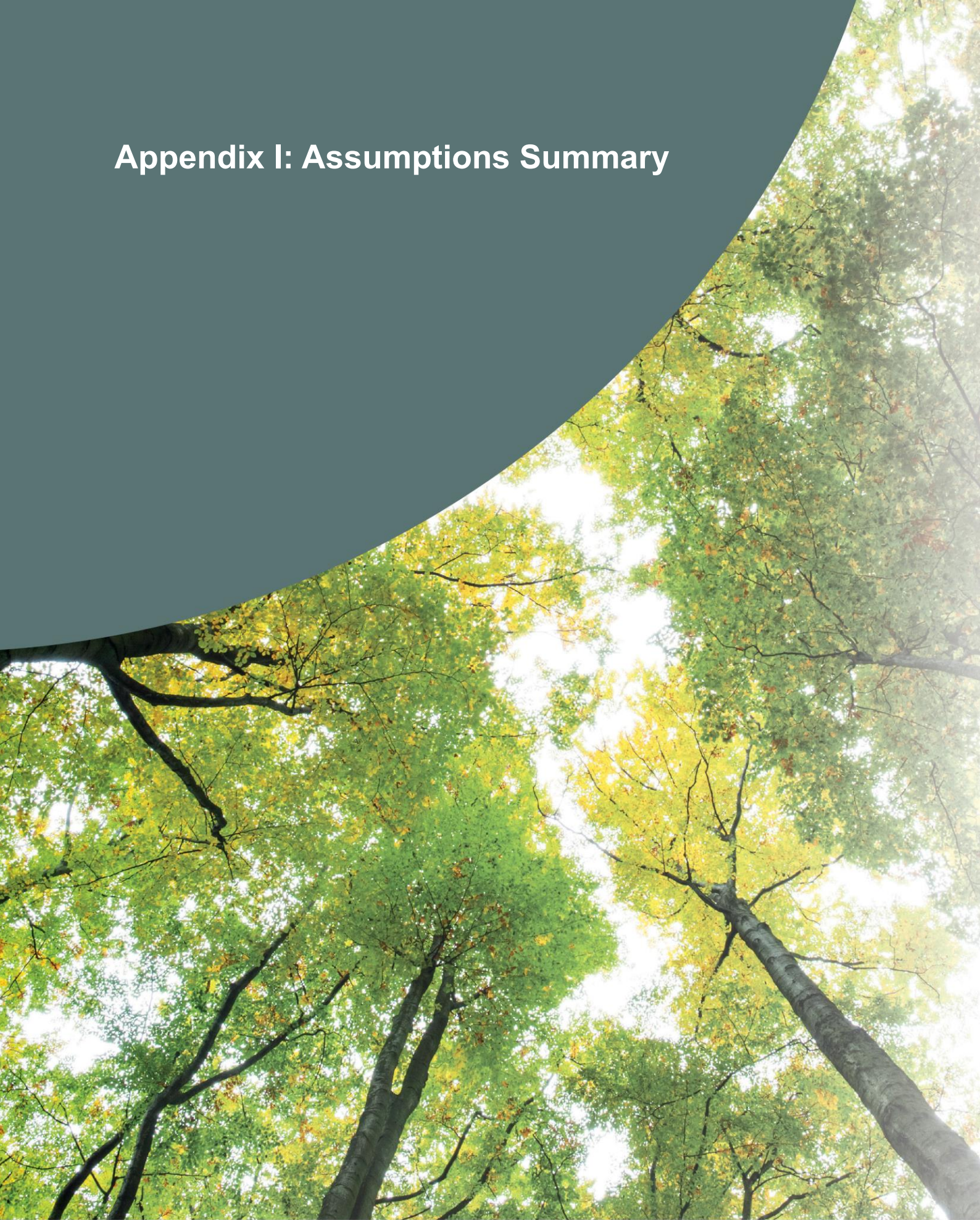


## Appendix I: Assumptions Summary





Havant Borough Council - **DRAFT** Appendix I - Local Plan Viability Assessment - Residential Assumptions Overview Sheet - Site Typologies

RESIDENTIAL					Percentage Affordable Housing & Tenure Mix	Percentage Affordable Housing & Tenure Mix		Percentage Affordable Housing & Tenure Mix		Percentage Affordable Housing & Tenure Mix		
Scenario Type Appraised	Site type	Gross Land Area (ha)	Density (DPH)	Overall Dwelling Mix	0% Affordable Housing*	20% Affordable Housing*		30% Affordable Housing*		40% Affordable Housing*		Build Period (Months)
					Private Mix	Private Mix	Affordable Mix: Tenure Split 70% Rent; 30% Intermediate (shared ownership)	Private Mix	Affordable Mix: Tenure Split 70% Rent; 30% Intermediate (shared ownership)	Private Mix	Affordable Mix: Tenure Split 70% Rent; 30% Intermediate (shared ownership)	
1 House	PDL	0.03	30	1 x 4BH	1 x 4BH	n/a						6
6 Houses	Greenfield / PDL	0.20	30	2 x 2BF, 4 x 3BH	2 x 2BF, 4 x 3BH	2 x 2BF, 4 x 3BH	Equivalent 20% AH Financial Contribution	2 x 2BF, 4 x 3BH	Equivalent 30% AH Financial Contribution	2 x 2BF, 4 x 3BH	Equivalent 40% AH Financial Contribution	6
10 Houses	Greenfield / PDL	0.33	30	5 x 2BH, 5 x 3BH	5 x 2BH, 5 x 3BH	4 x 2BH, 4 x 3BH	1 x 2BH, 1 x 3BH	3 x 2BH, 4 x 3BH	2 x 2BH, 1 x 3BH	3 x 2BH, 3 x 3BH	2 x 2BH, 2 x 3BH	6
11 Houses	Greenfield / PDL	0.37	30	5 x 2BH, 6 x 3BH	5 x 2BH, 6 x 3BH	4 x 2BH, 5 x 3BH	1 x 2BH, 1 x 3BH	3 x 2BH, 5 x 3BH	2 x 2BH, 1 x 3BH	3 x 2BH, 4 x 3BH	2 x 2BH, 2 x 3BH	9
15 Houses	Greenfield / PDL	0.50	30	7 x 2BH, 7 x 3BH, 1 x 4BH	7 x 2BH, 7 x 3BH, 1 x 4BH	5 x 2BH, 6 x 3BH, 1 x 4BH	2 x 2BH, 1 x 3BH	4 x 2BH, 5 x 3BH, 1 x 4BH	3 x 2BH, 2 x 3BH	4 x 2BH, 4 x 3BH, 1 x 4BH	3 x 2BH, 3 x 3BH	9
15 Flats	PDL (Town Centre)	0.15	100	9 x 1BF, 6 x 2BF	9 x 1BF, 6 x 2BF	7 x 1BF, 5 x 2BF	2 x 1BF, 1 x 2BF	6 x 1BF, 4 x 2BF	3 x 1BF, 2 x 2BF	6 x 1BF, 3 x 2BF	3 x 1BF, 3 x 2BF	9
30 Flats (Sheltered)	PDL (Town Centre)	0.24	125	22 x 1BF, 8 x 2BF	22 x 1BF, 8 x 2BF	18 x 1BF, 6 x 2BF	4 x 1BF; 2 x 2BF	15 x 1BF, 6 x 2BF	7 x 1BF; 2 x 2BF	13 x 1BF, 5 x 2BF	9 x 1BF; 3 x 2BF	18
50 Flats	PDL (Town Centre)	0.50	100	22 x 1BF, 28 x 2BF	22 x 1BF, 28 x 2BF	16 x 1BF, 24 x 2BF	6 x 1BF, 4 x 2BF	14 x 1BF, 21 x 2BF	8 x 1BF, 7 x 2BF	11 x 1BF, 19 x 2BF	11 x 1BF, 9 x 2BF	18
50 Flats (PRS Scenario)	PDL (Town Centre)	0.50	100	22 x 1BF, 28 x 2BF	22 x 1BF, 28 x 2BF	16 x 1BF, 24 x 2BF	6 x 1BF, 4 x 2BF	14 x 1BF, 21 x 2BF	8 x 1BF, 7 x 2BF	11 x 1BF, 19 x 2BF	11 x 1BF, 9 x 2BF	18
50 Flats (incl. Studio Flats)	PDL (Town Centre)	0.50	100	7 x SF, 15 x 1BF, 28 x 2BF	7 x SF, 15 x 1BF, 28 x 2BF	7 x SF, 9 x 1BF, 24 x 2BF	6 x 1BF, 4 x 2BF	7 x SF, 7 x 1BF, 21 x 2BF	8 x 1BF, 7 x 2BF	7 x SF, 4 x 1BF, 19 x 2BF	11 x 1BF, 9 x 2BF	
50 Mixed	Greenfield / PDL	1.11	45	9 x 1BF, 8 x 2BF, 9 x 2BH, 19 x 3BH, 5 x 4BH	9 x 1BF, 8 x 2BF, 9 x 2BH, 19 x 3BH, 5 x 4BH	5 x 1BF, 6 x 2BF, 7 x 2BH, 17 x 3BH, 5 x 4BH	4 x 1BF, 2 x 2BF, 2 x 2BH, 2 x 3BH	3 x 1BF, 6 x 2BF, 6 x 2BH, 16 x 3BH, 4 x 4BH	6 x 1BF, 2 x 2BF, 3 x 2BH, 3 x 3BH, 1 x 4BH	1 x 1BF, 5 x 2BF, 6 x 2BH, 15 x 3BH, 3 x 4BH	8 x 1BF, 3 x 2BF, 3 x 2BH, 4 x 3BH, 2 x 4BH	18
100 Mixed	Greenfield / PDL	2.22	45	18 x 1BF, 16 x 2BF, 18 x 2BH, 38 x 3BH, 10 x 4BH	18 x 1BF, 16 x 2BF, 18 x 2BH, 38 x 3BH, 10 x 4BH	10 x 1BF, 13 x 2BF, 14 x 2BH, 34 x 3BH, 9 x 4BH	8 x 1BF, 3 x 2BF, 4 x 2BH, 4 x 3BH, 1 x 4BH	6 x 1BF, 12 x 2BF, 12 x 2BH, 32 x 3BH, 8 x 4BH	12 x 1BF, 4 x 2BF, 6 x 2BH, 6 x 3BH, 2 x 4BH	2 x 1BF, 10 x 2BF, 12 x 2BH, 30 x 3BH, 6 x 4BH	16 x 1BF, 6 x 2BF, 6 x 2BH, 8 x 3BH, 4 x 4BH	24
350 Mixed	Greenfield	7.78	45	63 x 1BF, 56 x 2BF, 63 x 2BH, 133 x 3BH, 35 x 4BH	63 x 1BF, 56 x 2BF, 63 x 2BH, 133 x 3BH, 35 x 4BH	35 x 1BF, 45 x 2BF, 49 x 2BH, 119 x 3BH, 32 x 4BH	28 x 1BF, 10 x 2BF, 14 x 2BH, 14 x 3BH, 4 x 4BH	21 x 1BF, 42 x 2BF, 42 x 2BH, 112 x 3BH, 28 x 4BH	42 x 1BF, 14 x 2BF, 21 x 2BH, 21 x 3BH, 7 x 4BH	7 x 1BF, 35 x 2BF, 42 x 2BH, 105 x 3BH, 21 x 4BH	56 x 1BF, 21 x 2BF, 21 x 2BH, 28 x 3BH, 14 x 4BH	48***

Note: Land Area Adjustment - 15% added (excluding City Centre) and 50% added to the strategic site

\*Fully applied policy position. Actual percentage will vary due to policy requirement.

\*\*\* Assumes multiple developers

Residential Scenario with Retail

25 Flats GF Convenience Retail	PDL (Town Centre)	0.25	100	11 x 1BF, 14 x 2BF	11 x 1BF, 14 x 2BF	8 x 1BF, 12 x 2BF	3 x 1BF, 2 x 2BF	7 x 1BF, 10 x 2BF	4 x 1BF, 4 x 2BF	5 x 1BF, 10 x 2BF	6 x 1BF, 4 x 2BF	12	
Commercial Element: GF Convenience Retail (310m <sup>2</sup> )		Main Cost Assumptions	Notes										
		Annual Rent of £100/m2	Based on data collected from CoStar										
		Build Cost - £1,513/m2 Including 10% external works	BCIS Median Data rebased to Havant Location Factor										
		Yield @ 6%											

July 2017 Assumptions (Nationally Described Space Standards)

Unit Sizes (sq. m)*	Affordable	Private (market)
Studio Flat (SF)	n/a	39
1-bed flat	50	50
2-bed flat	70	70
2-bed house	79	79
3-bed house	93	100
4-bed house	112	130

150 (Large)

Dwelling mix principles (based on South Hampshire SHMA 2014)

DSP Assumed Overall Mix    1-Beds 25%, 2-Beds 35% 3-Beds 30%, 4-Beds 10%

Market Housing                1-Beds 10%, 2-Beds 35% 3-Beds 45%, 4-Beds 10%

Affordable Housing            1-Beds 40%, 2-Beds 35% 3-Beds 20%, 4-Beds 5%

Note: All subject to 'best fit scenario' within assumed mix

July 2017 Study Value Assumptions

	HBC lower-end		HBC typical new-build values			HBC upper-end new-build values	
Assumed Market Value Level (VL) range & indicative match with localities	VL1	VL2	VL3	VL4	VL5	VL6	VL7+
Location (Range)	Havant Core & NW Suburbs, Waterlooville		Purbrook, Stakes, Horndean, Cowplain, Hayling Island		Langstone	East of Borough, Emsworth (South of A27), Denvilles, seafront properties (incl. Hayling Island), rural pockets	
	Leigh Park	West Leigh, Bedhampton, Hart Plain		New Brighton, Emsworth (North of A27), Warblington			
1 Bed Flat	£137,500	£150,000	£162,500	£175,000	£187,500	£200,000	£225,000
2 Bed Flat	£192,500	£210,000	£227,500	£245,000	£262,500	£280,000	£315,000
2 Bed House	£217,250	£237,000	£256,750	£276,500	£296,250	£316,000	£355,500
3 Bed House	£275,000	£300,000	£325,000	£350,000	£375,000	£400,000	£450,000
4 Bed House	£357,500	£390,000	£422,500	£455,000	£487,500	£520,000	£585,000
Value House (£/m2)	£2,750	£3,000	£3,250	£3,500	£3,750	£4,000	£4,500

Sheltered Housing modelled at VL6 £4,000, VL7 £4,500, and VL8 £4,750

July 2017 Affordable Housing Revenue Assumptions (Portsmouth LHA Rates covering the majority of the Borough)

Unit	LHA (Average) Cap
1BF	£116.53
2BF	£144.36
2BH	£144.36
3BH	£172.60
4BH	£240.00

Unit	Market Size	Average AH Transfer Price (LHA Cap)	AH Transfer Price less 10%
1BF	50	£84,873	£77,157
2BF	70	£105,144	£95,585
2BH	79	£105,144	£95,585
3BH	100	£125,712	£114,284
4BH	130	£174,803	£158,912

Development / Policy Costs	HBC 2017	
<b>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</b>		
Build Costs Mixed Developments - generally (£/sq. m) <sup>1</sup>	£1,341	
Build Costs Estate Housing - generally (£/sq. m)	£1,495	Only applicable to scenarios <10 units. Increased by 14% from updated base figures - adjustment based on BCIS FSB report. <sup>2</sup>
Build Costs Estate Housing - generally (£/sq. m)	£1,311	11+ units
Build Costs 'One-off' Detached Housing (3 units or less)	£2,203	
Build Costs Flats - generally (£/sq. m)	£1,526	11+ units
Build Costs Flats - generally (£/sq. m)	£1,453	Only applicable to scenarios <10 units. . Reduced by -5% from updated base figures - adjustment based on BCIS FSB report. <sup>2</sup>
Build Costs Flats - 3-5 Storey (£/sq. m)	£1,513	25 Flats (Mixed Use Scenario) and 50 Flats
Build Costs (Sheltered Housing - Generally) (£/sq.m) <sup>1</sup>	£1,631	
Site Prep & Survey Costs (£ / unit)	£4,500	Assumed at £17,000 - £23,000/dwelling equivalent - strategic scale development (500+ dwellings tests) where applicable
Contingencies (% of build cost)	5%	10% Contingency applied to the 5 Flats Town Centre scenario
Professional & Other Fees (% of build cost)	10.0%	
Sustainable Design / Construction Standards (% of build cost) <sup>3</sup>	2.00%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations
Residual s.106 /non-CIL costs (£ per unit) - non-strategic sites	£3,000	
On strategic sites - carried out on surplus basis unless detailed infrastructure costs and timings known		
HBC potential CIL rates (£/sq.m.)	Tested at £20/m2 intervals from £0 to £200/m2	
Building Regs M4 (2) Compliance (10% of dwellings) <sup>4</sup>	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only) - tested at 10% - 100%
Building Regs M4 (3) Compliance (5% of dwellings) <sup>4</sup>	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only) - 5% of units Not Tested
Technical Housing Standards - nationally described space standard		
Electric Car Charging Points	£500/unit	Sensitivity Test
Solent Recreational Mitigation Partnership Contribution (£ per unit)	1-Bed = £337/unit 2-Bed = £487/unit 3-Bed = £637/unit 4-Bed = £749/unit	
Reduced Water usage (max.consumption)	110 litres per person per day	Based on the Housing/technical Standards Review - optional increased standard included within Building Reg.s
Marketing & Sales Costs (%of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
<b>DEVELOPER'S RETURN FOR RISK AND PROFIT</b>		
Open Market Housing Profit (% of GDV)	20.0%	
Affordable Housing Profit (% of GDV)	6.0%	
<b>FINANCE &amp; ACQUISITION COSTS</b>		
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	HMRC scale
Finance Rate including Arrangement Fees - Build (%)	6.5%	
Finance Rate - Land (%)	6.5%	

Notes:

<sup>1</sup> Build cost taken as "Median" figure from BCIS for that build type - e.g. flats ; houses storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The BCIS figure for Havant has been used. Includes allowance for uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings. External works added separately - 10% of base build costs.

<sup>2</sup>BCIS report for the Federation of Small Businesses - Housing development: the economics of small sites - the effect of project size on the cost of housing construction (August 2015)

<sup>3</sup> The above costs are based on the DCLG Housing Standards Review Impact Assessment costings assuming equivalent CF5H L4 energy costs only base. Appraisals assume cost uplift in line with figures above assuming average cost uplift from each unit type (£1,932 per unit average, equating to the 2% assumed above).

<sup>4</sup> Sensitivity tested allowance to meet Building Regs M4 Category 2 and Category 3 (adaptable) acknowledged within report as potential variable cost issue (depending on design etc.). EC Harris DCLG Housing Standards Review Cost Impact indicate average extra over cost to be £1,646 (Cat.2) and £15,691 (additional space cost (Cat. 3)) for flats and £2,447 (Cat.2) and £26,816 (additional space cost (Cat.3 adaptable)) for houses.

Havant Borough Council - **DRAFT** Appendix I - Local Plan Viability Assessment - Commercial Assumptions Overview Sheet

Development Use Type / Use Class indication	Example Scheme Type	GIA (sq. m)	Site Coverage	Site Size (Ha)	Build Period (Months)**	Values Range - Annual Rents £/sq. m (unless stated otherwise)			Build Cost (£/sq. m)*	External works cost addition (%)	Total Build Cost (£/sq. m excl fees etc.)	Notes:
						Low	Mid	High				
A1 Large Retail	Retail Warehousing / Foodstore	1250	40%	0.31	12	£200	£225	£250	£838	15%	£964	BCIS - Retail Warehousing - up to 1000 sq. m
Small Retail (Town Centre)	Comparison shops (general/non-shopping centre)	300	70%	0.04	6	£150	£200	£250	£1,104	50%	£1,656	BCIS - Shops - Generally
Small Retail	Local convenience stores and local shops	300	50%	0.06	6	£100	£125	£150	£1,104	15%	£1,270	BCIS - Shops - Generally
Business - Offices - Town Centre	Office Building	500	60%	0.08	6	£150	£190	£230	£1,857	15%	£2,136	BCIS - Offices - 3-5 stories; air-conditioned
Business - Offices - Outside Town Centre	Office Building	1000	40%	0.25	12	£150	£190	£230	£1,754	15%	£2,017	BCIS - Offices generally
Business - Industrial / Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	500	40%	0.13	6	£70	£85	£100	£1,368	15%	£1,573	BCIS - Advance factories / offices - mixed facilities (B1) 500 - 2,000 sq. m
Business - Industrial / Warehousing	Larger industrial / warehousing unit including offices - industrial estate	2000	40%	0.50	12	£50	£60	£70	£1,021	15%	£1,174	
Hotel (budget)	Hotel - town centre / edge of town (60 Beds)	2100	50%	0.42	18	£3,000	£3,500	£4,000	£2,042	15%	£2,348	BCIS data - hotels (median average figure shown - range applied)
						Annual Room Rates						
C2 - Residential Institution	40-bed Nursing home / care home	1900	60%	0.32	16	£200	£250	£300	£1,685	15%	£1,938	BCIS - Care Homes for the Elderly - generally
Student Accommodation	100% Cluster type Accommodation with ensuite (150 rooms)	1800	50%	0.36	18	£110	£120	£130	£1,951	5%	£2,049	BCIS - Student Accommodation
						Weekly Room Rates						
Other / Sui Generis	Variable - considered on strength of values / costs relationship basis for a range of other development uses including community / clinics / fitness/ leisure / nurseries etc.	Value / costs relationship strength considered in report										

\* Convenience stores with sales area of less than 3,000 sq ft (280 sq m), assuming longer opening hours.

Development Costs	
BREAAM / other enhancements addition contingency (% of cost) <sup>1</sup>	5%
Professional Fees (% of cost)	10%
Contingencies (% of cost)	5%
Planning / Building Regs etc. / insurances (% of cost)	2.0%
Site survey / preparation costs / S106	Variable
<b>Finance Costs</b>	
Finance rate p.a. (including over lead-in and letting / sales period)	6.5%
Arrangement / other fees (% of cost)	0.0%
<b>Marketing Costs</b>	
Advertising Fees (% of annual income)	1%
Letting Fees (% of annual income)	10%
Purchaser's costs	5.75%
<b>Developer Profit (% of GDV)</b>	20%
<b>Yields</b>	Variable applicability - tested across range at 5% to 8%
<b>Site Acquisition Costs</b>	
Agents Fees (% of site value)	1.50%
Legal Fees (% of site value)	0.75%
Stamp Duty (% of value - HMRC scale)	0 to 5%

\*BCIS Median - Location Factor for Havant

<sup>1</sup> For non-residential developments - include a contingency equivalent to requirement for BREEAM. Cost addition estimate only