Existing use value is higher	Windfall
Land Between 335-337 Gosport Road	Fareham	8	√	√		1-5
Peter's Road	Locks Heath	280	√	√		1-5/6-10
East of Raley Road	Locks Heath	55	x	√		6-10



Nook Caravan Park South, Lodge Road	Locks Heath	10	√	√		1-5
School Site, Heath Road	Locks Heath	80	x	√	Marginal scheme	6-10
Genesis Centre, Centre Way	Locks Heath	30	x	√		6-10
Hunts Pond Road North	Titchfield Common	25	√	√	Marginal scheme	1-5
Hunts Pond Road South	Titchfield Common	4	√	√	Marginal scheme	1-5
Farm Road	Titchfield Common	13	√	x	Low value area	Windfall
Fleet End Road	Warsash	24	x	√		11-15
East of Church Road	Warsash	24	x	√		6-10
Rear of Swinton Hall, 80 Warsash Road	Warsash	4	√	√		1-5
118 Bridge Road	Sarisbury Green	5	x	x	Existing use value is higher	Windfall
Rear of 123 Bridge Road	Sarisbury Green	5	x	√		6-10
38 Columbus Drive	Sarisbury Green	12	√	√		1-5
Cold East Close	Sarisbury Green	5	x	√		6-10
Solent 2, Rookery Avenue	Whiteley	120	√	√		1-5
Land at Corner of Station Road/A27	Portchester	15	√	x	Low value area	Windfall
22-26 Titchfield Road	Stubbington	4	x	√		6-10
Stubbington Lane	Stubbington	10	x	√		6-10
Sea Lane	Stubbington	4	x	√		6-10



FAREHAM TOWN CENTRE SITES



Fareham Station West





The site comprises vacant land adjacent to the railway line, which is being promoted by Solum Regeneration, the Joint venture partnership between Network Rail and Kier Property. The northern end of the site remains in open storage. Also, to the west there are two industrial units that are both occupied.

Site Constraints:

The site is close to the railway line and there may be issues with its adjacency in terms of noise and vibration. Otherwise, the access road through the site is one lane width and therefore some widening of the road may be required to allow cars to pass.

Planning Status:

There are no outstanding planning applications or recent planning permissions on the site, although Solum has discussed proposals for the site with the Council.

Is the Site Available?

It is assumed that Network Rail owns the land adjacent to the railway, although it is understood that the two industrial units are in a separate land ownership. Therefore, only the Solum part of the site is likely to be genuinely available for development.

Market Attractiveness of the Site

This part of the town along The Avenue has experienced some flatted development in the last ten years with the construction of York House, Chalford Grange and Craighbank Court, although the flatted market remains price sensitive with modern units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. There is a lack of new build town houses within the town centre, and the nearest scheme – Nightingales at Wickham Road by Taylor Wimpey is marketing three bedroom terraced houses for between £225,000 and £250,000. In terms of care homes, demand is likely to prove high over time, although in the short term any demand within the town centre area may be satisfied with the site at Catisfield Lane, which has planning permission for 50 bedrooms. In terms of hotels, budget operators would prefer more central town centre sites.

Is the Site Viable?

We have split the site into two, based on the pattern of existing landownership, and appraised two schemes for the 0.3 acres (0.12 hectares) site, one with 12 x flats and the other for 4 x town houses. For the Solum site of 2.5 acres (1 hectare) we have appraised two schemes - i) a 80 bedroom care home and 30 flats, ii) 78 flats.

For the industrial site, the two industrial units are circa 6,000 sq.ft. GIA in total and it is estimated that the freehold value of the units is in the region of £300,000-£400,000. For the appraisals, we have estimated that the values for the one and two bedroom flats would be £125,000 (£250 per sq.ft.) and £160,000 (£246 per sq.ft.) each and the three bedroom town houses £230,000 each (£230 per sq.ft.).

Appraisal Results

Existing Industrial Site: Scenario 1 – 12 Flats

Assuming Base Build Costs @ 30% Affordable Housing



- The residual land value for the scheme = Negative value
- Current Use Value = £300,000-£400,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £75,000
- Current Use Value = £300,000-£400,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £300,000-£400,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £300,000-£400,000
- % uplift on Current Use Value = 0%

Existing Industrial Site: Scenario 2 – 4 Houses

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £175,000
- Current Use Value = £300,000-£400,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £140,000
- Current Use Value = £300,000-£400,000
- % uplift on Current Use Value = 0%

For the Solum site, we have estimated that the capital values for the care home is based on £95,000 per bedroom. In addition, the estimated values for the one and two bedroom flats would be £125,000 (£250 per sq.ft.) and £160,000 (£246 per sq.ft.) each.

Solum Regeneration Site: Scenario 1 – 80 Bedroom Care Home and 30 Flats

Assuming Base Build costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative land value
- The price per gross acre = Negative
- The Land Value as a proportion of Gross Development Value = Negative



Assuming Base Build costs @ 0% Affordable Housing

- The residual land value for the scheme = £245,000
- The price per gross acre = £100,000
- The Land Value as a proportion of Gross Development Value = 2%

Assuming 10% Below Base Build costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £590,000
- The price per gross acre = £240,000
- The Land Value as a proportion of Gross Development Value = 5%

Assuming 10% Below Base Build costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £1,000,000
- The price per gross acre = £410,000
- The Land Value as a proportion of Gross Development Value = 8.5%

Solum Regeneration Site: Scenario 2 – 80 Bedroom Care Home sale to an Operator (i.e. no developer required or developer's profit included)

- The residual land value for the scheme = £990,000
- The price per gross acre (on part of the site - 1.5 acres) = £660,000
- The Land Value as a proportion of Gross Development Value = 13%

Solum Regeneration Site: Scenario 3 – 78 Flats

Assuming Base Build costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Assuming Base Build costs @ 0% Affordable Housing

- The residual land value for the scheme = £350,000
- The price per gross acre = £140,000
- The Land Value as a proportion of Gross Development Value = 3%

Assuming 10% Below Base Build costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £260,000
- The price per gross acre = £105,000
- The Land Value as a proportion of Gross Development Value = 3%

Assuming 10% Below Base Build costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £1,000,000
- The price per gross acre = £400,000
- The Land Value as a proportion of Gross Development Value = 8.5%



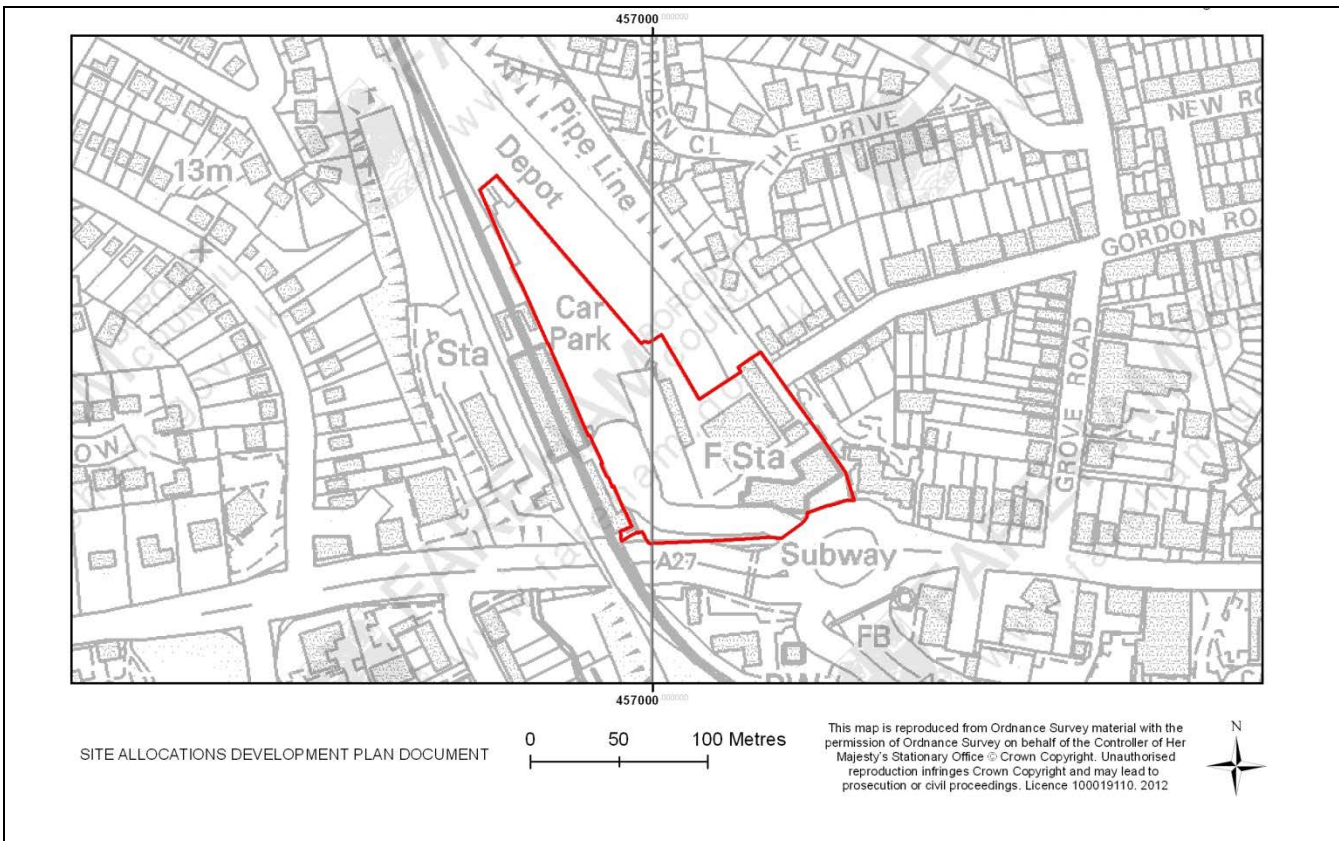
On this basis, the existing industrial site does not appear to be viable, whereas the Solum site appears to be viable for a care home, where the sale is directly to an operator.

Timing

The site is considered to be a medium to long term opportunity care home plus potentially residential.



Fareham Station East



Site Area:

Gross Area = 3.7 acres (1.5 hectares)

Developable Area = 2 acres (0.8 hectares)

Description:



The site comprises Fareham Fire Station, Beaver Tool Hire, Station Garage and Station Body Shop, a private car park, Fareham Vehicle Repair Centre, and a catering vehicle. Beyond the site to the north is an aggregates depot and to the west is Fareham station building.

Site Constraints:

We have not explored the land ownership issues within the site, but there is likely to be multiple land interests both in terms of freehold and leasehold titles. Due to the industrial uses on the site, and the adjacent railway, site contamination may also be an issue with the site.

Planning Status:

Two planning applications was refused at Fareham Vehicle Repair Centre for 4 semi-detached houses (Ref: P/12/0649/OA) and 6 flats (Ref: P/11/0930/OA) both in 2012.

Is the Site Available?

At the current time with the existing occupiers in-situ, the site is not considered to be available for development now.

Market Attractiveness of the Site

The station site is not a particularly attractive location for residential or mixed-use development, especially given the proximity to the aggregates depot which is likely to remain in-situ. There has little in the way of new developments in the vicinity in recent years and the flatted market remains price sensitive with modern units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. In terms of commercial uses, the office market is localised in the town centre and new development is not considered to be financial viability as part of a wider mixed-use scheme, due to prevailing rents being circa £10-13 per sq.ft. Retail would be a more viable use, especially a convenience operator, although sufficient customer car parking would be required to attract an occupier. In terms of hotels, budget operators would prefer more central town centre sites.

Is the Site Viable?

There are several existing occupiers on the site, and we estimate that the current use value is in the region of £750,000-£1m. The landowners would expect a premium of 20% on top of the current use value and this is the basis for assessing the results of the development appraisals. We have appraised three schemes as follows:

- i) residential scheme of 90 x one and two bedroom flats
- ii) 82 x one and two bedroom flats plus 2,690 sq.ft. GIA of convenience retail and 2,690 sq.ft. GIA of café use
- iii) 50 x one and two bedroom flats plus 21,500 sq.ft. GIA of offices and 2,690 sq.ft. GIA of convenience retail and 2,690 sq.ft. GIA of café

We have estimated that the one bedroom flats would achieve £125,000 (£250 per sq.ft.) and the two bedroom flats would achieve £160,000 (£246 per sq.ft.). In terms of retail, a small convenience store is estimated at a rent of £14 per sq.ft. per annum and at an investment yield of 6.5% for a national operator with 12 month rent free period. The café is likely to be a local concession given the throughput of footfall here, and is estimated to command a rental value of £10 per sq.ft. and at an investment yield of 8.5% and also with a 12 month rent free



period. The offices would also attract local professional and business services and therefore estimated rents would be £13 per sq.ft. per annum and capitalised at an investment yield of 9% with 18 month rent free period.

Appraisal Results

Scenario 1: 90 Flats

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £450,000
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £460,000
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £1,100,000
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 10%-47%

Scenario 2: 82 Flats plus convenience retail and cafe

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £220,000
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%



Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £960,000
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 4-28%

Scenario 3: 50 Flats plus 21,500 sq.ft. of offices, plus convenience retail and cafe

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £750,000-£1,000,000
- % uplift on Current Use Value = 0%

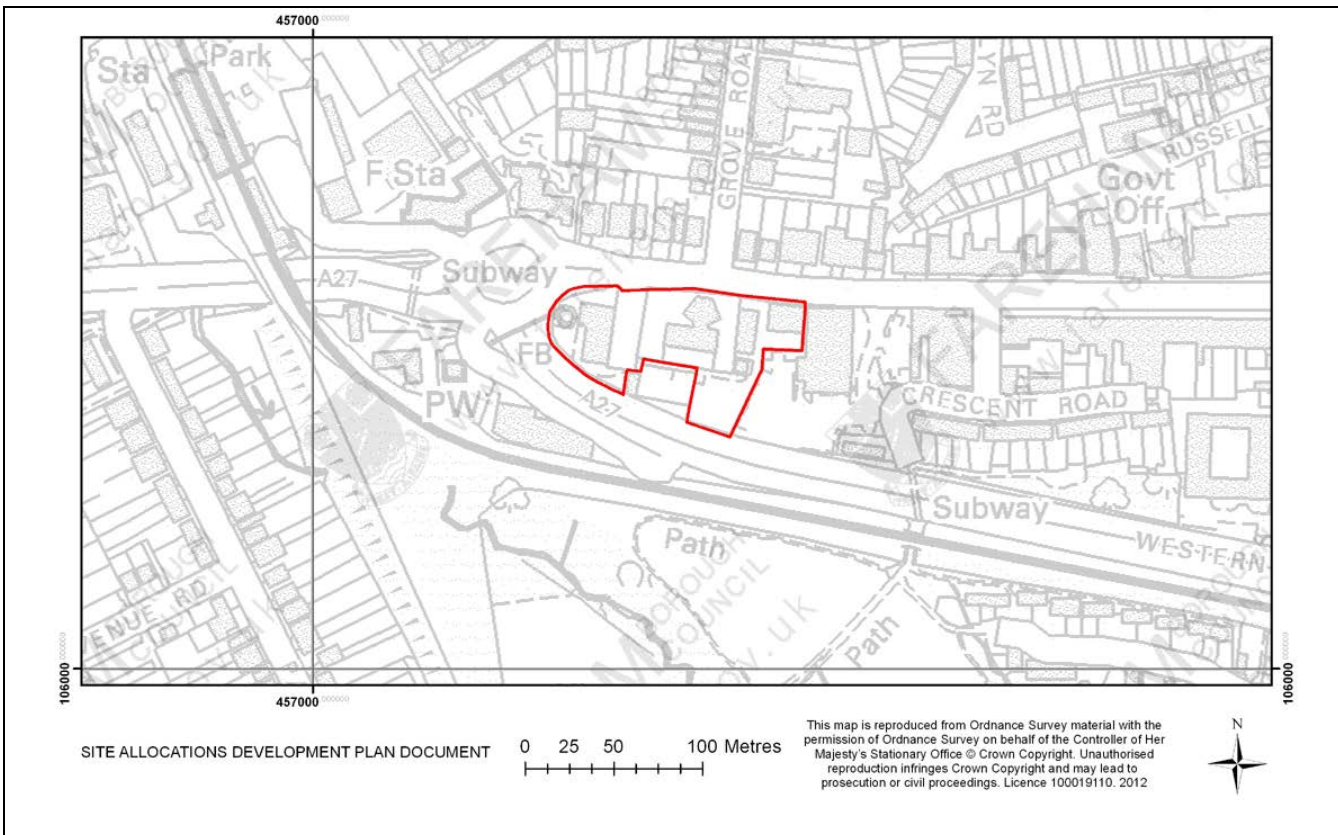
On this basis the site is considered to be unviable for flats at average build costs, or marginal where the build costs can be reduced and affordable housing set at zero. Any scheme that includes a significant quantum of offices is unlikely to be viable.

Timing

The site is considered to be a long term regeneration objective for the town centre, which may or may not come forward over time.



Land at Maytree Road/West Street



Site Area:

Gross Area = 1.7 acres (0.7 hectares)

Area of Former Fortnums Car Showroom and Gillies Car Park = 0.8 acres (0.3 hectares)

Description:



The site comprises, Delme Court, a mixed-use block at the western end of the site, with ground floor retail units and 20 flats at upper floors, some of which have been sold, presumably on a long leasehold basis. In the middle of the site is the vacant former Fortnums car showroom property with the Council owned long stay car park – The Gillies to the south and two occupied units – Triumph motorcycle showroom and Kwik Fit tyre centre to the east.

Site Constraints:

The current use values of the occupied commercial buildings is a key constraint as these buildings are likely to be in separate ownerships, requiring land assembly to create a scheme on the entire site. We believe that there is too much value within the Delme Court block and the Triumph showroom and Kwik Fit tyre centre to warrant a holistic development on the site. The focus should be the vacant car showroom site plus the Council car park to the rear.

Planning Status:

There are no outstanding planning applications or permissions relating to the site. However, the vacant car showroom site did secure planning permission for 32 flats in 2004 (P/04/0355/FP) but this permission was never implemented and an application to vary one of the conditions was refused in 2009.

Is the Site Available?

The car showroom at the time of the planning application in 2004 was in the hands of the Executors of Mr N Morris, but we understand that the site is not being actively marketed and no subsequent proposal or application for the site has been put forward. In addition, Fareham Council's car park has not been identified for potential disposal.

Market Attractiveness of the Site

The town centre residential market remains a difficult market, as it is price sensitive, with modern flatted units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. There is a lack of new build town houses within the town centre, and the nearest scheme – Nightingales at Wickham Road by Taylor Wimpey is marketing three bedroom terraced houses for between £225,000 and £250,000. In terms of commercial uses, the office market is localised in the town centre and new development is not considered to be financial viability as part of a wider mixed-use scheme, due to prevailing rents being circa £10-13 per sq.ft. In terms of hotels, budget operators would prefer more central town centre sites. There may be demand for non-food retail warehouse operators or convenience retailers for a solus store. There are requirements from Sainsbury's Local, Budgens, Maplin, Machine Mart etc. for edge of centre sites in Fareham.

Is the Site Viable?

The combined site of the vacant car showroom and the Council car park forms the most developable part of the site. We anticipate that both landowners would expect at least £500,000 per acre for their land. We have appraised four separate schemes, as follows:

- i) 46 Flats
- ii) 17 Town houses
- iii) Offices of 45,000 sq.ft. GIA
- iv) Non-food retail warehouse or convenience supermarket of 8,500 sq.ft. GIA



The first is a residential scheme of 46 flats with the following mix at a policy compliant 40% affordable housing level:

Private Market dwellings:

- One Bedroom Flats = 10 units @ 500 sq.ft. each
- Two Bedroom Flats = 18 units @ 650 sq.ft. each

Affordable Rent/Shared Ownership dwellings:

- One Bedroom Flats = 6 units @ 500 sq.ft. each
- Two Bedroom Flats = 12 units @ 650 sq.ft. each

We have estimated that the one bedroom flats would achieve £125,000 (£250 per sq.ft.) and the two bedroom flats would achieve £160,000 (£246 per sq.ft.).

The second scheme is a town house scheme of 17 three bedroom dwellings each built over three storeys and providing 1,100 sq.ft. each. We have estimated that the private three bedroom houses would achieve £230,000 (£209 per sq.ft.).

The third scheme is an office block of 45,000 sq.ft. GIA, 36,000 sq.ft. net internal area. The office building would have some undercroft parking plus the Council's car park providing circa 100 spaces. We have estimated that the rents within the building for the local market would be £13 per sq.ft. per annum and capitalised at an investment yield of 9% with 12 month's rent free period.

The fourth scheme is a solus retail use, either in the form of a food supermarket or retail warehousing to provide in the region of 8,500 sq.ft. GIA. The food supermarket is estimated on the basis of a rental value of £14 per sq.ft. and capitalised at a yield of 5.50% for a major national chain with a 12 month's rent free period. For the retail warehousing, the rent is expected to be £15.50 per sq.ft. and capitalised at a yield of 6.25% for a national covenant with a 12 month's rent free period.

Appraisal Results

Scenario 1: 46 Flats

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £125,000
- The price per gross acre = £150,000



- The Land Value as a proportion of Gross Development Value = 3%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £520,000
- The price per gross acre = £650,000
- The Land Value as a proportion of Gross Development Value = 7.5%

Scenario 2: 17 Town Houses

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £125,000
- The price per gross acre = £160,000
- The Land Value as a proportion of Gross Development Value = 4%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £350,000
- The price per gross acre = £430,000
- The Land Value as a proportion of Gross Development Value = 9%

Assuming 10% above Base Build Costs for Local Contractor @ 40% Affordable Housing

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £130,000
- The price per gross acre = £170,000
- The Land Value as a proportion of Gross Development Value = 3%

Scenario 3: Office Scheme of 45,000 sq.ft. GIA

- The residual land value for the scheme = Negative value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Scenario 4: Retail Unit of 8,500 sq.ft. GIA

Non-Food Retail Warehouse



- The residual land value for the scheme = £400,000
- The price per gross acre = £515,000
- The Land Value as a proportion of Gross Development Value = 21%

Convenience Supermarket

- The residual land value for the scheme = £400,000
- The price per gross acre = £515,000
- The Land Value as a proportion of Gross Development Value = 21%

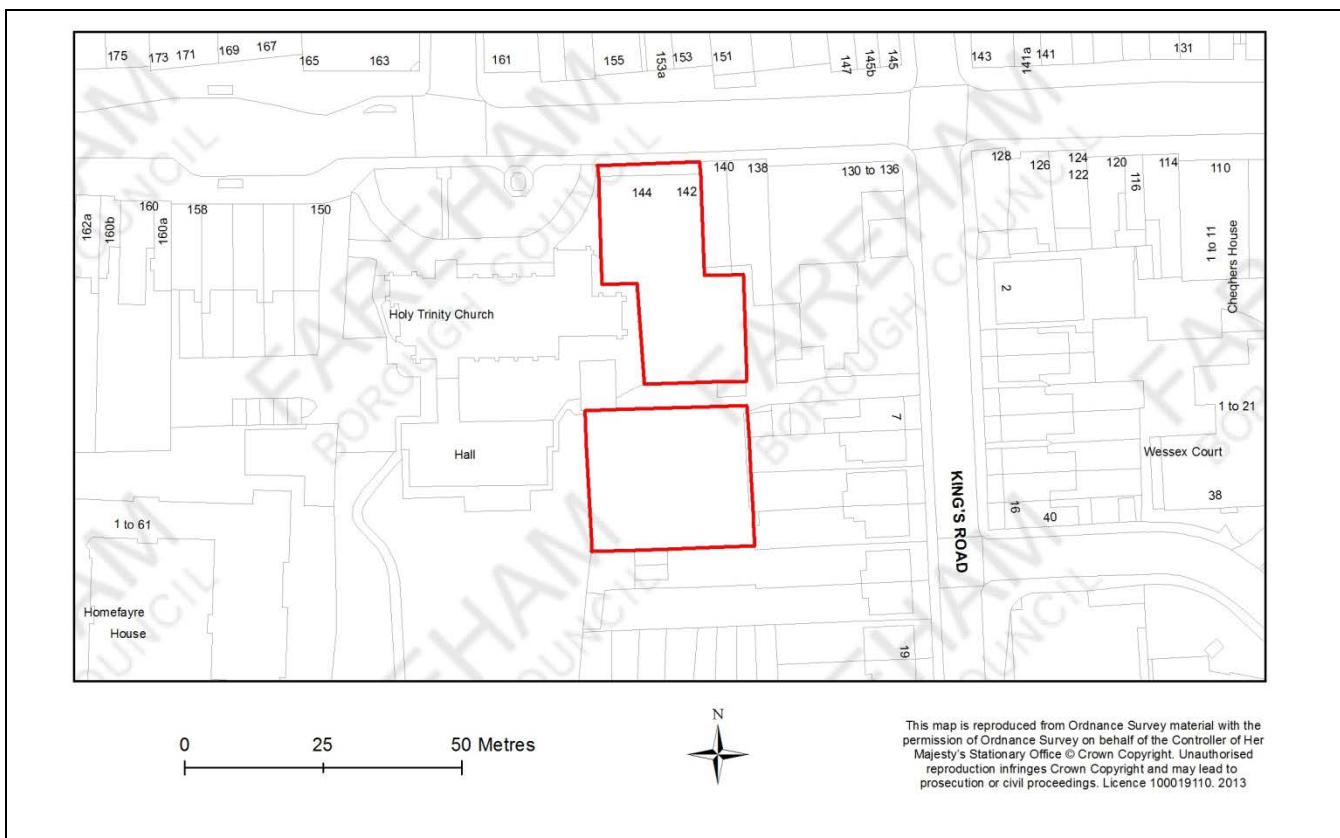
On this basis, the site appears to be marginal for residential development and viable for a solus retail unit for either convenience food or non-retail warehousing.

Timing

The site is viewed as a medium to long term opportunity with the Council's land interest.



142-144 West Street



Site Area:

Gross Area = 0.35 acres (0.14 hectares)

Developable Area = 0.35 acres (0.14 hectares)

Description:



The site comprises a retail shop with vacant first floor offices totalling 11,200 sq.ft. together with a rear service and car parking area.

Site Constraints:

The site's location adjacent to Holy Trinity Church requires a sympathetic design solution.

Planning Status:

There are no outstanding planning applications or permissions relating to the site. However, the landowner has approached the Council to discuss a mixed use retail and residential scheme on the site.

Is the Site Available?

The site is being marketed currently for sale through Vail Williams, so the site is available for development.

Market Attractiveness of the Site

The town centre residential market remains a difficult market, as it is price sensitive, with modern flatted units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. There is a lack of new build town houses within the town centre, and the nearest scheme – Nightingales at Wickham Road by Taylor Wimpey is marketing three bedroom terraced houses for between £225,000 and £250,000.

Is the Site Viable?

The current shop and office premises will have a value and the owner will be expecting a premium above this current use value. We estimate that the current use value is circa £500,000-£600,000. We have appraised a scheme that is proposed by the landowner comprising two new retail units of 3,000 sq.ft. GIA in total and 9 x One Bedroom Flats, 1 x Two Bedroom Flats and 4 x Three Bedroom Town Houses. We have appraised the scheme for both a National and Local Contractor. The retail component of the scheme is valued on the basis of unit shops rented at £17.50 per sq.ft. per annum with a 12 month rent-free period and capitalised at a 10% investment yield. The three bedroom houses could command values of £240,000 (£240 per sq.ft.), the one bedroom flats £125,000 (£250 per sq.ft.), the two bedroom flats £160,000 (£247 per sq.ft.).

Appraisal Results

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £85,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £200,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = Negative value
- Current Use Value = £500,000-£600,000



- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £40,000
- Current Use Value = £500,000-£600,000
- % uplift on Current Use Value = 0%

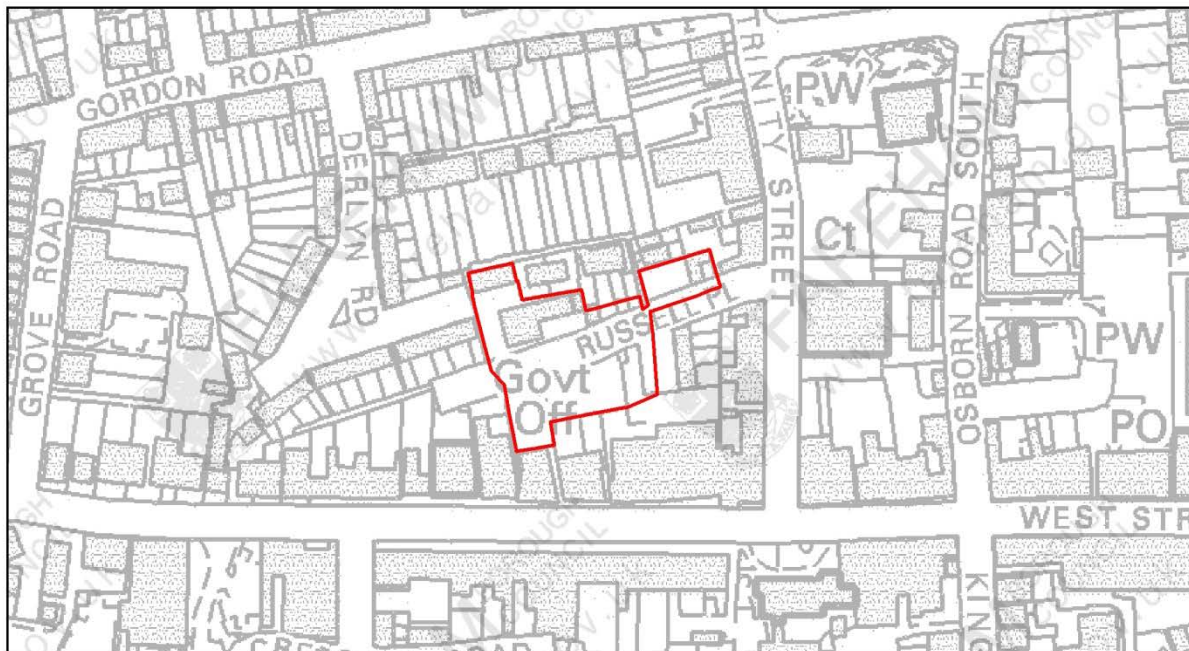
On this basis the site is considered to be unviable.

Timing

The site should be considered as a Windfall site rather than a site allocation.



Russell Place



0 50 100 Metres

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Site Area:

Gross Area = 1.5 acres (0.6 hectares)

Developable Area = 1.0 acres (0.4 hectares)

Description:



The site is a series of backland parcels at Russell Place, including private car parking areas, a yard, and Protyre - tyre and exhaust centre.

Site Constraints:

It is assumed that there is multiple ownership within the Russell Place area which makes piecemeal development more likely than a comprehensive scheme.

Planning Status:

There are no outstanding planning applications or permission relating to the redevelopment of the land parcels for residential development.

Is the Site Available?

Protyre centre is a modern unit and occupied and therefore not considered to be genuinely available at the current time. The private car parking areas may be part of the lease arrangements on the buildings fronting West Street, so again may not be available for development. Any development here is considered a long term prospect.

Market Attractiveness of the Site

The town centre residential market remains a difficult market, as it is price sensitive, with modern flatted units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. There is a lack of new build town houses within the town centre, and the nearest scheme – Nightingales at Wickham Road by Taylor Wimpey is marketing three bedroom terraced houses for between £225,000 and £250,000.

Is the Site Viable?

The area is characterised by private car parks, rear service yards and the presence of the Protyre centre. The value of the Protyre centre is estimated to be £500,000-£600,000 before the service yards and car parking areas area taken into consideration. A scheme of 34 dwellings has been appraised at the policy compliant 40% affordable housing level. The mix is as follows:

Private Market dwellings:

- One Bedroom Flat = 1 units @ 500 sq.ft. each
- Two Bedroom Flat = 7 units @ 650 sq.ft. each
- Two Bedroom Flat Over Garage = 6 units @ 700 sq.ft. each
- Three Bedroom Houses = 6 units @ 900 sq.ft. each

Affordable Rent dwellings:

- One Bedroom Flat = 6 units @ 500 sq.ft. each
- Two Bedroom Flat = 8 units @ 650 sq.ft. each

We have estimated that the three bedroom houses would command values of £225,000 (£250 per sq.ft.), the one bedroom flats £125,000 (£250 per sq.ft.), the two bedroom flats £160,000 (£247 per sq.ft.) and two bedroom flats over garage £175,000 (£250 per sq.ft.).



Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative land value
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £430,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 0%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £320,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 0%

Assuming Base 10% Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £740,000
- Current Use Value = £600,000-£700,000
- % uplift on Current Use Value = 6-23%

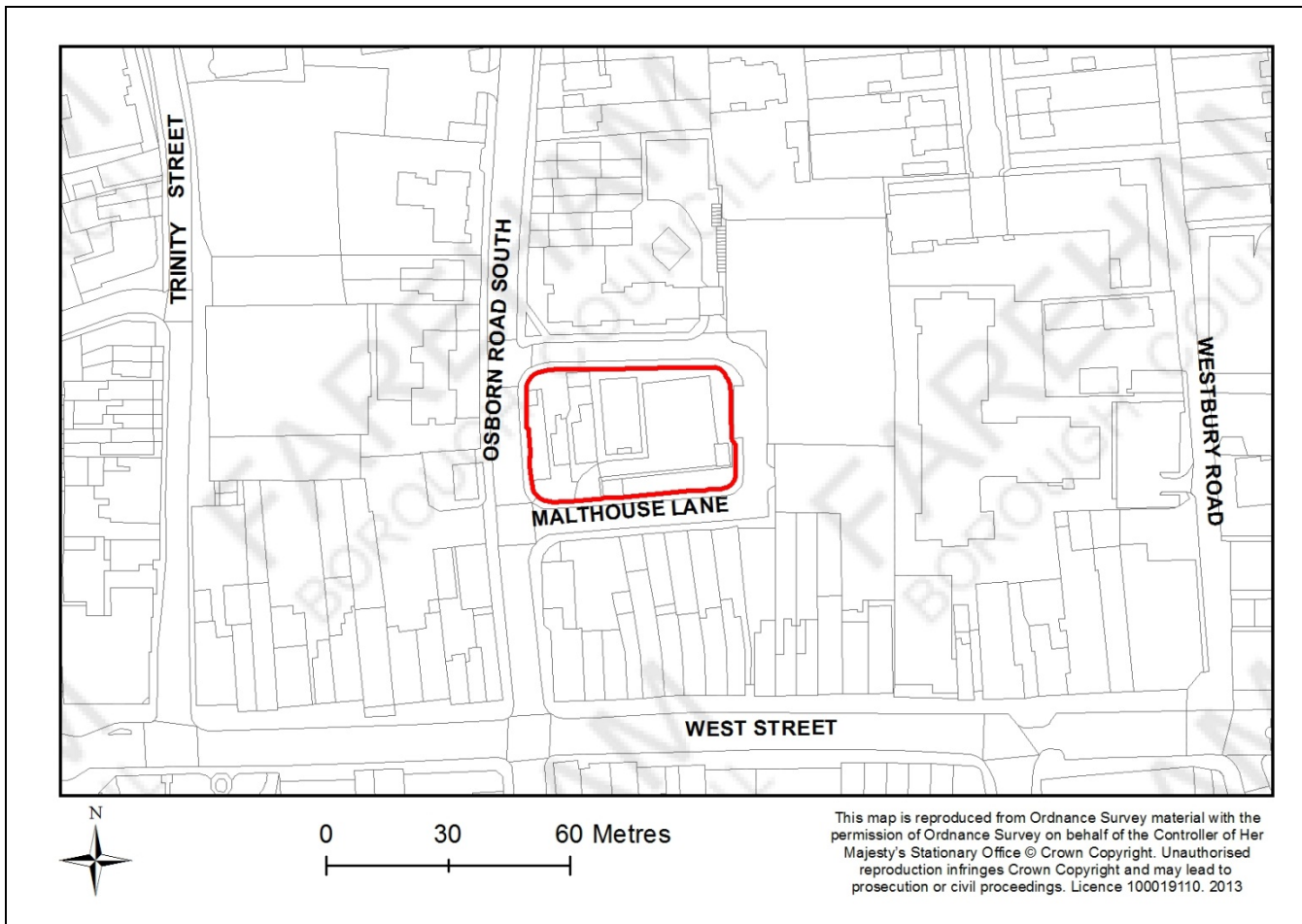
On this basis the site is considered to be unviable compared to the current use value based on average build costs, and marginal at zero affordable housing when based on the discounted build costs.

Timing

Parts of the site may come forward on an ad-hoc piecemeal basis over time and should be treated as Windfall schemes.



Malthouse Lane



Site Area:

Gross Area = 0.38 acres (0.15 hectare)



Developable Area = Gospel Hall and Car Park = 0.25 acres (0.1 hectare)
Description: A cluster of buildings characterises this site at Malthouse Lane. The site comprises the Gospel Hall and car park at the eastern end, two residential dwellings in the centre, and the Medicot office building fronting Osborn Road South.
Site Constraints: The site is assumed to be in multiple ownership requiring land assembly.
Planning Status: There are no outstanding planning application or permissions relating to the redevelopment of the site. However, the owners of the Gospel Hall have submitted two recent applications for residential redevelopment – 9 x flats (Ref: P/11/0567/OA), and residential/office conversion – 4 x two bedroom dwellings plus two B1 office units (Ref: P/12/0849/FP). Both applications were refused.
Is the Site Available? The former Gospel Hall is the only property at Malthouse Lane on the market and several planning applications on this site have recently been submitted. The other three properties within the site are not considered to be genuinely available and may require a compulsory purchase order to acquire them.
Market Attractiveness of the Site The town centre residential market remains a difficult market, as it is price sensitive, with modern flatted units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. There is a lack of new build town houses within the town centre, and the nearest scheme – Nightingales at Wickham Road by Taylor Wimpey is marketing three bedroom terraced houses for between £225,000 and £250,000.
Is the Site Viable? We have not appraised the whole of the Malthouse Lane site, as we have estimated that the current use value of the existing Medicot office building, plus the two adjacent dwelling houses is £400,000-£500,000 and therefore prohibitive to a comprehensive redevelopment scheme. We have therefore appraised a scheme on the vacant Gospel Hall alone, as this site is on the market for sale and genuinely available. The Gospel Hall comprises 1,624 sq.ft. and is on the market for a quoting price of £295,000. The Gospel Hall and car park is 0.25 acres and we have appraised a scheme of 4 x three bedroom town houses of 1,000 sq.ft. each. The town house are estimated to command values of £240,000 each. <u>Appraisal Results</u> Assuming Base Build Costs @ 0% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = £165,000• Asking Price = £295,000 Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing <ul style="list-style-type: none">• The residual land value for the scheme = £120,000



- Asking Price = £295,000

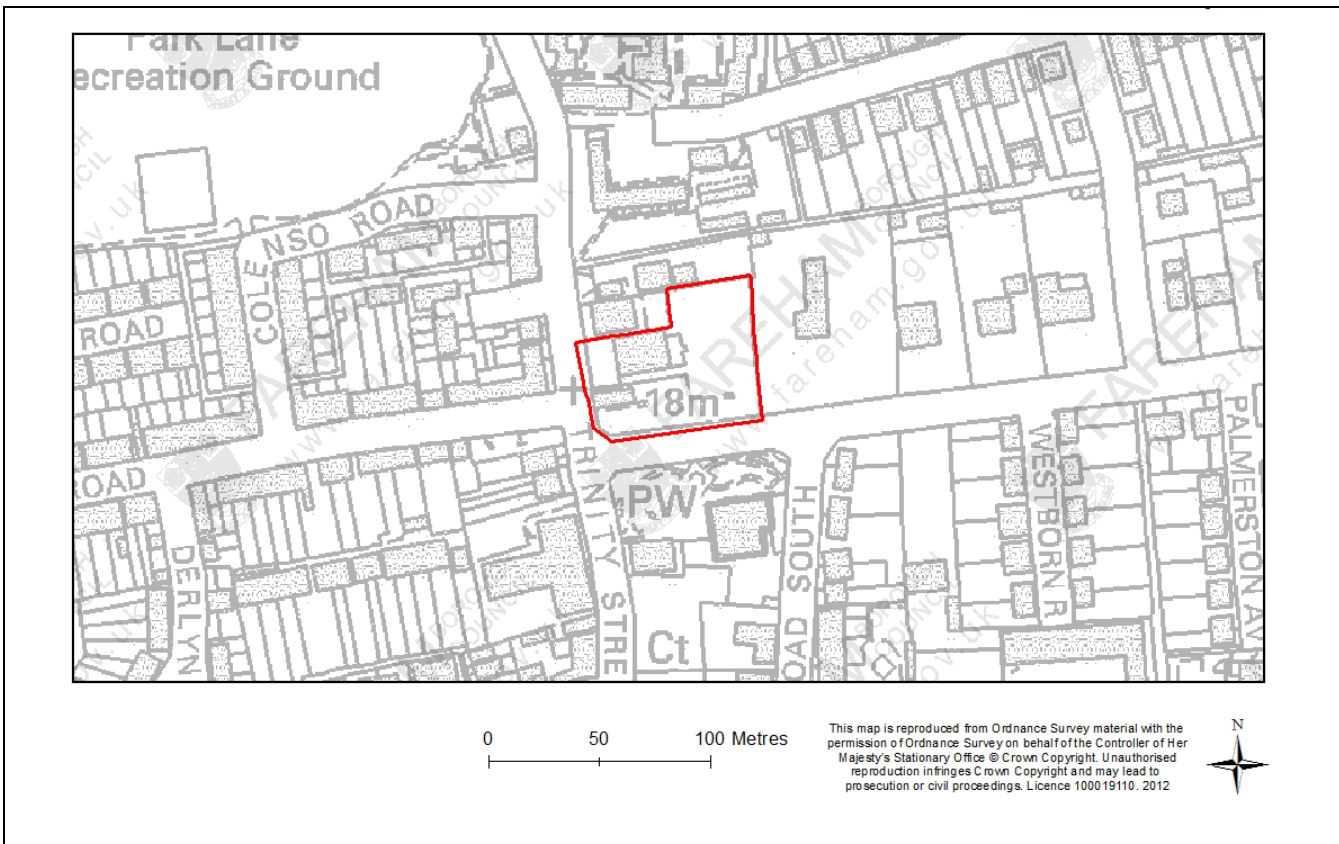
On this basis the site is considered not considered to be viable as it does not meet the landowner's expectation of purchase price.

Timing

The site should be considered as a Windfall site rather than a site allocation.



Corner of Trinity Street and Osborn Road



Site Area:

Gross Area = 1 acre (0.4 hectares)

Developable Area = 1 acre (0.4 hectares)

Description:



<p>The site comprise a two storey youth centre and public car park both owned by Fareham Borough Council (0.9 acres). In addition, there is a strip of third party land at the demolished No.70 Trinity Street (0.1 acres)</p>
<p>Site Constraints:</p> <p>There are no obvious site constraints.</p>
<p>Planning Status:</p> <p>An outline planning application has been submitted by Parem Developments Ltd of the demolished No.70 Trinity Street for the erection of 9 x three bedroom town houses over three storeys.</p>
<p>Is the Site Available?</p> <p>The land is in two ownerships and both the Council and the owners of No.70 Trinity Street appear to be independently considering options for their own land parcels at the current time. There also has not been any decision from the Council to dispose of the Car Park/youth centre site.</p>
<p>Market Attractiveness of the Site</p> <p>The town centre residential market remains a difficult market, as it is price sensitive, with modern flatted units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. There is a lack of new build town houses within the town centre, and the nearest scheme – Nightingales at Wickham Road by Taylor Wimpey is marketing three bedroom terraced houses for between £225,000 and £250,000.</p>
<p>Is the Site Viable?</p> <p>The Council is seeking to use the funds from its part of any site disposal to build a new youth centre at a location in and close to Fareham Town Centre. We have therefore appraised two scenarios for the site. The first scenario is a scheme of 36 x two bedroom flats, and the second is a scheme of 16 x three bedroom town houses. We estimate that a similar sized youth centre of 11,840 would cost in the region of £1.65m to build at £140 per sq.ft. (build cost taken from BCIS) excluding fees. We estimate that the two bedroom private flats of 650 sq.ft. each would sell for £160,000 (£246 per sq.ft.) and the three bedroom town houses of 1,000 sq.ft. each could sell for £250,000 (£250 per sq.ft.).</p> <p><u>Appraisal Results</u></p> <p>Scenario 1: 36 Flats</p> <p>Assuming Base Build Costs @ 40% Affordable Housing</p> <ul style="list-style-type: none">• The residual land value for the scheme = Negative value• The price per gross acre = Negative value• The Land Value as a proportion of Gross Development Value = Negative <p>Assuming Base Build Costs @ 0% Affordable Housing</p> <ul style="list-style-type: none">• The residual land value for the scheme = £285,000• The price per gross acre = £285,000• The Land Value as a proportion of Gross Development Value = 5% <p>Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing</p>



- The residual land value for the scheme = Negative land value
- The price per gross acre = Negative value
- The Land Value as a proportion of Gross Development Value = Negative

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £630,000
- The price per gross acre = £630,000
- The Land Value as a proportion of Gross Development Value = 11%

Scenario 2: 16 Town Houses

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £360,000
- The price per gross acre = £360,000
- The Land Value as a proportion of Gross Development Value = 11%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £795,000
- The price per gross acre = £795,000
- The Land Value as a proportion of Gross Development Value = 20%

Assuming 10% above Base Build Costs for Local Contractor @ 40% Affordable Housing

- The residual land value for the scheme = £190,000
- The price per gross acre = £190,000
- The Land Value as a proportion of Gross Development Value = 6%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £610,000
- The price per gross acre = £610,000
- The Land Value as a proportion of Gross Development Value = 15%

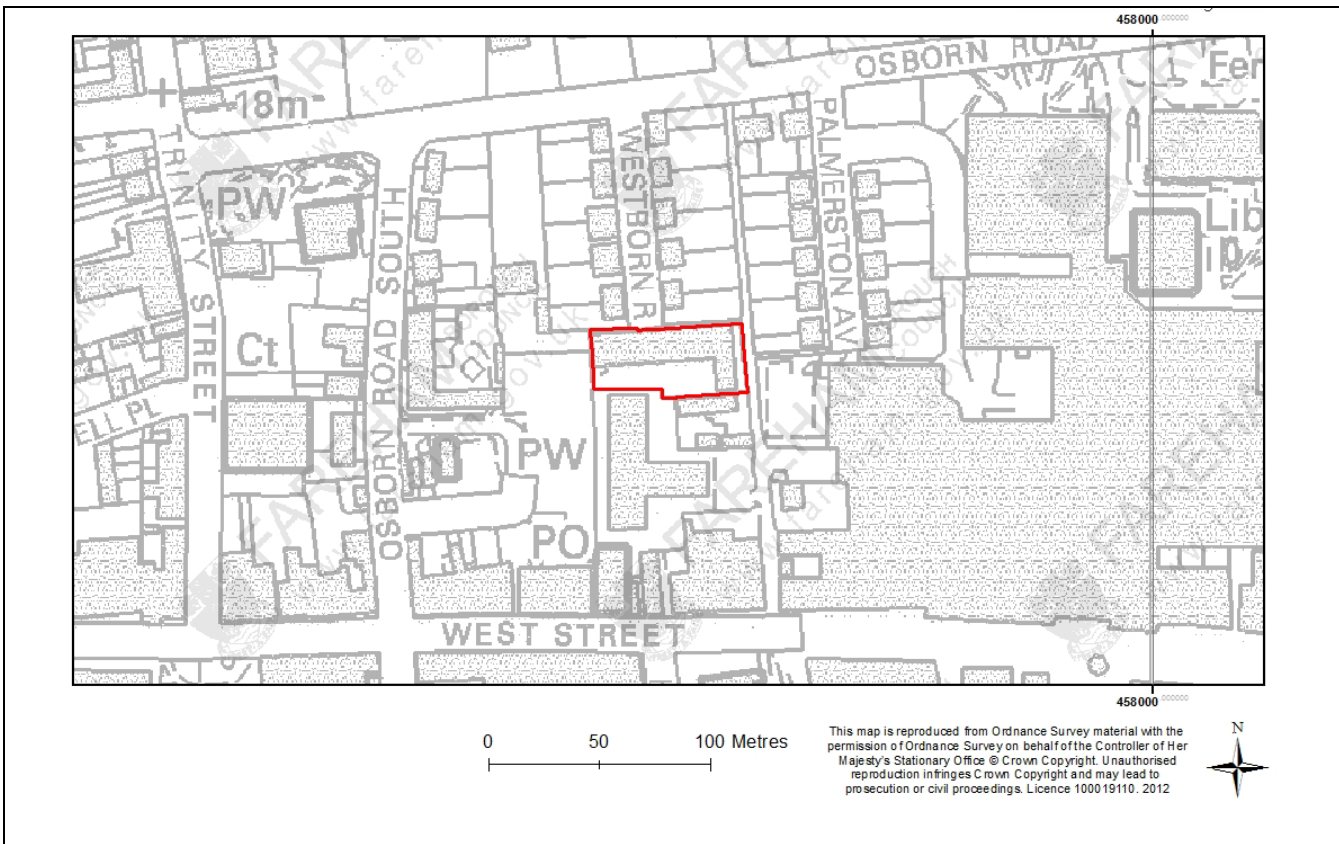
On this basis the site would deliver at best a site receipt for the Council's 0.9 acres of the site of £715,500 to use to deliver a new youth centre of circa £1.65m. Therefore, the site on its own is a viable proposition for town houses and more marginal for flats, although politically it may not be developed where 'gap funding' for the youth centre is not forthcoming and/or the loss of car parking spaces is deemed to be unacceptable by local Members.

Timing

It is considered to be a long term opportunity in Years 11-16 of the Core Strategy given the funding issues associated with delivering a new youth centre for the town centre area.



Telephone Exchange, Westborn Road



Site Area:

Gross Area = 0.5 acres (0.2 hectares)

Developable Area = 0.5 acres (0.2 hectares)

Description:



<p>A BT telephone exchange building over two storeys with car park built in the late 1950s and remains in operational use.</p>
<p>Site Constraints:</p> <p>No obvious site constraints, other than the potential decommissioning of the telecommunication equipment within the exchange.</p>
<p>Planning Status:</p> <p>There are no outstanding planning applications or permission relating to the site for its redevelopment.</p>
<p>Is the Site Available?</p> <p>It remains in operational use by BT, so it is not genuinely available for development at the current time. It is considered to be a long term development opportunity.</p>
<p>Market Attractiveness of the Site</p> <p>The town centre residential market remains a difficult market, as it is price sensitive, with modern flatted units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. There is a lack of new build town houses within the town centre, and the nearest scheme – Nightingales at Wickham Road by Taylor Wimpey is marketing three bedroom terraced houses for between £225,000 and £250,000.</p>
<p>Is the Site Viable?</p> <p>The value of the Telephone Exchange is difficult to estimate, although for a building of 12,000 sq.ft. on a site of 0.5 acres BT may have aspirations for between £200,000-£500,000. We have appraised two schemes. One is a scheme of 20 flats (8 x one bedroom flats and 12 x two bedroom flats) and the other is a scheme of 6 x three bedroom houses. We have estimated that the three bedroom houses would command values of £240,000 (£240 per sq.ft.), the one bedroom flats £125,000 (£250 per sq.ft.), and the two bedroom flats £160,000 (£247 per sq.ft.).</p> <p><u>Appraisal Results</u></p> <p>Scenario 1: 20 x One and Two bedroom Flats</p> <p>Assuming Base Build Costs @ 40% Affordable Housing</p> <ul style="list-style-type: none">• The residual land value for the scheme = Negative land value• Current Use Value = £200,000-£500,000• % uplift on Current Use Value = 0% <p>Assuming Base Build Costs @ 0% Affordable Housing</p> <ul style="list-style-type: none">• The residual land value for the scheme = £120,000• Current Use Value = £200,000-£500,000• % uplift on Current Use Value = 0% <p>Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing</p> <ul style="list-style-type: none">• The residual land value for the scheme = Negative land value• Current Use Value = £200,000-£500,000



- % uplift on Current Use Value = 0%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £290,000
- Current Use Value = £200,000-£500,000
- % uplift on Current Use Value = 0-45%

Scenario 2: 6 x Three Bedroom Houses

Assuming Base Build Costs @ 30% Affordable Housing

- The residual land value for the scheme = £60,000
- Current Use Value = £200,000-£500,000
- % uplift on Current Use Value = 0%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £190,000
- Current Use Value = £200,000-£500,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 30% Affordable Housing

- The residual land value for the scheme = Negative land value
- Current Use Value = £200,000-£500,000
- % uplift on Current Use Value = 0%

Assuming 10% above Base Build Costs for Local Contractor @ 0% Affordable Housing

- The residual land value for the scheme = £120,000
- Current Use Value = £200,000-£500,000
- % uplift on Current Use Value = 0%

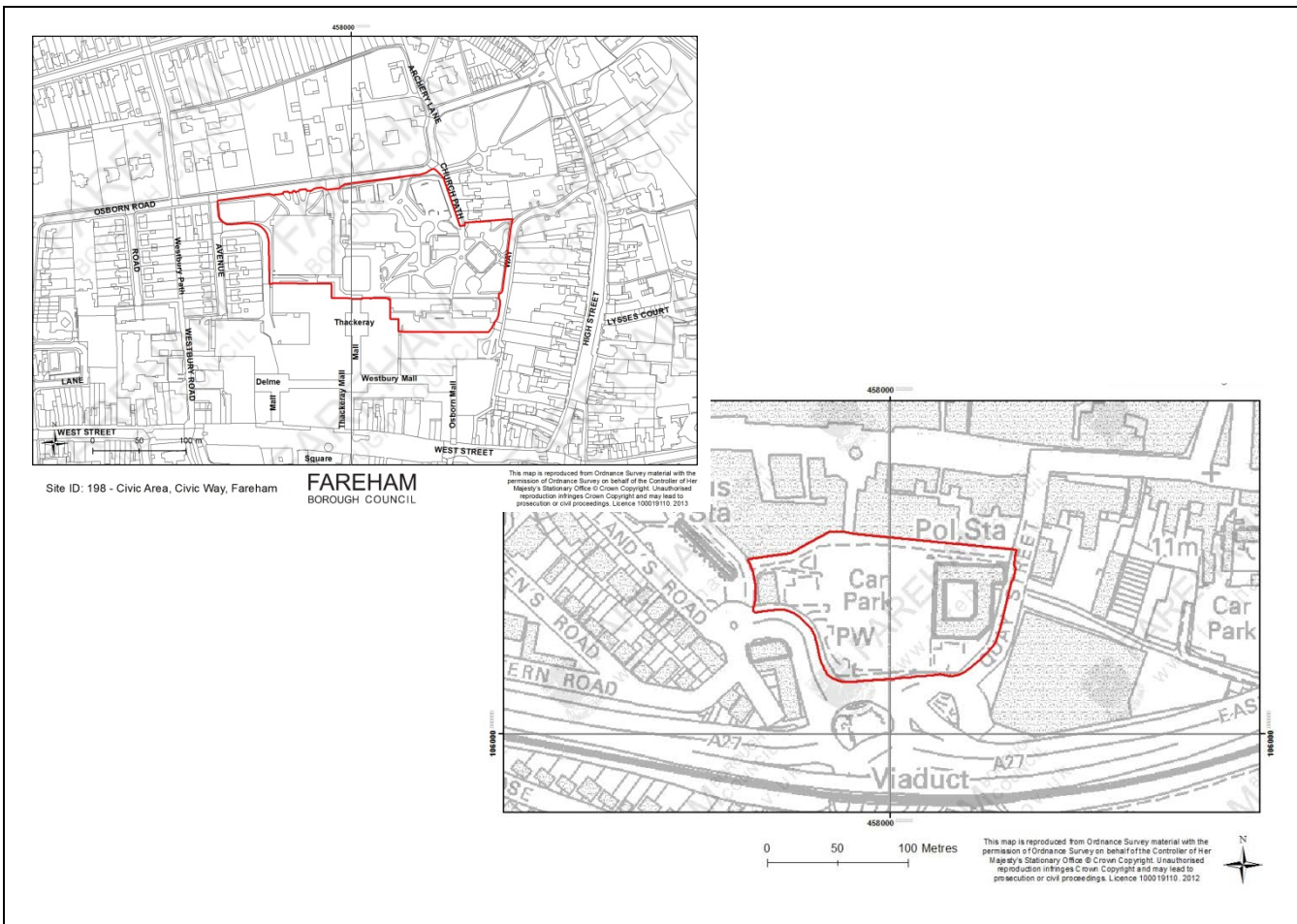
On this basis the site is not considered to be viable at the current time, as the residual land value fails to meet the threshold of 20% uplift on current use value at the upper threshold of £500,000.

Timing

The site may or may not come forward over the Core Strategy plan period. It is therefore considered to be a Windfall site.



Civic Area and Market Quay



Site Area:

Gross Area = 6.7 acres (2.7 hectares)



Developable Area = 5.2 acres (2.1 hectares)
Description: The Civic Area and Market Quay sites are located to the north and south of Fareham Shopping Centre and current comprise car parking areas, plus the existing Theatre, Library and areas of open space.
Site Constraints: The regeneration of the site requires the closure of the theatre and library at the northern civic campus and the development of a new arts venue at Market Quay. Enabling residential and commercial development is required to fund this new development.
Planning Status: There are no outstanding planning applications or permissions relating to the redevelopment of the site.
Is the Site Available? The two sites are within the ownership of Fareham Borough Council and viewed as long term regeneration sites.
Market Attractiveness of the Site The flatted market remains price sensitive with modern units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. In terms of commercial uses, the office market is localised in the town centre and new development is not considered to be financial viability as part of a wider mixed-use scheme, due to prevailing rents being circa £10-13 per sq.ft. The demand for hotels is positive, with two operators with a requirement for Fareham. In terms of care homes, demand is likely to prove high over time, although in the short term any demand within the town centre area may be satisfied with the site at Catisfield Lane, which has planning permission for 50 bedrooms.
Is the Site Viable? The Council is seeking to deliver regeneration benefits to the town centre and therefore would accept a positive land value contribution from a developer in order for the overall scheme to deliver a new arts centre for the town, which is estimated to cost in the region of £8.7m excluding fees for a 25,833 sq.ft. (2,400m ²) venue based on a BCIS cost of £337 per sq.ft. We have appraised three schemes as follows, and have not included the cost for the arts centre to assess how much value each options can produce: i) 148 x one and two bedroom flats, plus 10,764 sq.ft. GIA of A1 retail and 5,482 sq.ft. GIA of cafes/restaurants; ii) 80 x one and two bedroom flats, plus 10,764 sq.ft. GIA of cafes/restaurants, 60 Bedroom Care House and 80 Bedroom Budget Hotel; iii) 93 Flats plus 10,764 sq.ft. GIA of cafes/restaurants and 53,820 sq.ft. of offices. We have estimated that the one bedroom flats would achieve £125,000 (£250 per sq.ft.) and the two bedroom flats would achieve £160,000 (£246 per sq.ft.). The third scheme is a 60 bedroom care home and 80 bedroom budget hotel to be developed out by a



developer before renting or selling on to specialist operators. The value of the care home is based on a capital value of £95,000 per room and the hotel is based on a capital value of £78,000 per room.

The third scheme is an office block of 53,820 sq.ft. GIA, 43,056 sq.ft. net internal area. We have estimated that the rents within the building for the local market would be £13 per sq.ft. per annum and capitalised at an investment yield of 9% with 12 month's rent free period.

Appraisal Results

Scenario 1: 148 Flats and 10,764 sq.ft. of A1 retail and 5,482 sq.ft. of cafes/restaurants (excluding cost for the Arts Centre)

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative land value
- The price per gross acre = Negative
- The Land Value as a proportion of Gross Development Value = Negative

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £740,000
- The price per gross acre = £140,000
- The Land Value as a proportion of Gross Development Value = 3%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £200,000
- The price per gross acre = £40,000
- The Land Value as a proportion of Gross Development Value = 1%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £2,000,000
- The price per gross acre = £395,000
- The Land Value as a proportion of Gross Development Value = 8%

Scenario 2: 80 Flats plus 10,764 sq.ft. of cafes/restaurants, 60 Bedroom Care Home and 80 Bedroom Budget Hotel (excluding the cost of the Arts Centre)

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = £1,200,000
- The price per gross acre = £230,000
- The Land Value as a proportion of Gross Development Value = 5%

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = £1,800,000
- The price per gross acre = £350,000



- The Land Value as a proportion of Gross Development Value = 7%

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = £2,700,000
- The price per gross acre = £520,000
- The Land Value as a proportion of Gross Development Value = 11%

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = £3,400,000
- The price per gross acre = £650,000
- The Land Value as a proportion of Gross Development Value = 13%

Scenario 3: 93 Flats plus 10,764 sq.ft. of cafes/restaurants, and 53,820 sq.ft. of Offices (excluding the cost of the Arts Centre)

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative land value

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = Negative land value

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = Negative land value

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = Negative land value

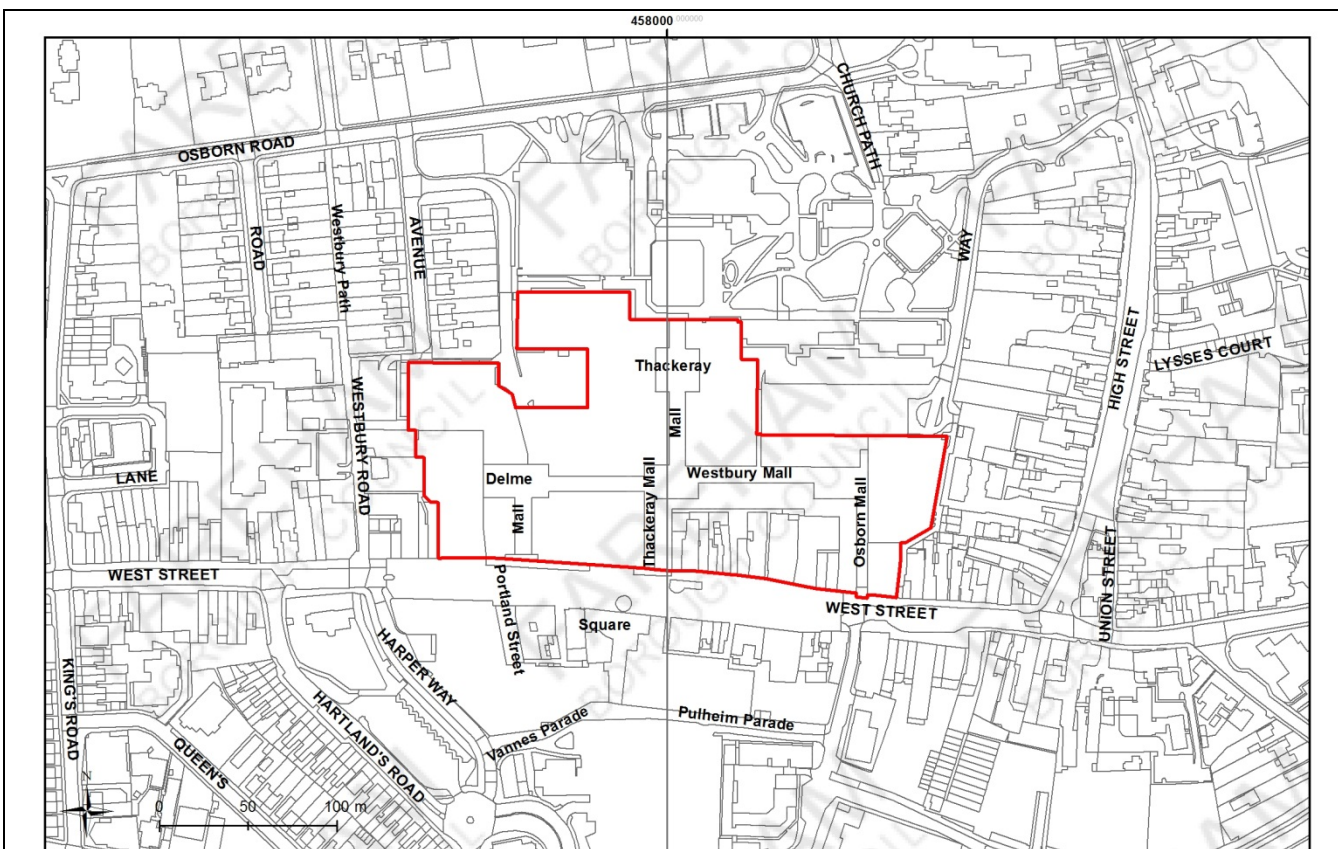
The best that the Council can achieve from the scenarios is a land receipt of £2m-3.3m for the new Arts Centre where the build costs can be discounted from the average. Taking the options on their own, flatted development struggles for viability even at the discounted build costs, and development is enhanced with the inclusion of commercial uses such as a hotel or care home.

Timing

The site is considered to be a long term regeneration project, but the residential component of any scheme should be viewed as a Windfall for the purposes of the site allocations DPD.



Fareham Shopping Centre



Site ID: 1914 - Fareham Shopping Centre

FAREHAM
BOROUGH COUNCIL

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Site Area:



Gross Area = 6.2 acres (2.5 hectares)
Description: The site includes the existing Fareham Shopping Centre, which is owned by Fareham Borough Council and a private investor and adjoining retail properties along West Street (No.51-61), which have redevelopment potential to enhance the centre's retail role.
Site Constraints: The key constraint to attempting to convert space within the existing Shopping Centre is the existing fabric of the shopping centre and the long term investment plans of long leasehold interest. The conversion/ redevelopment opportunity may not be considered to be essential to the medium or long term investment plan for the shopping centre.
Planning Status: There are no outstanding planning applications or permissions relating to the refurbishment or redevelopment of the site.
Is the Site Available? The centre is leased on a long term basis to a private investor, and therefore any new space created would need to be implemented by them in association with the Council.
Market Attractiveness of the Site The town centre residential market remains a difficult market, as it is price sensitive, with modern flatted units on the market for between £100,000-£140,000 and two bedroom units between £150,000-£160,000. The retail market generally is also undertaking major changes with both the economic conditions and the impact of on-line shopping leading to greater voids. In Fareham, the opening of a new town centre in Whiteley is significant, as any potential future demand in Fareham town centre may have been taken up through this new scheme.
Is the Site Viable? We have appraised a scheme for converting space within the existing centre for residential and acquiring and redeveloping units No.51-61 West Street to provide space for a new department store operator. The results of the appraisals consider whether the scheme creates a positive land value. A total of circa 44,000 sq.ft. or 53 x two bedroom flats has been identified within the shopping centre for residential conversion, together with the demolition of No.51-61 West Street for the creation of 28,000 sq.ft. of new anchor store. The acquisition costs for No.51-61 West Street are included within the appraisals at an estimated cost of £2.4 million. We estimate that the two bedroom private flats of 650 sq.ft. each would sell for £130,000 (£200 per sq.ft.) and The anchor store of 28,000 sq.ft. could be let at £8 per sq.ft. and an investment yield of 6%, including a 12 month rent free period, although it should be noted that there may not be any demand for this size of unit, especially with the recent opening of the new retail scheme at Whiteley.



Appraisal Results

Assuming Base Build Costs @ 40% Affordable Housing

- The residual land value for the scheme = Negative value

Assuming Base Build Costs @ 0% Affordable Housing

- The residual land value for the scheme = Negative value

Assuming 10% Below Base Build Costs for a National House Builder @ 40% Affordable Housing

- The residual land value for the scheme = Negative value

Assuming 10% Below Base Build Costs for a National House Builder @ 0% Affordable Housing

- The residual land value for the scheme = Negative value

On this basis the proposed scheme is not considered to be viable.

Timing

The site is not viewed as a potential allocation.



Summary of Town Centre Site Allocations

4.52 The table below sets out the summary of the viability assessments for the 10 proposed town centre allocations.

Site Address	Location	Available Now	Viable	Comments on Viability	Timing Core Strategy
Station West	Town Centre	x	√	Viable for a care home only	11-15
Station East	Town Centre	x	√	Marginal viability for residential	Windfall
Maytree Road	Town Centre	x	√	Viable for a solus retail store, but residential is marginal	6-11 / 11-15
142-144 West Street	Town Centre	√	x	Existing use value is higher	Windfall
Russell Place	Town Centre	x	√	Marginal viability for residential	Windfall
Malthouse Lane	Town Centre	√	x	Development value does not meet anticipated purchase price	Windfall
Corner of Trinity Road and Osborn Road	Town Centre	Part	√	Viable for houses rather than flats	6-11
Telephone Exchange	Town Centre	x	x	Existing use value is higher	Windfall
Civic Area/Market Quay	Town Centre	x	√	Viable for uses such as retail, hotel and care home but flats are not viable	Windfall
Fareham Shopping Centre	Town Centre	x	x	Part conversion for residential part redevelopment for retail not viable	Windfall



Appendix 1 - Housing Market Partnership



Fareham Housing Market Partnership
Barratt David Wilson (Southampton Division)
BNP Paribas Real Estate
Bovis Homes South East
Brian Campbell Associates
Bryan Jezeph Consultancy
Burton Property
Derek G Marlow Chartered Surveyor
Fareham Borough Council
First Wessex Housing Group
Goadsby
Guinness Hermitage Housing
Hampshire County Council
Hyde Martlett
Ken Scaddan Associates
Lambert Smith Hampton
Landspeed Affordable Homes
Level Ltd
Mapledean Development Ltd
Neame Sutton
Orchard Homes & Developments
Radian
Robert Tutton Planning Consultants
Southcott Homes
Sovereign Housing Association
Vail Williams LLP
White Young Green

