

**For:  
Havant Borough Council**

## **Local Plan and CIL Viability Study**

**Final Report (v7)**

January 2019

DSP18483A



# Final Report (v7)

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## Executive Summary

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### Context and assessment approach

1. Havant Borough Council (HBC) appointed Dixon Searle Partnership (DSP) to provide a viability assessment to inform its work in progress at the time on the draft Havant Borough Local Plan 2036 (HBLP2036) emerging policies. This assessment has been carried through to the final development stage of the Plan, through close liaison with HBC and informing the Plan development along the way.
2. The new Local Plan (DLP) will provide a framework guiding land use and planning decisions in the borough over the period to 2036. At the same time, HBC is also reviewing its 2013 adopted Community Infrastructure Levy (CIL); considering any appropriate refreshing of the CIL to support the emerging Plan. The viability assessment will also form part of the Council's evidence informing its review of the HBC CIL.
3. This FINAL STAGE REPORT follows DSP's draft phase assessment report completed in November 2017, used to inform HBC's Local Plan policy development to the Regulation 18 consultation stage. Following the further public consultation that took place on the Draft Local Plan, completed in 2018, this final report will be used alongside other evidence base studies to inform and support the Pre-Submission Draft Local Plan (Regulation 19 consultation stage) – now to be simply referred to as the 'Local Plan' in this report.
4. DSP is a consultancy highly experienced in the preparation of viability assessments informing and supporting local authority policy development - including whole plan viability, affordable housing and CIL economic viability. Our day to day workload also involves the provision of site-specific viability reviews and related advice – on affordable housing, s.106 and related matters. That has included several cases undertaken within Havant Borough as well as in adjoining and a wide range of other local authority areas.
5. This refreshed look at viability, with viability meaning the financial “health” of development, takes account of the changes in development costs and revenue (values) assumptions relevant since the Council's previous viability work undertaken to inform



the Adopted Local Plan and 2013 CIL Charging Schedule. It also reflects or considers, as far as possible, the known and evolving positions both on national and proposed HBC policy developments.

6. This final report sets out our findings from a viability perspective, having tested the proposed HBC policy positions, to the point those are further developed at this stage, whilst also taking into account regular development costs and national policies that are likely to influence development viability in the borough. Whilst appropriately still providing wide-ranging information to help inform HBC's final stage detail Local Plan development, further narrowing-down and refinement has now taken place in terms of the assumptions in use, reflecting HBC policy positions as proposed. A large number of variables have been under review. This continues to lead here to a large results set overall. Approached in this way, however, the work to date and findings of this further developed assessment have informed the HBLP emerging policy approach and positions, and particularly in key areas that influence development viability – such as affordable housing ('AH').
7. This viability assessment has been produced in the context of and with regard to the National Planning Policy Framework (NPPF), CIL Regulations, CIL Guidance (now contained within the national Planning Practice Guidance ('PPG')), July 2018 updated Viability guidance within the PPG and other good practice and available guidance - all as applicable to studies of this nature. The PPG also contains guidance on 'Planning Obligations', continuing to provide further relevant context for this viability revisit.
8. It is worth noting too that in October 2018 the Government published its response to its developer contributions consultation. This confirms likely proposals to continue with the CIL, but also to ease the pooling restrictions on the use of s.106, enabling greater flexibility in use.
9. The NPPF (now 2018 version) sets out a high-level requirement to set out clearly the intended approach to developer contributions and ensure the viability and deliverability of Local Plans. In response, this now further developed assessment continues to consider the financial capacity of development schemes in the borough to deliver proposed local and national policies and support the regular development costs.



10. The review of development viability is not an exact science. There can be no definite viability cut-off point owing to the great variation in site specific circumstances.
11. The following report sets out the assessment context, approach and findings in detail; all based on the latest available HBLP policy information at the point of preparing this review of viability for the Council at final reporting stage. This is overviewed very briefly in this Executive Summary.
12. The assessment uses the same principles and methodology basis used in HBC's previous viability assessments and common to DSP's experience of preparing these. Again, the well-recognised residual valuation principles are used. In basic terms, this means subtracting the costs of creating a development from the revenue (sales value) generated on its sale at scheme completion. This calculation is carried out for each development scenario (assumptions combination) tested, using an appraisal with multiple inputs as explained in detail in the full report.
13. The outcome from each appraisal, as reported in the Appendices accompanying this document report, is a "residual" value produced by this process of looking at development value minus development cost. This outcome (residual) is viewed as a land value which is then compared to a 'benchmark' level of land value (a 'viability test'), allowing the consideration of whether the available level of land residual is likely to represent a sufficient return for a land owner. An assumed developer's profit level is also fixed as an appraisal input for the purposes of this high-level review, again consistent with the NPPF and PPG principles. This then provides scope to assess the effect on viability of varying other assumptions with these key development ingredients reflected, such as the influence of variable scheme (test scenario) type, sales values, affordable housing content and other known or potential policy impacts.
14. The assessment results enable the consideration of likely viability impacts from a re-tested proposed 30% affordable housing (AH) policy headline (for HBC's consideration, suggested varied to 20% in respect of Havant and Waterlooville town centre and Leigh Park District Centre developments) in combination with other potential or likely policy and development costs. The AH policy threshold proposed is at 10 dwellings, in accordance with national policy with the NPPF 2018. The tests continue to reflect these positions and other likely or potential viability impacts.

15. This represents the concluding of an iterative process. Approached in this way, the staged assessment has informed the emerging policy requirements and will continue to do so, although the Council need not follow exactly our findings and suggested positions. Accordingly, where possible at this stage, we continue to look to provide parameters and options for both policies and considering the review of the HBC CIL – this approach reflects the process and the various involved stages.
16. The Council will continue to assess and consider the viability of proposals relating to the Local Plan taking into account any changes to the CIL Regulations and proposed arrangements for s.106 pooling and CIL.
17. At this stage, individual infrastructure costs have not yet been accounted for, except in forming assumptions based on HBC supplied estimates in respect of the single strategic site – Southleigh (tested assuming 2,100 dwellings and various other requirements). Moving information on infrastructure requirements associated with a Plan is not unusual. To reduce the potential circularity involved in considering CIL as well as LP policies, rather than need to base CIL on a settled policy set, we have considered as starting point the adopted CIL charge levels as now indexed. We then consider whether in our view there remains any financial scope to support additional CIL charging – by reference to a wide range of development use types; or indeed a need to make any other adjustments to the CIL. In addition to this, DSP has made an allowance for potential site-specific planning mitigation through a s.106 contingency. A wide range of CIL tests have been run, using trial rates at small intervals
18. In order to carry out this type of assessment, a large number of assumptions are required as well as the consideration of a range of information which rarely fits all eventualities.

#### **Findings – Final report stage overview**

19. Overall, we have continued to find the values typically seen in the borough to support on the whole a reasonable level of development viability, accepting, as acknowledged again here, that there will always be some more challenging scenarios in any area. This leads to reasonable prospects for the delivery of a range of sites and schemes across a range of locations, including in respect of the Southleigh strategic site.



20. Whilst the results are mixed when viewed overall, the purpose of the viability study continues to be to provide assurance that the plan is deliverable as a whole. Reflecting the high-level nature of this study, it is considered that a majority of development likely to come forward under the HBLP will be supported by relatively strong values typical for large parts of the borough area; rather than the lower values seen in some areas or the very high values also seen, although with the latter often in areas where relatively little development appears likely to occur (e.g. waterside and rural fringe areas). The report sets out the varying values picture observed through our research, necessarily acknowledging that variations occur in all areas.
21. Overall this creates a mainly positive environment for development viability generally, although of course this is also behind the severe level of local affordable housing need and the Council needing to respond by seeking the maximum achievable provision of affordable homes.
22. Our assessment detail and its findings now extend to the proposed strategic Denvilles-Emsworth masterplan site delivery (referred to as 'Southleigh'), with high-level review of viability of that also having been undertaken by DSP for HBC. We have found that to have reasonable viability prospects and also provide some observations on this as regards the possibility that a distinct CIL charging approach (differentiated to a zone-based potential nil-rate) may well need to be considered for reasons related both to delivery and practicalities, and also because the emerging extent of site-specific costs and development mitigation could mean that the standard borough CIL amounts to too large a fixed top-sliced cost. HBC will need to consider this further.
23. Necessarily at this stage, however, we note that the exact extent and nature of achievable planning obligations (s.106) packages inevitably will vary in the usual way with particular site and development characteristics, influenced also by the timing of schemes in relation to varying market cycles. Therefore, we suggest that these may need to be more closely assessed in some way once further infrastructure and site allocation details become more developed. This may involve ongoing work e.g. by way of further revisits of the high-level viability overview. This reflects usual practice and our wider engagement with these matters, as well as the Council's approach.
24. This will mean continuing to consider together the required s.106 development mitigation and infrastructure provision costs along with the particular development requirements, and particularly on major sites contributing to accommodating the

planned HBLP growth. We emphasise that we do not consider that there is anything unusual in these findings, which reflect our wider experience.

25. It must be recognised that a planning-led basis for securing planning obligations relies on market-led processes. As a general point, and so not just referring to HBC's progression of proposals here, we have to place an emphasis on the need for a practical approach to be taken by the Council, having due regard to development viability where justified. By this we mean that, where justified, the Council should be adaptable to market housing scheme needs, being prepared to be flexible in considering varying solutions and be responsive to varying scheme types and circumstances.
26. At a subsequent planning application stage, the various components of a scheme will need to be considered in terms of the level of need for market and affordable homes, their successful integration and tenure mixes. This will involve considering, for example, local needs, scheme location, type, design, management, affordability, dwelling mix, tenure, funding and numbers rounding in formulating the detail - while using the policy approach to guide the basis. The Council will need to continue to consider how the wide range of factors influences scheme viability and deliverability as part of the collective development requirements. The Council may, where justified and appropriate, will need to consider with applicants how best to prioritise obligations and optimise provision in the given circumstances.
27. From our review of the Council's policies, we consider that these dynamic aspects are being acknowledged and should be worked in to the Local Plan proposals based on the most recent dialogue on those.
28. Overall, we continue to consider that an affordable housing policy headline target applicable at 10+ dwellings, and seeking not more than 30%, is likely to be workable in striving to secure an optimal level of affordable homes provision in a majority of cases. As noted here and recognised in the Council's proposed policy approach, viability will need to be reviewed in some cases. The approach also acknowledges that in some limited cases, the contributions made towards meeting affordable housing needs may take the form of wider financial enabling (i.e. provision accepted through financial contributions in certain circumstances).



29. Reaffirming on our draft stage reporting, we are also continuing to recommend and support the inclusion of a lower AH policy target for the town centres (Havant and Waterlooville) and Leigh Park District Centre development (at say 20%), where a potential mix of site assembly and complexities, higher site works and build costs, some higher land values and mixed levels of sales values will tend to be seen in combination more often than in other scenarios.
30. On other aspects of planning policy detail that could have a financial viability impact, DSP has reviewed and provided information that suggests that the Nationally Described Space Standard and other elements of locally optional policy (from the revised national policy set related to the Government's more recent review housing and technical standards) may be adopted in Havant Borough. This is again without unduly impacting viability and deliverability; providing the policy expectations are not too high or too rigid. This will be dependent also on local needs and priorities. The report detail provides more information.
31. These other areas of scope include proposed policies on the access to and use of buildings (Building Regulations Part M4), where in our view the Council could include requirements as proposed. These include a likely emphasis on seeking an element of M4(2) provision (30% of all dwellings) and 2% to M4(2) on sites of 50+ dwellings. Any such requirements should be clearly set out. The Council also has an aspiration to encourage greater levels of provision of this, which in our view should not be ruled out but also not applied rigidly beyond the policy headline. The report provides more detail. The policy framing appears appropriate.
32. In terms of the HBC CIL, we have found that after accounting for the key policy costs that influence viability (i.e. primarily the AH policies, as above) alongside the locally available market sale values, there is relatively little scope in our view to increase the charging scope over and above its current (as now indexed) levels at this point in time. In our view the indexing has meant, and continues to keep, the HBC CIL charging at a suitable level from a viability viewpoint. The recommendations cannot be precise at the appropriate level of overview, but we suggest that the trajectory of the indexing, rather than any additional uplift on review, remains appropriate. Extensive information is provided around this.

33. This leads to parameters for residential CIL charging in the range approximately £100 – 135/sq. m viewed now, and broadly reflects the indexing scenario. Commentary and options are also provided around possibilities for reviewing and / or potentially simplifying the current zoning – dependent on the HBLP site supply types and locations moving ahead. At present, we have assumed that new housing will be delivered across a combination of greenfield sites, brownfield (previously developed land – PDL) development and the above mentioned strategic development location.
34. We consider that a similar level of CIL charging scope is likely to be appropriate for any further ‘large format’ retail development (i.e. retail warehousing and foodstores) and also potentially for any purpose-built student’s housing that may come forward.
35. Beyond those likely CIL chargeable uses, in viability terms, we have again found no scope in relation to CIL charging in the borough for other development uses – including for example business/employment development (office, industrial and warehouse developments - B Use Classes), hotels (C1), care homes (C2), community uses and so on. Under our recommendations, again for HBC’s consideration, those would attract a nil-rate i.e. £0/sq. CIL charge at this point.
36. We provide wider information and potential options relating to other forms of retail development – any new provision of smaller shops – and consider that those need at least some level of differential treatment from the larger formats. This also reflects the HBC adopted CIL principles, and at this stage we consider that a nil or relatively low rate is most likely to be appropriate.
37. Overall, we consider that this revisited viability exercise identifies scope to find the appropriate balance between affordable housing needs, other planning policy objectives and scheme viability.
38. On an overview basis on viability, as is appropriate to the Plan making stage, the emerging policy set relating to the Council’s direction of travel that we have been working with, does not appear too onerous. This is consistent with our wide experience of preparing strategic level viability assessments for CIL, Local Plan and affordable housing related Development Plan Document (DPD) evidence, supporting examination outcomes; and familiarity with the detail of affordable housing and other planning policies and viability factors in operation in practice.



39. In our view, at a “Whole Plan” level, we consider the HBLP emerging policies supporting the new Plan to have reasonable prospects of delivery overall - i.e. to be capable of meeting the requirements of the NPPF and consistent with the associated guidance; the cumulative impact of these being unlikely to unduly undermine viability at the overall Plan delivery level.
40. In carrying out this assessment from the necessary strategic viewpoint, it is assumed that there will be a variety of market conditions experienced during the life of the new Local Plan, including periods in which there may be more and less stable and confident economic and property market conditions. It is assumed that the timescale and review basis for a new Charging Schedule once in place will be much shorter than for the Local Plan and may also be more significantly affected, amongst other things, by potential changes in Government policy on CIL and the way it operates or the general market.
41. Related to our assessments DSP will be happy to continue to advise HBC further on any of these or associated aspects - as the Council continues its work on the implementation of the new Local Plan.

**Executive Summary ends**

**Final Report (DSP v7) - January 2019**

# 1. Introduction

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## 1.1 January 2019 Update Note:

- 1.1.1 A draft version of this report was published by the Council in November 2017 and formed part of the evidence base to inform the Draft Havant Borough Local Plan 2036 (published for public consultation from Monday 8 January to Friday 16 February 2018).
- 1.1.2 As at January 2019, this report is now presented in Final Issue form following further review and assessment work, and continues to provide evidence to support the next step in HBC's emerging Local Plan development – Pre-Submission Havant Borough Local Plan 2036. Subsequently within this report, this will simply be referred to as the 'Local Plan' or 'Plan'.
- 1.1.3 In updating this report DSP have been asked to undertake further viability testing of emerging policy requirements following the above mentioned consultation. It also follows the publication of the 2018 National Planning Policy Framework (NPPF) which includes changes in respect of viability and the definition of affordable housing.
- 1.1.4 As per the original commission, the overall aim of the final viability study remains the same in that it provides the viability part of the evidence base to support the deliverability of the local Plan as a whole, having regard to cumulative policy costs in the plan; and to inform a review of the Council's Community Infrastructure Levy (CIL) Charging Schedule.
- 1.1.5 Since the Council's previous consultation, there are additional emerging policy standards and requirements which the Council required testing in the whole plan viability context. In addition, the Council requested that the viability / deliverability of the Council's strategic site at Southleigh be reviewed. At the same time, it was also requested that testing be extended to include the potential viability of a larger scale development. A typology of circa 560 dwellings was selected, and in order to form a basis for assumptions, this was aligned in high level terms only to the type of development likely at a site such as East of College Road, Campdown – in essence representative of larger scale greenfield development.



- 1.1.6 As noted above, during the course of this project the new NPPF has been published alongside updated Planning Practice Guidance (PPG) in relation to Viability. The following text has now been updated - refers to and reflects the latest NPPF and Guidance - but this does not alter the outcomes or recommendations of this study.

## **1.2 Background to the Viability Assessment**

- 1.2.1 The Council's currently Adopted Local Plan (ALP) comprises the Local Plan Core Strategy (2011) and the Local Plan Allocations (2014); the former of which pre-dates the publication of the NPPF (March 2012). The Council also has an adopted CIL Charging Schedule (February 2013) which identifies differential rates for residential development on Emsworth and Hayling Island (£100/m<sup>2</sup>) and the rest of the borough (£80/m<sup>2</sup>) comprising Havant, Waterloooville and Leigh Park. These rates have been indexed in accordance with the CIL Regulations – further details as provided below.
- 1.2.2 In response to identified housing need in the borough, the Council is progressing a new Local Plan, which will be known as the Havant Borough Local Plan 2036 (HBLP 2036) – the 'Local Plan'.
- 1.2.3 The Local Plan must be prepared in accordance with the requirements set out in NPPF and the accompanying PPG. Viability testing is an important part of the plan-making process. The NPPF introduced a clear requirement to assess viability of the delivery of Local Plans and the impact on development of policies contained within them. The national Planning Practice Guidance and other publications provide further guidance on this requirement. The PPG also contains the Government's guidance on Planning Obligations and on the CIL.
- 1.2.4 This study provides the viability evidence which, alongside work undertaken by others where applicable, contributes to a suite of documents used to inform and support the Local Plan.
- 1.2.5 It is in the interests of the Council, local communities, developers and all other stakeholders to ensure that the proposed policies, sites and the scale of development identified in the plan are deliverable as a whole - to ensure a sound Plan through the examination process. This is equally true of the level of CIL that may be required across the borough.

1.2.6 In light of the above, the Council has therefore commissioned this viability assessment. This has helped to inform and assess policies in the Local Plan that have cost implications, provide a viability appraisal of the sites typologies likely to come forward through the Local Plan and provide a high-level assurance that the proposed sites and the scale of development identified in the plan would not be subject to such a scale of obligations (including CIL) and policy burdens that their ability to be developed viably is threatened. In summary, the objectives of this study were as follows:

- Undertake a comprehensive plan viability assessment of the Havant Borough Local Plan 2036 including an assessment of the costs associated with the draft policies and developer requirements relating to the allocations;
- Assess the viability of providing affordable housing in different parts of the borough having regard to the different proportion, threshold and tenure of affordable housing to identify policy options for the delivery of affordable housing provision and CIL. This will inform the development of the new affordable housing policy.
- Assess the viability of theoretical developments taking into account Local Plan policy and other costs to inform a review of the Council's CIL Charging Schedule.

### **1.3 Background to the CIL**

1.3.1 In February 2013 Havant Borough Council adopted a CIL Charging Schedule to raise funds from new development to meet strategic infrastructure needs of the area. The current Charging Schedule states the following<sup>1</sup>:

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<sup>1</sup> <https://www.havant.gov.uk/community-infrastructure-levy-charging-schedule>

## Community Infrastructure Levy - Charging Schedule

Development Type	CIL Rate (£ per square metre)
Residential* (one dwelling or more)	£100
- Emsworth and Hayling Island	£80
- Rest of Borough **	
Hotel	£0
Industrial/Offices	£0
Retail- Town centre	£0
- Out of centre > 280 sq m	£80
- Out of centre < 280 sq m	£40
Community uses	£0

\* The residential rate excludes extra care housing.

\*\* The charging zone boundaries are shown below

- 1.3.2 The CIL rates above have a base date of 1<sup>st</sup> August 2013. Indexation applies to all permissions issued after 2013. At the point of finalising this study, the following rates were applicable:

Development Type	CIL rate applicable 1 August 2013 (£ per square metre)	Current CIL rates (2018)	CIL rates (2019)
Residential* (one dwelling or more)			
- Emsworth and Hayling Island	£100	£134.82	£139.93
- Rest of Borough **	£80	£107.86	£111.79
Hotel	£0	£0	£0
Industrial/Offices	£0	£0	£0
Retail- Town centre			
- Out of centre > 280 sq m	£0	£0	£0
- Out of centre > 280 sq m	£80	£107.86	£111.79
- Out of centre < 280 sq m	£40	£53.93	£55.89
Community uses	£0	£0	£0

\* The residential rate excludes extra care housing.

- 1.3.3 As well as testing the viability of the Local Plan policies and strategies, the Council wishes to ascertain whether its adopted CIL Charging Schedule is at a level which ensures the viability and deliverability of development with policy burdens and other obligations which are included in the Local Plan; or could be reviewed to include any increased charging level(s) subject to the viability scope.



- 1.3.4 The Community Infrastructure Levy (CIL) came into force in April 2010 and allows local authorities in England and Wales to raise funds from developers undertaking new developments in their area. In this case, should CIL continue to be adopted locally, Havant Borough Council would remain the charging authority as it is now.
- 1.3.5 CIL takes the form of a charge that may be payable on 'development which creates net additional floor space'<sup>2</sup>. The majority of developments providing an addition of less than 100 sq. m in gross internal floor area will not pay. For example, a small extension to a house or to a commercial / non-residential property; or a non-residential new-build of less than 100 sq. m will not be subject to the charge. Additionally, the Community Infrastructure (Amendment) Regulations 2014 allows for a mandatory exemption for residential annexes and extensions regardless of size. However, development that involves the creation of a new residential unit (such as a house or a flat) will pay the charge, even if the new dwelling has a gross internal floor area of less than 100 sq. m.<sup>3</sup>
- 1.3.6 The funds raised are to be allocated towards infrastructure needed to support new development in the charging authority's area.
- 1.3.7 The CIL regulations require charging authorities to allocate a 'meaningful proportion' of the levy revenue raised in each neighbourhood back to those local areas. In January 2013, it was announced that in areas where there is a neighbourhood development plan in place, the neighbourhood will be able to receive 25% of the revenues from the CIL arising from the development that they have chosen to accept. Under the Regulations the money would be paid directly to the neighbourhood planning bodies and could be used for community projects. Planning Practice Guidance provides further information on spending of Levy receipts including distribution to local neighbourhoods<sup>4</sup>. In the case of HBC, which is entirely unparished, different circumstances apply.
- 1.3.8 Under the Government's regulations, affordable housing and development by charities will not be liable for CIL charging. This means that within mixed tenure housing schemes, it is the market dwellings only that will be liable for the payments at the rate(s) set by the charging authority.

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<sup>2</sup> <https://www.gov.uk/guidance/community-infrastructure-levy> (Paragraph: 002 Reference ID: 25-002-20140612)

Revision date: 12 06 2014)

<sup>3</sup> Subject to the changes introduced in The Community Infrastructure Levy (Amendment) Regulations 2014 that provide a mandatory exemption for self-build housing, including communal housing.

<sup>4</sup> <https://www.gov.uk/guidance/community-infrastructure-levy> (Paragraph: 072 Reference ID: 25-072-20140612)

Revision date: 12 06 2014)

- 1.3.9 The CIL Guidance contained within the PPG goes on to state that the levy rate(s) need to be set so that they do not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan (Local Plan in England). *‘Charging authorities will need to draw on the infrastructure planning evidence that underpins the development strategy for their area. Charging authorities should use that evidence to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential impact upon the economic viability of development across their area.’<sup>5</sup>*
- 1.3.10 The Council has been working with infrastructure providers and agencies in considering and estimating the costs of the local requirements associated with supporting the anticipated Local Plan level of growth to be accommodated across the borough as a whole through the development of a draft Infrastructure Delivery Plan (IDP). This will ensure that new development is served by necessary infrastructure in a predictable, timely and effective fashion. It sets out key infrastructure and facility requirements for new development, taking account of existing provision and cumulative impact.
- 1.3.11 Infrastructure is taken to mean any service or facility that supports the Havant Borough Council area and its population and includes (but is not limited to) facilities for transport, education, health, social infrastructure, green infrastructure, public services, utilities and flood defences. In the case of the current scope of the CIL, affordable housing is assumed to be outside that and dealt with in the established way through site specific planning (s.106) agreements.
- 1.3.12 Within this study, an allowance has been made for the cost to developers of providing affordable housing and other costs of policy compliance in addition to the inclusion of both the previously recommended potential CIL charging rates (indexed) as well as sensitivity testing higher and lower potential CIL rates. In this sense, the collective planning obligations (including affordable housing, CIL and any continued use of s.106) cannot be separated. The level of each will play a role in determining the potential for development to bear this collective cost. Each of these cost factors influences the available scope for supporting the others. It follows that the extent to which s.106 will

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<sup>5</sup> <https://www.gov.uk/guidance/community-infrastructure-levy> (Paragraph: 008 Reference ID: 25-008-20140612  
Revision date: 12 06 2014)

have an on-going role also needs to be considered in determining suitable CIL charging rates, bearing in mind that CIL is non-negotiable.

1.3.13 In most cases, where adopted, CIL replaces s.106 as the mechanism for securing developer contributions towards required infrastructure. Indeed, Government guidance on CIL states that it expects LPAs to work proactively with developers to ensure they are clear about infrastructure needs so that there is no actual or perceived “double dipping” – i.e. charging for infrastructure both through CIL and s.106. Therefore s.106 should be scaled back to those matters that are directly related to a specific site and are not set out in a Regulation 123 list (a list of infrastructure projects that the local planning authority intends to fund through the Levy). This could be a significant consideration, for example, in respect of large scale development associated with on-site provision of infrastructure, high site works costs and particularly where these characteristics may coincide with lower value areas.

1.3.14 The CIL rate or rates should be set at a level that ensures development within the authority’s area (as a whole, based on the plan provision) is not put at serious risk.

1.3.15 A key requirement of CIL and setting the charging rates is that an appropriate balance should be struck between the desirability of funding infrastructure from the levy and the potential effects that imposing the levy may have upon the economic viability of development (development viability).

*‘The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.*

*This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see [Regulation 14\(1\)](#), as amended by the [2014 Regulations](#)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.*

*As set out in the National Planning Policy Framework in England ([paragraphs 173 – 177](#)), the sites 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 viably is threatened. The same principle applies in Wales.’<sup>6</sup>*

1.3.16 Later amendments to the CIL Regulations (The Community Infrastructure Levy (Amendment) Regulations 2014) came into force on 24<sup>th</sup> February 2014. These regulations introduced:

- new mandatory exemptions for self-build housing, and for residential annexes and extensions;
- a change to allow charging authorities to set differential rates by the size of development (i.e. floorspace, units);
- the option for charging authorities to accept payments in kind through the provision of infrastructure either on-site or off-site for the whole or part of the levy payable on a development;
- a new ‘vacancy test’ - buildings must have been in use for six continuous months out of the last three years for the levy to apply only to the net addition of floorspace (previously a building to be in continuous lawful use for at least six of the previous 12 months);
- a requirement on the charging authority to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the levy on the economic viability of development across the area. Previously a charging authority had to ‘aim to strike the appropriate balance’;
- provisions for phasing of levy payments to all types of planning permission to deal fairly with more complex developments.

1.3.17 The CIL Regulations (Amendment) have been taken into account in the preparation of this report and the preparation of this study meets the requirements of all appropriate Guidance. However, the Council will be aware that at the time of writing but following the production of a majority of this assessment, the Government has recently

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<sup>6</sup> <https://www.gov.uk/guidance/community-infrastructure-levy> (Paragraph: 009 Reference ID: 25-009-20140612  
Revision date: 12 06 2014)

published its response to its own consultation on supporting housing through developer contributions (October 2018)<sup>7</sup>.

1.3.18 This provides an indication of the direction of travel in relation to CIL and other planning obligations moving forward. It suggests that the Government favours lifting the pooling restrictions on s.106 in all areas but still would like to incentivise the uptake and continued use of CIL. It states that the Government will ensure measures are in place to incentivise uptake and continued use of the Levy but at this stage no measures are identified. Further consideration was also given to legislating to change CIL by allowing Local Authorities to set differential rates based on the existing use of the land. In responding to the consultation the Government has decided not to take this further due to perceived complexities in the process. It does however recognise that the existing Regulations go some way to achieving these aims through the use of differential Levy rates; something that DSP suggested in our response to the Government.

1.3.19 Other changes that the Government intends to consult on include changing the indexation method for CIL after implementation (potentially through local area-based house price indices rather than the current method of linking indexation to build cost).

1.3.20 Within their response document, the Government states: *‘Legislation will be required in order to implement the changes set out in the consultation document. Therefore, the Government will be consulting on the draft regulations later this year’*. At this stage we have not been able to take into account any potential changes.

## **1.4 Havant Borough Profile**

1.4.1. Havant Borough is located on the south coast in urban South Hampshire located on the coastal plain between the South Downs and the sea and with a total area of 21.4 square miles. The borough has a population of approximately 122,000 as of 2015<sup>8</sup>, comprising the main settlements of Havant, Waterlooville, Emsworth, Hayling Island and Leigh Park.

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<sup>7</sup> MHCLG: Government response to supporting housing delivery through developer contributions: A summary of consultation responses and the Government’s view on the way forward (October 2018).

<sup>8</sup> Havant Borough Council Annual Monitoring Report 2016

- 1.4.2. The borough is bordered by Chichester, East Hampshire, Winchester and Portsmouth.
- 1.4.3. The PUSH Objectively Assessed Needs Update (April 2016) provides the most up-to-date assessment of housing need in Havant Borough. It states that: *'trend-based demographic projections identify a need for 428 dwellings per annum. The economic-led scenario sits below this at 408 dwellings per annum, and do not justify any increase to the OAN calculated on the basis on the latest demographic evidence...The affordable housing evidence indicates a need for 292-368 affordable dwellings per annum, which represents 68-86% of the demographic-based need. Market signals point to average affordability pressures, but would justify an upward adjustment from the demographic baseline...We consider than an adjustment upwards from the base demographic need would be appropriate to improve affordability. To improve household formation, and reduce levels of concealed households, we identify an objectively assessed need for 450 dwellings per annum'*.
- 1.4.4. The PUSH Strategic Housing Market Assessment therefore indicates the borough has an overall objectively assessed need for 11,250 new homes (450 dwellings per annum) between 2011 and 2036. We understand that the Council is working on the basis of the Government's standardised approach to calculating local housing need which indicates a need for 463 dwellings per annum between 2016 and 2026. In response to the identified housing need, and to ensure that the borough has an up-to-date and robust planning policy context against which to bring forward development, the Council has been preparing a new Local Plan (Havant Borough Local Plan (HBLP)) for the period to 2036. This, now in proposed final form, will set out the policies that will shape the level and distribution of development, including for new homes and jobs.
- 1.4.5. Whilst the Local Plan has been in development, the Council has taken an innovative approach to addressing its housing need through the adoption of the Local Plan Housing Statement<sup>9</sup>. Based on an assessment of deliverability in the Council's SHLAA, the Housing Statement identified housing sites which the Council considers suitable for the delivery of sustainable housing development. They are therefore identified as suitable for 'early release' in advance of the adoption of the Plan.

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<sup>9</sup> Formally adopted on 7<sup>th</sup> December 2016

- 1.4.6. The ‘early release’ housing sites identified by the Statement range in potential size from 5 to over 300 dwellings, and their development requirements and associated infrastructure costs will vary accordingly.
- 1.4.7. In addition to the ‘early release’ housing sites, the Council has identified a strategic site for comprehensive development in the area between Denvilles and Emsworth, known as Southleigh, which is considered capable of delivering between 1,650 and 2,500 new homes. Initial feasibility work<sup>10</sup> confirmed that significant investment in infrastructure is required here. As a minimum, the Housing Statement indicated this should include ‘improvements to nearby highway infrastructure, a new junction on the A27 and associated link road north, a new primary school, green infrastructure and surface water drainage.’ Further work on the viability and deliverability of this site was previously undertaken by others and as part of finalising this study, the Council has asked DSP to review the site viability / deliverability again.
- 1.4.8. While it has appropriately added to the context for the assessment over the period of undertaking this work, we understand and note that the Housing Statement will fall away on adoption of the Local Plan, with the context of the latest approach as at 1.4.4 above being of key relevance.

## 1.5 Policy & Guidance

- 1.5.1 We have noted that during the course of updating this assessment and producing this final report, the revised NPPF (July 2018) was published alongside updated Planning Practice Guidance (in particular in relation to Viability both at plan making and decision taking stages of the planning process).
- 1.5.2 Previously the NPPF (2012) set out the overall approach to the preparation of Development Plans. It provided specific guidance on ensuring viability and deliverability. In particular, paragraphs 173-174 stated:

*‘Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites 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 viably is threatened.’*

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<sup>10</sup> Havant Strategic Development Areas Financial Feasibility Study (July 2016)



*To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for Affordable Housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable.*

*Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for Affordable Housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle’.*

- 1.5.3 The requirement to consider viability now stems from the National Planning Policy Framework (NPPF) 2018 which says on ‘Preparing and reviewing plans’ at para 31: ‘The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.’
- 1.5.4 NPPF para 34 on ‘Development contributions’ states: ‘Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.’
- 1.5.5 The updated national Planning Practice Guidance (PPG) also published in July 2018 on ‘Viability’ provides more comprehensive information on considering viability in plan making, with CIL viability assessment following the same principles. The new guidance on Viability states:

*‘Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).*

*These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types of site or types of development...Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan’.*

- 1.5.6 In addition, relevant information is contained in the publication ‘Viability Testing Local Plans – Advice for planning practitioners’ published in June 2012 by the Local Housing Delivery Group chaired by Sir John Harman (known as the ‘Harman’ report). That sets out a stepped approach as to how best to build viability and deliverability into the plan preparation process and offers guidance on how to assess the cumulative impact of policies within the Local Plan, requirements of SPDs and national policy. It provides useful practical advice on viability in plan-making and its contents should be taken into account in the Plan making process.
- 1.5.7 This viability assessment has therefore been produced in the context of and with regard to the NPPF, PPG, CIL Regulations, CIL Guidance and other guidance applicable to studies of this nature.

## **1.6 Purpose of this Report**

- 1.6.1 Viability testing is an important part of the plan-making process. In order to meet the requirements of the NPPF, HBC commissioned Dixon Searle Partnership (DSP) to carry out a Viability Study with an objective to determine the impact on development viability of including the various relevant policy requirements of the emerging HBLP 2036 including recommendations on affordable housing targets and potential options for the review of the HBC CIL.
- 1.6.2 The assessment involves the review of the financial viability of site typologies (representing a range of typical site types likely to come forward across the Plan) and

specific sites where those are important in delivering the aims and objectives of the Plan. The assessment provided the evidence base for the viability of the Draft Local Plan policies, informing and supporting the deliverability of the plan overall – including as now carried forward and developed further to its final proposed form.

- 1.6.3 This approach does not require a detailed viability appraisal of every site anticipated to come forward over the plan period but rather the testing of a range of appropriate site typologies reflecting the potential mix of sites likely to come forward. Neither does it require an appraisal of every likely policy but rather potential policies that are likely to have a close bearing on development costs. In our experience this means a focus on the viability prospects and potential policies associated with housing development, because the scope of this or other Councils' influence – i.e. through local policy positions - over the viability of other forms of development (non-residential/employment/commercial) is much more limited.
- 1.6.4 To this end, the study requires the policies and proposals in the Local Plan to be brought together to consider their cumulative impact on development viability including the potential review of the CIL locally.
- 1.6.5 The assessment approach applies sensitivity testing to policy costs including a range of affordable housing proportions, tested at different thresholds and combined with allowances for meeting the requirements for other optional housing standards - including relating to the access to and use of buildings, water efficiency and space standards.
- 1.6.6 In practice, within any given scheme there are many variations and details that can influence the specific viability outcome. Whilst acknowledging that, this work provides a high level, area-wide overview that cannot fully reflect a wide range of highly variable site specifics.
- 1.6.7 The approach used to inform the study applies the well-recognised methodology of residual land valuation. 'Viability' in the sense of this assessment means the financial health of development, so that the assessment centres around the strength of the relationship that is available between the completed development (sale) value and the development costs; and how the strength of this relationship varies across a range of development types, host site types and locations – all bearing in mind the types of sites

and schemes expected to come forward here to support the Local Plan overall, and the local characteristics.

- 1.6.8 The study process produces a large range of results relating to the exploration of a range of potential affordable housing percentage targets as well as other variables. As with all such studies using these principles, an overview of the results and the trends seen across them is required - so that judgments can be made to inform the Council's approach through the policy setting process.
- 1.6.9 A key element of the viability overview process is the comparison of the RLV results generated by the development appraisals and the potential level of land value that may need to be reached to ensure that development sites continue to come forward - so that development across the area is not put at risk owing to unrealistic policy burdens in combination with other development cost factors. These comparisons are necessarily indicative but are usually linked to an appropriate site value or benchmark. The results sets have been tabulated in summary form and those are included in Appendix IIa (general residential typologies review), IIb (strategic site and larger site typology results) and IIc (commercial/non-residential scenario tests).
- 1.6.10 In considering the relationship between the RLV created by a scenario and some comparative level that might need to be reached, we have to acknowledge that in practice this is a dynamic one – land value levels and comparisons will be highly variable in practice. It is acknowledged in a range of similar studies, technical papers and guidance notes on the topic of considering and assessing development viability that this is not an exact science. Therefore, to inform our judgments in making this overview, our practice is to look at a range of potential land value levels that might need to be reached allied to the various scenarios tested.
- 1.6.11 This report then sets out findings and recommendations on the viability of the Plan as a whole whilst also continuing to allow for and confirming the previously reviewed (draft stage) approach to, and charging rates parameters for, the HBC CIL.



## 2 Methodology

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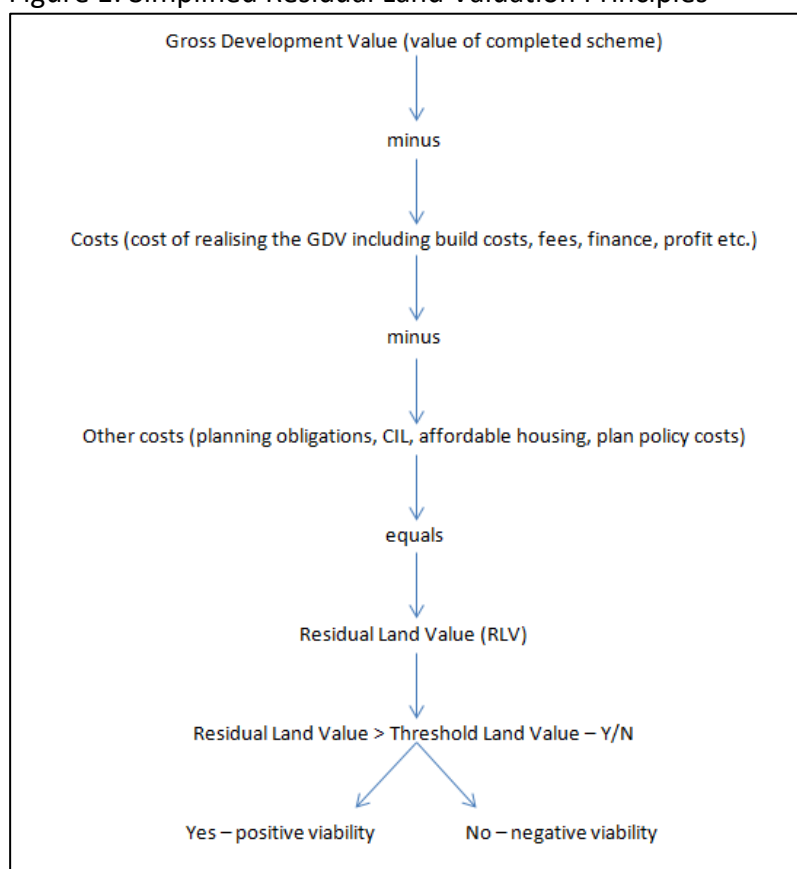
### 2.1 Residual valuation principles

- 2.1.1 This assessment has been carried out in the context of the new NPPF (July 2018) as well as the updated PPG viability guidance. The NPPF as now updated remains very high level in regard to viability directly, but retains the well-established principle on ‘development contributions’ that: *‘Such policies should not undermine the deliverability of the plan.’* The PPG provides useful guidance on plan preparation in regard to viability and contributions. Although this guidance is new, DSP considers that its approach to and experience of LP and other strategic viability assessments remains appropriate – this project has been approached consistently with this new guidance, aided by checking and continually considering the detail and news developments / any other guidance or emerging decisions etc. as work has progressed.
- 2.1.2 Collectively this study investigates the potential viability and, therefore, deliverability of the Local Plan and its policies - including a review of both CIL and various potential affordable housing options (target percentages - %s) and the thresholds above which affordable housing may be sought.
- 2.1.3 There will be a number of policies that may have an impact on the viability of development. In running this study, we have had regard to typical policy costs based on discussions with Council officers. This study considers how the cost of these potential obligations interact and therefore estimate the collective impact on viability of a range of policy options. In this context, a development generally provides a fixed amount of value (the gross development value – GDV) from which to meet all necessary costs and obligations.
- 2.1.4 Prior to fixing assumptions, necessarily at a point in time, and running appraisals (as outlined in the following paragraphs) we undertake an extensive information review, property market research and a development industry stakeholders’ survey. As a part of this, a review of the potential policy proposals enables us to assess which are considered likely to have a particular development cost impact, or additional cost implications over and above typical costs (for example utilising the costs information from established sources such as the Building Cost Information Service of the RICS (BCIS)). Appendix I to this document also provides a quick reference guide to the assumptions used and includes a policy review schedule indicating the view taken with

respect to the potential policies so far as those are known at the time of this assessment.

- 2.1.5 The most established and accepted route for studying development viability at a strategic level, including for whole plan viability, affordable housing viability, CIL and site-specific viability assessments is Residual Valuation. This is as also recommended by the “Harman Report” on viability testing local plans; further guidance that we have also taken account of in the last few years of conducting these assessments. Figure 1 sets out the residual valuation principles in simplified form:

Figure 1: Simplified Residual Land Valuation Principles



- 2.1.6 Having allowed for the costs of acquisition, development, finance, profit and sale, the resulting figure indicates the sum that is potentially available to pay for the land – i.e. the residual land value (RLV).
- 2.1.7 In order to guide on a range of likely viability outcomes the assessment process also requires a benchmark against which to compare the resulting residual value. The RICS<sup>11</sup> and Harman<sup>12</sup> report differ on the approach to a Benchmark Land Value (BLV). Our

<sup>11</sup> RICS: Financial Viability in Planning (2012)

<sup>12</sup> Local Housing Delivery Group – “Viability Testing Local Plans” (June 2012)

latest work (both on strategic projects and DM stage viability) has for some time reflected the move towards a clearer “EUV plus” based approach to the all-important consideration of land values – for the assessment ‘benchmark land values’.

- 2.1.8 Undertaken as it has been, this assessment now responds to not only the former NPPF and need to consider viability but is also consistent with the new NPPF and accompanying PPG on Viability, with the NPPF no longer containing any reference to competitive returns to a willing land owner and willing developer. The emphasis has moved away from a market value approach that may have been used in the past. The latest Planning Practice Guidance on Viability makes it clear this benchmark land value (BLV) should be based on Existing Use Value and states:

*‘A benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called ‘existing use value plus (EUV+)’.*

- 2.1.9 The new NPPF and associated PPG on Viability indicate that a balance will be required between the role of strategic level viability work such as this assessment and the application decision making stage (development management). The national requirements appear to be moving more towards a greater level of detail in strategic (LP) assessments, leaving less to be explored / debated at DM stage. However it appears that there is still a significant recognition that planning application stage / site-specific viability reviews will unavoidably or at least realistically still play a key role.
- 2.1.10 The range of assumptions that go into the RLV appraisals process is set out in more detail in this chapter. Further information is also available at Appendices I and III. They reflect the local markets through research on local values, costs and types of provision, etc. At various project stages we consulted with the Council’s officers and sought soundings as far as were available from a range of local development industry stakeholders as we considered our assumptions. This included issuing a questionnaire / pro-forma to key stakeholders (developers, house builders, landowners, agents, Registered Providers etc.) alongside e-mail exchanges and telephone discussions

through which DSP sought to get feedback on study assumptions and to provide the opportunity for engagement and for provision of information to help inform the assessment. On the whole, the process is informed as far as practically possible by the review of available information and making an overview from that. This approach reflects the expectations of the guidance.

## **2.2 Scheme Development Scenarios**

2.2.1 Appraisals using the principles outlined above have been carried out to review the viability of different types of development, whilst including testing and sensitivity testing on the policies considered to have an impact on development viability. The scenarios were settled and discussed with the Council following a review of the information it provided. Information included adopted Core Strategy and Allocations documents, previous viability work undertaken in relation to CIL and Draft Local Plan, the adopted CIL charging schedule, Strategic Housing Land Availability Assessment (SHLAA), PUSH Objectively Assessed Housing Need Update and other information.

### Residential Development Scenarios

- 2.2.2 The site typologies modelled as part of this assessment reflect a range of different types of development that are thought likely to be brought forward through the planning process across the Borough. This enables viability to be tested with reference to the potential housing supply characteristics based on experience of development to date.
- 2.2.3 Each of the development typologies was also tested over a range of value levels (VLs) representing varying residential values as seen currently across Borough by scheme location / type. This approach also allows us to consider the impact on development viability of changing market conditions over time (i.e. as could be seen through falling or rising values dependent on market conditions) and by scale of development.
- 2.2.4 The scheme mixes are by their nature hypothetical – many other types and variations may be seen, including larger or smaller dwelling types in different combinations, according to particular site characteristics, local markets and requirements etc.

Figure 2: Residential Scheme Types

<b>Scheme / Typology</b>	<b>Overall Scheme Mix</b>
6 Houses	2 x 2BF, 4 x 3BH
10 Houses	5 x 2BH, 5 x 3BH
11 Houses	5 x 2BH, 6 x 3BH
15 Houses	7 x 2BH, 7 x 3BH, 1 x 4BH
15 Flats	9 x 1BF, 6 x 2BF
25 Flats with GF Convenience Retail	11 x 1BF, 14 x 2BF + GF Retail
25 Flats	11 x 1BF, 14 x 2BF
30 Flats (Sheltered)	22 x 1BF, 8 x 2BF
50 Flats	22 x 1BF, 28 x 2BF
50 Flats (incl. Studio Flats)	7 x SF, 15 x 1BF, 28 x 2BF
50 Mixed	9 x 1BF, 8 x 2BF, 9 x 2BH, 19 x 3BH, 5 x 4BH
50 Mixed	As above but sensitivity testing enhanced (overbase) carbon emissions reduction (+6% build costs) and M4(2) / M4(3) Access
100 Mixed	18 x 1BF, 16 x 2BF, 18 x 2BH, 38 x 3BH, 10 x 4BH
350 Mixed	63 x 1BF, 56 x 2BF, 63 x 2BH, 133 x 3BH, 35 x 4BH
560 Mixed	101 x 1BF, 90 x 2BF, 101 x 2BH, 213 x 3BH, 56 x 4BH

Note: BH = bed house; BF = bed flat; Mixed = mix of houses and flats.

- 2.2.5 The assumed dwelling mixes are based on the range of information reviewed, including taking into account the recommendations contained within the Strategic Housing Market Assessment (SHMA)<sup>13</sup> for the Partnership for Urban South Hampshire region (PUSH).
- 2.2.6 The scenarios reflect a range of different types of development that are likely to be brought forward through the planning process across the borough so as to ensure that viability has been tested with reference to the potential housing supply characteristics. Each of the above main scheme types was also tested over a range of value levels (VLs) representing varying residential values as seen currently across the area by scheme location / type whilst and also allowing us to consider the impact on development viability of changing market conditions over time (i.e. as could be seen through falling or rising values dependent on market conditions) and by scale of development.
- 2.2.7 In all cases it should be noted that a “best fit” of affordable housing numbers and tenure assumptions has to be made, given the effects of numbers rounding and also the limited flexibility within small scheme numbers particularly. The affordable housing numbers (content) assumed within each scheme scenario can be seen at Appendix I – Assumptions overview spreadsheet.

<sup>13</sup> GL Hearn – South Hampshire Strategic Housing Market Assessment for the Partnership for Urban South Hampshire (PUSH) (Jan 2014)  
Havant Borough Council – Local Plan & CIL Viability Study – Final Report (DSP18483A)



2.2.8 In addition to the review of the general (smaller) site typologies, more specific high level viability testing was requested by HBC to be undertaken on the Southleigh strategic site. The assumptions that have been used are based primarily on previously published work on the site alongside our own experience of undertaking site appraisals of this scale. Appendix I sets out the key assumptions linked to the Southleigh strategic site with results and appraisal summaries also appended to this report (Appendix IIb). Alongside those results, Table 2b within Appendix IIb also sets out the results from the additional tests of the larger 560 dwellings typology. The results are included within the same Appendix and in the same format as those for the single strategic site (Southleigh) because the approach to the appraisal and assumptions basis is similar for that larger scheme typology (it differs from the approach and results display used within Appendix I reflecting schemes of up to 350 dwellings or so). At 560 dwellings (or in fact often around 400-500 dwellings plus), a site could be reasonably expected to display at least some characteristics similar to those seen when reviewing strategic scale development.

2.2.9 The dwelling sizes assumed for the purposes of this study are as follows (see figure 3 below):

Figure 3: Residential Unit Sizes

Dwelling type	Dwelling size assumption (sq. m)	
	Affordable	Private (market)
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

2.2.10 As with many other assumptions there will be a variety of dwelling sizes coming forward in practice, varying by scheme and location.

2.2.11 Since there is a relationship between dwelling size, value and build costs, it is the levels of those that are most important for the purposes of this study (i.e. expressed in £ sq. m terms); rather than the specific dwelling sizes to which those levels of costs and values are applied in each case. With this approach, the indicative 'Values Levels' ('VL's) used in the study can then be applied to varying (alternative) dwelling sizes, as can other assumptions. The approach to focus on values and costs per sq. m also fits with the way developers tend to assess, compare and price schemes. It provides a more relevant context for considering the potential viability scope.

2.2.12 The dwelling sizes indicated are expressed in terms of gross internal floor areas (GIAs) for houses; net internal areas for flats (for the latter we have assumed an 85% net:gross ratio except sheltered housing where a lower ratio is assumed). They are reasonably representative of the type of units coming forward within the scheme types likely to be seen most frequently providing on-site integrated affordable housing. All will vary, and from scheme to scheme. However, our research suggests that the values (£ sales values) applicable to larger house types would generally exceed those produced by our dwelling size assumptions but usually would be similarly priced in terms of the relevant analysis – i.e. looking at the range of £ per sq. m ‘Value levels’ basis. In summary on this point, it is always necessary to consider the size of new build accommodation in looking at its price; rather than its price alone. We do not differentiate between the value per sq. m for flats and houses although in reality there tends to be an inverse relationship between the size of the property and its value when expressed in terms of a rate per unit area. The range of prices expressed in £s per square metre (£/sq. m or £/m<sup>2</sup>) therefore the key measure used in considering the research, working up the range of value levels for testing, and in reviewing the results.

## **2.3 Commercial / Non-Residential Development Scenarios**

2.3.1 In the same way, the commercial scheme scenarios reviewed were developed through the review of information supplied by, and through consultation with, the Council. This was supplemented with and checked against wider information including the local commercial market offer – existing development and any new schemes / proposals. Figure 4 below sets out the various scheme types modelled for this study, covering a range of uses in order to test the impact on viability of requiring CIL contributions from different types of commercial development considered potentially relevant in the borough.

2.3.2 In essence, the commercial / non-residential aspects of this study consider the relationship between values and costs associated with different scheme types. Figure 4 below summarises the scenarios appraised through a full residual land value approach; again, Appendix I provides more information.

Figure 4: Commercial / Non-residential Development Types Reviewed – Overview

Development Type	Example Scheme Type(s) and potential occurrence	GIA (m <sup>2</sup> )	Site Coverage	Site Size (Ha)
A1 Large Retail	Retail Warehousing / Foodstore	1250	40%	0.31
Small Retail (Town Centre)	Comparison shops (general/non-shopping centre)	300	70%	0.04
Small Retail	Local convenience stores and local shops	300	50%	0.06
Business - Offices - Town Centre	Office Building	500	60%	0.08
Business - Offices - Outside Town Centre	Office Building	1000	40%	0.25
Business - Industrial / Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	500	40%	0.13
Business - Industrial / Warehousing	Larger industrial / warehousing unit including offices - industrial estate	2000	40%	0.50
Hotel (budget)	Hotel - town centre / edge of town (60 Beds)	2100	50%	0.42
C2 - Residential Institution	40-bed Nursing home / care home	1900	60%	0.32
Student Accommodation	100% Cluster type Accommodation with en-suite (150 rooms)	1800	50%	0.36

Note: 300 sq. m retail ('small retail') scenarios representative of smaller shop types also permitting Sunday Trading Act related trading hours (see also subsequent information in this report).

2.3.3 Although highly variable in practice, these types and sizes of schemes are thought to be reasonably representative of a range of commercial or non-residential scheme scenarios that could potentially come forward in the borough and are as subsequently agreed with the Council. As in respect of the assumptions for the residential scenarios, a variety of sources were researched and considered for guides or examples in support of our assumptions making process; including on values, land values and other development appraisal assumptions. DSP used information sourced from CoStar Commercial Real Estate Intelligence, the VOA Rating List and other web-based review as well as feedback from consultation. Additional information included articles and development industry features sourced from a variety of construction related publications; and in some cases, property marketing details. Collectively, our research enabled us to apply a level of "sense check" to our proposed assumptions, whilst necessarily acknowledging that this is high level work and that a great deal of variance is seen in practice from scheme to scheme. Further information is provided within Appendix III to this report.

2.3.4 In addition to testing the commercial uses of key relevance above, further consideration was given to other development forms that may potentially come

forward locally. These include for example non-commercially driven facilities (community halls, medical facilities, schools, etc.) and other commercial uses such as motor sales / garages, depots, workshops, surgeries / similar, health / fitness, leisure uses (e.g. cinemas / bowling) and day nurseries.

- 2.3.5 Clearly there is potentially a very wide range of such schemes that could be developed over the life of a CIL charging schedule. Alongside their viability, it is also relevant for the Council to consider the likely frequency and distribution of these; and their role in the delivery of the development plan overall. For these scheme types, as a first step it was possible to review (in basic terms) the key relationship between their completed value per square metre and the cost of building. We say more about this in Chapter 3.
- 2.3.6 Where it can be quickly seen that the build cost (even before all other costs such as finance, fees, profits, purchase and sale, etc. are allowed for) outweighs or is close to the completed value, it becomes clear that a scenario is not financially viable in the usual development sense being reviewed here and related to any CIL contributions scope. We are also able to consider these value / cost relationships alongside the range of main appraisal assumptions and the results that those provide (e.g. related to business development). This is an iterative process in addition to the main appraisals, whereby a further deteriorating relationship between values and costs provides a clear picture of further reducing prospects of viable schemes. This starts to indicate schemes that require other support rather than being able to produce a surplus capable of some level of contribution to CIL.
- 2.3.7 Through this process we were able to determine whether there were any further scenarios that warranted additional viability appraisals. Having explored the viability trends produced by examination of the cost/value relationships we found that in many other cases, completed scheme values were at levels insufficient to cover development costs and thus unlikely to support any level of CIL.

## **2.4 Gross Development Value (Scheme Value)**

### **Market housing (sale) values**

- 2.4.1 In order to determine likely values for development across the borough, a range of information sources has been considered. As reviewing the Council's existing evidence base we also carried out a range of our own research on residential values across the Council's area (see Appendix III). It is always preferable to consider information from a

range of sources to inform the assumptions setting and review of results stages. Therefore, we considered existing information contained within previous research documents including previous viability studies; from sources such as the Land Registry, Valuation Office Agency (VOA) and a range of property websites. Our practice is to consider all available sources to inform our up to date independent overview, not just historic data or particular scheme comparables.

- 2.4.2 A framework needs to be established for gathering and reviewing property values data. The residential market review has been based on a mixture of approaches to attempt to properly reflect the variation in residential property values occurring across the borough. This included breaking the borough down in to both wards, settlements and using areas described in the Council's 'Townscape, Landscape Seascape Character Areas'. Appendix III provides a more detailed explanation of the approach.
- 2.4.3 This provides comprehensive research and analysis of both new build sold data, currently available new build property across the borough, together with Zoopla current area statistics. This data has been gathered for an overview of the value patterns seen across the borough in order to inform assumption setting prior to the appraisal modelling phase. It was particularly important to collect the residential values data by settlement areas as the strength of values varies by location across the borough. The east of the Borough, Hayling Island sea front and Emsworth for example have stronger values typically than parts of Havant, Waterlooville and Leigh Park.
- 2.4.4 This provided the best and most reflective, appropriate framework for gathering information and then for reviewing the implications of the variations seen linked to the likely provision of development across the borough. It was considered that this would also enable a view on how the values patterns compare with the areas in which the most significant new housing provision is expected to come forward.
- 2.4.5 For the residential scheme types modelled in this study, and based on the research undertaken, a range of (sales) value levels (VLs) have been applied to each development scenario. This is in order to test the sensitivity of scheme viability to geographical values variations and / or with changing values as may be seen with further market variations. In the case of Havant Borough, the VLs covered typical residential market values (average prices across a scheme) over the range £2,750/m<sup>2</sup> (approx. £255/sq. ft.) to £4,500/m<sup>2</sup> (approx. £418/sq. ft.) as shown in Figure 5 (following page):



Figure 5: New Build Values Assumptions Summary

	HBC lower-end			HBC typical new-build values			HBC upper-end new-build
Assumed Market Value Level (VL) range & indicative overlay with localities	VL1	VL2	VL3	VL4	VL5	VL6	VL7+
Indicative location (Range)	Havant Core & NW Suburbs, Waterlooville		Purbrook, Stakes, Horndean, Cowplain, Hayling Island				Upper-end coastal properties, Emsworth south of A259 & rural pockets etc.
	Leigh Park	West Leigh, Bedhampton, Hart Plain		Langstone, New Brighton, Emsworth (North of A259), Warblington, East of Borough, Denvilles			
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

- 2.4.6 Values patterns can often be indistinct and especially at a very local level. However, in this study context we need to consider whether there are any clear variations between settlements or other areas where significant development may be occurring in the context of the future borough development strategy and any potential revision to the CIL. In setting the Council's current (adopted, charged) CIL it was considered necessary to differentiate between Emsworth and Hayling Island and the rest of the borough. Through this assessment we look again at this as part of re-exploring the CIL viability scope. We also consider the additional viability pressures likely to be associated with town centre development; and whether consideration should be given by the Council to any other form of differentiation – including within the overall affordable housing policy approach.
- 2.4.7 It should also be noted that house price data is highly dependent on specific timing in terms of the number and type of properties within the data-set for a given location at the point of gathering the information. In some cases, small numbers of properties in particular data samples (limited house price information) produce inconsistent results. This is not specific to Havant Borough. However, these factors do not affect the scope to get a clear overview of how values vary typically, or otherwise, between the settlements and localities, given the varying characteristics of the borough; as set out in these sections and as is suitable for the consideration of Local Plan viability and deliverability.

### **Affordable housing**

- 2.4.8 Importantly, in addition to the market housing, the development appraisals also assume a requirement for affordable housing. As this study seeks to test the viability of potential HBLP 2036 policies holistically, we have tested and reviewed a range of potential affordable housing policy targets from 0% to 40%.
- 2.4.9 The NPPF (2018) at para. 63 states:

*'Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount'*

- 2.4.10 In carrying out this viability assessment, as requested by HBC, we have undertaken a review of affordable housing policy across a range of thresholds in order to inform the Council's decision-making process from a viability perspective only. The Council would need to consider the evidence required in order to include a sub-10 unit affordable housing threshold, subject to viability constraints both generally and in relation to any designated 'rural' areas. More detail on the affordable housing assumptions is provided below and at Appendix I.
- 2.4.11 For the affordable housing, we have now assumed that approximately 70% is affordable rented tenure and 30% is 'intermediate' in the form of shared ownership (although again it should be noted that this tenure mix was accommodated as far as best fits the overall scheme mixes and affordable housing proportion in each scenario). Some early stages testing was also carried out on the assumption that a proportion (10%) of the overall housing would be required as affordable home ownership (applied only where the existing tenure mix and proportion did not already include this potential requirement). For sites of 9 dwellings or fewer we have assumed that a financial contribution would be required in-lieu of on-site provision.
- 2.4.12 In reality tenure will normally be decided based on an up to date Strategic Housing Market Assessment (SHMA) ensuring that properties meet local needs at the time of the application). In practice many tenure mix variations could be possible; as well as many differing rent levels derived from the affordable rented (AR) tenure approach - as affected by local markets and by affordability. The same applies to the intermediate (currently assumed as shared ownership) affordable housing element in that the setting of the initial purchase share percentage, the rental level charged on the Registered Provider's (RP's - i.e. Housing Association or similar) or other affordable housing provider's retained equity, and the interaction of these two would usually be scheme specific considerations. Shared ownership (SO) is sometimes referred to as a form of 'low cost home ownership' (LCHO). Assumptions need to be made for the study purpose.
- 2.4.13 For the on-site affordable housing, the revenue that is assumed to be received by a developer is based only on the capitalised value of the net rental stream (affordable rent) or capitalised net rental stream and capital value of retained equity (in the case of shared ownership tenure). Currently Homes England (HE) expects affordable housing of either tenure on s.106 sites to be delivered with nil grant or equivalent subsidy input unless additionality can be proven. At the very least this should be the

starting assumption pending any review of viability and later funding support for specific scenarios / programmes. We have therefore made no allowance for grant or other public subsidy / equivalent.

- 2.4.14 The value of the affordable housing (level of revenue received for it by the developer) is variable by its very nature. This may be described as the ‘payment to developer’, ‘RP payment price’, ‘transfer payment’ or similar. These revenue assumptions were reviewed based on our extensive experience in dealing with affordable housing policy development and site-specific viability issues (including specific work on SPDs, affordable rents, financial contributions and other aspects for other authorities). The affordable housing revenue assumptions were also underpinned by RP type financial appraisals – looking at the capitalised value of the estimated net rental flows (value of rental income after deduction for management and maintenance costs, voids allowances and the like). We considered the affordable rented revenue levels associated with potential variations in the proportion (%) of market rent (MR); up to the maximum allowed by the Government of 80% MR including service charge.
- 2.4.15 In broad terms, the transfer price assumed in this study varies between approximately 30% and 65% of market value (MV) dependent on tenure, unit type and value level. For affordable rented properties we introduced a revenue level cap by assuming that the Local Housing Allowance (LHA) levels will act as an upper level above which rents will not be set – i.e. where the percentage of market rent exceeds the Local Housing Allowance (LHA) rate. The LHA rate for the Portsmouth Broad Rental Market Area (BRMA) that covers the Havant Borough Council area for the varying unit types was used as our cap for the affordable rental level assumptions.
- 2.4.16 In practice, as above, the affordable housing revenues generated would be dependent on property size and other factors including the provider’s (e.g. RP’s) own development strategies, and therefore could well vary significantly from case to case when looking at site specifics. The RP may have access to other sources of funding, such as related to its own business plan, external funding resources, cross-subsidy from sales / other tenure forms, recycled capital grant from stair-casing receipts, for example, but such additional funding cannot be regarded as the norm for the purposes of setting viability study assumptions – it is highly scheme dependent and variable and so has not been factored in here.

## **2.5 Gross Development Value – Commercial / Non-residential**

- 2.5.1 The value (GDV) generated by a commercial or other non-residential scheme varies enormously by specific type of development and location. In order to consider the viability of various commercial development types, a range of assumptions are needed. Typically, these are made with regard to the rental values and yields that would drive the value of completed schemes within each commercial scheme appraisal. The strength of the relationship between the GDV and the development costs was then considered. This was either through residual valuation techniques very similar to those used in the residential appraisals (in the case of the main development types to be considered) or; a simpler value vs. cost comparison (where it became clear that a poor relationship between the two existed so that clear viability would not be shown - making full appraisals unnecessary for a wider range of trial scenarios).
- 2.5.2 Broadly the commercial appraisals process follows that carried out for the residential scenarios, with a range of different information sources informing the values (revenue) related inputs. Data on yields and rental values (as far as available) was from a range of sources including the VOA, EGi, CoStar and a range of development industry publications, features and web-sites. As with the residential information, Appendix III sets out more detail on the assumptions background for the commercial schemes.
- 2.5.3 Figure 6 below shows the range of annual rental values assumed for each scheme type. These were then capitalised based on associated yield assumptions to provide a GDV for each scheme dependent on the combination of yield and rental values applied.
- 2.5.4 The rental values were tested at three levels representative of low, medium and high values relevant to each commercial / non-residential scheme type in the borough. This enables us to assess the sensitivity of the viability findings to varying values. They are necessarily estimates and based on the assumption of new build development. This is consistent with the nature of the CIL regulations in that refurbishments / conversions / straight reuse of existing property will not attract CIL contributions (unless floor-space in excess of 100 sq. m is being added to an existing building; and providing that certain criteria on the recent use of the premises are met). In many cases, however, limited or no new build information for use of comparables exists, particularly given recent and current market circumstances. There is further information available in the



Council's Employment Land Review study<sup>14</sup>. Therefore, views have had to be formed from local prevailing rents / prices and information on existing property and past research carried out on behalf of the Council. In any event, the amount and depth of available information varied considerably by development type. Once again, this is not a Havant Borough only factor and it does not detract from the necessary viability overview process that is appropriate for this type of study.

- 2.5.5 These varying rental levels were capitalised by applying yields of between 5.0% and 7.5% (varying dependent on scheme type). This envisages good quality new development, rather than relating to mostly older accommodation which much of the marketing / transactional evidence provides. As with rents, varying the yields enabled us to explore the sensitivity of the results given that in practice a wide variety of rental and yields could be seen. We settled our view that the medium level rental assumptions combined were appropriate in providing context for reviewing results and considering viability outcomes. Taking this approach also means that it is possible to consider what changes would be needed to rents or yields to sufficiently improve the viability of non-viable schemes or, conversely, the degree to which viable scheme assumptions and results could deteriorate whilst still supporting the collective costs, including CIL.
- 2.5.6 It is important to note here that small variations can have a significant impact on the GDV that is available to support the development costs (and thus the viability of a scheme) together with any potential CIL funding scope. We consider this very important bearing in mind the balance that must be found between infrastructure funding needs and viability. Overly optimistic assumptions in the local context (but envisaging new development and appropriate lease covenants etc. rather than older stock), could well act against finding that balance.
- 2.5.7 This approach enabled us to consider the sensitivity of the results to changes in the capital value of schemes and allowed us then to consider the most relevant results in determining the parameters for setting non-residential CIL rates across the borough. As with other study elements, particular assumptions used will not necessarily match scheme specifics and therefore we need to look instead at whether / how frequently local scenarios are likely to fall within the potentially viable areas of the results (including as values vary). This is explained further in Chapter 3.

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<sup>14</sup> Lambert Smith Hampton: Havant Borough Council Employment Land Review  
Havant Borough Council – Local Plan & CIL Viability Study – Final Report

Figure 6: Assumed rental Value for Commercial Schemes

Development Type		Value Level (Annual Rental Indication £/sq. m, unless otherwise stated)		
		Low	Medium	High
A1 Large Retail	Retail Warehousing / Foodstore	£200	£225	£250
Small Retail (Town Centre)	Comparison shops (general/non-shopping centre)	£150	£200	£250
Small Retail	Local convenience stores and local shops*	£100	£125	£150
Business - Offices - Town Centre	Office Building	£150	£190	£230
Business - Offices - Outside Town Centre	Office Building	£150	£190	£230
Business - Industrial / Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	£70	£85	£100
Business - Industrial / Warehousing	Larger industrial / warehousing unit including offices - industrial estate	£50	£60	£70
Hotel (budget)	Hotel - town centre / edge of town (60 Beds)**	£3,000	£3,500	£4,000
C2 - Residential Institution	40-bed Nursing home / care home	£200	£250	£300
Student Accommodation	100% Cluster type Accommodation with en-suite (150 rooms)***	£110	£120	£130

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

\*\*annual room rates

\*\*\* weekly room rates

2.5.8 As with residential development, consideration was given as to whether there should be any varying approach to CIL charging levels for commercial and other developments locally. On review, it was considered that variations in values and viability outcomes would be more likely to be the result of detailed site and scheme specific characteristics, and not necessarily driven by distinctions between general location (area) within the borough so far as the likely location of such development is concerned. This was borne out on review of the commercial values data and results.

2.5.9 There is variety in terms of values across the borough. However, there were typical values that informed our rental and other assumptions for the appraisals, based on the upper end rental indications seen for business uses (offices and industrial / warehousing) as appropriate for high quality new build schemes and on the variety of indications seen for retail. In both cases these were taken from a combination of the VOA Rating List, EGi, CoStar and other sources as far as were available whilst keeping the review depth proportionate and economic in the study overview context. In respect of other commercial / non-residential development types again a borough-wide overview was considered appropriate.

2.5.10 Overall, we found that in the event of identifying scope to charge a CIL on commercial or non-residential development in viability terms, there is no clearly justifiable or readily definable approach to varying that through viability findings based on location / geography. Whilst certain specific scheme types could create more value in one location compared with another in the borough, typically there was felt to be no clear or useful pattern which might be described for that. It must be accepted that there will always be variations and imperfections in any level of overview approach; with or without area based differentiation.

## **2.6 Development Costs – General**

2.6.1 Total development costs can vary significantly from one site or scheme to another. For these strategic overview purposes, however, assumptions have to be fixed to enable the comparison of results and outcomes in a way which is not unduly affected by how variable site-specific cases can be. As with the scheme scenario building, an overview of the various available data sources is required.

2.6.2 Each area of the development cost assumptions is informed by data - from sources such as the RICS Building Cost Information Service (BCIS), any locally available soundings and scheme examples, professional experience and other research.

2.6.3 For this overview, we have not allowed for abnormal costs that may be associated with particular sites - these are highly specific and can distort comparisons at this level of review. Contingency allowances have however been made for all appraisals. This is another factor that should be kept in mind in setting CIL charging rates and ensuring those are not set to the 'limits' of viability. In some circumstances and over time, overall costs could rise from current / assumed levels. The interaction between values and costs is important and whilst any costs rise may be accompanied by increased values from assumed levels, this cannot be relied upon.

## **2.7 Development Costs – Build Costs**

2.7.1 The base build cost levels shown below are taken from the BCIS. In each case the figure has been rebased using the Havant Borough location factor (an adjustment of the base figure indexed for Havant Borough). Costs assumed for each development type are provided in Appendix I. For the purposes of this exercise we have added an allowance

for housing schemes of 10 units or less and made a deduction for flatted schemes of 10 units or less based on advice provided by the RICS BCIS within a report commissioned by the Federation of Small Businesses (FSB)<sup>15</sup>. Figure 7 below summarises these:

Figure 7: Build Cost Data (BCIS Median, Havant Borough location factor relevant at time of research)

Development Type		BCIS Build Cost (£/sq. m)*
Residential C3	Build Costs Mixed Developments - generally (£/sq. m)	£1,219
	Build Costs Estate Housing - generally (£/sq. m)	£1,192
	Build Costs 'One-off' Detached Housing (3 units or less)	£1,757
	Build Costs Flats - generally (£/sq. m)	£1,387
	Build Costs Flats - 3-5 Storey (£/sq. m)	£1,375
	Build Costs (Sheltered Housing - Generally) (£/sq.m)	£1,483
A1 Large Retail	Retail Warehousing / Foodstore	£838
Small Retail (Town Centre)	Comparison shops (general/non-shopping centre)	£1,104
Small Retail	Local convenience stores and local shops*	£1,104
Business - Offices - Town Centre	Office Building	£1,857
Business - Offices - Outside Town Centre	Office Building	£1,754
Business - Industrial / Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	£1,368
Business - Industrial / Warehousing	Larger industrial / warehousing unit including offices - industrial estate	£1,021
Hotel (budget)	Hotel - town centre / edge of town (60 Beds)**	£2,042
C2 - Residential Institution	40-bed Nursing home / care home	£1,685
Student Accommodation	100% Cluster type Accommodation with en-suite (150 rooms)	£1,951

\*excludes external works, contingencies and any FSB cost allowance on small sites (these are added to the above base build costs)

2.7.2 Unless stated, the above build cost levels do not include for external works / site costs, contingencies or professional fees (added separately). An allowance for plot and site works has been allowed for on a variable basis within the appraisal depending on the scheme type (typically between 5% and 20% of base build cost). These are based on a range of information sources and cost models and generally pitched at a level above

<sup>15</sup> RICS BCIS Report for The Federation of Small Businesses – Housing development: the economies of small sites - the effect of project size on the cost of housing construction (August 2015)

standard levels in order to ensure sufficient allowance for the potentially variable nature of site works. The resultant build costs assumptions (after adding to the above for external works allowances but before contingencies and fees) are included at the tables in Appendix I.

- 2.7.3 For this broad test of viability, it is not possible to test all potential variations to additional costs. There will always be a range of data and opinions on, and methods of describing, build costs. In our view, we have made reasonable assumptions which lie within the range of figures we generally see for typical new build schemes (rather than high specification or particularly complex schemes which might require particular construction techniques or materials). As with many aspects there is no single appropriate figure in reality, so judgments on these assumptions (as with others) are necessary. As with any appraisal input of course, in practice this will be highly site specific. In the same way that we have mentioned the potential to see increased costs in some cases, it is just as likely that we could also see cases where base costs, externals costs or other elements will be lower than those assumed. Once again, in accordance with considering balance and the prospect of scheme specifics varying in practice, we aim to pitch assumptions which are appropriate and realistic through not looking as favourably as possible (for viability) at all assumptions areas.
- 2.7.4 In all cases further allowances have been added to the total build cost in respect of meeting optional technical housing standards as discussed earlier in this chapter.
- 2.7.5 An allowance of 5% of build cost has also been added in all cases, to cover contingencies (i.e. unforeseen variations in build costs compared with appraisal or initial stage estimates). This is a relatively standard assumption in our recent experience. We have seen variations, again, either side of this level in practice.
- 2.7.6 The interaction of costs and values levels will need to be considered again at future reviews of CIL and the Local Plan. In this context it is important to bear in mind that the base build cost levels may vary over time.
- 2.7.7 At the time of reporting the latest available BCIS briefing (September 2018) stated on build cost trends:



- *Over the next five years (to 2Q 2023) tender prices are expected to rise 22%. They are forecast to rise just under 2% in the first year and between 4% and 5% in the next two years, before rising to around 6% in the last two years.*
- *Building costs are forecast to rise by 20% over the forecast period, by 4% over the first year of the forecast period, by 3% over the following year, then rising by 4% in the year to 2nd quarter 2021, 5% in the year to 2nd quarter 2022, and 4% in the final year of the forecast period.*
- *Over the forecast period, construction materials prices are expected to rise by between 3% and 4% per annum.*
- *Average wage awards are expected to be agreed at around 3% over the first two years, and then 5% per annum over the final three years of the forecast period.*
- *The lack of clarity over the Brexit negotiations continues to cause great uncertainty in both the construction industry and the wider economy. This uncertainty is expected to affect the private commercial sector in particular, as has been seen in the retail sub-sector by several high street names either reducing their portfolio significantly or disappearing completely. New office construction is also expected to suffer from the uncertainty.*
- *Output in the private commercial sector is already falling, and is expected to continue to fall over the next two years. However, increases in other sectors mean that total new work output will fall by just 1% in 2018. Over the following year, new work output is expected to recover modestly, with stronger growth in 2020. New work output is forecast to grow more sharply in 2021 and 2022. Over the five years 2018 to 2022, new work output is expected to rise nearly 12%*

#### *Scenarios*

- *There is still a great deal of uncertainty over the terms that will be agreed when the UK leaves the European Union.*
- *While almost any outcome is still possible, we will continue to produce forecasts based on three scenarios; these reflect the different outcomes from the exit negotiations from the EU and are equally likely. The uncertainty of the results of the Brexit negotiations will undoubtedly lead to BCIS revising its assumptions again as more is known.*

- *In all scenarios, it is assumed that there will be no change of UK government over the forecast period, and that there is political stability in the rest of the world. A gradual rise in interest rates puts pressure on consumer spending. The scenarios are outlined in Appendix A.*
- *Although a 'no deal' is currently being discussed as an option, this may encompass a raft of specific deals and has therefore increased the range of possible outcomes. A specific forecast for this option has not been carried out. However, the likelihood is that a 'no deal' would tend towards our Downside scenario<sup>16</sup>.*

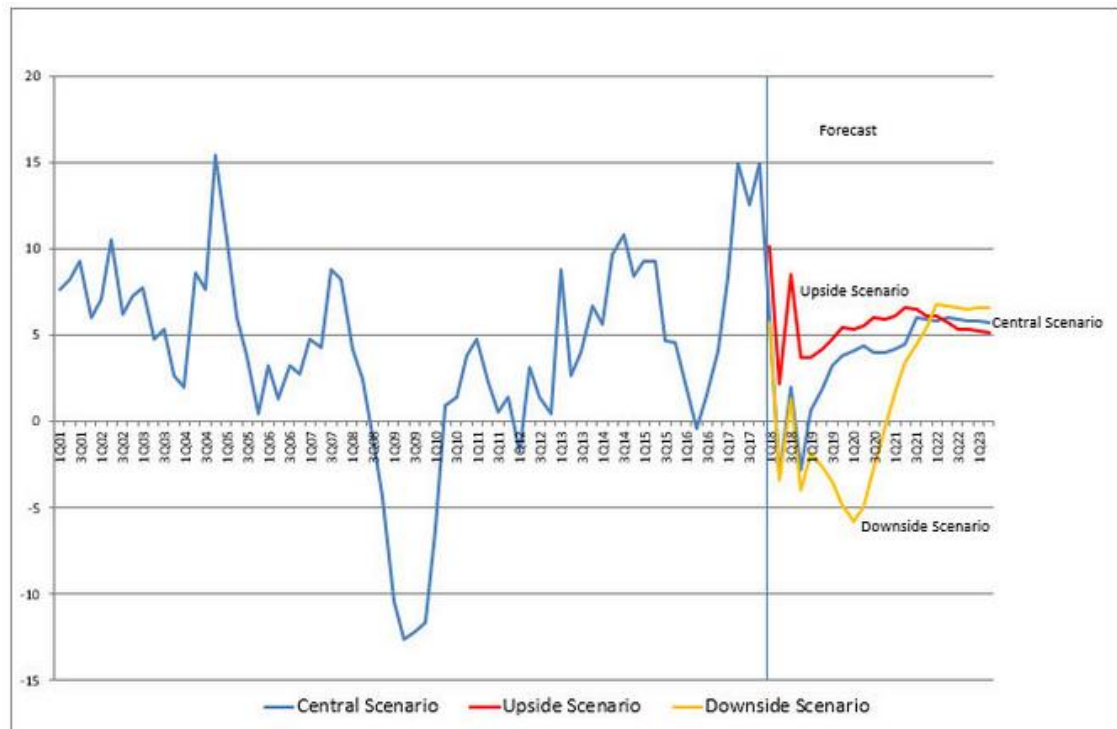
### BCIS All-in TPI – Annual Percentage Change

#### Summary of scenarios

	Percentage change				
	2Q18 to 2Q19	2Q19 to 2Q20	2Q20 to 2Q21	2Q21 to 2Q22	2Q22 to 2Q23
'Central' scenario					
TPI	+1.9	+4.4	+4.5	+6.0	+5.7
GBCI	+3.5	+3.3	+3.5	+4.7	+4.2
New work output*	-0.5	+0.8	+2.1	+4.4	+4.5
'Upside' scenario					
TPI	+4.2	+5.5	+6.6	+5.7	+5.1
GBCI	+3.4	+3.1	+3.2	+3.7	+3.3
New work output*	+1.4	+6.7	+6.5	+5.5	+5.3
'Downside' scenario					
TPI	-2.6	-4.9	+3.4	+6.7	+6.6
GBCI	+3.8	+4.7	+5.1	+5.1	+5.1
New work output*	-2.8	-9.0	-4.0	+8.3	+8.5

\*Year on year (2Q18 to 2Q19 = 2017 to 2018), constant prices 2016

<sup>16</sup> BCIS Quarterly Briefing - Five Year Forecast of Building Costs and Tender Prices (September 2018)



Source: BCIS

2.7.8 Therefore, at the point of reporting we cannot be sure how the European scenario or other external influences will play out either short or longer term on the economics potentially affecting development viability. It is still too early to tell. The influences on the property market from a values and rates of sales, point of view seems likely to be at least as great as that on construction and build costs. At the current time, in general, the overall reasonably positive housing market conditions were seen to continue through into the early part of 2018 albeit seemingly now, based on very latest indications, with flattening prices or reduced growth; and in some instances, with lower prices meaning a relatively neutral picture on house price movement at present.

## 2.8 Key Policy Areas for Testing - Summary

### Energy & Water

2.8.1 As a result of the Housing Standards Review, local authorities will need to ensure that any specific policy in regard of water consumption is set at no more than 110 litres/person/day. As part of the Council's Specialist Housing Needs Analysis, the availability of water supply was reviewed. This showed that there is a high level of water resource available in the Portsmouth Water area. As such, it was concluded that

it would not be reasonable to introduce / impose the water efficiency standard. Therefore, no additional cost allowance has been made in this assessment.

- 2.8.2 This study also assumes that the Sustainable Design / Construction Standards are based on meeting the requirements of the building regulations in terms of energy use due to the Government's withdrawal of the Code for Sustainable Homes. There has been a significant amount of confusion created by the WMS, the Deregulation Act 2015 and the potential changes to the Planning and Energy Act 2008.
- 2.8.3 Our understanding has been that until the adoption of the new NPPF that although local planning authorities could set energy efficiency targets that were higher than the building regulations current at the time, those could not exceed the equivalent of Code Level 4 of the previous Code for Sustainable Homes standards. As noted by others<sup>17</sup>: *'The Secretary of State can amend section 1 of the 2008 Act by bringing into force the provisions in the Deregulation Act 2015. These would remove the right for local authorities to add energy efficiency policies to their local plans which exceed the requirements of Building Regulations in relation to dwellings...It is noticeable that over the course of the last three years no government has brought into force the amendments to the 2008 Act which would have stopped local authorities from adopting energy efficiency standards above the requirements of Building Regulations'.*
- 2.8.4 Accompanying the publication of the NPPF 2018, was the Government's response to the NPPF consultation exercise. In response to concerns from local planning authorities, the Government stated: *'To clarify, the Framework does not prevent local authorities from using their existing powers under the Planning and Energy Act 2008 or other legislation where applicable to set higher ambition. In particular, local authorities are not restricted in their ability to require energy efficiency standards above Building Regulations. The Government remains committed to delivering the clean growth mission to halve the energy usage of new buildings by 2030'.*
- 2.8.5 This in itself does not contradict the general view above that LPAs have the ability to set higher targets than Building Regulations but equally also does not state that LPAs can go beyond the equivalent of the former CfSH Level standards.

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<sup>17</sup> <https://www.burges-salmon.com/news-and-insight/legal-updates/can-local-authorities-adopt-energy-efficiency-standards-that-exceed-building-regulations/>

- 2.8.6 For the purposes of this study we have based all modelling on a baseline that assumes increased energy efficient over Building Regulations up to an equivalent of former CfSH Level 4. Appendix I provides the detail but data taken from the DCLG Housing Standards Review Impact Assessment (average £ per unit extra-over (E/O) cost) for meeting the energy requirements for former CfSH Level 4 equivalent has been used as a proxy (assumption at 1.5% over base build costs).
- 2.8.7 In addition, sensitivity testing has been undertaken that increases the allowance for carbon reduction costs to 6% of base build costs to reflect zero carbon development (re: regulated emissions). This is based on emerging work which is looking at the potential cost of low carbon policies - provided within a forthcoming report by commissioned by another Local Authority and not yet published.

#### Affordable Housing

- 2.8.8 The Council's adopted Core Strategy sets out the following affordable housing policies (policy CS9: Housing):

*Deliver on average 30-40% affordable housing on sites of 15 dwellings (gross) or more and secure a suitable contribution, or on-site provision, equivalent to on average 30-40% on smaller housing developments between 5 and 14 dwellings (gross), unless a lesser requirement has been transparently justified on viability grounds.*

- 2.8.9 As noted above, the NPPF (2018) introduces a requirement such that the '*Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer)*'.
- 2.8.10 On this basis the Council would not be able to set a policy requiring affordable housing on sites of 10 dwellings or fewer except potentially in the case of that part of the borough within the Chichester Harbour AONB where in this area the Council may set a lower affordable housing threshold.
- 2.8.11 In carrying out this viability assessment, as requested by HBC, we have undertaken a review of affordable housing policy across a range of thresholds in order to inform the Council's decision-making process from a viability perspective only. The Council would need to consider the evidence required in order to include a sub-10 unit affordable

housing threshold, subject to viability constraints both generally and in relation to the AONB. More detail on the affordable housing assumptions is provided below and at Appendix I.

#### Nationally Described Space Standard

2.8.12 The Government's Technical Housing Standards have introduced national space standards for housing which can be used in a Local Plan policy if there is sufficient evidence of need and viability.

2.8.13 The national space standards have been included in the modelling for this viability assessment as a standard assumption. See Appendix I for detail.

#### Access to and use of Buildings

2.8.14 The Government's Housing Standards Review has also resulted in changes being made with reference to Lifetime Homes and the Wheelchair Housing Design Standard. Accessibility is now incorporated into Part M of Building Regulations, applied by Local Planning Authorities as conditions and checked for implementation through the Building Control process.

2.8.15 The 2015 edition of Approved Document M – Access to and use of buildings: Volume 1 – Dwellings introduces three categories of dwellings

Category 1	Visitable dwellings	M4(1)	This is mandatory for all new dwellings and is not optional. This means that reasonable provision should be made for people to gain access to and use the dwelling and its facilities. This should include most people, including wheelchair users.
Category 2	Accessible and adaptable dwellings	M4(2)	This optional standard is broadly equivalent to Lifetime Homes standards. This requires that provision is made within new dwellings to meet the needs of occupants with differing needs including some older and disabled people and <i>allow for the adaptation of the dwelling</i> to meet changing needs of occupants over time. This means that features are provided to enable common adaptations to be carried out in the future to increase the accessibility and functionality of the building.



Category 3	Wheelchair user dwellings	M4(3)	An optional standard with two sub-categories: M4(3)(2)(a): wheelchair adaptable: a dwelling constructed with the potential to be adapted for occupation by a wheelchair user e.g. providing space for the future installation of a lift; or
			M4(3)(2)(b): wheelchair accessible: a dwelling constructed to be suitable for immediate occupation by a wheelchair user e.g. by installing a lift.

2.8.16 Again, as with residential space standards, there needs to be evidence for both need and viability. We understand that the Council is considering the implementation of a policy to require proportions of dwellings to meet Category 2 M4(2) and M4(3). As part of the viability testing process, the Council has therefore requested that sensitivity testing be carried out to look at the likely viability impact of including policies on the access to and use of buildings, the proportion(s) that could be requested and the threshold at which the policy could take effect (trigger level). We set out below the likely additional costs for including policies that meet the optional Category 2 and/or 3 requirements of Part M4 of the Building Regulations and those have been used in our sensitivity testing. It should be noted that enhanced requirements (where implemented) are independent of each other so that a dwelling may be provided to meet either standard.

2.8.17 As part of the Government's Housing Standards Review consultation, cost analysis was produced by EC Harris (and subsequently updated) relating to areas that included Access. Within the 2014 update to that review document, approximate costs of complying with the optional Category 2 requirements of Part M4 were included. This indicates various costs for different types of dwelling and on different forms of development. For the purposes of this report, the average extra over access cost per dwelling is approximately total of £2,447 for houses and £1,646 for flats for meeting Part M4 (2) standards. This is based on an average extra over access cost per dwelling (£682/dwelling) alongside the average access related space cost per dwelling but without allowing for cost recovery (£1,444/ dwelling).

2.8.18 For Part M4 (3) the same report indicates average extra over (E/O) costs to be £15,691 for flats and £26,816 for houses.

- 2.8.19 Within this viability assessment, sensitivity tests were carried out on the assumption that 10% - 100% of new dwellings meet Part M4(2) standards and 2% - 20% meet Part M4(3) standards. This was undertaken noting that Part M4(2) and Part M4(3) would not be required on the same individual unit; in respect of individual dwellings the standards are on an “either or” basis.
- 2.8.20 Following our draft stage assessment and review, Local Plan Policy E7 has been reflected in our latest appraisals and results (January 2019 reporting) as a universal base assumption. At 10+ dwellings this allows for 30% dwellings (being either affordable/market or a mix) to M4(2) standards together with (but only at 50+ dwellings) 2% new homes to provided to M4(3).
- 2.8.21 The Council’s supporting text to policy on this also refers to an aspiration to provide a higher level of homes to M4(2) – to 50% - where possible. We understand this is based on currently emerging evidence of a higher level of need than the 30% noted within the Council’s October 2017 ‘Specialist Housing Analysis’ Paper. Accordingly, and at this stage for wider information for HBC only, some additional re-tests have been carried out to provide sample results reflecting the cumulative policy and development costs when viewed with the following assumptions in place of the base 30% M4(2) plus 2% M4(3) EL policy position at 50 dwellings:
- 98% M4(2) plus 2% M4(3);
  - 80% M4(2) plus 5% M4(3).

#### Affordable Home Ownership, Custom & Self-Build

- 2.8.22 The Housing and Planning Act 2016 introduced a requirement for Local Planning Authorities in England to promote the supply of Starter Homes. The exact proportion is not set out in the Act, but previous consultation suggested that it would be in the region of 20% of new homes on all new developments (with certain exceptions). The publication of the revised NPPF indicates a change of position leading to a requirement for 10% of new homes to be provided as ‘affordable home ownership’ products. It states:

*‘Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership [as part of the overall affordable housing contribution from the site], unless this would exceed the level of affordable housing required in the area,*

*or significantly prejudice the ability to meet the identified affordable housing needs of specific groups'*

2.8.23 At this stage the HBC is of the opinion that the affordable housing target should be based on a Strategic Housing Market Assessment or other relevant/updated needs based assessment that provides suitable local evidence informing AH tenure priorities and requirements. This is on the basis that a starting point of delivering 10% of schemes for affordable home ownership in accordance with the latest high-level national position (NPPF 2018 para 64) could well prejudice the Council's ability to respond to meeting identified local needs as a priority. Our understanding at this early stage of its introduction is that NPPF para 64 also acknowledges the scope to consider specific local needs. In this case HBC are of the opinion that the Local Plan will maximise shared ownership provision as part of the intermediate element (34%).

2.8.24 Again of course, as with other aspects of potentially variable detail, this may need to be reviewed through the individual UAs' Local Plan processes and any associated viability work.

2.8.25 From DSP's experience of considering custom / self-build to date (albeit limited to early stages exploratory work on viability) we consider that the provision of plots (serviced and ready for development) for custom-build has the potential to be a sufficiently profitable activity so as not to prove a significant drag on overall site viability. Broadly, from review work undertaken so far, we would expect it to be at least neutral in viability terms, with the exact outcomes dependent on site-specific details, as with other aspects of the development process.

#### Electric Vehicle Charging Infrastructure

2.8.26 The Council's policy requires that electrical vehicle charging infrastructure is provided for each new residential unit with private off-street parking. For the purposes of this study an allowance of £500 per unit has been made for all dwellings.

#### Solent Special Protection Areas

2.8.27 All new residential development resulting in a net increase in population will be required contribute towards the Solent Recreation Mitigation Strategy. A sliding scale of charges is required dependent on size of dwelling and number of persons. However, for the purposes of this study we have assumed an average figure of £564 per unit as provided by HBC.

### Brent Goose and wader feeding and roosting sites

- 2.8.28 The Council has identified certain sites as Primary Support Areas and will be required to provide a refuge area for migrating birds either on-site or extremely close to the site. Within Secondary Support Areas and, to a lesser extent, low use sites, the policy requires a replacement refuge provided on a “like for like” basis or within the locality of the site and/or a suitably scaled financial contribution towards the management of permanent refuge sites for Brent Geese and waders.
- 2.8.29 The policy is very specific to certain areas and as such has not been included in the testing undertaken for this study as the details and specific requirements are not known at this stage.
- 2.8.30 The site specific nature of the policy means that the Council may have to look at the implications for viability on a specific case by case basis in this regard.

## **2.9 Development Costs – Fees, Finance & Profit**

- 2.9.1 The following costs have been assumed for the purposes of this study alongside those noted within this section and vary slightly depending on the scale and type of development. Other key development cost allowances for residential scenarios are as follows - for the purposes of this assessment only (Note: Appendix I also provides a summary):

Professional fees: *Total of 10% of build cost*

Site Acquisition Fees: *1.5% agent's fees*  
*0.75% legal fees*  
*Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT).*

Finance: *6.5% p.a. interest rate (assumes scheme is debt funded)*

Marketing costs: *1.0% - 6.0% sales fees*  
*£750 per unit legal fees*

Developer Profit: *Open Market Housing – 20% GDV\**

*Affordable Housing – 6% of GDV (affordable housing revenue).*

*\*We note that in practice the development profit requirement or assumption included within site-specific viability assessments presented to DSP for review varies greatly, but generally seen within the range 15% to 20% GDV; a range also recognised in the PPG Viability section. 20% GDV as used here is a prudent assumption for the purpose, generally in our experience allowing an element of “buffering” in many cases.*

## **2.10 Development Costs – Fees, Finance & Profit (Commercial)**

2.10.1 Other development cost allowances for the commercial development scenarios are as follows:

BREEAM: 5% of build cost

Professional and other fees: 10% of build cost

Site Acquisition Fees: 1.5% agent's fees  
0.75% legal fees  
Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT)

Finance: 6.5% p.a. interest rate (assumes scheme is debt funded)  
Arrangement fee variable – 1-2% loan cost

Marketing / other costs: (Cost allowances – scheme circumstances will vary)  
1% promotion / other costs (% of annual income)  
10% letting / management / other fees (% of assumed annual rental income)  
5.75% purchasers' costs – where applicable

Developer Profit  
(strategic assessment): 20% of GDV

## 2.11 Build Period

2.11.1 The build period assumed for each development scenario has been based on BCIS data (using its Construction Duration calculator - by entering the specific scheme types modelled in this study) alongside professional experience and informed by examples where available. The build periods are for the build only; lead-in and extended sales periods have also been allowed-for on a variable basis according to scheme type and size, having the effect of increasing the periods over which finance costs are applied. Appendix I provides the detail.

## 2.12 Community Infrastructure Levy & Other Planning Obligations

2.12.1 Current guidance states the following with regard to CIL: *'At examination, the charging authority should set out a draft list of the projects or types of infrastructure that are to be funded in whole or in part by the levy (see Regulation 123). The charging authority should also set out any known site-specific matters for which section 106 contributions may continue to be sought. This is to provide transparency about what the charging authority intends to fund through the levy and where it may continue to seek section 106 contributions'*<sup>18</sup>. The purpose of the list is to ensure that local authorities cannot seek contributions for infrastructure through planning obligations when the levy is expected to fund that same infrastructure. The Guidance<sup>13</sup> states that where a change to the Regulation 123 list would have a significant impact on the viability evidence that supported examination of the charging schedule, this should only be made as part of a review of that charging schedule. It is therefore important that the level of planning obligations assumed in this study reflects the likely items to be funded through this route.

2.12.2 The Council already operates a CIL and a great majority of existing Planning Obligation requirements are taken up within the CIL charging scope, but nevertheless sites are still required to contribute to site-specific mitigation measures (for example relating to open space / highways / transport and similar requirements). The appraisals therefore include a notional sum of £3,000 per dwelling (for all dwellings – including affordable - and all schemes) on this aspect purely for the purposes of this study and in the context of seeking to allow for a range of potential scenarios and requirements – effectively as an additional contingency in respect of any residual s.106 requirements, acting

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<sup>18</sup> DCLG – Community Infrastructure Levy Guidance (February 2014)



alongside the CIL payments in terms of the collective development costs to be considered. HBC has made DSP aware of additional relatively minor costs areas that have not resulted in explicit cost assumptions within the appraisals. These include aspects such as contributions towards the provision of Community Officers and Skills and Employment Plans. The £3,000 s.106 contingency allowed for throughout the main typology appraisals is considered more than sufficient to allow for such elements together with any other matters that may fall outside the scope of the current or a reviewed CIL. Currently it is not known exactly how such elements may be treated or collected but ultimately this is a matter of making generally sufficient costs allowances overall, which this approach ensures. It is also worth noting that at the point of carrying out the bulk of the work related to CIL within this study, the Regulation 123 list had not been reviewed in detail by the Council, pending further work on the Local Plan and any further consultation on CIL.

2.12.3 The additional strategic and large site appraisals review provides results derived from our appraisals that have been run to include an estimate of costs of known infrastructure and s106 requirements, with the outcome in each case then showing the resultant surplus / deficit. Those therefore provide a current stage indication of the sums potentially available to support any further additional infrastructure (e.g. through s.106 obligations) and/or other currently unidentified costs after other usual development costs are allowed for.

## **2.13 Strategic / Large Sites**

2.13.1 As part of further building its evidence base, the Council also asked DSP to consider the potential viability, at a high level at this stage, of the potential strategic site at Southleigh and in respect of a larger-scale typology of 560 dwellings.

2.13.2 Details of this site and scenario assumptions are also set out in Appendix I.

2.13.3 Specific assumptions were made relating to each of these on aspects such as average value levels and site specific mitigation through s106 (where such information was available at the time of carrying out this study).

2.13.4 It needs to be made clear that although more specific appraisals have been carried out for these sites, and particularly for Southleigh, in reality the length of time over which development is planned means that the results can only provide a high-level

assessment of the potential viability. The information set out in Appendix I provides a summary of our assumptions for each based on a mixture of reviewing previous work undertaken on behalf of the Council, site promotion material, consultation responses and our own experience. Some initial costings only were available for Southleigh, and therefore all costs are purely estimates at this early stage. As noted above, the 560 units scenario is a typology test.

2.13.5 The results of the appraisals are shown in Appendix IIb alongside summaries of the development appraisals. These show the potential residual surplus (or deficit) after allowing for typical build costs, external and site works, fees, finance, development profit, costs of sale and land purchase.

2.13.6 As a starting point, the land purchase cost included has been assumed at between £100,000 - £250,000/Ha applied to the gross (total) assumed site area. As in other cases, the land value assumption here does not indicate or guide on a price to be paid or accepted; it is simply used to begin further exploring the viability parameters. Indeed, in the case of “bulk” purchase of agricultural land, as will be the case across some of the sites, lower land values on the EUV+ basis could well be a valid consideration, and would have the effect of increasing the outcomes (indicative surpluses) compared with those at £250,000/Ha for example. Further information on the approach to the land value assumptions is provided below.

2.13.7 Appendix I and the Argus Developer appraisal summary prints included in Appendix IIb provide further information.

## **2.14 Indicative land value comparisons and related discussion**

2.14.1 Land value in any given situation should reflect the specifics on existing use, planning potential and status / risk, development potential (usually subject to planning) and constraints, site conditions and necessary works, costs and obligations. It follows that the planning policies and obligations, including any site specific s106 requirements, will also have a bearing on land value; as has been recognised by Local Plan and CIL Examiners as well as Planning Inspectors.

2.14.2 As discussed previously, in order to consider the likely viability of any development scheme relevant to the emerging Local Plan and its policies, the outturn results of the development appraisals (the RLVs viewed in £/ha terms) need to be somehow

measured against a comparative level of land value. This is a key part of the context for reviewing the strength of the results as those change across the range of assumptions on sales values (GDVs) and crucially including the effect of affordable housing policy targets (%s).

2.14.3 This comparison process is, as with much of strategic level viability assessment, not an exact science. It involves judgements and the well-established acknowledgements that, as with other appraisal aspects, values associated with land will, in practice, vary from scheme to scheme.

2.14.4 The levels of land values selected for this comparison context are often known as 'benchmark' land values (BLVs). They are not fixed in terms of creating definite cut-offs or steps in viability but, in our experience, they serve well by adding a filter to the results to enable the review of those. They help to highlight the changing strength of relationship between the values (GDVs) and development costs as the appraisal inputs (assumptions) change, with the key relevant assumptions (variables) in this case being the GDV level (value level – VL) and affordable housing proportion (%).

2.14.5 Our practice is to compare the wide scope of appraisal residual land value results with a range of potential benchmark land values based on the principles of 'existing use value plus' (EUV+). This allows us to consider a wide range of potential scenarios and outcomes, and the viability trends across those. The coloured shading within the Appendix II results tables is a graded effect intended only to show the general transition of results through the range clearly viable (most positive – green coloured) to likely non-viable (least positive, RLVs showing a deficit against the BLVs – red coloured). For each set of results a surplus / deficit has also been calculated; set against the range of benchmark land values assessed with a similar graded colour scale employed purely to illustrate the *relative* strength of results.

2.14.6 The Local Plan strategy for growth indicates a likely overall supply role for a range of sites spread proportionally across the borough, in broad terms. The strategy is therefore likely to concentrate on a mixture of town centre previously developed sites (PDL) and greenfield sites in the countryside / at edge of settlement locations.

2.14.7 Viewing the scale of the difference between the RLV and EUV (i.e. surplus after all costs (including policy costs), profit and likely land value expectations have been met) in any particular example, and as that changes between scenarios, allows us to judge the

potential scope across the various development circumstances to meet other policy costs / requirements. It follows that, in the event of little or no surplus or a negative outcome (deficit), we can see a poor viability relationship, and vice versa.

2.14.8 The land value comparison levels are not fixed or even guides for use on scheme specifics; they are purely for this assessment purpose. In our experience, sites will obviously come forward based on very site-specific circumstances, including in some cases beneath the levels assumed for this purpose.

2.14.9 As discussed above, the recently updated PPG on Viability is very clear that BLVs should be based on the principle of existing use value plus a premium to incentivise the release of a site for development (EUV+).

2.14.10 The PPG states the following:

*‘To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called ‘existing use value plus’ (EUV+)...*

*Benchmark land value should:*

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- *be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that*

*historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*

*In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.*

*Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence...*

*The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.*

*Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of*

*local landowners. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).'*

- 2.14.11 In order to inform the BLVs for use here, we have reviewed existing evidence, previous viability studies, site-specific viability assessments and in particular have had regard to published Government sources on land values for policy application<sup>19</sup>.
- 2.14.12 The Government data provides industrial, office, residential and agricultural land value estimates for the local sub-region including Havant; but not all areas are covered. Where there are no direct land value indications, we have made use of our own experience in order to inform a 'best fit' EUV from the available data. This data is shown in Appendix III and in the footnotes to the results tables. The residential land value estimates in particular require adjustment for the purposes of strategic viability testing due to the fact that a different assumptions basis is used in our study compared to the truncated valuation model used for the residential land value estimate. This (and other) viability assessments, assume all development costs are accounted for as inputs to the RLV appraisal, rather than those being reflected within a much higher, "serviced" i.e. "ready to develop" level of land value.
- 2.14.13 The MHCLG truncated valuation model provides a much higher level of land value as it assumes all land and planning related costs are discharged, assumes that there is a nil affordable housing requirement (whereas in practice the Affordable Housing requirement can impact land value by around 50% on a 0.5 ha site with 35% AH) with no CIL or other planning obligations allowance. That level of land value would also assume that full planning consent is in place, whereas the risk associated with obtaining planning consent can equate to as much as a 75% deduction when adjusting a consented site value to an unconsented land value starting point. Lower quartile build costs and a 17% developer's profit (compared to the assumed median build costs and 20% developer's profit used in this study) are additional assumptions that lead to a view of land value well above that used for comparison (benchmark purposes) in viability assessments such as this. So, the assessment approach (as relates to all land values) assumes all deductions from the GDV are covered by the development costs assumptions applied within the appraisals. In our view this would lead to a significantly reduced residential land value benchmark when taking into account all of those factors.

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<sup>19</sup> MHCLG: Land value estimates for policy appraisal 2017 (May 2018 report issue)



- 2.14.14 Previous viability studies have used a range of figures based either on an uplift to current use value or general values per hectare (or acre). Previous viability work undertaken by BNP Paribas for CIL and the Local Plan suggested a minimum of £500,000 per hectare for vacant serviced land through to £1.5m/ha for residential land.
- 2.14.15 The Council's Strategic Development Areas Financial Feasibility Study <sup>20</sup> suggests minimum land values for bulk greenfield land in the region of £250,000 per hectare.
- 2.14.16 The figure that we consider representing the minimum land value likely to incentivise release for development under any circumstances in the Havant context is around £100,000/ha, based on gross site area. In our experience of dealing with site specific viability, prior to the new guidance on viability in the PPG, greenfield land values have tended to be expected or assumed at indicative minimum option to purchase price agreement levels, or similar. These have been typically quoted at around £100,000 and not exceeding £150,000 per gross acre (i.e. approx. £250,000 to maximum £370,000 per gross hectare). Depending on scale and circumstances, land values at up to those levels could be relevant to development on greenfield land (such as agricultural land or in cases of enhancement to amenity land value). We have "filtered" our results against greenfield based BLVs at £100,000 and £250,000 per gross hectare (£/ha) for the Council's information.
- 2.14.17 For the purposes of prudent assessment for the HBLP, but not stating/guiding or confirming any specifics, we are of the view that the Council should focus on the current stage appraisal outcomes and assume potential viability at £250,000/ha rather than a lower figure at this stage. This would be applicable to the consideration of viability, at this level, on large/strategic scale greenfield based development. We reiterate that this is not to be interpreted as a fixed level in practice because, as acknowledged here, a lower level of land value could be appropriate. Particular circumstances will need to be considered in due course. For these reasons, it is appropriate to also consider the effect of varied land value (BLV) assumptions – including at a potential lower level on greenfield development.

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<sup>20</sup> Gerald Eve (July 2016)

- 2.14.18 The assumptions represent enhancement (sale incentive uplift) to greenfield land values (with agricultural land reported by the VOA and a range of other sources to be valued at circa £20,000 - £25,000/ha in existing use). This is not to say that existing land value expectations in such scenarios would not go beyond these levels either – they could well do in a range of circumstances.
- 2.14.19 The EUV+ BLVs considered within the study therefore range overall between £100,000/ha (lowest level considered, for bulk greenfield land including a significant uplift from existing agricultural values, as above) to approximately £1.5/ha for commercial land. A further filter has been included to cover land in existing residential use up to £2.217m/ha. The appendices to this report set out the specific BLVs used in considering the strength of the RLV £/Ha results for each test scenario.
- 2.14.20 Once again, it is important to note that all RLV results indicate the receipts available to landowners after allowing, within the appraisals, for all development costs. This is to ensure no potential overlapping / double counting of development costs that might flow from assuming land values at levels associated with serviced / ready for development land with planning permission, etc. The RLVs and the indicative comparison levels (BLVs or ‘viability tests’) represent a “raw material” view of land value, with all development costs falling to the prospective developer (usually the site purchaser).
- 2.14.21 Matters such as realistic site selection for the particular proposals, allied to realistic land owner expectations on site value, will continue to be vitally important. Even moving away from a ‘market value’ led approach, site value needs to be proportionate to realistic development scope and site constraints, ensuring that the available headroom for supporting necessary planning obligations (securing AH and other provision) is not overly squeezed beneath the levels that should be achieved.

### 3 Findings and Recommendations

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#### 3.1 General context for results review

- 3.1.1 The findings considered here relate to the appraisal RLV results tables at Appendix IIa (Tables 1a to 1o(i)) in respect of the residential typologies test scenarios (6 to 350 dwellings), Appendix IIb (Table 2a (Strategic site – Southleigh); Table 2b (larger site typology – 560 dwellings)) and Appendix IIc (Tables 3a to 3f) for the equivalent commercial development tests. A guide to the content of those tables will be provided below.
- 3.1.2 As noted above, HBC is currently firming-up on the policies in the Local Plan and considering also whether there is scope to or a need to review its current CIL charging rates.
- 3.1.3 First, we consider residential development, which is the main assessment focus. This is because, firstly, the policy positions selected by a local planning authority (HBC in this case) create a considerable influence on the viability of development (most significantly in relation to affordable housing), especially alongside a fixed (non-negotiable) level of CIL charging. The same cannot be said of a Council's sphere of influence over the viability of commercial / non-residential development; that is much more limited.
- 3.1.4 Secondly, invariably the scale of residential development (quantum of new accommodation) is such that the source of CIL income is largely weighted towards residential. This context is typical – not unique to HBC.
- 3.1.5 Nevertheless, after considering the residential findings and potential implications / recommendations, we will go on to consider the likely variable viability of commercial development in Havant Borough – more on that follows (primarily in respect of our review of the potential CIL charging scope, based on viability).
- 3.1.6 Affordable housing, being a key factor influencing development viability over which the Council has a significant level of direct control, is therefore the main focus for the reporting in this section. How the Council selects and operates its affordable housing policies will be a major factor in ensuring sufficient viability to deliver a wide range of developments to underpin the Local Plan.

- 3.1.7 For these reasons the assessment will need to suggest any adjustments and policy positions that the Council should consider at this stage in our view, related to viability. However, this may in some cases continue to be about considering options – potential alternatives – which will be noted where applicable. Furthermore, the Council need not follow these report findings exactly because, overall, this is about considering the evidence collectively and setting out policies that will respond to an appropriate balance between the needs and viability.
- 3.1.8 The wide range of sensitivity testing on the optional enhanced M4(2) and (3) accessibility standards is no longer included at this stage. However, these final appraisal iterations include additional tests with 98% M4(2) plus 2% M4(3) and 80% M4(2) plus 5% M4(3) given the context noted at 2.8.20 – 2.8.21 above (results at Appendix IIa Table 1m).
- 3.1.9 Also included is sensitivity testing of an improvement over building regulations carbon emissions levels by 19% (results Table 1l within Appendix IIa – 50 dwellings with 6% added build cost representative of that).
- 3.1.10 Tables 1k and 1k(i) include the base set of results for the 50 mixed dwellings text scenario for comparison with both of these additional sensitivity test sets.
- 3.1.11 Continuing the approach from the draft assessment stage, generally, from the information provided a view may be taken about the likely impact of various policy / costs combinations.
- 3.1.12 In keeping with this approach, building from our emerging findings and then draft stage work discussed with the Council officers alongside the HBC further available evidence during the Autumn of 2018, the viability testing has continued to include affordable housing explored as relevant by typology and HBC proposed policy over the range 0%, 20%, 30% and 40% across a full range of scenarios of 6 or more dwellings, with (as noted above) the testing now expanded at HBC's request to include a larger typology assumed at 560 dwellings (representing larger scale greenfield development) and a more specific appraisal exercise looking at the single proposed Strategic site i.e. Southleigh (KS5). The earlier stages settling and review of assumptions and results showed the relevance in the local circumstances of exploring across this range of AH proportions, but not above it. The latest work has confirmed the relevance of this in the borough.

- 3.1.13 In considering all additional policies, and indeed the impact of the existing or potential CIL charging rate levels(s) it will be critical to view the varying outcomes allied to, and not independent from, the AH %s. The adding of too great a development costs burden alongside the Council's priority of securing affordable housing will inevitably increase the pressure on and ability to secure the intended AH delivery. The CIL takes a fixed, non-negotiable top-slice from the development revenue. If other policy related costs are applied too extensively and too rigidly, those will have the same effect. This continues the previous messages.
- 3.1.14 The re-testing of the viability scope available to support affordable housing requirements is a key element of such an assessment, given the impact that these requirements always have on development finances; a consistent finding from our work across a large number of studies. The findings are therefore discussed with a view to policy adjustments being made where necessary, in comparison with the existing and / or any previously or currently proposed positions. Continued to be run and used in this way, the assessment further informs and supports the Local Plan policy development.
- 3.1.15 In each case, the affordable housing included for the re-testing is assumed on the basis of the current understanding of its tenure and mix – i.e. affordable rented (at 70% of the re-tested AH content in all cases) and intermediate affordable housing; the latter assumed in the form of shared ownership (making up 30% of the appraisal AH content). The new NPPF now confirm the 10% 'affordable home ownership' content within developments, in place of the previously considered 20% 'starter homes' element, but the details around exactly what this might comprise in practice appear to be left to a local level at this stage although remain uncertain at the point of our final reporting. This may need to be considered further as the Council moves forward with its further development of housing enabling activities. For the purposes of this study, we have continued to assume that shared ownership is a form of affordable home ownership.
- 3.1.16 Given, as noted above, the national policy (NPPF 2018) position on the 10+ dwellings threshold for affordable housing, our focus on the residential results review is on the schemes above rather than below that; i.e. a likely HBC policy threshold now at 10 dwellings (in place of 11). The inclusion of the appraisals of scenarios of 6 dwellings illustrates the impact of the CIL alongside other development costs, bearing in mind

also that for this assessment purpose only those smaller schemes carry higher assumed build costs on a £/sq. m basis.

3.1.17 In the HBC context, while there is land within the Chichester Harbour AONB, in fact that is highly sensitive and marginal from the point of view of any meaningful level of new development; and so has not been a focus for considering AH or other viability impacts and positive policy responses. This designation is not intended to influence the HBC proposed NPPF compliant 10+ dwellings AH policy threshold at this stage. Under the current CIL regulations, however, it could be possible to differentiate for such smaller schemes not carrying an AH requirement, and we consider this below.

3.1.18 In all cases a range of CIL “trial” rates has continued to be applied across all tests – indicating the impact of CIL – across a test range £0/sq. m to £200/sq. m - combined with the other variables that have remained under review.

### **3.2 A guide to using the Appendix IIa Results Tables**

3.2.1 For each typology (6 to 350 dwellings) with results shown at Appendix IIa, there are 2 RLV results tables. The first of these, numbered tables 1a to 1m, set out the appraisal results by increasing development size (number of dwellings within each assumed scenario) – as per 2.2.4 (Figure 2) above and Appendix I. By scenario, and depending on relevance of the HBC policy proposals by scheme size, the results relate to the tests carried out with 0%, 20%, 30% and 40% affordable housing – shown moving down each table set from top to bottom.

3.2.2 Each table cell of these first Appendix IIa tables contains in the white (un-coloured/non-shaded) left-side sections an RLV result (in £s). In the corresponding lower table areas (including the green coloured cells) the same RLV is then expressed in £/Ha terms, based on the indicative density and approximate land-take assumptions used. Each £ figure is an appraisal result expressed in these ways.

3.2.3 The results are displayed by assumed value level (VL) which rises from 1 (lowest) to 7 (highest), moving top to bottom within the tables - as used in each test shown. The impact of the varying strength of values available to support viability is clear to see at the range of AH %s tested – increasing VL supporting a higher £ RLV and £ RLV/ha as represented by the increasing boldness of the green shading (meaning an increasing range of BLVs (or ‘viability tests’) met.



- 3.2.4 Again, simply to highlight the results trends, an increasing AH% test is shown to have the opposite effect in all cases – with reducing boldness of green colouring showing the declining levels of the RLVs as the appraised AH context increases e.g. from 0% to 20% or 20% through 30% to 40%, again depending on relevance by scheme size. The 6 dwellings scenarios have been appraised only at 0% and 20% AH, with the 20% tests currently only representing a theoretical position including a likely maximum AH% level applicable in the (unlikely) event of HBC policy warranting layer beneath the 10 dwellings currently proposed threshold. So the test at 6 dwellings with 20% AH remains for wider HBC information only, to continue the approach of completeness – wide context for review.
- 3.2.5 As per 3.1.17 above, the range of applied trial CIL charging rates (tests) are shown moving from left to right within each Appendix IIa Table section Tables 1a to 1o). Following left to right each set (row) relating to a single VL and AH% test, the RLVs can be seen to reduce with an increasing CIL rate applied, as expected. The interaction of this effect with other matters needs to be considered, especially given the fixed (non-negotiable) nature of CIL charging once in place, as it is already in Havant Borough.
- 3.2.6 The second table sheet (tables 1a-o(i) for each scheme typology within Appendix IIa uses the same appraisals and results information to display a range of RLVs across VLs 4, 5 and 6 at an indicative £125/sq. m CIL (so, on an overview basis, a picture broadly representative of a significant amount of likely new build in the borough). These tables further show the relativities between those results and how they compare with the BLVs. So there we view a selection of the results in different ways, including through comparisons which show (at the right-hand side) the surpluses (or deficits) in £/ha when deducting the range of BLVs from an example RLV £/ha result. The multi-coloured table section on the right-hand end of those tables uses a graduated formatting effect simply to show the most viable results in green, reducing but still mainly positive results in the yellows and oranges; through to red shaded results which will often be negative i.e. showing a deficit against that particular BLV. This table colouring is not indicating any particular cut-offs or similar; it simply serves to help highlight the results trends again, similar to the purposes of the first tables (1a-o) for each typology.
- 3.2.7 We assume that further consideration of the CIL will need to be also informed by the Council's latest available information on infrastructure needs associated with the Local Plan, and the firmed up policies together with the site supply picture.

- 3.2.8 We noted the values picture seen in Chapter 2 – see section 2.4 above (Figure 5 and Appendix I for an overview). To recap, in general summary, from within the broader overall range found here, the data indicates a relatively narrow range of values seen across the areas that look likely to support a majority of new housing development. We consider at this stage, current assumptions, that those values are most closely represented by the central part of our VLs range – VL 3 to VL6 i.e. c. £3,250 to £4,000/sq. m or approximately £300 to £375/sq. ft. (rounded indications).
- 3.2.9 As is often the case, most areas and even some sites can support mixed values. This means that although typically lower in value, for example development in the towns of Waterlooville and Havant can see higher than the typical values indicated here.
- 3.2.10 Likewise, the VLs indicative of ‘HBC upper-end new build values’ are more typical in the usually higher value coastal areas and lower density private housing areas generally found towards the east of the borough (VL6 to 7 and sometimes beyond) but again variation will be seen in practice. Emsworth and Denvilles are localities where typically higher but also variable values will be seen, and the Hayling Island and Langstone area appears to be a particular example of a locality capable of supporting variable values moving ahead, depending on site and scheme specifics.
- 3.2.11 In considering its review of the HBC CIL especially, a key factor for the Council will be the role that the various areas are expected to play, moving ahead, in accommodating development. Consistent with supporting the growth associated with an up to date Local Plan, and not related to any other existing deficits in infrastructure provision, an updated CIL will again be a high-level borough-wide response and contributor. It is not possible for CIL to reflect and respond to all levels of local variation in values in other matters. How it overlays with the planned site supply, even if that means some level of misfit in areas not supplying a significant level of development in the overall planned terms, is most important. The CIL principles are such that the charging schedule should ideally be as simple as possible, accepting that usually values and other characteristics do not actually respect any particular boundaries, in more than a general way. All sites are different, and varying values will even be seen within sites.
- 3.2.12 The residual land values (RLVs) produced by the current stage appraisals are “filtered” against a series of ‘viability tests’ shown in the Appendix IIa table footnotes i.e. benchmark land values (BLVs). So, the bolder the green colour within Tables 1a-o, the stronger the indicative outcome, as the appraisal RLVs reach or exceeds the level of

the higher viability tests. This indicates a scenario likely to be workable with increased frequency or greater confidence – i.e. across a wider range of site types and circumstances.

- 3.2.13 Land values of up to £250,000/ha (range represented by 2 BLVs at £100,000 and £250,000/ha are considered to represent greenfield (enhancement to agricultural or similar low exiting use value). As noted at 2.14.17 above, for greenfield based development, the land value level primarily assumed here, for this study purpose only, is the BLV at £250,000/ha (i.e. the higher of the 2 greenfield BLVs referred to).
- 3.2.14 A wider range up to £2,217,000/ha maximum the represents the most highly valued brownfield (previously developed land – PDL) at levels likely to be justified only in certain circumstances within this borough. At points within this range, our view is that and the BLVs at £1 - 5m/Ha, and particularly at £1-1.25m/ha, are likely to be key areas for many PDL sites, bearing in mind also that the HBC residential CIL rate CIL was informed on the basis of a land value assumption ranging from £500,000/Ha to a maximum at £1.5m/Ha, through intermediate levels at £900,000/Ha and with a core area for comparison at around £1.08m/Ha. The LP Viability Assessment work carried out for HBC in 2013 (also by BNP) used the same benchmarks as the 2011 CIL study. The use of our suggested range of Viability Tests (benchmark land values) is considered a reasonable approach following ongoing review and now as a refinement of the draft stage view, informed as above by the MHCLG 2018 publication. The approach is also consistent with DSP's established and supported approach to strategic level viability assessments.
- 3.2.15 In reviewing the outcomes, we also keep an eye on the £sum RLVs and not just the RLVs expressed in £/Ha terms. This can be especially relevant to smaller PDL and town centre / higher density sites, where meeting the same or similar £/Ha rates might not provide a realistic picture and, for example, the prospect of being able to buy an existing or former commercial use, or perhaps existing residential property, needs to also be kept in mind.
- 3.2.16 Whichever approach to reviewing the CIL is progressed in due course, HBC will need to continue to operate its overall approach to planning-led costs and obligations (e.g. s.106 and other policy requirements) in an adaptable way; reacting to and discussing particular site circumstances as needed (and supported by shared viability information for review where collective policy aims are under-pressure owing to abnormal costs or

similar). CIL charging will continue to be fixed, but will need to be viewed as part of a wider package of costs and obligations that will need to be balanced and workable across a range of circumstances.

- 3.2.17 Also included below (Figure 8) is a table showing indicatively how the residential CIL trial charging (test) rates in Havant Borough appear when expressed as percentages (%) of the range of sales values assumptions – the VLs now in use – i.e. CIL trial rates as % GDV. DSP has used this sort of guide as background information for a wide range of clients exploring CIL levels, and for examination purposes in due course this sort of information often provides useful context.
- 3.2.18 This additional information does not represent additional viability testing, but may be useful in purely secondary “health-check” type way, to help make sure that CIL charging rates are not set too high. DSP’s view over several years of CIL viability and rates setting experience has been that, as a guide, realistic CIL charging rates should not exceed a range say 3% to maximum of around 5% GDV equivalent (areas indicated by the green colouring within the Figure 8 table (see following page).
- 3.2.19 The Figure 8 table grid may assist for context and simple checking / gauging of the proposed charging rates selections by this secondary measure.

Figure 8 – Residential CIL rates – trial range as % GDV

Havant Borough Council CIL - Additional information to viability testing / context for results review							
	CIL Trial Rates as % GDV						
	VL1 £2,750	VL2 £3,000	VL3 £3,250	VL4 £3,500	VL5 £3,750	VL6 £4,000	VL7 £4,500
CIL Rate £/m <sup>2</sup> ↓	2750	3000	3250	3500	3750	4000	4500
0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	0.36%	0.33%	0.31%	0.29%	0.27%	0.25%	0.22%
20	0.73%	0.67%	0.62%	0.53%	0.53%	0.50%	0.44%
30	1.09%	1.00%	0.92%	0.86%	0.80%	0.75%	0.67%
40	1.45%	1.33%	1.23%	1.14%	1.07%	1.00%	0.89%
50	1.82%	1.67%	1.54%	1.43%	1.33%	1.25%	1.11%
60	2.18%	2.00%	1.85%	1.71%	1.60%	1.50%	1.33%
70	2.55%	2.33%	2.15%	2.00%	1.87%	1.75%	1.56%
80	2.91%	2.67%	2.46%	2.29%	2.13%	2.00%	1.78%
90	3.27%	3.00%	2.77%	2.57%	2.40%	2.25%	2.00%
100	3.64%	3.33%	3.08%	2.86%	2.67%	2.50%	2.22%
110	4.00%	3.67%	3.38%	3.14%	2.93%	2.75%	2.44%
120	4.36%	4.00%	3.69%	3.43%	3.20%	3.00%	2.67%
130	4.73%	4.33%	4.00%	3.71%	3.47%	3.25%	2.89%
140	5.09%	4.67%	4.31%	4.00%	3.73%	3.50%	3.11%
150	5.45%	5.00%	4.62%	4.29%	4.00%	3.75%	3.33%
160	5.82%	5.33%	4.92%	4.57%	4.27%	4.00%	3.56%
170	6.18%	5.67%	5.23%	4.86%	4.53%	4.25%	3.78%
180	6.55%	6.00%	5.54%	5.14%	4.80%	4.50%	4.00%
190	6.91%	6.33%	5.85%	5.43%	5.07%	4.75%	4.22%
200	7.27%	6.67%	6.15%	5.71%	5.33%	5.00%	4.44%
DSP 2018							
Key:-							
	Adopted CIL Rate for Emsworth and Hayling Island (non-indexed)						
	Adopted CIL Rate for the rest of the Borough (non-indexed)						
	HBC Indexed CIL Rates. <i>Note: actual indexed rates - £107.85/m2 and £134.82/m2.</i>						

(DSP 2018)

3.2.20 The HBC existing CIL residential charging rates (as currently indexed) are also shown in the above – the blue cells indicating their £80/sq. m and £100/sq. m starting points and the red edged (boxed) cells indicating the areas of the grid that the indexing to date now places those rates in – approximately £108 and £135/sq. m. respectively to the end of 2018.

3.2.21 The results for the strategic site (Southleigh) test appraisals (2,100 dwellings) and for the larger (560 dwellings) typology are shown within **Appendix IIb Tables 2a and 2b**

respectively. These, appraised using differing assumptions (see Appendix I), take a different format and show in each case the results both at land values (i.e. using BLVs) of £100,000 and £250,000/ha and 30% and 40% AH tests.

- 3.2.22 The residuals shown in the right-hand table columns are expressed firstly as indicative £m (£million) site-wide totals and also then in terms of the indicative £/dwelling surplus outcome for the various scenarios. These sums indicate the amounts (likely maximums in each scenario) potentially available to fund s.106 and/or other matters not currently allowed for in the appraisals. The currently estimated infrastructure/planning obligations costs are accounted for based on HBC available information for the Southleigh Strategic Site proposal (Appendix IIb Table 2a). However the available information in support of the review of the 560 dwellings large greenfield site test scenario was more limited and hence that essentially is a larger site typology, extending upwards the typology testing from the 6 to 350 dwellings scenarios within Appendix IIa, but reported separately owing to the strategic site type assumptions basis and appraisal format used.

### **3.3 Commercial / non-residential development – review context, and a guide to the Appendix IIc tables**

- 3.3.1 Primarily for informing HBC's potential review of its CIL, as set out above (and see the Appendix I Commercial Assumptions Overview Sheet), appraisals of a typical range of commercial / non-residential scenarios for such an assessment have also been carried out and reviewed. The approach to this aspect is consistent with the typical scope required in our experience, and with assumptions informed by our research and experience, so as to be representative of local circumstances – again, based on a high-level overview approach rather than site-specific level detail.
- 3.3.2 For such schemes, this amounts to an equivalent approach to the review of viability for CIL setting purposes. As will be seen, using assumptions appropriate for the assessment purpose and ensuring no reliance on pushing to the margins of viability in order to support CIL charging, this proportional approach requires only a much smaller number of appraisals. These were developed as sets to the point where in each case viability was eroded. Once a very low, nil or negative outcome is reached it is not necessary to explore further. A view may be taken, therefore, on the extent to which the appraisal input assumptions would need to improve to support viability clearly



enough to provide CIL charging scope; and how realistic that extent of movement in assumptions would be.

- 3.3.3 Unlike in the case of residential development (and in particular the role in setting policy as affects affordable housing impacts), there is little scope for a Council to influence the viability of commercial and non-residential development provided it does not add, through unnecessary policy, to the development costs usually associated with such development.
- 3.3.4 DSP also has wider experience of commercial and non-residential development viability for CIL setting and Local Plan policy purposes. From this, together with review of the market and updated information gathering (information as at Appendix III and subject to further consideration of any readily available new data or pointers as the assessment concludes), we are of the view that at this point we would not expect to see materially expanded viability scope to support additional policy related costs compared with that seen at the point of introducing CIL here. We would expect this to be the case particularly in respect of the typical key CIL assessment finding that a £0/sq. m charge (nil-rating) was appropriate for employment (B Use) development.
- 3.3.5 As with residential, the strength of the market and therefore of the strength of relationship between development values and costs is key; the most significant factor. However, there are considered to be no significant instances of HBC local policy influence that will have a direct development cost and therefore a clear negative viability impact compared with a typical approach that we see.
- 3.3.6 Although key information will be contained within other assessments and data contributing to the evidence base, we have some general points to offer as the Council considers the employment and other commercial/non-residential development aspects of its Plan-making process. These will be picked up briefly in later sections below.
- 3.3.7 Appendix IIc Tables 3a to 3f display the commercial scenarios test results – again as both RLVs in £ (absolute) terms (white / non-coloured results table sections) and expressed in £/Ha terms.
- 3.3.8 The format of the results reporting overview uses the same principles and approach as for the Appendix IIa residential scenarios.

- 3.3.9 This time each sheet (page) within the Appendix shows the range of scenario (by land use type) tests top to bottom. Each one of those has been tested at 3 trial rent levels (L- low, M- mid/medium and H - high) simply to explore the sensitivity of the RLV outcomes to that assumption varying in combination with a yield test going initially from most positive (at 5% - Table 3f) to least positive for the study purposes (at 7.5% - Table 3f RLV indications).
- 3.3.10 Clearly seen are both the deterioration in results with increasing yield % (less positive for the capitalisation of the rental assumptions, indication a less secure, higher risk income stream assumed for the commercial property investor.
- 3.3.11 From this we can gain a feel for:
- Those scenarios likely to be consistently viable on a sufficient basis to support CIL charging, and;
  - The extent to which more positive assumptions are required and may or may not be realistic in the short term (next few years, as applicable to a CIL charging schedule) for those potential development uses that currently appear unable to support CIL charging.
- 3.3.12 In the case of the Appendix IIc tables, the impact of our tested “trial” CIL charging rates in combination with the other variables considered here, can be seen increasing from left to right as we add CIL cost in small steps– using principles consistent with the Appendix IIa approach reported residential tests. In this case, we did not test beyond £160/sq. m. having formed the view that such a level of CIL would most likely be unrealistic for such developments in the borough.
- 3.3.13 We have taken the view that overall the same range of comparison/benchmark land values (‘our Viability Tests’ again as listed in the Appendix Tables footnotes) are applicable. In many cases, broadly it is considered that meeting or exceeding the £1-m/Ha test would prove sufficient. However, in the case of retail and some other developments it is anticipated that higher land values up to £1.5 – 2.2mm/Ha equivalent (potentially beyond in limited instances) could sometimes be justified and need to be met.
- 3.3.14 As in the cases of all results (appraisal RLV indications) and the reporting around them, many of the results for the relevant more valuable development types (e.g. larger

format and town centre retail, higher value residential and perhaps care homes and purpose built students housing (if applicable in Havant borough) do indicate that higher land values could be or could need to be supported.

3.3.15 Our findings review for the Commercial / non-residential scenarios is found from section 3.10 below, following the residential findings commentary that we set out next.

3.3.16 In a similar way to that considered within and using Figure 8 above, it is possible to view the range of trial CIL rates used for the (viable) development types as %s GDV – again as an additional gauge of the likely suitability of the rates tested. This additional information may be supplied to HBC if required.

### **3.4 FINDINGS REVIEW – Residential scenarios (Appendix IIa)**

3.4.1 Viewed overall, the results are seen to be mixed, with sensitivity to the assumed value level (VL - aligned to potential site location see Figure 5 and Appendix I) an important factor throughout. The interaction of the VL and AH% - i.e. the VL needed to support affordable housing within various scenario types is also key, as is the viability test used to filter / view the strength of the RLV result in each case. The latter depends on the likely host site type – varying from greenfield to PDL (previously developed land), in various forms.

3.4.2 Across the range of results, for both residential and commercial, although seen more frequently in the latter (Appendix IIc compared with IIa) it can be seen that some scenarios and assumptions combinations return a financial deficit as appraised. Rather than list the meaningless negative individual residuals, indicative of non-viable scenarios for the assessment purpose, those results areas are simply shown as 'Negative RLV', often covering multiple assumptions combinations – e.g. low values (residential VLs / commercial rents and yields tests) and/or AH test % too high. A CIL trial rate too high for the circumstances is also seen to have the same effect in some cases, although increasing CIL rate is seen to have a much more subtle and gradual effect of reducing the results. The approach taken to displaying the results in this way is for ease of quickly seeing the tests that do not support the collective costs assumed in those cases.

- 3.4.3 In reviewing the results to inform the new Charging Schedule, whilst prudent assumptions have been used throughout as part of ensuring that viability is not taken to the margins when CIL charging and policy costs are being considered, we also give consideration to an explicit “buffer” factor (this has been considered at up to approximately 50%). This means stepping back from the likely maximum CIL charging rates indicated to be possible in theory from each assumptions combination as per the tabled results.
- 3.4.4 Any ‘buffer’ factor is essentially arbitrary, and intended only as an additional means of helping to keep within the margins of viability – it need not be adhered to strictly as it is hypothetical and the viability work does not have to be followed precisely in any event. Instead, as with other Local Plan and CIL evidence, the Council should be able to show how the assessment has informed its overall approach. Nevertheless, this might help to bring some further focus to HBC’s review of the results and what it takes from this necessarily and appropriately wide set of information provided at the point where policy positions and other matters are in early consideration stages, we understand.
- 3.4.5 Again, with the same principles behind the thinking, an equivalent approach is used from and in response to the commercial results set – Appendix IIc. See more on that in the dedicated sections below.
- 3.4.6 On all aspects, on reviewing and considering the results and findings, we suggest that HBC will usefully do this alongside a “reality check” – i.e. consider in the context of its local delivery and CIL collection experience, bearing in mind that the Council was a relatively early adopter of CIL and has been collecting payments alongside applying its affordable housing and other policies for a few years now.

**Affordable Housing Threshold(s) and smallest scenarios (<10 dwellings)**

- 3.4.7 Consistent with the context above, our understanding is that, whilst there will continue to be a wide range of very small developments coming forward, the new homes growth supply moving forward under the emerging LP will not be reliant on these as a crucial part of the overall spectrum of the delivery in itself. The dwelling numbers delivering the overall growth, and therefore the most significant AH contributions, principally will come from larger sites.
- 3.4.8 Some of the single unit developments are likely to continue to be self-builds.

- 3.4.9 From experience there is no evidence to suggest that viability is necessarily worse on smaller compared with larger schemes.
- 3.4.10 Overall, however, with higher build costs allowed for this assessment purpose, we can see that the scope for securing AH within such schemes would be limited in any event at typical HBC values and especially if a simple, essentially flat-rate CIL charge is to be maintained. The inclusion of AH requirements on sites of fewer than 10 dwellings is not within the Local Plan in any event, bearing the NPPF AH policy threshold.
- 3.4.11 With CIL in focus on such sites mind, looking at the potential collective costs of development, we can use the information at 0% AH to see the viability and likely impact of the CIL charging scope in HBC's case.
- 3.4.12 Referring to the 6 dwellings tests for example, we can see that with 0% AH a land value equivalent to well over £1. 5m/ha is achieved at the maximum CIL trial test rate of £200/sq. m using fairly typical lower mid-range VL4 values. At say 50% of this, allowing for a significant degree of buffering as above, this suggests that a charging rate of over £100/sq. m can continue be supported.
- 3.4.13 Purely for background information, in order to generate in excess of the £1. 5m/ha land value with 20% AH allowed for (assuming an equivalent financial contribution in this case) we need to be either reducing the maximum CIL scope to around £100-125/sq. m (buffered rate at around 50% of that) based on VL4 or relying on a higher sales value at VL5 to support CIL scope at a maximum of over £200/sq. m and so a similar potential charging rate to that at VL4 with no AH i.e. £100/sq. m or more (again, after our rough guide adjustment (buffer)). Albeit theoretical now only in relation to the Plan policies, this gives a feel for the likely limiting effect on CIL were AH requirements sought here on smaller sites.
- 3.4.14 Overall, given the confirmed national policy, allied to the local circumstances of a more mixed nature of site supply and the viability scope supported by typical HBC values combined with the higher build costs assumptions used for the assessment purpose, we consider the findings point towards continued CIL charging at similar to existing levels, but (as per policy conformed by HBC) not at this stage to the reduction of AH thresholds beneath the NPPF threshold (for example in the AONB or should other local evidence support a case for that).

- 3.4.15 Similarly, the findings also suggest little meaningful scope to differentiate upwards with a reviewed CIL charge covering these smaller residential developments.
- 3.4.16 We consider that these findings support the settled HBC policy approach, as discussed with DSP.

**AH threshold (AH policy trigger point) - 10+ dwellings** (Table 1b and 1b(i))

- 3.4.17 The results suggest a reasonable spread of scenarios capable of supporting 30% affordable housing (now envisaged as required in the form of on-site provision unless the alternative of a financial contribution or alternative provision is clearly justified and agreed) together with in excess of £100/sq. m CIL after considering the significant rough guide buffering assumption. This looks potentially supportable at VL4 (but only comfortably so if applicable on greenfield, amenity land or very low value former commercial sites) and is appears likely to be workable on PDL unless with VL5+ values.
- 3.4.18 Looking beyond 30% AH, it appears much more likely that VL6 values are needed to support 40% AH with a similar CIL level. However, with lower value scenarios this is potentially only marginally viable with a nil or nominal level CIL charge. On a greenfield site, were this relevant, however, values down to VL4 appear to be capable of supporting up to 40% AH together with a good level of CIL in the range perhaps £60 to around £100/sq. m (after full buffer adjustment). With 30% AH envisaged on a greenfield site, it appears that the supportable CIL charging rate could go to approximately £60-80/sq. m with lower values (say VL3).
- 3.4.19 Overall on such schemes, a 40% AH target - and especially if applied too rigidly – might place reliance on higher values too regularly.
- 3.4.20 Overall, we suggest that a national policy aligned affordable policy threshold headline at 10 dwellings would be a suitable approach in Havant borough, with the influence of viability necessarily acknowledged so that the policies may be operated with some flexibility where the need for that is robustly justified. This, we consider, would amount to a typical and appropriate approach; suggested for consideration at a 30% AH headline.
- 3.4.21 The influence of site type and likely related land value is clear to see. Reliably securing 30% AH with other assumed development and policy costs (including the HBC CIL) on PDL sites looks most likely at VL5+. Following on from the previous assessment work,

the potential relevance of a 20% AH policy aligned to circumstances where lower values tend to combine with PDL and perhaps higher development costs is indicated again. The RLVs are seen to be notably stronger further down the VLs range and this theme will again be revisited further in considering a wider range of scenarios – see below.

### **11 Houses** (Table 1c and 1c(i))

- 3.4.22 These results show an improvement in viability over the above, as the assumed build cost rate reduces.
- 3.4.23 With 20% AH assumed, approximately £100/sq. m CIL appears viable based on greenfield land value (EUV+) at £250,000/ha using the lowest values tested (VL1). This indicates 30% AH to be a more suitable level and we see that this would be clearly supportable using VL2 values with the existing HBC CIL and again assuming greenfield development.
- 3.4.24 However, at this scale, development in the borough is still likely to be equally or more relevant on PDL sites. To meet a BLV of £1.5m/ha these require a minimum of VL4 values to support a combination of 30% AH and approximately £100/sq. m CIL (again significantly buffered back from c. £200/sq. m maximum).
- 3.4.25 VL5 values appear likely to support 30% AH with the existing HBC CIL, as indexed, across a wider range of sites.
- 3.4.26 Again, the relationship between supportable AH (and CIL) level and the available VL is key; the results (viability indications) are very sensitive to the sales values available (VL tested). Following this upwards in the tables (i.e. with reducing AH%) we can see again that a 20% AH provision would bring a significantly greater prospect of viability at lower values (to VL2-3) on at least some PDL sites. As observed previously and now proposed by HBC, in combination with the lower values in the borough, and particularly on PDL sites, a 20% AH policy layer will in our view have a useful role to play and better address the balance in such circumstances between viability and the need to secure AH and other infrastructure funding/obligations.



**15 houses** (Table 1d and 1d(i))

- 3.4.27 These results, as may be expected with no policy differentiation (threshold) or other build/development cost change, are very similar to and reinforce the findings relating to the 11 houses testing, as above.

**15 and 25 Flats** (Tables 1e and 1e(i); 1f and 1f(i))

- 3.4.28 From these scenarios, we see that many results are poor or at best marginal even with mid-to higher range HBC values once AH is included, with the lower-end values assumed appearing unlikely to support deliverable schemes with any regularity. This is due to a poorer relationship between the lower values and higher build costs assumed, and is an inherent issue with the viability of flatted development in lower value situations, meaning relatively - in the wider South East context. We see this generally in a much wider range of locations – it is not unique to this assessment for HBC. Although the significantly higher development density has a positive viability influence, and in fact this may be understated in some cases at our assumed 150 dph, the increased development costs in combination with the likely need to meet a higher assumed PDL site value are significant factors negatively influencing the viability view – generally poorer results seen.
- 3.4.29 Values at more like VL5-6 seem likely to be needed to support 20% or perhaps a little more affordable housing in combination with other costs – including CIL. At the current time, such values are considered unlikely to be regularly or reliably achieved in the main urban area settings within Havant borough that such schemes appear most likely to come forward in.
- 3.4.30 Consistent with earlier stage emerging findings discussed with officers, we suggest that this points to the consideration of a lower than headline level of affordable housing being sought in the town based scenarios, particularly within the town and District centres. Improving the vitality of Havant and Waterloo town centres and the Leigh Park District Centre for example will be elements to the delivery of the Council's strategy.
- 3.4.31 In our view, based on the findings together with local as well as wider experience of similar scenarios to date, it will be appropriate to firm up within the Local Plan policy a relevant AH target layer at not more than 20% applicable to such circumstances. As can be seen, it is not the imposition of AH requirements that are the root cause of

potential viability issues; those are more likely to be inherent in the relatively poor development value:cost relationships at the present time, and looking ahead to the first few years of the plan at least, most likely. This would apply to development characteristics expected to be more typical of these town and district centres (as opposed to other centres in the Borough), with requirements placed beneath a more widely applicable 30% AH target as above.

- 3.4.32 Considered further below, it will be relevant to review whether the larger scenario tests point to similar findings and suggested confirmation of policy positions for HBC's check of its final Local Plan proposals.

**25 flats - including ground floor retail** (Tables 1g and 1g(i))

- 3.4.33 It appears that, subject to demand and by adding rather than substituting space for it, the inclusion of a retail/commercial shell element creating additional value has the potential to improve viability or at least leave the viability no worse than that for a residential only scheme of this type.

- 3.4.34 However, the results suggest that values at around VL3-4 are needed to switch the outcomes from negative to positive; VL4+ to create marginal and then reasonable viability prospects at VL5 with 20-30% AH. So again these indications are not considered sufficiently positive to alter the above noted findings and suggested firmed-up policy approach as regards the continuation of the draft stage recommendation to include a 20% AH policy for the two main town and Leigh Park District centres in particular.

**30 Flats – Retirement/Sheltered** (Table 1h and 1h(ii))

- 3.4.35 The premium values usually achieved for such schemes as new-builds, together with the densities and typically reduced scope of external works, are in our experience positive viability influences in balance with the higher build costs associated with the construction of enlarged communal (non-saleable) areas in comparison with general market apartments development. Higher sales values than those assumed for the assessment purpose (VL 6 to an added VL 8 i.e. at £4,000 to £4,750/sq. m) are likely to be more relevant for this development type than the lower VL tests.

- 3.4.36 The results indicate that seeking not more than 30% AH looks to be a workable scenario again, with the 40% results tailing-off and appearing non-viable/marginal at VL6 before any meaningful level of CIL is considered. Were lower values than these relevant for any scheme progressed, again the relevance of the reduced AH target can be seen.
- 3.4.37 Overall in respect of this form of development (assuming within the C3 planning use class and therefore part of the very wide spectrum of market housing development), we consider there to be no reason for differentiating for it in affordable housing policy target terms; it appears at least equally likely to support a level of AH contribution alongside CIL in a similar way as other higher density housing schemes do.
- 3.4.38 This means that in considering a 20% affordable housing provision in the town and district centres (Havant, Waterlooville and Leigh Park), for example, we envisage that the same requirement would also apply to this form of development and this appears a suitable and equitable approach. So far as we can see, policy explicitly addressing such development, in respect of the affordable housing scenario, is not likely to be required.
- 3.4.39 The findings are consistent with our wide experience of site-specific viability assessments across a variety of local authority areas. Schemes of this type are regularly supporting CIL payments alongside making some level of contribution towards meeting local affordable housing needs, although with viability regularly discussed and a variety of PDL scenarios the norm. Our experience and general wider practice has been that financial contributions are typically the mode of provision from such schemes, although this need not affect the policy starting point or mean that the policy scope should be restricted to this, particularly as different forms of development and tenure formats could become a part of the overall picture in the coming period, with a greater national level emphasis on and need for housing for the elderly.

#### **50 Flats** (Table 1i and 1i(i))

- 3.4.40 Referring back to the smaller flatted scenarios, these results overall follow a similar tone and in our view point to essentially the same influences and policy considerations being involved. This scenario envisages development at a larger scale, but in the HBC context not necessarily based on higher density or a very different form of development in terms of storey heights, etc.

- 3.4.41 Should different forms of development based on characteristics such as higher buildings, a reliance on basement car parking or other matters involving greater build costs, these could be considered further at the development management stage. However, the signs are and experience to date indicates that HBC values are unlikely to support such higher costs frequently.
- 3.4.42 It appears that any such schemes would be likely to come forward in or around the town or district centres in the Havant Borough context. Therefore, consistent with the above, the findings support the consideration of a reduced AH policy target for town centre development (compared with a higher general headline level for the borough) – suggested at 20% (compared with a more general suggested target level at 30% AH).
- 3.4.43 As noted previously, we also appraised a very similar scheme but assumed to include an element of studio flats, as an alternative trial – results at Appendix IIa Table 1j and 1j(i). Using the selected assumptions this produced lower RLVs and therefore apparent reduced viability prospects in theory, although with the results basically providing very similar overall patterns to those from the flats scenario tests as above. Continuing the high-level overview relevant to the Local Plan and CIL, the same findings are considered applicable, therefore – as per the 50 flats base tests (Table 1h and 1h(i)), and also consistent with the other flatted scheme scenario outcomes, as above.

**50 dwellings – mixed housing development** (Table 1k and 1k(i))

- 3.4.44 Here we consider PDL or potentially greenfield based estate housing type development.
- 3.4.45 In a greenfield setting, assuming typical enhancement to agricultural land value as discussed above, the indications are that lower values (at circa VL2) should be capable of supporting 30% AH with a CIL at least around existing charging levels (i.e. as indexed) and potentially higher.
- 3.4.46 For a PDL based scheme of this nature to support 30% AH with a CIL at around existing levels, it appears that values at approximately VL4 are likely to be needed. Higher values should support more development cost and / or (if needed) land value.

- 3.4.47 Whilst from the findings we would not rule out in excess of 30% AH being sought, to a maximum not exceeding 40%, the results suggest this could become marginal with lower than VL4 values; VL5 with similar to existing CIL charging.
- 3.4.48 Given the findings noted here again it appears likely that, generally, the AH policy headline at 30% rather than 40% is likely to be more suitable on balance, again perhaps subject to any subsequent review regarding currently emerging Government policy and potential revised tenure models (alternative housing mix views that may develop).
- 3.4.49 To continue our draft stage reporting point, the inclusion of the additional cost assumption representing the provision of car charging points for new dwellings (now a base assumption within all tests) makes only a marginal difference to development viability overall, based on the currently available information. The aspiration to seek the provision of these on new developments therefore appears realistic from a viability viewpoint providing that those are considered as included base costs in looking at cumulative viability impacts and, we suggest, that the aspirations on other costlier matters (e.g. affordable housing, CIL and accessibility (see below) are not set too high.

**50 dwellings – mixed housing development – with higher build cost assuming local policy on more stringent carbon emissions policy** (Table 1l and 1l(i))

- 3.4.50 This results set includes 6% added to the build costs in place of the base 2% for sustainability measures and may be compared with those in Tables 1k and 1k(i) as above.
- 3.4.51 Overall, the effect of this trial policy cost addition (amounting to an additional 4% on build costs) is to reduce the RLVs by up to around £200,000/ha (rough guide only) compared with their base levels.
- 3.4.52 Looking at the VL4 30% AH results, and where these approximately meet a BLV of £1.5m/ha for example (PDL site in higher value existing use than industrial), it appears that about £50/sq. m worth of CIL, perhaps more, needs to be traded-off to accommodate the added build cost and maintain a similar land value.
- 3.4.53 Although only modest in terms of most individual elements, other latest HBC positions/requirements have already added to the overall development costs. In our view this further testing suggests that HBC should not consider requiring this type of

measure in a rigid way applied to all sites for example, as that is likely to sometimes unduly impact lower value and PDL developments (potentially affecting the delivery other policy objectives). However, an aim to meet standards higher than current building regulations could be considered in a way that is encouraged. Usually there would be a greater level of potential to achieve some level of enhancements over base levels, such as this, on greenfield development sites (subject to national policy scope and guidance etc.) For this reason, the appraisal iterations for the Southleigh strategic site and the 560 dwellings typology (see below and results at Appendix IIb) include trial versions where this 6% addition to build cost has been tested. This area and its interaction with other policy areas could also be kept under review moving ahead.

- 3.4.54 These additional 50 dwellings tests suggest that an aspiration to secure greater than base level current building regulations carbon reduction standards is not ruled out on greenfield sites, in viability terms. As above, policy on this may also be dependent on the planning legislation/framework and guidance criteria. Overall, in any event, from a viability perspective a rigid policy approach resulting in currently significantly higher build costs is unlikely to be suitable in the HBC context.

**50 dwellings – mixed housing development – with higher than base assumptions on M4(2) and (3) (Table 1m and 1m(i))**

- 3.4.55 These results were included recently as additional “pressure tests” given the Local Plan Policy E7 supporting text and context at 3.1.8 and earlier above.
- 3.4.56 They, and indeed other potential M4 related combination iterations, may be considered by HBC. As expected, and as seen with the effect of the additional sustainable construction cost assumption in the previous paragraphs, added development costs over the base Local Plan related assumptions contribute to further reducing RLV results.
- 3.4.57 This is added build cost from another source but we consider that the same principle applies as noted above in respect of a more stringent carbon reduction policy. The initiative to seek a greater level of provision than strictly expected through the policy headline should not be ruled out, but is most likely to have some prospect of being viable and delivered on greenfield developments. Accordingly, we consider the Policy E7 and supporting test approach to remain appropriate from a viability point of view.

**100 mixed dwellings** (Table 1n and 1n(i))

- 3.4.58 Once again, this scenario has the potential to support 30% affordable housing along with a CIL similar to existing on a PDL site, assuming occurrence away from the town centres as appears most likely.
- 3.4.59 With a need again for this form of development to be potentially viable across a range of areas and site types, it appears that 40% affordable housing could again be unduly stretching viability in some circumstances – and especially with lower values.
- 3.4.60 Based on a mix of houses and flats the assumed development density is 55 d.p.h. A reduction of this assumption would be seen to reduce the viability results – effectively dilute the assumed value created over a larger land area needing to be purchased. The converse could apply too.
- 3.4.61 However, at greenfield enhancement land values (EUV+), the 30% AH and a similar to existing CIL looks to be supported by lower-end values – at say VL2. The use of higher sales values assumptions produces highly workable looking schemes assuming greenfield sites; and a range of viable scenarios at VL4 if PDL land values need to be met.
- 3.4.62 Unless occurring in a significant way in areas supporting VL4+ values, an alternative placing policy beyond 30% AH with a similar to existing CIL once again appears a potentially challenging set of ingredients to secure.

**350 mixed dwellings** (Table 1o and 1o(i))

- 3.4.63 Here we see a very similar and at least equally positive set of results overall, with the assumptions applied. A range of poor or negative results are seen related to VL1 and to a lesser extent VL2 values assumed. This also assumes mixed development of houses and flats, and therefore a development density at say 55 d.p.h. on the net (developable) area. As above, a downward adjustment to this assumption would have the effect of reducing the RLVE/Ha outcomes currently indicated.
- 3.4.64 However, this scenario is currently assumed and appraised as a potential larger but “non-strategic” greenfield release site – with appropriate land value considerations and development carrying the CIL charges together with a modest level of residual s.106 and other collective cost requirements – i.e. an equivalent approach to that



assumed for the smaller sites. This approach appears suitable as generally such a site would fall beneath the scale of development expected to support very large site-specific development mitigation and infrastructure costs (e.g. new school provision, link roads or similar).

3.4.65 Similar to the above, assuming a relatively straight forward scenario on these lines, this appears potentially workable with at least 30% AH.

3.4.66 However, that probably means assuming VL2+ values in order to maintain the CIL at current levels as indexed; with VL supporting reduced CIL scope at not more than approximately £80 to 100/sq. m after the albeit arbitrary buffering factor – as above.

3.4.67 Therefore, depending on the potential or likely location or range of locations and sites under consideration for such development, the probable sensitivity of the outcomes to lower or falling values may need to be considered as part of looking at relevance to policy proposals.

3.4.68 From the findings, again a 30% AH basis (rather than higher target) is very likely to provide a more readily achievable and viability responsive policy, also allowing scope for other costs and specifics to vary, but as usual the outcomes will vary with site-specific circumstances.

### **3.5 More on dwellings with higher access standards - Building Regulations Part M4(2) and (3)**

3.5.1 In terms of continuing to factor in the potential viability impacts of policies requiring enhanced accessibility standards with regard to Build Regulations Approved Document Part M4 (2) - Category 2: Accessible and adaptable dwellings - the base assumption (in all tests) is now 30% dwellings to M4(2) and at 50+ dwellings, 2% to M4(3).

3.5.2 We saw previously that with M4(2) extra-over costs included, there is a relatively minor impact on viability, viewed in isolation, although this was nevertheless noted to have an impact significantly greater than associated with the assumed costs of the electric car charging points or the similar cost associated with the Solent recreation Mitigation Strategy for example (allowed for at £500 and £564/dwelling respectively as base assumptions too).

- 3.5.3 All appraisals continue to also carry a £3,000/dwelling s.106 contingency in addition to these other matters and the CIL testing. The costs associated with the Solent Recreation Mitigation Strategy are therefore accounted for too, but nevertheless in our opinion HBC needs to take account of how these seemingly minor individual added costs areas can come together to add significantly to a growing cumulative costs impact. This again feeds back into making sure that AH requirements and CIL at levels that are too high. Care needs to be taken not to add unduly to the development costs overall.
- 3.5.4 We remain of the view, however, that at the HBC proposed policy levels, it is unlikely that the requirements on M4(2) and (3) would lead to a previously viable scheme becoming unviable, and the positions can be supported.
- 3.5.5 The assessment work continues to suggest that a firm requirement for M4(3) compliance at anything other than a nominal level on larger sites (say 50 units) may be going too far in viability terms. As above, this level of provision is now included within the new Local Plan policy (E7).
- 3.5.6 Councils considering policies also need to bear in mind that the additional M4(2) and M4(3) requirements are exclusive; no requirement or only one of these alternative optional standards may apply to a dwelling; not both. They are independent requirements.
- 3.5.7 For general information, DSP's still relatively early stages initial experience of some Councils' emerging approaches to these matters links them in some way to the affordable housing provision. In case of assistance to HBC, we are aware of emerging policies that align the M4(2) provision sought broadly to the affordable housing content of schemes (or to a similar overall proportion of dwellings) – i.e. seeking all or most affordable homes together with fewer market homes to be provided to meet M4(2), and perhaps also setting out a desire to have a small proportion of the affordable housing meeting M4(3). In our view such an approach would be consistent with our findings here (simply provided as an indication respecting the principles noted). From initial Examination stage engagements on these matters, we have also picked up what we think may be an understandable nervousness on the part of Examiners in some cases where the requirements affect all or a high proportion of new homes unless the locally available values and a wider range of scenarios supports the requirements.

- 3.5.8 Policies in these areas need to be considered in the context of the affordable housing (AH) % scope as discussed above. For example, these factors, and effectively leaving some potential flexibility for a range of other / newly identified costs, could also further fit with the case for setting affordable housing policies and CIL charging rates at levels within their potential maximums that may be achievable in only particular circumstances within a borough such as this – i.e. supporting some relatively modest sales values and, overall, a mixed viability picture. On final assessment checking, we consider that the HBC approach within the new Local Plan should mean that an appropriate balance between and across the various objectives can be achieved.
- 3.5.9 In all respects, we repeat the theme that the Council needs to bear in mind the cumulative or collective impact of policy on development viability when looking at policy requirements, and also take into account whether the need for the policy can be shown. It is important that the basis for the percentage requirements or other criteria be evidenced in needs, rather than based on viability alone.
- 3.5.10 Alongside the viability implications, we are of the view that other factors on practical aspects and the workability of policies are also relevant here.
- 3.5.11 On this, numbers rounding and the “product” of the calculation of dwelling numbers and policy percentage appears potentially relevant, just as it does in the context of affordable housing policy considerations and on-site provision. In our view a planning authority should also be mindful of the potential combination of requirements and property types sought on a development, bearing in mind that the key to delivery will be the market and the need to have scope to produce a reasonable number of properties unfettered by various use / type restrictions (thinking here of the unit numbers available after considering affordable housing (as possibly expanded to include new forms under the White Paper), potentially self-build (see below) and enhanced accessibility. As discussed, some of these requirements do overlap – a development may be expected to include a range of them, affecting delivery across a large proportion of the site.

### **3.6 Dwelling sizes – Nationally Described Space Standard**

- 3.6.1 At the first stage of setting assumptions (for draft reporting), there was no emerging new / provisional draft policies set to consider. However, we understood at the time

that HBC would probably look to include the national standard within its policies or seek to guide development with reference to it.

- 3.6.2 On this basis, and for the Council's information, dwelling sizes meeting this standard have been assumed throughout. This approach has been carried through the assessment to the final stage review and reporting. Therefore, the above and wider reporting – including the viability findings and recommendations – reflects this across the assessment. The findings indicate scope to support the use of the standard (across all new dwellings) if it is appropriate locally – the needs are evidenced and the approach is to be required or encouraged here.
- 3.6.3 In our experience so far, this base assumption typically has only a very small negative impact on viability and is more of an early stage planning and design consideration rather. It should not be an obstacle to viability. In any event, the assumptions cater adequately for the usual affordable housing dwelling size requirements of the relevant providers.
- 3.6.4 This information is provided from a viability viewpoint only. We have not considered the needs aspects.

### **3.7 Sustainable construction – Energy Efficiency**

- 3.7.1 The same applies at this stage to the sustainable construction based assumptions. We have assumed all dwellings built to (former) Code for Sustainable Homes Level 4 equivalent standards under the Building Regulations – for energy and water usage efficiency.
- 3.7.2 With the 2% effective additional contingency added to the base build costs in all appraisals, and so considered as part of the collective costs burden in looking at other key policies impacting viability the most – particularly on affordable housing, this means that appropriate standards have been allowed for in this respect.
- 3.7.3 We have also commented (above, at 3.4.54 and associated paragraphs) that an additional 4% to build costs (6% added in total) representing a 19% reduction on building regulations levels carbon emissions appears likely to overstretch viability in some cases alongside the collective wider requirements, if considered as a fixed requirement. However, as above, this need not be ruled out if viewed in more of an

aspirational way and most likely / frequently then allied to greenfield development considerations.

### **3.8 Self / Custom-build**

3.8.1 As has been noted through the preparation of the methodology and assumptions reporting above, we consider that it should be possible to viably accommodate an element of serviced, ready to develop, self-build plots as part of larger scale development – subject to monitoring of demand which we understand can be highly variable from area to another. From initial consideration of such potential policies, it appears likely to remain a profitable aspect of the overall development activity and have a broadly neutral effect on viability provided there are not too many restrictions on its workings.

3.8.2 We are of the view that capacity and viability are more likely to vary in relation to particular allocations or larger sites. Again, specific thresholds or cut-offs are difficult to identify. As an indication, and unless on specifically allocated and tailored smaller sites intended for this form of development (if infrastructure provision / development mitigation can be overcome) it appears likely that up to say 10% of plots on larger schemes (of say 50 to 100 dwellings minimum) might represent a potentially workable maximum from a practical and market point of view. This relates also to the points made above about considering a reasonable quantum of relatively “unfettered” outright market development being possible on sites with affordable housing and other policy requirements also coming together. Again, there are emerging examples of such policies that may be of interest to HBC.

### **3.9 Strategic development – Southleigh**

3.9.1 As outlined above, subsequent to our earlier phase review work to draft report stage, HBC asked DSP to include the high-level consideration of this development within this assessment, for consistency.

3.9.2 The assumptions used for this aspect of the assessment are included within Appendix I; including many in common with the wider site typologies but in combination with a range of bespoke appraisal inputs. The appraisals used the same residual land valuation principles, but as above the results (Appendix IIb Table 2a) show the potential funds (likely maximum levels in indicative total and £/dwelling terms)

available to support costs e.g. s.106 obligations beyond those currently accounted for (estimated, with information largely supplied by HBC).

- 3.9.3 Depending on the combination of assumptions (30%/40% AH; A27 connection at c. £18m included/excluded; assumed land value level (BLV) varied; added 6% build cost re sustainability included/excluded) the indicative surplus levels are seen to vary from £0 to approximately £24,000/dwelling equivalent.
- 3.9.4 The results indicate in our view reasonable prospects for the viability of the scheme, with the Council again able to consider the types of “trade-offs” that are likely to need looking at.
- 3.9.5 It appears for example that the effect of increasing from a 30% to 40% housing content could “cost” approximately £7,000/dwelling across the scheme i.e. reduce the available surplus level by approximately that degree.
- 3.9.6 We can also see that the indicative surplus is completely eroded by the time we allow for the highest cost assumptions combination considered here to date – i.e. 40% AH; A27 link and junction cost included; increased sustainability i.e. with +6% to base build cost); higher land cost estimate as per our suggested prudent £250,000/ha BLV for this assessment purpose. This also illustrates how additional costs that are currently unknown could significantly affect viability, and shows the need to allow for some tolerance meaning that there remains better scope for accommodating schemes values and costs movements.
- 3.9.7 Overall the scheme review suggests that there should be reasonable prospects of viability, although we suggest that again the current pointers are towards an affordable housing approach seeking closer to 30% AH, and probably not up to 40% AH. This should mean support scope for an appropriate range of planning requirements.
- 3.9.8 At this still fairly early stage in the overall life of such a proposal, there are many unknowns and consequently a lot of assumptions necessarily being made. This is not unusual.
- 3.9.9 Our current overview of the likely potential is the scenario that assumes the higher BLV, includes 30% AH and the A27 junction works but has no additional construction

sustainability cost reflected (i.e. +2% as per base) could be the most representative. This produces an indicative surplus of about £9,000/dwelling equivalent overall (rounded figure) and this may give the Council a reasonable marker for the type of outcomes that could be seen. As a likely maximum we can see that the lower BLV supports a surplus at about double this level; approximately £19,000/dwelling. This scenario testing can be used by the Council in conjunction with its developing picture on infrastructure requirements, and this viability overview could be revisited as more becomes known about the scheme and what is needed to support it. Overall, in our view at this stage, this suggests that as has been noted above, a rigid policy expectation at more than the base assumptions policy levels of M4(2) and (3) and sustainable construction (carbon reduction) may have too great an impact on viability. Accordingly, revisiting these aspects in this context again suggests that the Council's base positions, allied with higher aspirations where workable, appears to represent a suitable approach.

- 3.9.10 In our experience of both strategic level viability assessments and viability reviews related to planning application stage submissions on large sites such as this, by the time the very extensive site enabling / opening-up works and site-specific mitigation and infrastructure works costs are allowed for, these site characteristics most frequently warrant a bespoke treatment for CIL purposes.
- 3.9.11 This generally means a zoned approach overall, including a nil-CIL rating (£0/sq. m) treatment for strategic sites. The appraisals show that in HBC's case this is likely to be necessary in respect of the single strategic site at Southleigh given the current stage appraisal surplus levels indicated for s.106 and any other currently unknown costs – prior to allowing for the CIL.
- 3.9.12 On this basis, s.106 becomes the route through which the obligations necessary to permit the scheme are secured and can be negotiated with the benefit of flexibility, ability to consider relative priorities and then the scope to more closely control the delivery of the specifically needed infrastructure.
- 3.9.13 Based on the currently available information, our review and appraisals suggest that it would be appropriate to apply the prevailing CIL charging rate (as indexed) to all other housing development schemes. This includes any developments represented by the larger (but non-strategic) typologies within the range coming forward, which at this



stage are not schemes expected to need to provide new on-site education or other specific and particularly costly planning infrastructure.

### **3.10 FINDINGS REVIEW – Commercial / non-residential scenarios (Appendix IIc)**

3.10.1 Our assessment work on the review of commercial and non-residential development has focused on our typical approach to CIL viability, again using an established approach to apply the same principles as use in the residential assessment aspects.

3.10.2 As is generally the case (i.e. is not Havant Borough specific) the scope of policies relating to residential development are the key areas where an individual planning authority can have a significant influence over matters effecting viability – directly through policy selection.

3.10.3 The same does not apply to a significant extent in respect of all other forms of development, including for employment and commercial use.

3.10.4 In respect of other development, it appears more to be case of working with the market, being open, incentivising and engaging with development interests as far and productively as possible – aiming to review and promote or protect / select the most appropriately and accessible sites for relevant uses, seek necessary development that also meets other strategies and policies, and so on.

3.10.5 Unfortunately, it is necessary to acknowledge that, particularly when viewed in terms and using assumptions appropriate to strategic level local authority viability work, viability for many such forms of development looks likely to remain challenging.

3.10.6 However, this does not necessarily mean that suitable schemes will not come forward. Generally, it suggests though that the Council should look to proceed in a way that presents to the market and requires the least controlling policy intervention and additional development cost measures over and above usual planning and design criteria, including national base standards.

3.10.7 Unless there are particular additional review requirements relevant to the overall Plan delivery and further policy positions and proposals that become available for review, the best indications as to the viability of commercial and non-residential development in the borough (as may also be relevant to overall Plan delivery) will be gained from reconsidering the viability scope for such developments to support the CIL.

- 3.10.8 In terms of non-residential development uses, the HBC adopted CIL included positive charging rates only for 'Out of centre retail > 280 sq. m at £80/sq. m' and Out of centre retail < 280 sq. m' at £40/sq. m. These rates have been indexed in accordance with standard provisions, as noted above. Town centre retail, Hotel, Industrial/Offices and Community Uses are rated at £0/sq. m (nil-rated).
- 3.10.9 Since the Council's CIL charging schedule was implemented in May 2013 and informed by information pre-dating that, we prepared up to date assumptions (as noted in Chapter 2 above and at Appendix I) and ran new appraisals. These used scenarios and assumptions discussed with HBC as potentially relevant locally and also representing broadly the same development use types as reviewed for the adopted charging schedule. Appendix III together with the Co-Star database extracts to the rear of that outlines the information reviewed on values, using a similar approach to the residential assessment work. This allowed us to reflect how the development values and costs relevant to any key development forms such as employment (B uses) and retail (A uses) have changed over the intervening period.
- 3.10.10 This full review approach based on new appraisals was progressed rather than a light-touch research based review, because HBC is considering commencing and consulting on a formal review of its CIL charging schedule.
- 3.10.11 Pending any such further work to be added to the information available to the Council, we have included latest accessible commercial market and values data to the rear of Appendix III to this report (sourced from Co-Star).
- 3.10.12 In the meantime, as noted above there may be some aspects of strategy that HBC can usefully consider in looking further at its wider evidence such as on the local economy and employment land need and supply, for example.
- 3.10.13 The future direction of the commercial market following the decision to leave the EU, and indeed subsequent / ongoing discussions, remains uncertain.
- 3.10.14 Similar uncertainties were noted earlier in the report in respect of the varied potential outcomes for build cost trends.
- 3.10.15 As above, in looking at commercial property development at present, in many instances we must acknowledge the probable short-term challenge around delivery of significant new development, and particularly on a speculative basis.

3.10.16 We expect that the Council's policy set will continue to develop themes of promoting and encouraging development focused on improvements to the offer presented by Havant and Waterlooville town centres as well as other district and local centres including Leigh Park and others that serve a more localised catchment through neighbourhood shopping etc.

3.10.17 The Council's current CIL 'Map Booklet' dated September 2012 includes the following:

Town Centres:

- Havant;
- Waterlooville;

District Centres:

- Cowplain;
- Emsworth;
- Leigh Park;
- Mengham/Gable Head<sup>21</sup>;

Local Centres:

- Bedhampton;
- Crookhorn;
- Grassmere;
- Hambledon Road;
- Middle Park Way;
- Milton;
- Rails Lane;
- Purbrook;
- West Town;
- Widley

3.10.18 In our wide experience of CIL viability, generally poor viability or at best mixed results tend to be seen from most test scenarios other than those representing certain forms of retail development.

3.10.19 Usually we find that this is especially the case for most of the B (business/employment) use class types. As noted, such outcomes do not necessarily mean that development will not be delivered through flexibility in development appraisal inputs and negotiations – factors that we cannot assume in prudently assessing viability for informing Local Plan development and CIL setting purposes.

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<sup>21</sup> Note that Gable Head is proposed to be downgraded to a Local Centre in the Local Plan  
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3.10.20 Provisionally, therefore, we were of the opinion that the previous themes identified through the Council's available evidence for its adopted CIL were likely to remain largely valid. To test and fully inform HBC's positions moving ahead, however, the following commentary runs through our appraisal results (which have not been further revisited to final report stage) – considered here by development use type.

#### **A1 – Large format retail**

3.10.21 Following both HBC's existing CIL formulation approach and DSP's established, also tested route to considering the viability for CIL of various forms of retail development, these units are typically for retail warehousing or foodstores and are readily definable as such. They also clearly exceed the Sunday Trading related sales floor area threshold (at 3,000 sq. ft. / approx. 280sq. m), which represents a clear differential point for CIL charging, as a secondary measure / form of clarification alongside the large format retail use type.

3.10.22 These large retail units, remain amongst the most clearly viable forms of development and should be able to support CIL charging if they continue to come forward.

3.10.23 Recent experience in the borough appears to have demonstrated this, with very recent additions having been completed and quickly occupied at the Wellington Retail Park in Waterlooville and particularly notably at the Solent retail Park in Havant. It appears to be the case from our review of those areas and maps that those locations are now fully developed. They appear unlikely to accommodate additional development in the short term at least.

3.10.24 Should any further development of these types occur, our relatively strong viability findings suggest that they could comfortably absorb a CIL charging rate of £100/sq. m plus and as an option this could be set to match or broadly match the higher residential rate (as now indexed) to about £125/sq. m.). The results at up to a c. 6% yield, which is likely to be less positive than relevant in the market at this stage, indicate that CIL could be taken well beyond the maximum tested rate of £160/sq. m and the RLVs remain in excess of the highest BLV, so that scope for considerable buffering exists.

3.10.25 So this position and recommendation essentially represents a continuation of the current HBC charging approach – no more significant change suggested. However, it appears that with the established provision of larger format retail in the borough, especially as recently expanded, that this could be a rather theoretical element of the

charging schedule that may be unlikely to yield any significant CIL income in the coming years.

- 3.10.26 On this basis, we suggest that a straight-forward approach could be taken by HBC – i.e. to differentiate only for retail in respect of its type in this way. This links also to our findings and recommendations in respect of other forms of retail – more on this follows.

**Small retail units – borough-wide**

- 3.10.27 The town centre retail test outcomes appear strong using the more positive values assumptions combinations – e.g. ‘M’ or ‘H’ rent tests with 5% yield; ‘H’ rental assumptions in combination with not higher than a say a 6% yield. However, these scenarios are seen to be highly sensitive to less positive values assumptions, and this indicates that they are also likely to be highly sensitive to any increased development costs.
- 3.10.28 Having taken a relatively positive approach to the town centre retail assumptions to test the points at which viable looking scenarios may be created, our overview is that a lower or nil CIL charging rate would be appropriate for any developments within the town centre boundaries – i.e. continuing the adopted charging schedule approach.
- 3.10.29 Looking at our 3<sup>rd</sup> row of results also representing smaller shops development, the same clearly applies to those using current assumptions. Out of centre smaller shops development currently carries a CIL charge based on the 2013 adopted rate of £40/sq. m. According to the Council’s CIL Officer, there had only been two retail schemes to the point of our draft stage work which have incurred CIL. These were both large out of centre retail developments. HBC could re-check this position for context.
- 3.10.30 In any event we recommend consideration of a nil-rate (£0/sq. m) for all such developments, as it appears highly possible that CIL charging could have a potentially detrimental effect on the viability of any new local shops provision; contrary to the Council’s continued approach to supporting the vitality of the various levels of centres in the borough and potentially encouraging any new provision associated with the Local Plan housing growth.
- 3.10.31 There is an option for HBC to continue charging as it is, if this has proved workable and positive in both CIL income and scheme delivery terms, and the Council could consider

this bearing in mind the viability assessment findings to not need to be followed exactly.

- 3.10.32 Approached in this suggested way, however, the HBC CIL would be simplified compared with the existing approach on retail, with only the larger format developments positively charged, should any more of those come forward. If anything, looking ahead this appears more likely in an out of town context, so would be consistent with the effect now, post completion of recent developments, of the existing CIL impact on such developments.

#### **Further background – Retail**

- 3.10.33 In the event that the Council decides, on balance, to run with a differential approach to setting CIL charging rates for retail development, there are particular considerations to be aware of. This is primarily because it is necessary to set out clearly how the differentiation is set up and described. A differential approach needs to be based on viability evidence, as included within this report and appendices. It follows that reduced evidence ought to be needed to support an approach involving no or limited differentiation, moving back towards the intended nature of a CIL originally perhaps (before the scope were introduced to differentiate by scale of development, and the exceptions/reliefs were fewer, for example)
- 3.10.34 DSP has experience of both single and differential CIL charging rates approaches for retail development. However, as a high-level outcome the general viability variation between larger (retail warehousing and supermarket type) and smaller retail formats identified here is consistent with most of our previous and wider work on CIL viability, as well as with the findings of other consultants engaged in similar work in many cases.
- 3.10.35 Developing the outline above, the further information on retail in this sub-section is provided for completeness and background at this stage; it provides further insight for use by HBC if a differential approach is considered relevant, bearing in mind the LP context around the types of development planned, in particular, and coming forward more generally in ways that support the plan policies.
- 3.10.36 Potentially the following factors are to be considered. This applies to all retail scenarios (across Use Classes A1 – A5; i.e. also covering food and drink, financial services, etc.).

- 3.10.37 In practice, the “churn” of and adjustments to existing shop units or conversions from other uses may provide much of the new smaller shops provision. HBC may wish to consider the extent to which CIL liable new builds may occur.
- 3.10.38 The extent to which retail of any form is overall plan relevant. If certain or all forms are likely to be coming forward on an ad-hoc basis only (i.e. outside the plan policies scope) then potentially it may be considered that any non-viability of individual schemes is not critical under the CIL principles
- 3.10.39 No or limited / uncertain overall plan relevance of a certain development use type would also suggest the prospect of a low level of increase in CIL receipts compared with either setting a nil CIL or not pursuing CIL at the current stage; or a low level of receipts impact compared with setting a higher, more viability impacting charging rate.
- 3.10.40 In any event, as part of considering the impacts of any CIL proposals (both positive and negative), the Council may also wish to consider the relevance of any unintended consequences for other forms of development, such as smaller shops in the various centres and other individual or small groups of shops. Overall, our understanding with regard to this borough area is that this range of retail uses is probably the key factor to which any approach to CIL and / or s.106 planning obligations needs to respond – in order to support the likely more general LP positions on retail, perhaps, as well as particular higher value proposals.
- 3.10.41 Following adjustments made to the regulations, charging authorities have for some time been able to set differential CIL rates by reference to varying scale of development as well as varying development use (as has been noted above, for example, in relation to residential development). DSP’s experience is that differentiation has been possible - as well as most clearly justified and described -based on scale where that relates to varying development use (i.e. retail offer, site and unit type, site etc. associated with that). The difference between larger and smaller format retail can be clearly defined for these purposes, as has been successfully done across a range of assessments and charging schedules in the last 5 years since the early period of CIL viability assessment; with type the key differential and size a secondary factor relating to scale but acting as a further way of clarifying the differentiating factors.
- 3.10.42 Looking at size of unit only (i.e. an approach led by or relying solely on different scales of development) can be problematic or lead to inequities in our view. DSP’s experience is such that a retail use does not necessarily change characteristics in any readily



determinable way at any specific floor area point other than that determined by the Sunday Trading provisions. We consider that unless a prospective charging authority has particular planning policies that influence viability (i.e. cause switch points in viability) either side of a certain floor area, the floor area based provisions relating to Sunday trading continue to provide the only clear unit size linked switch in viability, bearing in mind that a particular floor area figure needs to be in place to create a viability threshold.

- 3.10.43 Since altering the assumed floor area to any point between say 200 and 500 sq. m would not trigger varying values or costs at this level of review, basically the reported values / costs relationship stays constant. We do not see viability prospects varying as we alter the specific floor area assumption over that range, but assume development for the same use type (same type of retail offer). This means that the outcomes for this scenario (as for many others) are not dependent on the specific size of unit alone.
- 3.10.44 We find the same at other unit size assumptions. In essence, to support a CIL differential at an alternative threshold point it is necessary to show a distinct change in viability, which would come from different appraisal inputs applying at a particular point – whether at 500, 1,000, 2,000 sq. m or indeed any particular unit size. So, the same applies on altering the high-level testing for floor area variations on supermarkets or similar; the use type does not switch at particular points so that selection of thresholds for the varying scale of development could be arbitrary. This in itself could create inequity. In each case, unless viability were found to be different either side of any such point (a particular floor area figure), in our view and experience it would not be appropriate to differentiate.
- 3.10.45 The key factor differentiating the smaller types of retail scenarios that we refer to from the larger ones is the value / cost relationship related to the type of premises and the use of them; they are simply different scenarios where that relationship is not as positive as it is in respect of larger, generally out of town / edge of town stores. Specific floor area will not in itself produce a different nature of use and value / cost relationship unless applied in relation to the Sunday Trading provisions so far as we can see. Related to the opening hours available to an operator, these provisions create a clear threshold and at that a clear differentiator – based on sales area of less than 3,000 sq. ft. (approx. 280 sq. m).
- 3.10.46 To reiterate, in our view any differentiation is more about the distinct development use – i.e. the different retail offer that it creates and the particular site type that it

requires, etc. The description of the use and its characteristics may therefore be more critical than relying simply on a floor area threshold or similar. The latter could also be set out to add clarity to the definition and therefore to the operation of a charging schedule in due course, however.

- 3.10.47 In case of assistance in this respect, DSP has worked with a number of authorities on the details of these aspects. As an example that considered and established this principle, the adopted Wycombe DC CIL Charging schedule included wording clarifications, in the form of footnotes to assist with the definitions of the chargeable retail use types, put forward by that Council and accepted by the Inspector at Examination, as follows:

<sup>1</sup> Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.

<sup>2</sup> Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for mainly car-borne customers.

- 3.10.48 So, to recap, only if differentiating between these smaller and larger retail formats, we consider that creating a link with the size of sales floor space associated with the Sunday Trading provisions (3,000 sq. ft. / approx. 280 sq. m) may provide the most appropriate threshold as a secondary measure to the development use description that is the most relevant factor in both creating and describing the viability differential. Such an approach may not be relevant here. However, drivers towards this approach in some locations may be the overall plan relevance of different types (as new builds or larger extensions of over 100 sq. m triggering CIL liability) and any concerns over added development risk to smaller shops provision associated with adopting a single rate at too high a level. This approach to setting up a differential approach to CIL charging for retail development assumes the threshold being used for clarity and to further explain the nature of the development use that the viability and a charging rate differential is linked to if CIL is pursued.

- 3.10.49 There are a range of retail related uses, such as motor sales units, wholesale type clubs / businesses, which may also be seen locally, although not regularly as new builds because these uses often occupy existing premises. Whilst it is not possible to cover all eventualities for ad hoc development, and that is not the intention of the CIL principles, we consider that it would be appropriate in viability terms to also link these to the retail approach that is selected based on the main themes of plan delivery, all as above.

3.10.50 Similarly, we assume that where relevant any new fast food outlets, petrol station shops, etc., provided for example as part of large retail developments, would be treated as part of the retail scheme.

3.10.51 Other uses under the umbrella of retail would be treated similarly too. Individual units or extensions would be charged according to their size applied to the selected rate as per the regulations and standard charging calculation approach.

#### **Office developments (B1(a))**

3.10.52 In common with our and others' typical findings across similar assessments covering a wide range of areas, we have found office developments insufficiently viable to support CIL charging.

3.10.53 Some positive RLVs are seen at the highest rent and most positive yield tests, but in those cases involving a more optimistic than necessarily secure yield assumption in combination with that.

3.10.54 As per the adopted charging schedule, we need to recommend a nil charging rate (£0/sq. m) applicable to any office developments on a borough-wide basis.

#### **Industrial / warehousing (B1, B2, B8)**

3.10.55 Although we regard Havant Borough as a more established location for such uses compared with offices, again based on researched assumptions appropriate for the assessment purpose these appraisals are some way short of displaying viability outcomes sufficient to support CIL charging.

3.10.56 Again, as per the adopted CIL charging schedule, at this time we need to recommend a nil charging rate (£0/sq. m) applicable to any office developments on a borough-wide basis.

#### **Hotels (C1) and Care Homes / similar (C2)**

3.10.57 The hotel test scenarios show insufficient viability to support CIL charging across the board, using values and cost assumptions considered to be appropriate for the Havant context.

- 3.10.58 Whilst the Care Home (nursing homes) tests returned a range of positive results, we consider these to be similar in nature to the town centre retail appraisal outcomes – i.e. relatively insecure and very sensitive to the values assumptions reducing and /or development costs increasing.
- 3.10.59 The effect of an increasing yield % assumption, reducing the capitalisation of the assumed rental income levels, is to reduce the positive results scope to only the ‘H’ rents by the time a 6% yield is considered (see Table 3c at Appendix IIc).
- 3.10.60 This also appears consistent with the adopted charging schedule approach, which also notes that extra care housing is excluded from the residential rate charging scope – assumed to fall within use Class C2, although HBC may wish to consider these definitions and details because often the distinction between C2 and C3 is difficult to establish and clearly set out.

**Housing for the elderly – Care based development provision (C2) compared with retirement living/sheltered (C3)**

- 3.10.61 In looking at residential development, consistent with our wide experience of CIL viability, rates setting and site-specific viability review workload to date, we noted above that we would recommend that no differentiation be made for market provided sheltered housing or similar developments. Whilst such schemes involve the costly construction of much larger non-saleable proportions of overall floor area (communal space) and need to be reviewed with particular assumptions (appraisal adjustments) that we have reflected, they also have some balancing viability characteristics. These include typically achieving premium sales values, having higher densities and reduced external works.
- 3.10.62 These schemes are in our view part of the wide spectrum of market housing. In our experience, both where a CIL is operational and without CIL, commercial negotiations tend to take place in respect of affordable housing contributions on such developments. As with all other schemes, that and other aspects of negotiation have the capacity to deal with viability issues where the collective costs cannot all be carried by a scheme, and a site-specific viability appraisal (planning applicant submission) and review investigates that.

- 3.10.63 Affordable sheltered housing (within C3) and nursing / care homes (C2 uses) will be exempt from CIL charging through the regulations.
- 3.10.64 Within the wide range of potential formats of accommodation for the elderly, there is very likely to be a range of scheme types coming forward. These may fall within C3 (e.g. an 'Extra-Care' scheme that is primarily residential, but where varying degrees of support may be additionally available); or C2 such as care / nursing homes and other facilities where the occupants are residents but the primary function and reason for development is the provision of care; a care-led rather than residential-led scenario. It is possible that the determination of the relevant planning Use Class may be difficult in some situations, and likely that this will need to be considered on a scheme-by-scheme basis.
- 3.10.65 In the case of the development of accommodation providing care as its primary function (usually within Use Class C2), our understanding is that this would not carry the usual affordable housing policy requirements. This in itself provides a significant viability boost compared with a scheme that may share at least some other characteristics and be broadly similar in development and construction terms, but also need to support affordable housing. However, accordingly the appraisals do not reflect an AH content within such schemes, and on this basis (0% AH) they indicate the above noted mixed results as the values assumptions change; leading to a nil £/sq. m) CIL recommendation to HBC.
- 3.10.66 The reviewed charging schedule should, however, seek to set out the Council's intentions these various forms of development are to be treated, including descriptions where needed for clarity. The key distinction, in our view, relates to the accommodation being care-led as opposed to housing-led, making the latter part of the wide spectrum of housing provision.

#### **Purpose built students' housing**

- 3.10.67 We were asked to consider this development typology by HBC and are aware that in locations of strong demand, this offers very strong investment prospects – represented by a low, positive yield assumption that means a high capitalisation of the rental assumptions.
- 3.10.68 Although once again highly sensitive to the yield assumption selected, assuming demand were to exist and drive viability to support the progression of a scheme or

schemes locally, our experience and view is such that this form of development would be underpinned by a low yield % assumption (at 5% or potentially lower).

- 3.10.69 This would support CIL charging at a level around that suitable for typical to higher value residential development in the borough – so around the adopted (as indexed) higher residential rate; circa £125/sq. m. The scenario type is assumed to trigger and contain no affordable housing requirement; a significant positive viability influence.

#### **Other development uses**

- 3.10.70 As a regular component of our CIL viability assessment work, we consider a range of other development uses – their likely viability.
- 3.10.71 So, in common with most of our other CIL studies, we have also carried out some initial high-level consideration of other development uses such as leisure (e.g. bowling / fitness / gym) or other D class elements such as health / clinics / nurseries etc.
- 3.10.72 Bearing in mind the key development value / cost relationship that we are examining here, we find that it is not necessary to carry out full appraisals of these because a simple comparison of the completed value with the build cost indications from BCIS (before consideration of other development costs) points to poor to (at best) marginal development viability. This one of the key reasons why these forms of development are generally not seen stand-alone, but tend to be provided as part of mixed use schemes that are financially driven by the residential and /or retail development.
- 3.10.73 Much the same applies to elements such as health / clinics and other similar, more community oriented development.
- 3.10.74 Following our extensive iterative review process, throughout this assessment we can see that once values fall to a certain level there is simply not enough development revenue to support the developments costs, even before CIL scope is considered (i.e. where adding CIL cost simply increases the nominal or negative numbers produced by the residual land value results – makes the RLVs, and therefore viability prospects, lower or moves them further into negative).
- 3.10.75 In such scenarios, a level of CIL charge or other similar degree of added cost in any form would not usually be the single cause of a lack of viability. Such scenarios are generally unviable in the sense we are studying here – as a starting point. This is

because they have either a very low or no real commercial value and yet the development costs are often similar to equivalent types of commercial builds. We regularly see that even the build costs, and certainly the total costs, exceed levels that can be supported based on any usual view of development viability. These are often schemes that require financial support through some form of subsidy or through the particular business plans of the organisations promoting and using them.

- 3.10.76 As will be seen below, there are a wide range of potential development types which could come forward as new builds, but even collectively these are not likely to be significant in terms of “lost opportunity” as regards CIL funding scope. We consider that many of these uses would more frequently occupy existing / refurbished / adapted premises.
- 3.10.77 A clear case in point will be community uses which generally either generate very low or sub-market level income streams from various community groups and as a general rule require very significant levels of subsidy to support their development cost; in the main they are likely to be a long way from producing any meaningful CIL funding scope.
- 3.10.78 There are of course a range of other arguments in support of a distinct approach for such uses. For example, in themselves, such facilities are generally contributing to the wider availability of community infrastructure. They may even be the very types of facilities that the pooled CIL contributions will ultimately support to some degree. For all this, so far as we can see the guiding principle in considering the CIL regime as may be applied to these types of scenarios remains their viability as new build scenarios.
- 3.10.79 As a part of reviewing the viability prospects associated with a range of other uses, we compared their estimated typical values (or range of values) – with reference to values research from entries in the VOA’s Rating List and with their likely build cost levels (base build costs before external works and fees) sourced from BCIS. As has been discussed above, where the relationship between these two key appraisal ingredients is not favourable (i.e. where costs exceed or are not sufficiently outweighed by values) then we can quickly see that we are not dealing with viable development scenarios. The lack of positive relationship is often such that, even with low land costs assumed, schemes will not be viable. Some of these types of new developments may in any event be promoted / owned by charitable organisations and thereby be exempt from CIL charging (as affordable housing is).
- 3.10.80 On this basis, Figure 9 below provides examples of this review of the relationship between values and costs - in a range of these other scenarios. This is not an exhaustive



list by any means, but it enables us to gain a clear picture of the extent of development types which (even if coming forward as new builds) would be unlikely to support CIL funding scope so as to sufficiently outweigh the added viability burden and further complication within any local CIL regime. These types of value / cost relationships are not unique to the Havant Borough area at all. Very similar information is applicable in a wide range of locations in our experience, although the largely urban nature of this authority area increases the relevance of certain types of development uses and therefore the potential need to ensure that any essential delivery is not undermined. (See Figure 9 below – following page).

Example development use type	Indicative annual rental value (£/sq. m)	Indicative capital value (£/sq. m) before sale costs etc.	Base build cost indications –BCIS**	Viability prospects and Notes
Cafés	£140 - £370 per sq. m.	£1,400 - £3,700 per sq. m.	Approx. £2,240 - £2,950	Insufficient viability to clearly and reliably outweigh the costs
Community Centres	£50 - £80/ per sq. m.	£500 - £800 per sq. m.	Approx. £1,780 - £2,550	Clear lack of development viability
Day Nurseries (Nursery School /Creches)	£80 - £150 per sq. m.	£800 - £1,500 per sq. m.	Approx. £2,000 - £2,840	Insufficient viability to clearly and reliably outweigh the costs
Garages and Premises	£40 - £60 per sq. m.	£400 - £600 per sq. m.	Approx. £580 - £1000	Low grade industrial (B uses) - costs generally exceed values
Halls	£20 - £40 per sq. m.	£200 - £400 per sq. m.	Approx. £1,860 - £2,475	Clear lack of development viability – subsidy needed
- Community Halls				
Leisure Centre - Health and Fitness (Sports Centres/ recreational centres) generally	£60 - £80 per sq. m.	£600 - £800 per sq. m.	Approx. £1,470 - £1,950	Likely marginal development viability at best - probably need to be supported within a mixed use scheme; or to occupy existing premises
Leisure Centre Other - Bowling / Cinema	No information available		Approx. £1,300 - £2,160	Likely marginal development viability at best - probably need to be supported within a mixed use scheme; or to occupy existing premises
Museums	No information available		Approx. £1,200 - £3,860	Likely clear lack of development viability – subsidy needed
Storage Depot and Premises	£40 - £80 per sq. m.	£400 - £800 per sq. m.	Approx. £,100 - £1,475 (mixed storage types to purpose built warehouses)	Assumed (generally low grade) B type uses. Costs generally exceed values - no evidence in support of regular viability.
Surgeries	No information available		Approx. £1,860 - £2,430 (Health Centres, clinics, group practice surgeries)	Insufficient viability to clearly and reliably outweigh the costs based on other than high-end looking value assumptions.

\*£/sq. m rough guide prior to all cost allowance (based on assumed 10% yield for illustrative purposes - unless stated otherwise).

\*\*Approximations excluding external works, fees, contingencies, sustainability additions etc.

\*\*\*BCIS Latest available data average of Havant Location Factor

- 3.10.81 Our recommendation is for the Council to consider a continuation of its current nil (£0/sq. m) rate in respect of a range of other uses such as included within the above table. As in other cases, this could be further reviewed in future - in response to monitoring information.
- 3.10.82 Our overriding view at the current time is that the frequency of these other new build scenarios in general that could reliably support meaningful CIL scope in the borough area is likely to be very limited.
- 3.10.83 In addition to seeking to ensure that the approach to planning obligations (including any future CIL) does not add unduly to the viability pressures uncertainty to potential investment, the Council could consider the following types of areas and initiatives (outside the formal scope of the brief for this assessment, but put forward purely as practical indications in relation to the more general Local Plan delivery considerations on commercial / employment and non-residential development uses):
- Consideration of market cycles – plan delivery is usually about longer term growth as well as short term promotion and management of growth opportunities that will contribute to the bigger picture;
  - Work with the market – be responsive etc. as suitable opportunities are identified;
  - Regenerate / improve and protect key existing employment areas;
  - Provide land where assessed to be most needed;
  - A choice of sites and opportunities – working with the development industry to facilitate appropriate development and employment / economic improvement generating activity when the timing and market conditions are right;
  - Consideration of how location is likely to influence market attractiveness and therefore the values available to support development viability. Alignment of growth planning with existing transport links and infrastructure, together with planned improvements to those. Considering higher value locations for particular development use types;

- Specific sites / locations and opportunities – for example in relation to the plan proposals and what each are most suitable for. Focus on the most accessible, best and most valuable locations for particular uses;
- Mixed-use development with potential for cross-subsidy for example from residential / retail to help support the viability of employment (business) or other development – balance the element in deficit or with reduced viability;
- Scenarios for particular / specialist uses – e.g. the local knowledge based employment economy; or that may be non-viable as developments but are business-plan / economic activity led;
- Explore any local specialisms or particular industries / sectors from which economic advantage and stimulation of other activity can be made;
- As with residential, consideration of the planning obligations packages again including their timing (triggers) as well as their extent.
- A likely acceptance that business development overall is unlikely to be a significant regular contributor to general community infrastructure provision in the short-term at least.
- Seek other investment and consider incentive schemes.

### **3.11 Additional Commentary**

3.11.1 We consider that the above identifies scope to both identify opportunities with viability potential and find the appropriate balance between affordable housing needs, other planning policy objectives and scheme viability.

3.11.2 This is consistent with DSP's wide experience of successful CIL, Local Plan and Affordable Housing viability evidence and outcomes through to examination and on to adoption stages, as well as in the detail of affordable housing and other planning policies and viability factors in operation in practice

3.11.3 In our view, at a "Whole Plan" level, looking at an appropriate level at the range of potential development scenarios and policy areas supporting the Local Plan, including reasonable prospects for the viability of the Southleigh strategic development

proposal as viewed at the current time. The range of scenarios and policy set appear to be capable of meeting the requirements of the NPPF and Planning Practice Guidance.

- 3.11.4 This is provided that HBC continues with the Local Plan approach of not adding unduly to the national baseline policies together with addressing its local affordable housing needs as far as is practical, and adopted CIL (as may be reviewed); and that landowners' expectations are also at realistic levels reflecting the requirements and constraints as well as the opportunities that sites and premises present.
- 3.11.5 Wherever pitched, we expect that the policies will need to be accompanied and explained by appropriate wording and guidance that sets out the strategic context and nature of the targets but also recognises the role of viability in implementation. Where robustly justified by a developer, a practical approach may need to be acknowledged - which can be responsive to particular circumstances - those will continue to be highly variable with site specifics. The need for this type of approach is likely to be particularly important in the event of ongoing economic and market uncertainty such as we still have at the current time. Only time will tell how these matters play out, however.
- 3.11.6 Suggestions to consider (and any subsequent use of) reduced / lower than headline targets for affordable housing, or other policy cost areas, do not imply that such targets would always be met at their lower levels; this cannot be certain to be achieved at any policy level.
- 3.11.7 This viability evidence will need to be considered in conjunction with wider evidence on housing needs and the shape of site supply (type, location and size of sites coming forward), infrastructure needs and planning, employment land and so on.
- 3.11.8 Keeping the picture informing the Plan development topical, it will be also be essential to monitor, review and keep up to date evidence associated with the policies as part of creating a sound overall approach.

### **3.12 Brief summary – main policy considerations**

- 3.12.1 The following table (Figure 10, below) provides a quick guide to the key policy development observations offered to HBC, in respect of areas directly impacting development costs and based on the findings and recommendations as discussed above.

Figure 10 – Brief Overview – Table of Key Policy Development and CIL Observations

<b>Site supply and likely deliverability – “whole Plan” overview</b>	
<p>Generally, a picture of potential viability across a likely good mix and spread of sites and locations including strategic scale development at Southleigh. The Plan proposals, as a package, should be capable of supporting a balance of affordable housing and other policy costs - subject to site-specific characteristics and details, with the use of targets and flexibility as needed. This is based on acknowledging both the need for and desirability of securing and funding infrastructure to support the Plan; and the role of viability. Continued recommendation to consider setting AH and CIL within apparent maximum levels to allow some scope for consideration of other policy costs, unforeseen site costs (e.g. abnormals, etc.)</p> <p>HBC may wish to revisit / refine further, with the settled knowledge of proposed policy positions and growing information on emerging site types and locations.</p> <p>OVERALL, with AH allowed for as proposed below, and CIL at or around the existing charging rates (indexing and its trend included), there is considered to be relatively little additional available viability scope to take-up, however, as shown through an overall mix of viability results. This needs to be kept in mind; first and foremost in setting AH policy targets, then also in reviewing and any refreshing of the CIL charging approach and rates.</p>	
<b>Affordable housing (policy target scope - %)</b>	
Sites 10+ dwellings – borough wide	Suggested consideration of 30% as headline.
Town / District centre sites (Havant, Waterlooville, Leigh Park)	Suggested consider reduced target – indicatively 20%.
Generally	Consider an ongoing adaptable approach potentially more reactive to further locally available evidence and more knowledge of firmed-up national policy and emerging tenure models / further evolving housing mix in due course.
<b>Enhanced accessibility – M4(2) &amp; (3)</b>	

M4(2) – options available but suggested consider alignment to a proportion of dwellings approximately equivalent to the affordable housing element of schemes – i.e. 30% dwelling context, across a mix of dwelling types and tenure.	M4(3) – Confirmed that a small proportion maybe sought as now reflected in Policy (at 2% on sites of 50+ dwellings). This may be more suitable related to the affordable housing provision. Significant cost and early stages design impacts to consider. The HBC confirmed E7 policy position reflects DSP’s draft stage viability advice, now proposed at 30% M4(2) and 2% M4(3) (latter on sites of 50 + dwellings) and reconfirmed as a suitable basis in viability terms.
Overall consider a guided / target based and flexible rather than rigid approach, particularly in respect of any aspirational element additional to the above and evidenced in needs terms. In our view, the HBLP approach reflects this. More may be achievable in some circumstances, but expected most likely achievable in greenfield development scenarios usually.	
<b>Open Space</b>	
DSP has encountered potential issues with onerous on-site / provision based open space policies - consider emerging policies and ensure workable within range of site constraints.	
<b>Energy efficiency</b>	
Building Regulations standards – assumed former CfSH4 equivalent standards considered viable. A firm expectation to achieve higher (e.g. greater carbon reduction criteria) should be avoided at this stage and based on current assumptions from a viability perspective in our view. However, this is not ruled out in a more aspirational sense where achievable – as above, potentially on greenfield development as the most likely scenario.	
<b>Nationally described space standard</b>	
Included and considered viable	
<b>Self &amp; Custom-build</b>	
Considered no significant implication for overall viability but, as a proportion of a development, potentially more practical on larger schemes (indicatively only, say 50+ dwellings) where, together with other requirements, this would still allow an appropriate proportion of usual market sale	



housing. It is understood, however, that the level of demand as per HBC evidence is currently outweighed by the typical stream of individual developments that are self-builds.

#### CIL

Residential - all forms of market-led housing (C3), including for the elderly - retirement / sheltered. Housing-led accommodation provision.	<p>Existing charging rates, as indexed, are appropriate in our view. Alongside the Local Plan Policies and wider development costs reviewed, currently we do not consider there to be scope to increase the charging rates beyond the levels produced by the indexing. At this stage the indexing appears to be doing the job of adjusting the rates appropriately; additional clear review scope has not been identified.</p> <p>A continuation of the existing differential set up by locality is expected to continue to broadly reflect viability in the typically lower value areas; appropriate at the level of review suitable for CIL.</p> <p>The report also notes a recommended nil rate (£0/sq. m) being considered for the single strategic site at Southleigh – a nil rate zone for that.</p>
<b>Large format retail</b> (Retail warehousing, foodstores - out of town centres, but equally could be applicable borough-wide, as discussed).	Charging scope up to approximately the upper residential parameters (suggested not more than approx. £125/sq. m, which slightly exceeds the latest indexed rate)
<b>All other retail – smaller shops, all types</b>	A lower rate or other differential approach could be justified but, overall, consideration of a nil-rate (£0/sq. m) for all other forms – small shops – is suggested. This is put forward in place of the existing charging rate for such development, which has reached approximately £55/sq. m with indexing.
<b>Purpose build students' housing</b>	Up to the upper residential parameters (approximately £125/sq. m currently, but rate as indexed)

<p><b>All other development uses, including employment (Offices / industrial / warehousing – B1 – B8); Hotels (C1); Care Homes (care-led accommodation provision – usually C2)</b></p>	<p>Suggest consider a continuation of the HBC existing Charging Schedule nil-rating (£0/sq. m)</p>
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## Notes and Limitations

*The purpose of the assessment reported in this document is to inform the Council's previous and on-going work on developing, progressing and now checking/finalising the policies of the new Havant Borough Local Plan and its work towards a potential reviewed Community Infrastructure Levy (CIL) Charging Schedule.*

*This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership Ltd; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.*

*To the extent that the document is based on information supplied by others, Dixon Searle Partnership Ltd accepts no liability for any loss or damage suffered by the client or others who choose to rely on it.*

*In no way does this study provide formal valuation advice; it provides an overview not intended for other purposes nor to over-ride particular site considerations as the Council's policies continue to be applied practically from case to case.*

*It should be noted that every scheme is different and no review of this nature can reflect the variances seen in site specific cases. Specific assumptions and values applied for our test scenarios are unlikely to be appropriate for all developments. A degree of professional judgment is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and further informing the Council's policy development.*

*Small changes in assumptions can have a significant individual or cumulative effect on the residual land value (RLV) or other surplus / deficit output generated, therefore the indicative surpluses (or other outcomes) generated by the development appraisals for this review will not necessarily reflect site specific circumstances.*

*Accordingly, this assessment (as with similar studies of its type) is not intended to prescribe land values or other assumptions or otherwise substitute for the usual considerations and discussions that will continue to be needed as individual developments with varying characteristics come forward. This is also true in respect of the long timescales in Local Plan development and implementation over which the economy and development climate (national and more local influences and impacts) are very likely to vary. Nevertheless, the assumptions*

*used within this study reflect the policy and strategy direction of the Council as far as known at the time of carrying out this assessment and therefore take into account the cumulative cost effects of policies where those are relevant.*

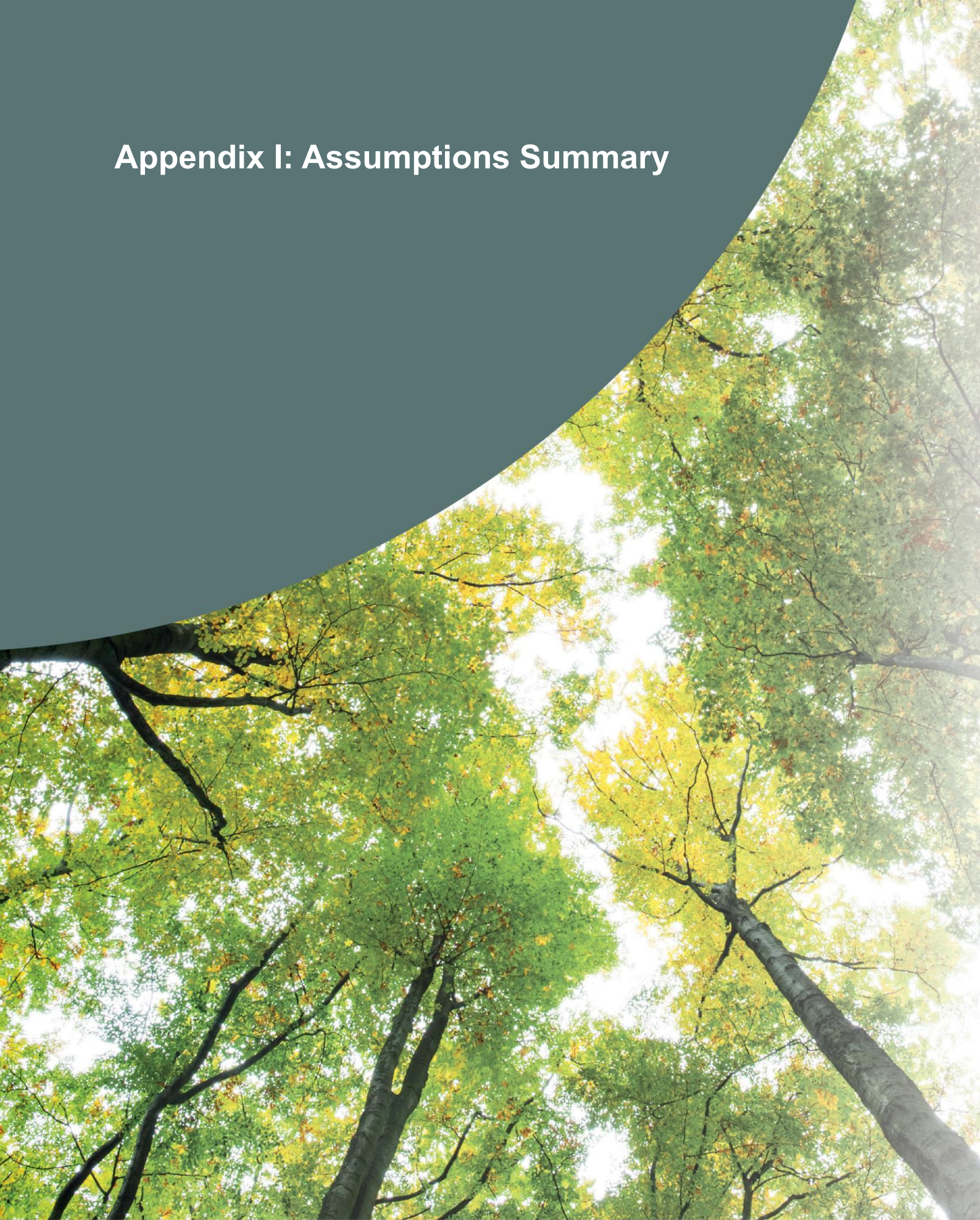
**Final Report ends (DSP v7)**  
**January 2019**

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## Appendix I: Assumptions Summary





Havant BC - Appendix I - Viability Assessment Update - Residential Assumptions (1)

Scenario Type Appraised	Gross Land Area (ha)	Net Land Area (ha)	Overall Dwelling Mix	Build Period (months)
6 Houses (Greenfield / PDL)	0.15	0.13	2 x 2BH, 4 x 3BH	6
10 Houses (Greenfield / PDL)	0.26	0.22	5 x 2BH, 5 x 3BH	9
11 Houses (Greenfield / PDL)	0.28	0.24	5 x 2BH, 6 x 3BH	9
15 Houses (Greenfield / PDL)	0.38	0.33	7 x 2BH, 7 x 3BH, 1 x 4BH	9
15 Flats (PDL - Town Centre)	0.10	0.10	9 x 1BF, 6 x 2BF	9
25 Flats (PDL - Town Centre)	0.17	0.17	11 x 1BF, 14 x 2BF	18
25 Flats GF Convenience Retail* (PDL - Town Centre)	0.17	0.17	11 x 1BF, 14 x 2BF	18
30 Flats Sheltered (PDL - Town Centre)	0.20	0.20	22 x 1BF, 8 x 2BF	18
50 Flats (PDL - Town Centre)	0.33	0.33	22 x 1BF, 28 x 2BF	18
50 Flats incl. Studio Flats (PDL - Town Centre)	0.33	0.33	7 x SF, 15 x 1BF, 28 x 2BF	18
50 Mixed (Greenfield / PDL)	1.09	0.91	9 x 1BF, 8 x 2BF, 9 x 2BH, 19 x 3BH, 5 x 4BH	24
100 Mixed (Greenfield / PDL)	2.18	1.82	18 x 1BF, 16 x 2BF, 18 x 2BH, 38 x 3BH, 10 x 4BH	24
350 Mixed (Greenfield)	8.27	6.36	63 x 1BF, 56 x 2BF, 63 x 2BH, 133 x 3BH, 35 x 4BH	48***

Note: The above scenarios have been tested at 20%, 30% and 40% AH on sites of 10+. AH financial contributions have been assumed on sites of <10 units as set out in Policy H2 of the emerging Plan. AH tenure split assumes 66% Affordable Rent and 33% Shared Ownership with 10% of the total number of new homes to be shared ownership as a minimum - based on Policy H2 as informed by HBC. Land area adjustment @ 15% (excluding town centre) on sites of <100 units. 20% land area adjustment on 100 Mixed and 30% on the 350 Mixed scheme. \*The mixed use 25 Flats scenario assumes 310sq. m. of convenience retails floorspace, annual rent of £100/sq. m. and a 6% Yield based on BCIS rates.

Density Standards  
40 - 55 dph (Housing / Mixed)  
150 dph (Flats - Town Centre)

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

Policy H4 Housing Mix - latest position (October 2018)  
Overall Mix                                   35% 2-Beds

Dwelling Sizes (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)

	HBC lower-end			HBC typical new-build values			HBC upper-end new-build
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				Upper-end coastal properties, Emsworth south of A259 & rural pockets etc.
	Leigh Park	West Leigh, Bedhampton, Hart Plain		Langstone, New Brighton, Emsworth (North of A259), Warblington, East of Borough, Denvilles			
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)
1BF	50	£84,873
2BF	70	£105,144
2BH	79	£105,144
3BH	100	£125,712
4BH	130	£174,803

Development / Policy Costs		Notes
<b><u>Residential Building, Marketing and S106 Costs</u></b>		
Build Costs Mixed Developments - generally (£/sq. m.) <sup>1</sup>	£1,341	
Build Costs 'One-off' Detached Housing (3 units or less)	£2,203	1 House only
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 Flats - generally (£/sq. m)	£1,526	11+ units
Build Costs Flats - 3-5 Storey (£/sq. m)	£1,513	50 Flats only
Build Costs Flats (Sheltered) - generally (£/sq.m)	£1,794	Sheltered Flats only
Site Works	£300,000/ha	
Contingencies	5%	% of build cost
Professional & Other Fees	10%	% of build cost
Sustainable Design / Construction Standards <sup>3</sup>	2%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations.
Building Regs M4(2) Compliance (£ per unit) <sup>4</sup>	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only(10+)) - tested at 30% base cost assumption. Sensitivity Tested at 98%
Building Regs M4(3) Compliance (£ per unit) <sup>4</sup>	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only(50+)) - tested at 2% base cost assumption.
CIL Rates (£/sq. m.)	Tested at £25/m2 intervals from £0 to £200/m2	
Residual s.106 /non-CIL costs (£ per unit) - non-strategic sites	£3,000	per unit
Residual s.106 /non-CIL costs (£ per unit) - large scale strategic greenfield sites	n/a	Strategic Site Only
Water Efficiency Standards	110 litres per person per day	based on the Housing Standards Review
Electric Vehicle Charging	£500	per unit
Solent Recreational Mitigation Partnership Contribution (£ per unit)	£564/unit	includes £20 administration fee and 5% monitoring fee
Brent Goose and wader feeding and roosting sites	Primary Support Area = On site refuge area Secondary Use = £85,464/ha Low Use = £35,610/ha	Land East of College Rd, Campdown lies within a Primary Support Area. Southleigh is unaffected. Potential Sensitivity Test for standard typologies.
Marketing & Sales Costs	3%	% of GDV
Legal Fees on sale (£ per unit)	£750	
<b><u>Developer's Return for Risk and Profit</u></b>		
Open Market Housing Profit	20%	% of GDV. Also sensitivity tested at 17.5%
Affordable Housing Profit	6%	% of GDV
<b><u>Finance and Acquisition Costs</u></b>		
Agents Fees	1.50%	% of Site Value
Legal Fees	0.75%	% of Site Value
Stamp Duty Land Tax	0% - 5%	HMRC Scale
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

Notes:

<sup>1</sup> Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - 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 and averaged across both areas. Includes allowance for uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings. External works included at 10%.

<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 CFSH 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> 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 BC - Appendix I - Viability Assessment Update - Residential Assumptions (2) - Larger typology & Strategic Site (Southleigh)

Scheme Characteristics / Assumptions	Southleigh Strategic Site (KS5)	Larger site typology (informed e.g. by Campdown)
Scheme Size (no. units)	2100	560
Site Type	Greenfield	Greenfield
Density (dph)	40	40
Gross Land Area (ha)	154	26.7
Net Land Area (ha)	52.5	15.78
Affordable Housing	30% / 40%	30% / 40%
Value Level (£)	£4,000/sq. m.	£3,500/sq. m

Note: dwelling mix assumptions as set out in Residential Assumptions (1)

Development / Policy Costs	Oct-18	Notes
<b><u>Residential Building, Marketing and S106 Costs</u></b>		
Build Costs Mixed Developments - generally (£/sq. m.) <sup>1</sup>	£1,341	
Site enabling infrastructure	n/a	See site specific infrastructure table
Contingencies	5%	% of build cost
Professional & Other Fees	10%	% of build cost
Sustainable Design / Construction Standards	2% / 6%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations. Sensitivity Testing at +6% representing exploration of potential increased criteria to 19% emissions reduction over Bldg Regs
Building Regs M4(2) Compliance (£ per unit)	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only(10+)) - tested at 30% base cost assumption.
Building Regs M4(3) Compliance (£ per unit)	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only(50+)) - tested at 2% base cost assumption.
CIL Rates (£/sq. m.)	£125 £100 £0	based on DSP recommended rates.
Residual s.106 /non-CIL costs (£ per unit) - large scale strategic greenfield sites	n/a	Output of appraisal model
Water Efficiency Standards	110 litres per person per day	based on the Housing Standards Review
Electric Vehicle Charging	£500	per unit
Solent Recreational Mitigation Partnership Contribution (£ per unit)	£564/unit	includes £20 administration fee and 5% monitoring fee
Brent Goose and wader feeding and roosting sites	Primary Support Area = On-site refuge area  Secondary Use = £85,464/ha  Low Use = £35,610/ha	Land East of College Rd, Campdown lies within a Primary Support Area. Southleigh is unaffected.
Marketing & Sales Costs	3%	% of GDV
Legal Fees on sale (£ per unit)	£750	
<b><u>Developer's Return for Risk and Profit</u></b>		
Open Market Housing Profit	20%	% of GDV. Also sensitivity tested at 17.5%
Affordable Housing Profit	6%	% of GDV
<b><u>Finance and Acquisition Costs</u></b>		
Agents Fees	1.50%	% of Site Value
Legal Fees	0.75%	% of Site Value
Stamp Duty Land Tax	0% - 5%	HMRC Scale
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

Notes:

<sup>1</sup> Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - 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 and averaged across both areas. Includes allowance for uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings. External works included at 10%.

<sup>2</sup> The above costs are based on the DCLG Housing Standards Review Impact Assessment costings assuming equivalent CFSH 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>3</sup> 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.

Site Specific Infrastructure	Southleigh Strategic Site (KS5)	Notes
Abnormals	£53.82/sq m. (£5/sq ft.)	Provided by GVA
Utilities Offsite	£7,000,000	Provided by the Pell Frischmann report
Site Access - new junction on A27 (Southleigh)	£18,000,000	Southleigh Only - sensitivity test (with/without). Provided by the Pell Frischmann report.
Utilities Onsite	£5,000,000	Provided by the Pell Frischmann report
Green Infrastructure	£14,000,000	Provided by the Pell Frischmann report
New Primary School	£11,385,819	provided by HBC

Havant BC - 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

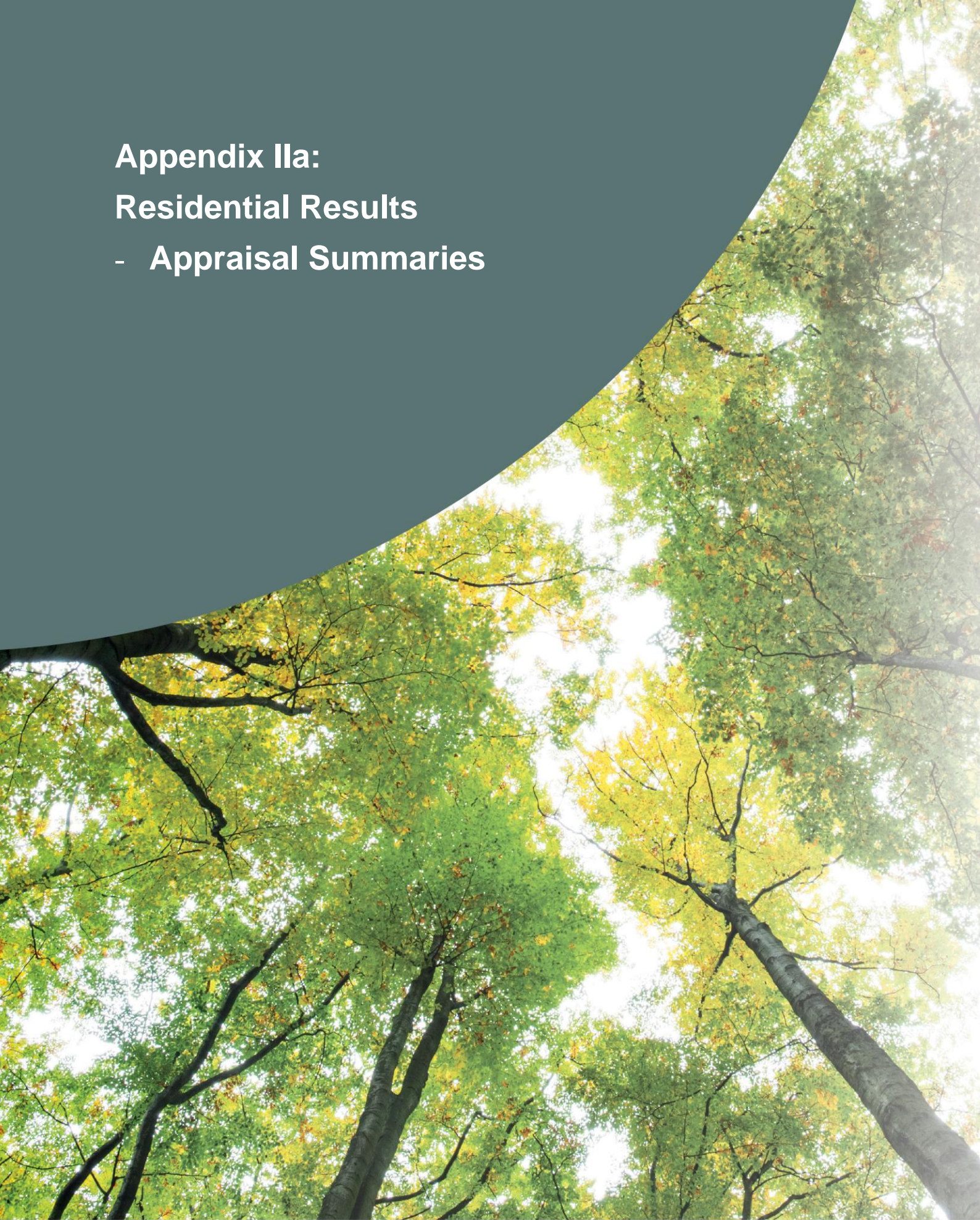
## Havant BC - Appendix I - Local Plan Viability Assessment - Policy Analysis based on Draft Local Plan (Consultation Version)

Policy No. / Name	Cost / Other Impact for Viability Testing Purposes? Yes/No		Addressed where applicable through specific study approach / assumptions - associated commentary / Cost allowance
		Yes	
		Yes (minor)	
		No	
IN1 - Effective Provision of Infrastructure	Yes		Considered through range of s.106/other costs sensitivity testing including Electric Vehicle Charging Points. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details. Parking in new development would also be considered as part of overall design / development management criteria.
IN2 - Improving Transport Infrastructure	Yes		
IN3 - Transport and Parking in New Development	Yes		
E1 - Health and Wellbeing	Yes		Considered through range of s.106/ other costs assumptions including open space allowance and overall design quality principles.
E2 - Green Infrastructure	Yes		Generally within build costs and externals / Planning obligations cost assumption
E3 - Sports and Recreation	Yes (minor)		N/A - more of a planning and land use implication than for viability consideration. Range of other uses considered within report text including sports / recreation related development
E4 - Local Green Spaces	No		N/A - more of a planning and land use implication than for viability consideration.
E5 - Hermitage Stream	No		N/A - more of a planning and land use implication than for viability consideration.
E6 - High Quality Design	Yes (minor)		Firstly in respect of the general nature and quality of development expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs assumptions used for all appraisals. Secondly, additional cost allowances have been made in relation to sustainability to meet Part M of the Building Regulations as part of sensitivity testing - see Appendix I Residential Assumptions
E7 - High Quality New Homes	Yes		
E8 - Low Carbon Design	Yes		Firstly, we would assume an element of this to be factored into the overall development design linked to Policy E6 and E7 above. Secondly specific allowances have been made for sustainability (including higher level sensitivity tests) and electric vehicle charging points - see Appendix I cost assumption detail.
E9 - Historic Environment and Heritage Assets	No		Planning / design issue rather than direct cost impact except in exceptional circumstances. Any costs included within fees assumptions.
E10 - Landscape and Townscape	No		N/A - more of a planning and land use implication than for viability consideration.
E11 - Chichester Harbour AONB	No		Although more of a planning and land use implication than for viability consideration, an indirect cost implication exists in relation to scale and form of development - more of a design, development management related consideration.
E12 - Managing Flood Risk in New Development	Yes (minor)		Allowed for within overall build costs and fees so far as normal works extent is concerned. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
E13 - Drainage Infrastructure in New Development	Yes (minor)		Allowed for within build costs and fees so far as normal works extent is concerned. However could have very site specific impacts and as such would need to be treated as abnormal costs in weighing-up the overall viability position on a particular site.
E14 - Areas of Coastal Change	No		N/A - more of a planning and land use implication than for viability consideration.
E15 - Ecological Conservation	Yes (minor)		Although more of a planning and land use implication than for viability consideration, an indirect cost implication exists in relation to scale and form of development - more of a design, development management related consideration.

Policy No. / Name	Cost / Other Impact for Viability Testing Purposes? Yes/No		Addressed where applicable through specific study approach / assumptions - associated commentary / Cost allowance
		Yes	
		Yes (minor)	
		No	
E16 - Solent Special Protection Areas	Yes		Specific allowance made within cost assumptions for mitigation measures as provided by HBC.
E17 - Brent Goose and wader feeding and roosting sites	Yes (minor)		Specific allowance made where applicable within cost / overall typology assumptions for mitigation measures as provided by HBC.
E18 - Protected Species	Yes (minor)		Although more of a planning and land use implication than for viability consideration, an indirect cost implication exists in relation to scale and form of development - more of a design, development management related consideration.
E19 - Best and Most Versatile Agricultural Land	Yes (minor)		Considered through range of s.106/other costs sensitivity testing together with general land take % assumption based on DSP experience. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.
E20 - Amenity and Pollution	Yes (minor)		More of a planning and land use implication than for viability consideration. However, any potential mitigation costs allowed for within the general build cost and fee assumptions
E21 - Contamination	Yes (minor)		
E22 - Aquifer Source Protection Zones	No		More of a planning and land use implication than for viability consideration. However, any potential mitigation costs allowed for within the general build cost and fee assumptions
E23 - New and Extended Cemeteries	No		N/A - more of a planning and land use implication than for viability consideration.
H1 - Housing need, supply and brownfield sites	Yes		A variety of residential and commercial (non-residential) scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in different areas of the District, all in accordance with the emerging Plan. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions).
H2 - Affordable housing	Yes		A range of AH levels have been tested (20% - 40%) as part of informing plan development for a range of residential development typologies.
H3 - Housing Density and Mix	Yes		A variety of residential scenarios have been modelled with different density assumptions, also covering a range of values levels overall representing the variety relevant in the different areas. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions). Dwelling mix assumptions agreed with HBC and based on the latest SHMA
H4 - Housing for older people, people with specialist medical needs and annexes	Yes		A variety of residential scenarios have been modelled including sheltered housing and care homes in different areas of the District. See Appendix I for detail.
H5 - Gypsies, travellers and travelling showpeople	No		N/A - more of a planning and land use implication than for viability consideration.
H6 - H48 (Policy relating to specific sites / development areas	Yes		All considered at the appropriate high level as part of the range of residential scenario testing as set out in Appendix I detail.
C1 - New employment provision	Yes		A variety of commercial scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in the different areas. (See Appendix I - Development Assumptions). Dwelling mix assumptions agreed with HBC and based on the latest SHMA
C2 - Protection of existing employment sites	No		N/A - more of a planning and land use implication than for viability consideration.
C3 - C9 (Policies relating to a range of commercial development areas)	Yes		All considered at the appropriate high level as part of the range of commercial scenario testing as set out in Appendix I detail.
C10 - Tourism	Yes (minor)		N/A - more of a planning and land use implication than for viability consideration. However a range of other commercial uses have been considered within the report detail.
C11 - Protection of existing community facilities and shops	No		N/A - more of a planning and land use implication than for viability consideration.



**Appendix IIa:**  
**Residential Results**  
**- Appraisal Summaries**





**Net RLV: £376,851**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	10 Houses 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	888					
TOTAL NUMBER OF UNITS	Total 10	Private 7	Affordable 3	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
REVENUE						
Affordable Housing Revenue				£454,725		
Open Market Housing Revenue				£2,388,750		
Total Value of Scheme				£2,843,475		
RESIDENTIAL BUILDING, MARKETING & S106 COSTS						
Build Costs				£1,327,354		
Fees, Contingencies, Planning Costs etc				£199,103		
Site Works				£75,000		
Sustainable Design & Construction Costs				£26,547		
Building Regs Access Compliance, Solent Mitigation etc.				£17,981		
Total Build Costs				£1,645,985		
Section 106 / CIL Costs				£118,800		
Marketing Costs & Legal Fees				£92,804		
Total s106 & Marketing Costs				£211,604		
Finance on Build Costs				£45,279		
TOTAL DEVELOPMENT COSTS				£1,902,868		
DEVELOPER'S RETURN FOR RISK AND PROFIT						
Open Market Housing Profit				£477,750		
Affordable Housing Profit				£27,284		
Total Operating Profit				£505,034		
GROSS RESIDUAL LAND VALUE				£435,573		
FINANCE & ACQUISITION COSTS						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£58,722		
Total Finance & Acquisition Costs				£58,722		
NET RESIDUAL LAND VALUE				£376,851		

**Net RLV: £357,740**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	10 Houses 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	888					
TOTAL NUMBER OF UNITS	Total 10	Private 7	Affordable 3	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
REVENUE						
Affordable Housing Revenue				£454,725		
Open Market Housing Revenue				£2,388,750		
Total Value of Scheme				£2,843,475		
RESIDENTIAL BUILDING, MARKETING & S106 COSTS						
Build Costs				£1,327,354		
Fees, Contingencies, Planning Costs etc				£199,103		
Site Works				£75,000		
Sustainable Design & Construction Costs				£26,547		
Building Regs Access Compliance, Solent Mitigation etc.				£17,981		
Total Build Costs				£1,645,985		
Section 106 / CIL Costs				£141,000		
Marketing Costs & Legal Fees				£92,804		
Total s106 & Marketing Costs				£233,804		
Finance on Build Costs				£45,820		
TOTAL DEVELOPMENT COSTS				£1,925,609		
DEVELOPER'S RETURN FOR RISK AND PROFIT						
Open Market Housing Profit				£477,750		
Affordable Housing Profit				£27,284		
Total Operating Profit				£505,034		
GROSS RESIDUAL LAND VALUE				£412,832		
FINANCE & ACQUISITION COSTS						
Agents Fees. Legal Fees, Stamp Duty, Interest etc.				£55,092		
Total Finance & Acquisition Costs				£55,092		
NET RESIDUAL LAND VALUE				£357,740		



**Net RLV: £139,672**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	15 Flats 20% AH VL5 @£100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,024					
TOTAL NUMBER OF UNITS	Total 15	Private 12	Affordable 3	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue			£299,625			
Open Market Housing Revenue			£2,625,000			
<u>Total Value of Scheme</u>			£2,924,625			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£1,561,599			
Fees, Contingencies, Planning Costs etc			£234,240			
Site Works			£75,000			
Sustainable Design & Construction Costs			£31,232			
Building Regs Access Compliance, Solent Mitigation etc.			£23,367			
<u>Total Build Costs</u>			£1,925,438			
Section 106 / CIL Costs			£147,353			
Marketing Costs & Legal Fees			£98,989			
<u>Total s106 &amp; Marketing Costs</u>			£246,342			
<u>Finance on Build Costs</u>			£52,937			
<u>TOTAL DEVELOPMENT COSTS</u>			£2,224,716			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£525,000			
Affordable Housing Profit			£17,978			
<u>Total Operating Profit</u>			£542,978			
<u>GROSS RESIDUAL LAND VALUE</u>			£156,931			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£17,259			
<u>Total Finance &amp; Acquisition Costs</u>			£17,259			
<u>NET RESIDUAL LAND VALUE</u>			<u>£139,672</u>			

Net RLV: £116,794

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential				
DEVELOPMENT DESCRIPTION	15 Flats 20% AH VL5 @ £125 CIL				
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,024				
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH	
	15	12	3	20%	
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2
	80%	0%	20%	0%	0%
SITE SIZE (HA)				0.25	
VALUE / AREA				5	
REVENUE					
Affordable Housing Revenue				£299,625	
Open Market Housing Revenue				£2,625,000	
Total Value of Scheme				£2,924,625	
RESIDENTIAL BUILDING, MARKETING & S106 COSTS					
Build Costs				£1,561,599	
Fees, Contingencies, Planning Costs etc				£234,240	
Site Works				£75,000	
Sustainable Design & Construction Costs				£31,232	
Building Regs Access Compliance, Solent Mitigation etc.				£23,367	
Total Build Costs				£1,925,438	
Section 106 / CIL Costs				£172,941	
Marketing Costs & Legal Fees				£98,989	
Total s106 & Marketing Costs				£271,930	
Finance on Build Costs				£53,561	
TOTAL DEVELOPMENT COSTS				£2,250,928	
DEVELOPER'S RETURN FOR RISK AND PROFIT					
Open Market Housing Profit				£525,000	
Affordable Housing Profit				£17,978	
Total Operating Profit				£542,978	
GROSS RESIDUAL LAND VALUE				£130,719	
FINANCE & ACQUISITION COSTS					
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£13,925	
Total Finance & Acquisition Costs				£13,925	
NET RESIDUAL LAND VALUE				£116,794	

**Net RLV: £907,589**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential				
DEVELOPMENT DESCRIPTION	15 Houses 30% AH VL5 @ £100 CIL				
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,369				
TOTAL NUMBER OF UNITS	Total 15	Private 11	Affordable 4	% AH 27%	
PERCENTAGE BY TENURE	% Private 73%	% SR 0%	%AR 27%	% Int 1 0%	% Int 2 0%
SITE SIZE (HA)	0.25				
VALUE / AREA	5				
<u>REVENUE</u>					
Affordable Housing Revenue				£630,975	
Open Market Housing Revenue				£3,843,750	
<u>Total Value of Scheme</u>				£4,474,725	
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>					
Build Costs				£1,795,033	
Fees, Contingencies, Planning Costs etc				£269,255	
Site Works				£75,000	
Sustainable Design & Construction Costs				£35,901	
Building Regs Access Compliance, Solent Mitigation etc.				£26,972	
<u>Total Build Costs</u>				£2,202,160	
Section 106 / CIL Costs				£181,900	
Marketing Costs & Legal Fees				£145,492	
<u>Total s106 &amp; Marketing Costs</u>				£327,392	
<u>Finance on Build Costs</u>				£61,658	
<u>TOTAL DEVELOPMENT COSTS</u>				£2,591,209	
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>					
Open Market Housing Profit				£768,750	
Affordable Housing Profit				£37,859	
<u>Total Operating Profit</u>				£806,609	
<u>GROSS RESIDUAL LAND VALUE</u>				£1,076,907	
<u>FINANCE &amp; ACQUISITION COSTS</u>					
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£169,318	
<u>Total Finance &amp; Acquisition Costs</u>				£169,318	
<u>NET RESIDUAL LAND VALUE</u>				£907,589	

Net RLV: £880,022

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	15 Houses 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,369					
TOTAL NUMBER OF UNITS	Total 15	Private 11	Affordable 4	% AH 27%		
PERCENTAGE BY TENURE	% Private 73%	% SR 0%	%AR 27%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
REVENUE						
Affordable Housing Revenue				£630,975		
Open Market Housing Revenue				£3,843,750		
Total Value of Scheme				£4,474,725		
RESIDENTIAL BUILDING, MARKETING & S106 COSTS						
Build Costs				£1,795,033		
Fees, Contingencies, Planning Costs etc				£269,255		
Site Works				£75,000		
Sustainable Design & Construction Costs				£35,901		
Building Regs Access Compliance, Solent Mitigation etc.				£26,972		
Total Build Costs				£2,202,160		
Section 106 / CIL Costs				£216,125		
Marketing Costs & Legal Fees				£145,492		
Total s106 & Marketing Costs				£361,617		
Finance on Build Costs				£62,492		
TOTAL DEVELOPMENT COSTS				£2,626,269		
DEVELOPER'S RETURN FOR RISK AND PROFIT						
Open Market Housing Profit				£768,750		
Affordable Housing Profit				£37,859		
Total Operating Profit				£806,609		
GROSS RESIDUAL LAND VALUE				£1,041,848		
FINANCE & ACQUISITION COSTS						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£161,826		
Total Finance & Acquisition Costs				£161,826		
NET RESIDUAL LAND VALUE				£880,022		

Net RLV: £286,129

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential				
DEVELOPMENT DESCRIPTION	25 Flats 20% AH VL5 @ £100 CIL				
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,800				
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH	
	25	20	5	20%	
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2
	80%	0%	20%	0%	0%
SITE SIZE (HA)				0.25	
VALUE / AREA				5	
REVENUE					
Affordable Housing Revenue				£546,375	
Open Market Housing Revenue				£4,575,000	
Total Value of Scheme				£5,121,375	
RESIDENTIAL BUILDING, MARKETING & S106 COSTS					
Build Costs				£2,746,260	
Fees, Contingencies, Planning Costs etc				£411,939	
Site Works				£75,000	
Sustainable Design & Construction Costs				£54,925	
Building Regs Access Compliance, Solent Mitigation etc.				£38,945	
Total Build Costs				£3,327,069	
Section 106 / CIL Costs				£255,000	
Marketing Costs & Legal Fees				£172,391	
Total s106 & Marketing Costs				£427,391	
Finance on Build Costs				£91,515	
TOTAL DEVELOPMENT COSTS				£3,845,975	
DEVELOPER'S RETURN FOR RISK AND PROFIT					
Open Market Housing Profit				£915,000	
Affordable Housing Profit				£32,783	
Total Operating Profit				£947,783	
GROSS RESIDUAL LAND VALUE				£327,617	
FINANCE & ACQUISITION COSTS					
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£41,488	
Total Finance & Acquisition Costs				£41,488	
NET RESIDUAL LAND VALUE				£286,129	

**Net RLV: £247,391**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	25 Flats 20% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,800					
TOTAL NUMBER OF UNITS	Total 25	Private 20	Affordable 5	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£546,375		
Open Market Housing Revenue				£4,575,000		
<u>Total Value of Scheme</u>				£5,121,375		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£2,746,260		
Fees, Contingencies, Planning Costs etc				£411,939		
Site Works				£75,000		
Sustainable Design & Construction Costs				£54,925		
Building Regs Access Compliance, Solent Mitigation etc.				£38,945		
<u>Total Build Costs</u>				£3,327,069		
Section 106 / CIL Costs				£300,000		
Marketing Costs & Legal Fees				£172,391		
<u>Total s106 &amp; Marketing Costs</u>				£472,391		
<u>Finance on Build Costs</u>				£92,612		
<u>TOTAL DEVELOPMENT COSTS</u>				£3,892,072		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£915,000		
Affordable Housing Profit				£32,783		
<u>Total Operating Profit</u>				£947,783		
<u>GROSS RESIDUAL LAND VALUE</u>				£281,520		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£34,129		
<u>Total Finance &amp; Acquisition Costs</u>				£34,129		
<u>NET RESIDUAL LAND VALUE</u>				£247,391		

**Net RLV: £836,051**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	30 Flats Sheltered 20% AH VL7 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,810					
TOTAL NUMBER OF UNITS	Total 30	Private 24	Affordable 6	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 50%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.20		
VALUE / AREA				7		
<u>REVENUE</u>						
Affordable Housing Revenue			£699,300			
Open Market Housing Revenue			£6,624,000			
<u>Total Value of Scheme</u>			£7,323,300			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£3,239,989			
Fees, Contingencies, Planning Costs, Voids etc			£918,597			
Site Works			£72,000			
Sustainable Design & Construction Costs			£79,800			
Building Regs Access Compliance, Solent Mitigation etc.			£41,160			
<u>Total Build Costs</u>			£4,351,546			
Section 106 / CIL Costs			£250,000			
Marketing Costs & Legal Fees			£242,199			
<u>Total s106 &amp; Marketing Costs</u>			£492,199			
<u>TOTAL DEVELOPMENT COSTS</u>			£4,843,745			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£1,296,000			
Affordable Housing Profit			£41,958			
<u>Total Operating Profit</u>			£1,337,958			
<u>GROSS RESIDUAL LAND VALUE</u>			£1,141,597			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£305,546			
<u>Total Finance &amp; Acquisition Costs</u>			£305,546			
<u>NET RESIDUAL LAND VALUE</u>			<u>£836,051</u>			



**Net RLV: £799,938**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	30 Flats Sheltered 20% AH VL7 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,810					
TOTAL NUMBER OF UNITS	Total 30	Private 24	Affordable 6	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 50%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.20		
VALUE / AREA				7		
<u>REVENUE</u>						
Affordable Housing Revenue			£699,300			
Open Market Housing Revenue			£6,624,000			
<u>Total Value of Scheme</u>			£7,323,300			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£3,239,989			
Fees, Contingencies, Planning Costs, Voids etc			£918,597			
Site Works			£72,000			
Sustainable Design & Construction Costs			£79,800			
Building Regs Access Compliance, Solent Mitigation etc.			£41,160			
<u>Total Build Costs</u>			£4,351,546			
Section 106 / CIL Costs			£290,000			
Marketing Costs & Legal Fees			£242,199			
<u>Total s106 &amp; Marketing Costs</u>			£532,199			
<u>TOTAL DEVELOPMENT COSTS</u>			£4,883,745			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£1,296,000			
Affordable Housing Profit			£41,958			
<u>Total Operating Profit</u>			£1,337,958			
<u>GROSS RESIDUAL LAND VALUE</u>			£1,101,597			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£301,659			
<u>Total Finance &amp; Acquisition Costs</u>			£301,659			
<u>NET RESIDUAL LAND VALUE</u>			<u>£799,938</u>			

**Net RLV: £660,362**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Flats 20% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	3,600					
TOTAL NUMBER OF UNITS	Total 50	Private 40	Affordable 10	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£1,092,750		
Open Market Housing Revenue				£9,150,000		
<u>Total Value of Scheme</u>				£10,242,750		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,445,000		
Fees, Contingencies, Planning Costs etc				£816,750		
Site Works				£75,000		
Sustainable Design & Construction Costs				£108,900		
Building Regs Access Compliance, Solent Mitigation etc.				£93,581		
<u>Total Build Costs</u>				£6,539,231		
Section 106 / CIL Costs				£510,000		
Marketing Costs & Legal Fees				£344,783		
<u>Total s106 &amp; Marketing Costs</u>				£854,783		
<u>Finance on Build Costs</u>				£180,229		
<u>TOTAL DEVELOPMENT COSTS</u>				£7,574,243		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£1,830,000		
Affordable Housing Profit				£65,565		
<u>Total Operating Profit</u>				£1,895,565		
<u>GROSS RESIDUAL LAND VALUE</u>				£772,942		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£112,580		
<u>Total Finance &amp; Acquisition Costs</u>				£112,580		
<u>NET RESIDUAL LAND VALUE</u>				£660,362		

**Net RLV: £582,886**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Flats 20% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	3,600					
TOTAL NUMBER OF UNITS	Total 50	Private 40	Affordable 10	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£1,092,750		
Open Market Housing Revenue				£9,150,000		
<u>Total Value of Scheme</u>				£10,242,750		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,445,000		
Fees, Contingencies, Planning Costs etc				£816,750		
Site Works				£75,000		
Sustainable Design & Construction Costs				£108,900		
Building Regs Access Compliance, Solent Mitigation etc.				£93,581		
<u>Total Build Costs</u>				£6,539,231		
Section 106 / CIL Costs				£600,000		
Marketing Costs & Legal Fees				£344,783		
<u>Total s106 &amp; Marketing Costs</u>				£944,783		
<u>Finance on Build Costs</u>				£182,423		
<u>TOTAL DEVELOPMENT COSTS</u>				£7,666,436		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£1,830,000		
Affordable Housing Profit				£65,565		
<u>Total Operating Profit</u>				£1,895,565		
<u>GROSS RESIDUAL LAND VALUE</u>				£680,749		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£97,863		
<u>Total Finance &amp; Acquisition Costs</u>				£97,863		
<u>NET RESIDUAL LAND VALUE</u>				£582,886		

**Net RLV: £2,253,184**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Mixed 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	4,389					
TOTAL NUMBER OF UNITS	Total 50	Private 35	Affordable 15	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£2,215,463		
Open Market Housing Revenue				£11,302,500		
<u>Total Value of Scheme</u>				£13,517,963		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,885,965		
Fees, Contingencies, Planning Costs etc				£882,895		
Site Works				£75,000		
Sustainable Design & Construction Costs				£117,719		
Building Regs Access Compliance, Solent Mitigation etc.				£108,853		
<u>Total Build Costs</u>				£7,070,432		
Section 106 / CIL Costs				£588,924		
Marketing Costs & Legal Fees				£443,039		
<u>Total s106 &amp; Marketing Costs</u>				£1,031,962		
<u>Finance on Build Costs</u>				£197,496		
<u>TOTAL DEVELOPMENT COSTS</u>				£8,299,890		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£2,260,500		
Affordable Housing Profit				£132,928		
<u>Total Operating Profit</u>				£2,393,428		
<u>GROSS RESIDUAL LAND VALUE</u>				£2,824,645		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£571,461		
<u>Total Finance &amp; Acquisition Costs</u>				£571,461		
<u>NET RESIDUAL LAND VALUE</u>				£2,253,184		

**Net RLV: £2,167,231**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Mixed 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	4,389					
TOTAL NUMBER OF UNITS	Total 50	Private 35	Affordable 15	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£2,215,463		
Open Market Housing Revenue				£11,302,500		
<u>Total Value of Scheme</u>				£13,517,963		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,885,965		
Fees, Contingencies, Planning Costs etc				£882,895		
Site Works				£75,000		
Sustainable Design & Construction Costs				£117,719		
Building Regs Access Compliance, Solent Mitigation etc.				£108,853		
<u>Total Build Costs</u>				£7,070,432		
Section 106 / CIL Costs				£698,654		
Marketing Costs & Legal Fees				£443,039		
<u>Total s106 &amp; Marketing Costs</u>				£1,141,693		
<u>Finance on Build Costs</u>				£200,171		
<u>TOTAL DEVELOPMENT COSTS</u>				£8,412,296		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£2,260,500		
Affordable Housing Profit				£132,928		
<u>Total Operating Profit</u>				£2,393,428		
<u>GROSS RESIDUAL LAND VALUE</u>				£2,712,239		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£545,008		
<u>Total Finance &amp; Acquisition Costs</u>				£545,008		
<u>NET RESIDUAL LAND VALUE</u>				£2,167,231		

**Net RLV: £4,942,254**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	100 Mixed 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	8,411					
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH		
	100	70	30	30%		
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2	
	70%	0%	15%	0%	0%	
SITE SIZE (HA)				2.18		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£4,147,748		
Open Market Housing Revenue				£22,857,750		
<u>Total Value of Scheme</u>				£27,005,498		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£10,470,397		
Fees, Contingencies, Planning Costs etc				£2,774,656		
Site Works				£666,000		
Sustainable Design & Construction Costs				£209,408		
Building Regs Access Compliance, Solent Mitigation etc.				£217,692		
<u>Total Build Costs</u>				£14,338,153		
Section 106 / CIL Costs				£920,756		
Marketing Costs & Legal Fees				£885,165		
<u>Total s106 &amp; Marketing Costs</u>				£1,805,921		
<u>TOTAL DEVELOPMENT COSTS</u>				£16,144,074		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£4,542,750		
Affordable Housing Profit				£248,865		
<u>Total Operating Profit</u>				£4,791,615		
<u>GROSS RESIDUAL LAND VALUE</u>				£6,069,809		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£1,127,555		
<u>Total Finance &amp; Acquisition Costs</u>				£1,127,555		
<u>NET RESIDUAL LAND VALUE</u>				£4,942,254		

**Net RLV: £4,802,147**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	100 Mixed 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	8,411					
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH		
	100	70	30	30%		
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2	
	70%	0%	15%	0%	0%	
SITE SIZE (HA)				2.18		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£4,147,748		
Open Market Housing Revenue				£22,857,750		
<u>Total Value of Scheme</u>				£27,005,498		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£10,470,397		
Fees, Contingencies, Planning Costs etc				£2,774,656		
Site Works				£666,000		
Sustainable Design & Construction Costs				£209,408		
Building Regs Access Compliance, Solent Mitigation etc.				£217,692		
<u>Total Build Costs</u>				£14,338,153		
Section 106 / CIL Costs				£1,075,944		
Marketing Costs & Legal Fees				£885,165		
<u>Total s106 &amp; Marketing Costs</u>				£1,961,109		
<u>TOTAL DEVELOPMENT COSTS</u>				£16,299,262		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£4,542,750		
Affordable Housing Profit				£248,865		
<u>Total Operating Profit</u>				£4,791,615		
<u>GROSS RESIDUAL LAND VALUE</u>				£5,914,621		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£1,112,474		
<u>Total Finance &amp; Acquisition Costs</u>				£1,112,474		
<u>NET RESIDUAL LAND VALUE</u>				£4,802,147		



**Net RLV: £18,442,416**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	350 Mixed 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	29,437					
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH		
	350	245	105	30%		
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2	
	70%	0%	4%	0%	0%	
SITE SIZE (HA)				8.27		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£33,431,022		
Open Market Housing Revenue				£60,595,500		
<u>Total Value of Scheme</u>				£94,026,522		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£36,650,319		
Fees, Contingencies, Planning Costs etc				£9,712,335		
Site Works, Sustainable Design & Construction Costs				£1,399,006		
Building Regs Access Compliance, Solent Mitigation etc.				£761,922		
<u>Total Build Costs</u>				£48,523,582		
Section 106 / CIL Costs				£3,197,933		
Marketing Costs & Legal Fees				£3,083,296		
<u>Total s106 &amp; Marketing Costs</u>				£6,281,229		
<u>TOTAL DEVELOPMENT COSTS</u>				£54,804,811		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£15,717,000		
Affordable Housing Profit				£896,611		
<u>Total Operating Profit</u>				£16,613,611		
<u>GROSS RESIDUAL LAND VALUE</u>				£22,608,100		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£4,165,684		
<u>Total Finance &amp; Acquisition Costs</u>				£4,165,684		
<u>NET RESIDUAL LAND VALUE</u>				£18,442,416		

**Net RLV: £17,957,617**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	350 Mixed 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	29,437					
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH		
	350	245	105	30%		
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2	
	70%	0%	4%	0%	0%	
SITE SIZE (HA)				8.27		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£33,431,022		
Open Market Housing Revenue				£60,595,500		
<u>Total Value of Scheme</u>				£94,026,522		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£36,650,319		
Fees, Contingencies, Planning Costs etc				£9,712,335		
Site Works, Sustainable Design & Construction Costs				£1,399,006		
Building Regs Access Compliance, Solent Mitigation etc.				£761,922		
<u>Total Build Costs</u>				£48,523,582		
Section 106 / CIL Costs				£3,734,917		
Marketing Costs & Legal Fees				£3,083,296		
<u>Total s106 &amp; Marketing Costs</u>				£6,818,213		
<u>TOTAL DEVELOPMENT COSTS</u>				£55,341,795		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£15,717,000		
Affordable Housing Profit				£896,611		
<u>Total Operating Profit</u>				£16,613,611		
<u>GROSS RESIDUAL LAND VALUE</u>				£22,071,116		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£4,113,499		
<u>Total Finance &amp; Acquisition Costs</u>				£4,113,499		
<u>NET RESIDUAL LAND VALUE</u>				£17,957,617		



## Appendix IIa: Residential Results Summary

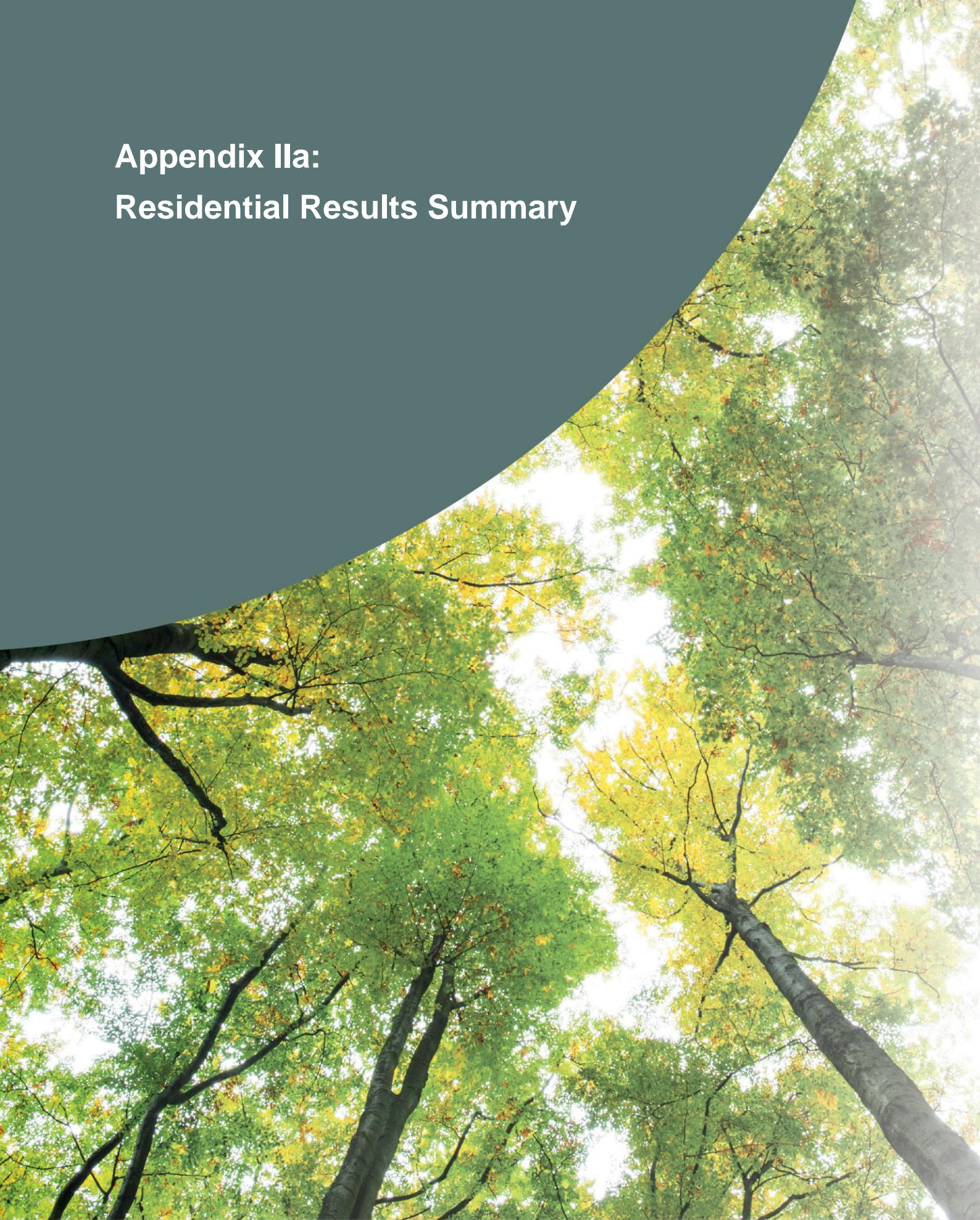




Table 1a: Residual Land Value Results by Value Level & Trial CIL Rate  
- 6 Unit Scheme - Houses

Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value (£)								
						Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
6 Houses 0% AH	PDL/Greenfield	0.15	0.13	VL1	£2,750	£65,346	£52,431	£39,515	£26,600	£13,684	£769	Negative RLV		
				VL2	£3,000	£161,992	£149,378	£136,764	£124,151	£111,481	£98,566	£85,650	£72,735	£59,819
				VL3	£3,250	£256,338	£244,178	£232,017	£219,662	£207,048	£194,434	£181,821	£169,207	£156,594
				VL4	£3,500	£348,419	£336,259	£324,098	£311,938	£299,777	£287,616	£275,456	£263,295	£251,135
				VL5	£3,750	£440,500	£428,340	£416,179	£404,019	£391,858	£379,697	£367,537	£355,376	£343,216
				VL6	£4,000	£532,581	£520,421	£508,260	£496,099	£483,939	£471,778	£459,618	£447,457	£435,297
				VL7	£4,500	£716,743	£704,582	£692,422	£680,261	£668,101	£655,940	£643,780	£631,619	£619,458
						Residual Land Value (£/Ha)								
				VL1	£2,750	£426,171	£341,939	£257,708	£173,476	£89,245	£5,013	Negative RLV		
				VL2	£3,000	£1,056,466	£974,204	£891,942	£809,680	£727,052	£642,821	£558,589	£474,358	£390,126
				VL3	£3,250	£1,671,773	£1,592,465	£1,513,156	£1,432,575	£1,350,313	£1,268,051	£1,185,789	£1,103,527	£1,021,265
				VL4	£3,500	£2,272,300	£2,192,992	£2,113,684	£2,034,376	£1,955,068	£1,875,760	£1,796,451	£1,717,143	£1,637,835
				VL5	£3,750	£2,872,828	£2,793,520	£2,714,212	£2,634,904	£2,555,595	£2,476,287	£2,396,979	£2,317,671	£2,238,363
				VL6	£4,000	£3,473,356	£3,394,048	£3,314,739	£3,235,431	£3,156,123	£3,076,815	£2,997,507	£2,918,199	£2,838,890
				VL7	£4,500	£4,674,411	£4,595,103	£4,515,795	£4,436,487	£4,357,178	£4,277,870	£4,198,562	£4,119,254	£4,039,946

Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value (£)								
						Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
6 Houses 20% AH FC	PDL/Greenfield	0.15	0.13	VL1	£2,750	£6,529				Negative RLV				
				VL2	£3,000	£98,979	£86,064	£73,148	£60,233	£47,317	£34,402	£21,486	£8,571	Negative RLV
				VL3	£3,250	£189,616	£177,003	£164,389	£151,776	£139,162	£126,548	£113,935	£101,021	£88,105
				VL4	£3,500	£277,937	£265,776	£253,615	£241,455	£229,294	£216,837	£204,224	£191,610	£178,997
				VL5	£3,750	£364,983	£352,822	£340,662	£328,501	£316,341	£304,180	£292,020	£279,859	£267,698
				VL6	£4,000	£452,030	£439,869	£427,708	£415,548	£403,387	£391,227	£379,066	£366,905	£354,745
				VL7	£4,500	£626,122	£613,962	£601,801	£589,641	£577,480	£565,319	£553,159	£540,998	£528,838
						Residual Land Value (£/Ha)								
				VL1	£2,750	£42,580				Negative RLV				
				VL2	£3,000	£645,516	£561,284	£477,053	£392,821	£308,590	£224,359	£140,127	£55,896	Negative RLV
				VL3	£3,250	£1,236,627	£1,154,365	£1,072,103	£989,840	£907,578	£825,316	£743,054	£658,831	£574,600
				VL4	£3,500	£1,812,630	£1,733,322	£1,654,014	£1,574,706	£1,495,398	£1,414,155	£1,331,893	£1,249,631	£1,167,369
				VL5	£3,750	£2,380,324	£2,301,016	£2,221,708	£2,142,400	£2,063,092	£1,983,784	£1,904,475	£1,825,167	£1,745,859
				VL6	£4,000	£2,948,018	£2,868,710	£2,789,402	£2,710,094	£2,630,786	£2,551,478	£2,472,169	£2,392,861	£2,313,553
				VL7	£4,500	£4,083,407	£4,004,099	£3,924,790	£3,845,482	£3,766,174	£3,686,866	£3,607,558	£3,528,250	£3,448,941

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:		
EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1a(i): Surplus Analysis  
- 6 Unit Scheme - Houses

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
6	Houses 0% AH	PDL/Greenfie Id	0.15	0.13	VL4	£3,500	£287,616	£1,875,760	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,775,760	£1,625,760	£875,760	£625,760	£375,760	-£341,240
					VL5	£3,750	£379,697	£2,476,287							£2,376,287	£2,226,287	£1,476,287	£1,226,287	£976,287	£259,287
					VL6	£4,000	£471,778	£3,076,815							£2,976,815	£2,826,815	£2,076,815	£1,826,815	£1,576,815	£859,815

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
6	Houses 20% AH	PDL/Greenfie Id	0.15	0.13	VL4	£3,500	£216,837	£1,414,155	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,314,155	£1,164,155	£414,155	£164,155	-£85,845	-£802,845
					VL5	£3,750	£304,180	£1,983,784							£1,883,784	£1,733,784	£983,784	£733,784	£483,784	-£233,216
					VL6	£4,000	£391,227	£2,551,478							£2,451,478	£2,301,478	£1,551,478	£1,301,478	£1,051,478	£334,478

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

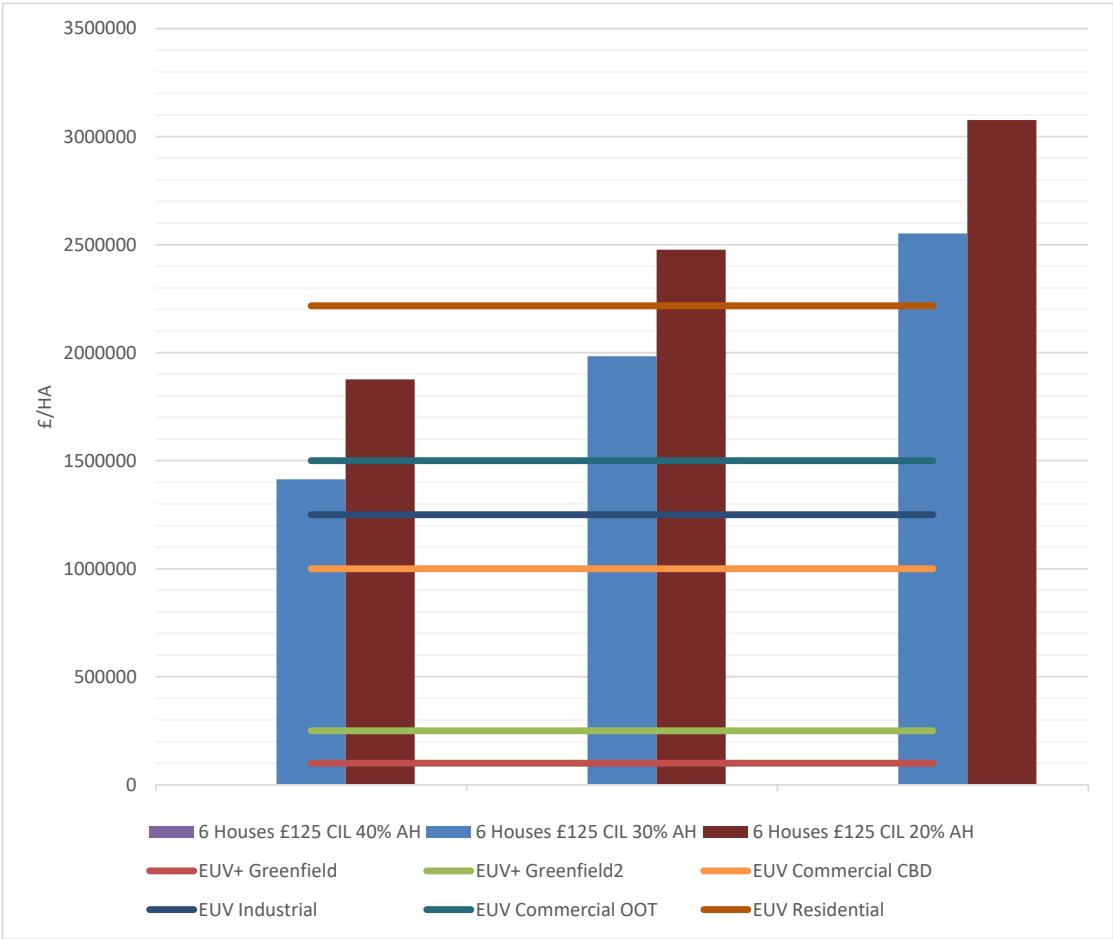


Table 1b: Residual Land Value Results by Value Level & Trial CIL Rate  
- 10 Unit Scheme - Houses

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
10  Houses 20% AH	PDL/Greenfield	0.26	0.22	VL1	£2,750	£36,509	£16,169	Negative RLV							
				VL2	£3,000	£165,616	£145,768	£125,919	£105,929	£85,589	£65,249	£44,908	£24,568	£4,228	
				VL3	£3,250	£288,175	£269,064	£249,953	£230,842	£211,378	£191,529	£171,681	£151,833	£131,984	
				VL4	£3,500	£411,414	£392,303	£373,193	£354,082	£334,971	£315,860	£296,750	£277,639	£258,528	
				VL5	£3,750	£538,415	£519,304	£500,193	£481,083	£461,972	£442,861	£423,751	£404,640	£385,529	
				VL6	£4,000	£659,261	£640,150	£621,039	£601,929	£582,818	£563,707	£544,596	£525,486	£506,375	
				VL7	£4,500	£895,615	£877,734	£859,852	£841,971	£824,090	£806,208	£788,327	£769,229	£750,118	
				Residual Land Value (£/Ha)											
				VL1	£2,750	£142,863	£63,271	Negative RLV							
				VL2	£3,000	£648,063	£570,395	£492,728	£414,504	£334,912	£255,320	£175,728	£96,137	£16,545	
				VL3	£3,250	£1,127,640	£1,052,859	£978,078	£903,297	£827,130	£749,463	£671,795	£594,128	£516,460	
				VL4	£3,500	£1,609,881	£1,535,100	£1,460,319	£1,385,538	£1,310,757	£1,235,976	£1,161,195	£1,086,414	£1,011,633	
				VL5	£3,750	£2,106,841	£2,032,060	£1,957,278	£1,882,497	£1,807,716	£1,732,935	£1,658,154	£1,583,373	£1,508,592	
				VL6	£4,000	£2,579,716	£2,504,935	£2,430,154	£2,355,372	£2,280,591	£2,205,810	£2,131,029	£2,056,248	£1,981,467	
				VL7	£4,500	£3,504,580	£3,434,609	£3,364,639	£3,294,669	£3,224,699	£3,154,729	£3,084,758	£3,010,026	£2,935,245	

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
10	Houses 30% AH	PDL/Greenfield	0.26	0.22	VL1	£2,750	Negative RLV								
					VL2	£3,000	£106,036	£85,696	£65,356	£45,016	£24,675	£4,335	Negative RLV		
					VL3	£3,250	£220,265	£200,416	£180,568	£160,720	£140,871	£121,023	£100,911	£80,571	£60,231
					VL4	£3,500	£334,080	£314,970	£295,859	£276,748	£257,637	£238,527	£219,359	£199,510	£179,662
					VL5	£3,750	£453,294	£434,183	£415,072	£395,961	£376,851	£357,740	£338,629	£319,518	£300,408
					VL6	£4,000	£563,635	£544,525	£525,414	£506,303	£487,193	£468,082	£448,971	£429,860	£410,750
					VL7	£4,500	£787,276	£768,166	£749,055	£729,944	£710,833	£691,723	£672,612	£653,501	£634,391
					Residual Land Value (£/Ha)										
					VL1	£2,750	Negative RLV								
					VL2	£3,000	£414,924	£335,332	£255,740	£176,148	£96,556	£16,964	Negative RLV		
					VL3	£3,250	£861,905	£784,238	£706,570	£628,903	£551,235	£473,567	£394,869	£315,278	£235,686
					VL4	£3,500	£1,307,271	£1,232,490	£1,157,709	£1,082,927	£1,008,146	£933,365	£858,360	£780,692	£703,025
					VL5	£3,750	£1,773,757	£1,698,976	£1,624,195	£1,549,414	£1,474,633	£1,399,852	£1,325,071	£1,250,290	£1,175,509
					VL6	£4,000	£2,205,530	£2,130,749	£2,055,968	£1,981,187	£1,906,406	£1,831,625	£1,756,843	£1,682,062	£1,607,281
					VL7	£4,500	£3,080,646	£3,005,865	£2,931,084	£2,856,303	£2,781,522	£2,706,741	£2,631,960	£2,557,179	£2,482,398

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
10  Houses 40% AH	PDL/Greenfield	0.26	0.22	VL1	£2,750	Negative RLV									
				VL2	£3,000	£40,147	£19,968	Negative RLV							
				VL3	£3,250	£141,961	£122,269	£102,349	£82,169	£61,989	£41,809	£21,630	£1,450	Negative RLV	
				VL4	£3,500	£246,728	£227,768	£208,341	£188,649	£168,957	£149,265	£129,573	£109,834	£89,654	
				VL5	£3,750	£356,084	£337,124	£318,163	£299,203	£280,243	£261,283	£242,323	£223,363	£203,766	
				VL6	£4,000	£453,129	£434,169	£415,209	£396,249	£377,289	£358,329	£339,369	£320,409	£301,449	
				VL7	£4,500	£651,324	£632,364	£613,404	£594,444	£575,484	£556,524	£537,564	£518,604	£499,644	
				Residual Land Value (£/Ha)											
				VL1	£2,750	Negative RLV									
				VL2	£3,000	£157,098	£78,134	Negative RLV							
				VL3	£3,250	£555,500	£478,445	£400,495	£321,531	£242,566	£163,602	£84,637	£5,673	Negative RLV	
				VL4	£3,500	£965,457	£891,266	£815,247	£738,192	£661,137	£584,081	£507,026	£429,784	£350,820	
				VL5	£3,750	£1,393,371	£1,319,179	£1,244,987	£1,170,796	£1,096,604	£1,022,413	£948,221	£874,030	£797,346	
				VL6	£4,000	£1,773,115	£1,698,923	£1,624,732	£1,550,540	£1,476,349	£1,402,157	£1,327,965	£1,253,774	£1,179,582	
				VL7	£4,500	£2,548,660	£2,474,468	£2,400,277	£2,326,085	£2,251,893	£2,177,702	£2,103,510	£2,029,319	£1,955,127	

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1b(i): Surplus Analysis  
- 10 Unit Scheme - Houses

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
10	Houses 20% AH	PDL/Greenfie Id	0.26	0.22	VL4	£3,500	£315,860	£1,235,976	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,135,976	£985,976	£235,976	-£14,024	-£264,024	-£981,024
					VL5	£3,750	£442,861	£1,732,935							£1,632,935	£1,482,935	£732,935	£482,935	£232,935	-£484,065
					VL6	£4,000	£563,707	£2,205,810							£2,105,810	£1,955,810	£1,205,810	£955,810	£705,810	-£11,190

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
10	Houses 30% AH	PDL/Greenfie Id	0.26	0.22	VL4	£3,500	£238,527	£933,365	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£833,365	£683,365	-£66,635	-£316,635	-£566,635	-£1,283,635
					VL5	£3,750	£357,740	£1,399,852							£1,299,852	£1,149,852	£399,852	£149,852	-£100,148	-£817,148
					VL6	£4,000	£468,082	£1,831,625							£1,731,625	£1,581,625	£831,625	£581,625	£331,625	-£385,375

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
10	Houses 40% AH	PDL/Greenfie Id	0.26	0.22	VL4	£3,500	£149,265	£584,081	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£484,081	£334,081	-£415,919	-£665,919	-£915,919	-£1,632,919
					VL5	£3,750	£261,283	£1,022,413							£922,413	£772,413	£22,413	-£227,587	-£477,587	-£1,194,587
					VL6	£4,000	£358,329	£1,402,157							£1,302,157	£1,152,157	£402,157	£152,157	-£97,843	-£814,843

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

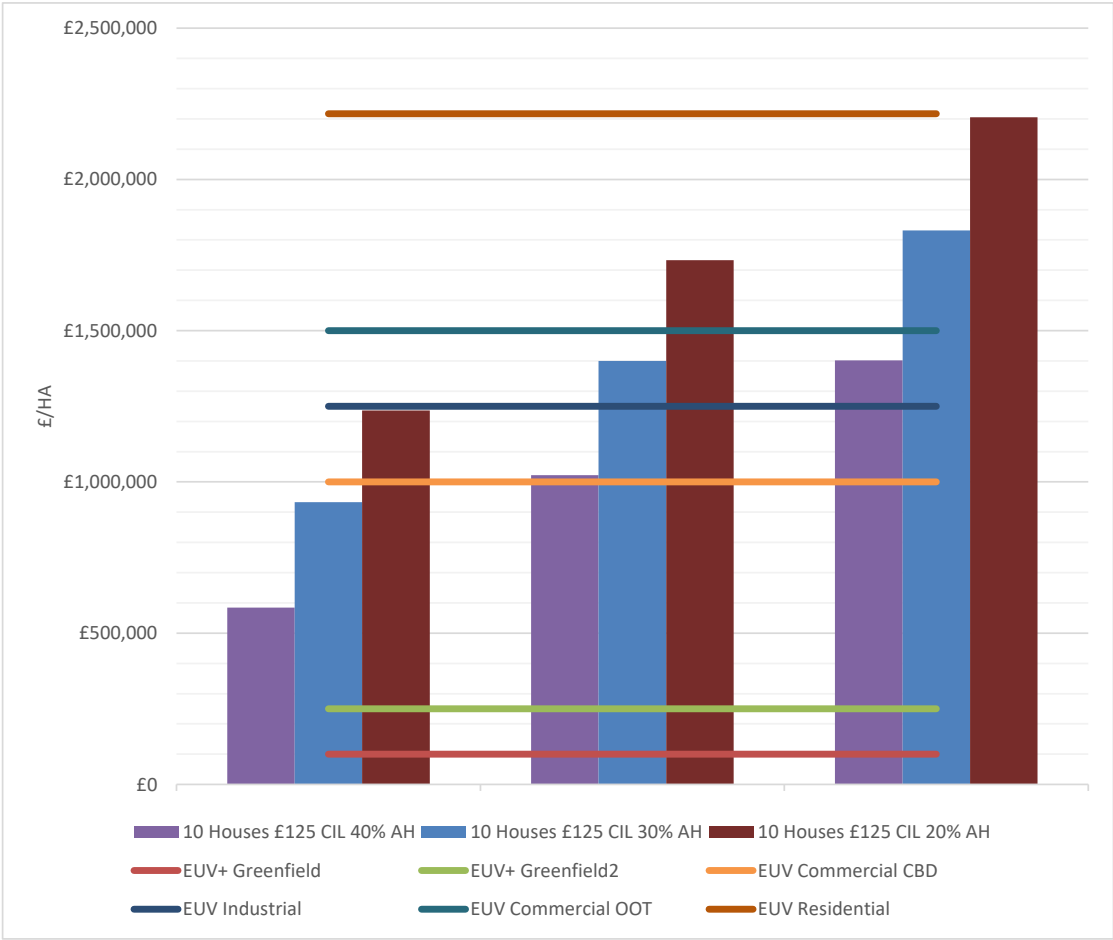




Table 1c: Residual Land Value Results by Value Level & Trial CIL Rate  
- 11 Unit Scheme - Houses

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
11	Houses 20% AH	PDL/Greenfield	0.28	0.24	VL1	£2,750	£250,234	£228,971	£207,199	£185,115	£163,032	£140,948	£118,865	£96,409	£73,778
					VL2	£3,000	£388,951	£367,688	£346,425	£325,162	£303,900	£282,637	£261,374	£240,111	£218,769
					VL3	£3,250	£525,616	£504,354	£483,091	£461,828	£440,565	£419,302	£398,039	£376,777	£355,514
					VL4	£3,500	£665,017	£643,755	£622,492	£601,229	£579,966	£558,703	£537,440	£516,178	£494,915
					VL5	£3,750	£806,891	£786,917	£765,654	£744,391	£723,128	£701,866	£680,603	£659,340	£638,077
					VL6	£4,000	£935,084	£915,189	£895,294	£875,399	£855,504	£835,609	£815,715	£795,820	£775,084
					VL7	£4,500	£1,193,390	£1,173,496	£1,153,601	£1,133,706	£1,113,811	£1,093,916	£1,074,021	£1,054,126	£1,034,231
					Residual Land Value (£/Ha)										
					VL1	£2,750	£890,160	£814,521	£737,071	£658,513	£579,955	£501,397	£422,839	£342,956	£262,452
					VL2	£3,000	£1,383,620	£1,307,981	£1,232,343	£1,156,704	£1,081,066	£1,005,427	£929,789	£854,150	£778,230
					VL3	£3,250	£1,869,782	£1,794,143	£1,718,505	£1,642,866	£1,567,227	£1,491,589	£1,415,950	£1,340,312	£1,264,673
					VL4	£3,500	£2,365,674	£2,290,036	£2,214,397	£2,138,759	£2,063,120	£1,987,482	£1,911,843	£1,836,205	£1,760,566
					VL5	£3,750	£2,870,362	£2,799,309	£2,723,670	£2,648,032	£2,572,393	£2,496,755	£2,421,116	£2,345,478	£2,269,839
					VL6	£4,000	£3,326,386	£3,255,614	£3,184,841	£3,114,069	£3,043,296	£2,972,524	£2,901,751	£2,830,979	£2,757,217
					VL7	£4,500	£4,245,263	£4,174,490	£4,103,718	£4,032,945	£3,962,173	£3,891,400	£3,820,628	£3,749,855	£3,679,083

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
11	Houses 30% AH	PDL/Greenfield	0.28	0.24	VL1	£2,750	£198,543	£176,616	£154,689	£132,762	£110,811	£88,341	£65,870	£43,400	£20,930
					VL2	£3,000	£325,750	£304,638	£283,526	£262,414	£241,302	£220,162	£198,235	£176,308	£154,381
					VL3	£3,250	£448,929	£427,817	£406,704	£385,592	£364,480	£343,368	£322,256	£301,144	£280,031
					VL4	£3,500	£576,371	£555,259	£534,146	£513,034	£491,922	£470,810	£449,698	£428,586	£407,473
					VL5	£3,750	£709,676	£688,563	£667,451	£646,339	£625,227	£604,115	£583,002	£561,890	£540,778
					VL6	£4,000	£830,476	£810,722	£790,968	£770,050	£748,938	£727,826	£706,714	£685,602	£664,489
					VL7	£4,500	£1,064,974	£1,045,220	£1,025,466	£1,005,712	£985,958	£966,204	£946,450	£926,696	£906,942
					Residual Land Value (£/Ha)										
					VL1	£2,750	£706,281	£628,279	£550,278	£472,276	£394,190	£314,255	£234,321	£154,387	£74,453
					VL2	£3,000	£1,158,796	£1,083,694	£1,008,591	£933,488	£858,386	£783,185	£705,184	£627,182	£549,181
					VL3	£3,250	£1,596,980	£1,521,877	£1,446,775	£1,371,672	£1,296,569	£1,221,467	£1,146,364	£1,071,262	£996,159
					VL4	£3,500	£2,050,331	£1,975,228	£1,900,126	£1,825,023	£1,749,921	£1,674,818	£1,599,715	£1,524,613	£1,449,510
					VL5	£3,750	£2,524,537	£2,449,435	£2,374,332	£2,299,230	£2,224,127	£2,149,024	£2,073,922	£1,998,819	£1,923,717
					VL6	£4,000	£2,954,263	£2,883,992	£2,813,721	£2,739,309	£2,664,207	£2,589,104	£2,514,001	£2,438,899	£2,363,796
					VL7	£4,500	£3,788,443	£3,718,172	£3,647,901	£3,577,630	£3,507,359	£3,437,088	£3,366,817	£3,296,546	£3,226,275

						Residual Land Value (£)										
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL		
11	Houses 40% AH	PDL/Greenfield	0.28	0.24	VL1	£2,750	£149,229	£127,302	£105,215	£82,745	£60,274	£37,804	£15,334	Negative RLV		
					VL2	£3,000	£268,519	£247,407	£226,295	£204,576	£182,649	£160,722	£138,795	£116,867	£94,523	
					VL3	£3,250	£381,043	£359,930	£338,818	£317,706	£296,594	£275,482	£254,369	£233,257	£211,807	
					VL4	£3,500	£499,037	£477,925	£456,813	£435,701	£414,588	£393,476	£372,364	£351,252	£330,140	
					VL5	£3,750	£624,554	£603,442	£582,330	£561,218	£540,106	£518,993	£497,881	£476,769	£455,657	
					VL6	£4,000	£737,762	£716,649	£695,537	£674,425	£653,313	£632,201	£611,088	£589,976	£568,864	
					VL7	£4,500	£956,691	£936,937	£917,183	£897,429	£877,675	£857,921	£838,167	£818,413	£798,659	
					Residual Land Value (£/Ha)											
					VL1	£2,750	£530,853	£452,851	£374,283	£294,349	£214,415	£134,481	£54,547	Negative RLV		
					VL2	£3,000	£955,206	£880,104	£805,001	£727,740	£649,739	£571,737	£493,735	£415,734	£336,246	
					VL3	£3,250	£1,355,487	£1,280,385	£1,205,282	£1,130,180	£1,055,077	£979,974	£904,872	£829,769	£753,464	
					VL4	£3,500	£1,775,231	£1,700,128	£1,625,025	£1,549,923	£1,474,820	£1,399,718	£1,324,615	£1,249,512	£1,174,410	
					VL5	£3,750	£2,221,734	£2,146,632	£2,071,529	£1,996,427	£1,921,324	£1,846,221	£1,771,119	£1,696,016	£1,620,913	
					VL6	£4,000	£2,624,448	£2,549,346	£2,474,243	£2,399,140	£2,324,038	£2,248,935	£2,173,832	£2,098,730	£2,023,627	
					VL7	£4,500	£3,403,248	£3,332,977	£3,262,706	£3,192,435	£3,122,164	£3,051,893	£2,981,622	£2,911,351	£2,841,080	

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1c(i): Surplus Analysis  
- 11 Unit Scheme - Houses

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
11	Houses 20% AH	PDL/Greenfie Id	0.28	0.24	VL4	£3,500	£558,703	£1,987,482	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,887,482	£1,737,482	£987,482	£737,482	£487,482	-£229,518
					VL5	£3,750	£701,866	£2,496,755							£2,396,755	£2,246,755	£1,496,755	£1,246,755	£996,755	£279,755
					VL6	£4,000	£835,609	£2,972,524							£2,872,524	£2,722,524	£1,972,524	£1,722,524	£1,472,524	£755,524

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
11	Houses 30% AH	PDL/Greenfie Id	0.28	0.24	VL4	£3,500	£470,810	£1,674,818	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,574,818	£1,424,818	£674,818	£424,818	£174,818	-£542,182
					VL5	£3,750	£604,115	£2,149,024							£2,049,024	£1,899,024	£1,149,024	£899,024	£649,024	-£67,976
					VL6	£4,000	£727,826	£2,589,104							£2,489,104	£2,339,104	£1,589,104	£1,339,104	£1,089,104	£372,104

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
11	Houses 40% AH	PDL/Greenfie Id	0.28	0.24	VL4	£3,500	£393,476	£1,399,718	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,299,718	£1,149,718	£399,718	£149,718	-£100,282	-£817,282
					VL5	£3,750	£518,993	£1,846,221							£1,746,221	£1,596,221	£846,221	£596,221	£346,221	-£370,779
					VL6	£4,000	£632,201	£2,248,935							£2,148,935	£1,998,935	£1,248,935	£998,935	£748,935	£31,935

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

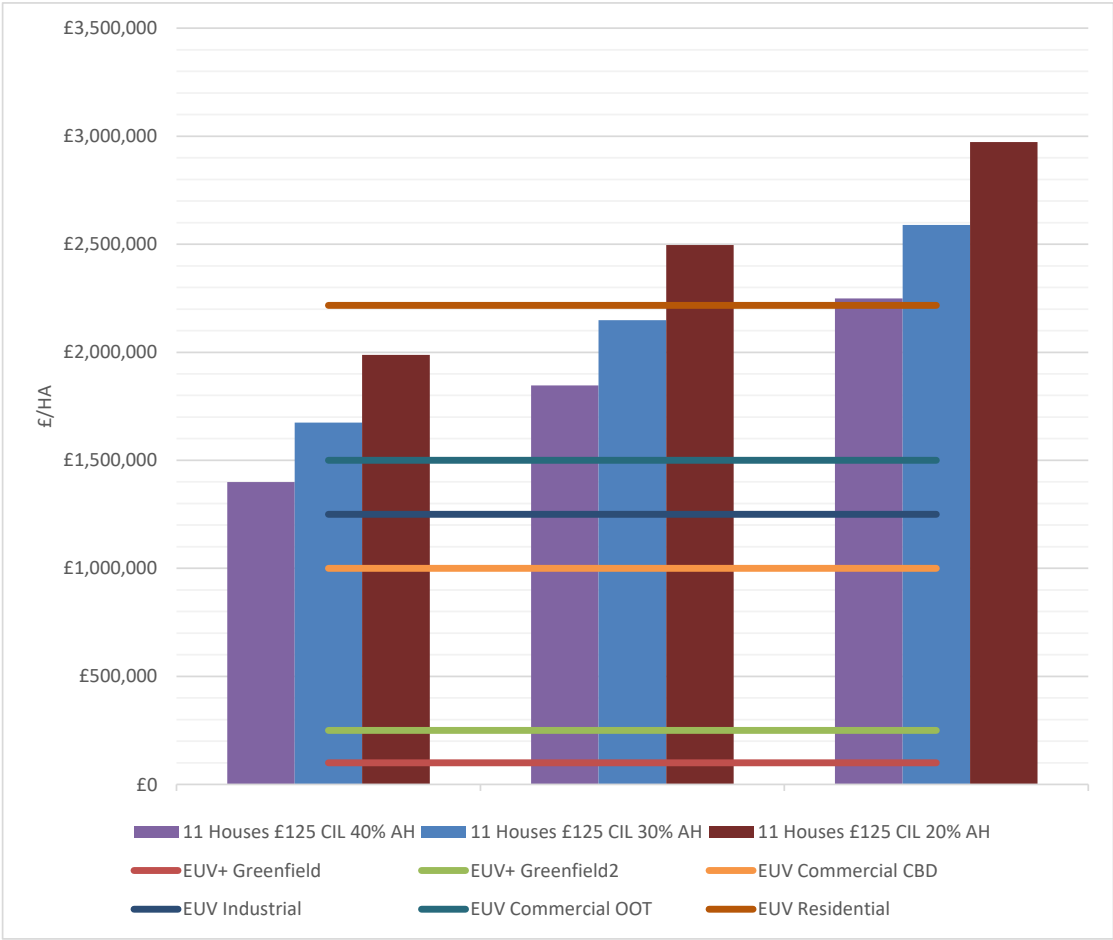


Table 1d: Residual Land Value Results by Value Level & Trial CIL Rate  
- 15 Unit Scheme - Houses

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
15	Houses 20% AH	PDL/Greenfield	0.38	0.33	VL1	£2,750	£357,644	£328,181	£298,719	£269,257	£239,794	£209,924	£179,324	£148,725
					VL2	£3,000	£546,727	£517,264	£487,802	£458,340	£428,877	£399,415	£369,953	£340,490
					VL3	£3,250	£732,612	£703,149	£673,687	£644,225	£614,762	£585,300	£555,838	£526,375
					VL4	£3,500	£914,100	£886,534	£858,967	£831,400	£803,833	£775,449	£745,987	£716,524
					VL5	£3,750	£1,097,502	£1,069,935	£1,042,368	£1,014,801	£987,234	£959,667	£932,100	£904,533
					VL6	£4,000	£1,271,057	£1,244,248	£1,216,793	£1,189,227	£1,161,660	£1,134,093	£1,106,526	£1,078,959
					VL7	£4,500	£1,613,223	£1,586,414	£1,559,605	£1,532,796	£1,505,988	£1,479,179	£1,452,370	£1,425,561
							Residual Land Value (£/Ha)							
					VL1	£2,750	£932,984	£856,125	£779,267	£702,409	£625,550	£547,628	£467,803	£387,978
					VL2	£3,000	£1,426,243	£1,349,385	£1,272,527	£1,195,668	£1,118,810	£1,041,952	£965,093	£888,235
					VL3	£3,250	£1,911,161	£1,834,303	£1,757,444	£1,680,586	£1,603,728	£1,526,870	£1,450,011	£1,373,153
					VL4	£3,500	£2,384,610	£2,312,696	£2,240,782	£2,168,868	£2,096,955	£2,022,910	£1,946,052	£1,869,193
					VL5	£3,750	£2,863,049	£2,791,135	£2,719,221	£2,647,307	£2,575,394	£2,503,480	£2,431,566	£2,359,652
					VL6	£4,000	£3,315,800	£3,245,864	£3,174,244	£3,102,330	£3,030,416	£2,958,502	£2,886,589	£2,814,675
					VL7	£4,500	£4,208,408	£4,138,472	£4,068,535	£3,998,599	£3,928,663	£3,858,727	£3,788,791	£3,718,855
														£3,648,919

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
15	Houses 30% AH	PDL/Greenfield	0.38	0.33	VL1	£2,750	£310,162	£280,699	£251,237	£221,775	£191,209	£160,609	£130,010	£99,103
					VL2	£3,000	£489,495	£460,033	£430,571	£401,108	£371,646	£342,183	£312,721	£283,259
					VL3	£3,250	£664,726	£635,263	£605,801	£576,338	£546,876	£517,414	£487,951	£458,489
					VL4	£3,500	£841,742	£814,175	£786,502	£757,040	£727,577	£698,115	£668,653	£639,190
					VL5	£3,750	£1,017,857	£990,290	£962,723	£935,156	£907,589	£880,022	£852,455	£824,888
					VL6	£4,000	£1,182,454	£1,154,887	£1,127,320	£1,099,753	£1,072,186	£1,044,619	£1,017,052	£989,485
					VL7	£4,500	£1,507,918	£1,481,109	£1,454,301	£1,427,492	£1,400,683	£1,373,874	£1,347,065	£1,320,257
							Residual Land Value (£/Ha)							
					VL1	£2,750	£809,118	£732,259	£655,401	£578,543	£498,805	£418,980	£339,155	£258,529
					VL2	£3,000	£1,276,944	£1,200,086	£1,123,228	£1,046,369	£969,511	£892,653	£815,794	£738,936
					VL3	£3,250	£1,734,067	£1,657,208	£1,580,350	£1,503,492	£1,426,633	£1,349,775	£1,272,917	£1,196,058
					VL4	£3,500	£2,195,848	£2,123,934	£2,051,745	£1,974,886	£1,898,028	£1,821,170	£1,744,311	£1,667,453
					VL5	£3,750	£2,655,279	£2,583,365	£2,511,451	£2,439,537	£2,367,623	£2,295,710	£2,223,796	£2,151,882
					VL6	£4,000	£3,084,663	£3,012,749	£2,940,835	£2,868,921	£2,797,007	£2,725,093	£2,653,180	£2,581,266
					VL7	£4,500	£3,933,700	£3,863,764	£3,793,828	£3,723,892	£3,653,956	£3,584,020	£3,514,084	£3,444,148
														£3,374,212

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
15	Houses 40% AH	PDL/Greenfield	0.38	0.33	VL1	£2,750	£211,470	£181,027	£150,583	£120,140	£89,150	£57,952	Negative RLV		
					VL2	£3,000	£369,063	£339,752	£310,440	£281,128	£251,817	£222,505	£192,124	£161,681	£131,237
					VL3	£3,250	£520,152	£490,840	£461,528	£432,217	£402,905	£373,593	£344,281	£314,970	£285,658
					VL4	£3,500	£679,447	£620,135	£620,823	£591,511	£562,200	£532,888	£503,576	£474,265	£444,953
					VL5	£3,750	£846,044	£818,618	£791,192	£762,090	£732,779	£703,467	£674,155	£644,843	£615,532
					VL6	£4,000	£988,373	£960,947	£933,521	£906,095	£878,669	£851,243	£823,817	£796,391	£767,646
					VL7	£4,500	£1,277,729	£1,251,057	£1,223,936	£1,196,510	£1,169,084	£1,141,658	£1,114,232	£1,086,806	£1,059,380
					Residual Land Value (£/Ha)										
					VL1	£2,750	£551,660	£472,243	£392,827	£313,410	£232,564	£151,179	£69,795	Negative RLV	
					VL2	£3,000	£962,774	£886,309	£809,844	£733,378	£656,913	£580,448	£501,192	£421,775	£342,359
					VL3	£3,250	£1,356,918	£1,280,452	£1,203,987	£1,127,522	£1,051,056	£974,591	£898,126	£821,660	£745,195
					VL4	£3,500	£1,772,469	£1,696,004	£1,619,539	£1,543,073	£1,466,608	£1,390,143	£1,313,677	£1,237,212	£1,160,747
					VL5	£3,750	£2,207,073	£2,135,526	£2,063,980	£1,988,062	£1,911,596	£1,835,131	£1,758,666	£1,682,200	£1,605,735
					VL6	£4,000	£2,578,363	£2,506,817	£2,435,271	£2,363,725	£2,292,179	£2,220,633	£2,149,087	£2,077,541	£2,002,554
					VL7	£4,500	£3,333,205	£3,263,626	£3,192,876	£3,121,330	£3,049,784	£2,978,238	£2,906,692	£2,835,146	£2,763,600

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1d(i): Surplus Analysis  
- 15 Unit Scheme - Houses

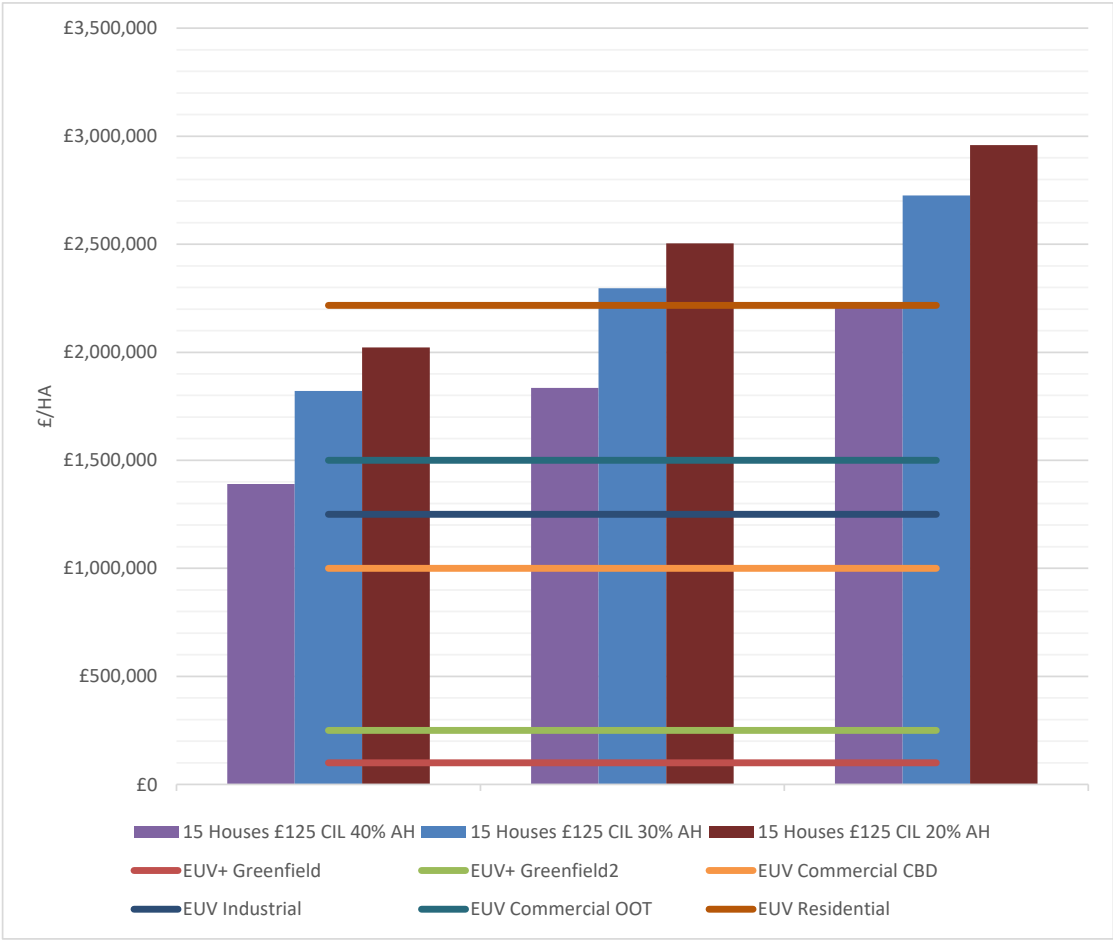
Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
15	Houses 20% AH	PDL/Greenfie Id	0.38	0.33	VL4	£3,500	£775,449	£2,022,910	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,922,910	£1,772,910	£1,022,910	£772,910	£522,910	-£194,090
					VL5	£3,750	£959,667	£2,503,480							£2,403,480	£2,253,480	£1,503,480	£1,253,480	£1,003,480	£286,480
					VL6	£4,000	£1,134,093	£2,958,502							£2,858,502	£2,708,502	£1,958,502	£1,708,502	£1,458,502	£741,502

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
15	Houses 30% AH	PDL/Greenfie Id	0.38	0.33	VL4	£3,500	£698,115	£1,821,170	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,721,170	£1,571,170	£821,170	£571,170	£321,170	-£395,830
					VL5	£3,750	£880,022	£2,295,710							£2,195,710	£2,045,710	£1,295,710	£1,045,710	£795,710	£78,710
					VL6	£4,000	£1,044,619	£2,725,093							£2,625,093	£2,475,093	£1,725,093	£1,475,093	£1,225,093	£508,093

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
15	Houses 40% AH	PDL/Greenfie Id	0.38	0.33	VL4	£3,500	£532,888	£1,390,143	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,290,143	£1,140,143	£390,143	£140,143	-£109,857	-£826,857
					VL5	£3,750	£703,467	£1,835,131							£1,735,131	£1,585,131	£835,131	£585,131	£335,131	-£381,869
					VL6	£4,000	£851,243	£2,220,633							£2,120,633	£1,970,633	£1,220,633	£970,633	£720,633	£3,633

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.



Source: Dixon Searle Partnership (2019)

Table 1e: Residual Land Value Results by Value Level & Trial CIL Rate  
- 15 Unit Scheme - Flats

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
15	Flats 20% AH	PDL - Town Centre	0.10	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500	£102,326	£78,881	£55,437	£31,992	£8,548	Negative RLV			
				VL5	£3,750	£230,801	£208,305	£185,427	£162,550	£139,672				
				VL6	£4,000	£348,803	£326,775	£304,748	£282,721	£260,693				
				VL7	£4,500	£586,756	£564,728	£542,701	£520,673	£498,646	£476,618	£454,591	£432,563	£410,536
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500	£1,023,257	£788,812	£554,367	£319,921	£85,476	Negative RLV			
				VL5	£3,750	£2,308,008	£2,083,052	£1,854,275	£1,625,498	£1,396,721				
				VL6	£4,000	£3,488,029	£3,267,755	£3,047,480	£2,827,206	£2,606,931				
				VL7	£4,500	£5,867,556	£5,647,282	£5,427,007	£5,206,732	£4,986,458	£4,766,183	£4,545,909	£4,325,634	£4,105,360

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
15	Flats 30% AH	PDL - Town Centre	0.10	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500	£96,524	£73,080	£49,635	£26,191	£2,746	Negative RLV			
				VL5	£3,750									
				VL6	£4,000									
				VL7	£4,500	£410,967	£388,939	£366,912	£344,884	£322,857	£300,829	£278,802	£256,775	£234,747
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500	£965,245	£730,799	£496,354	£261,908	£27,463	Negative RLV			
				VL5	£3,750									
				VL6	£4,000									
				VL7	£4,500	£4,109,667	£3,889,393	£3,669,118	£3,448,844	£3,228,569	£3,008,295	£2,788,020	£2,567,745	£2,347,471

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
15	Flats 40% AH	PDL - Town Centre	0.10	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500	£29,369	£5,386	£83,548	£59,565	£35,581	Neagtive RLV			
				VL5	£3,750									
				VL6	£4,000									
				VL7	£4,500	£131,039	£107,532	£83,548	£59,565	£35,581	£11,598	£194,255	£170,851	£147,447
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500	£293,692	£53,857	£835,481	£595,646	£355,811	Neagtive RLV			
				VL5	£3,750									
				VL6	£4,000									
				VL7	£4,500	£3,304,480	£3,079,142	£2,853,804	£2,628,465	£2,403,127	£2,176,583	£1,942,547	£1,708,510	£1,474,474

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)



Table 1e(i): Surplus Analysis  
- 15 Unit Scheme - Flats

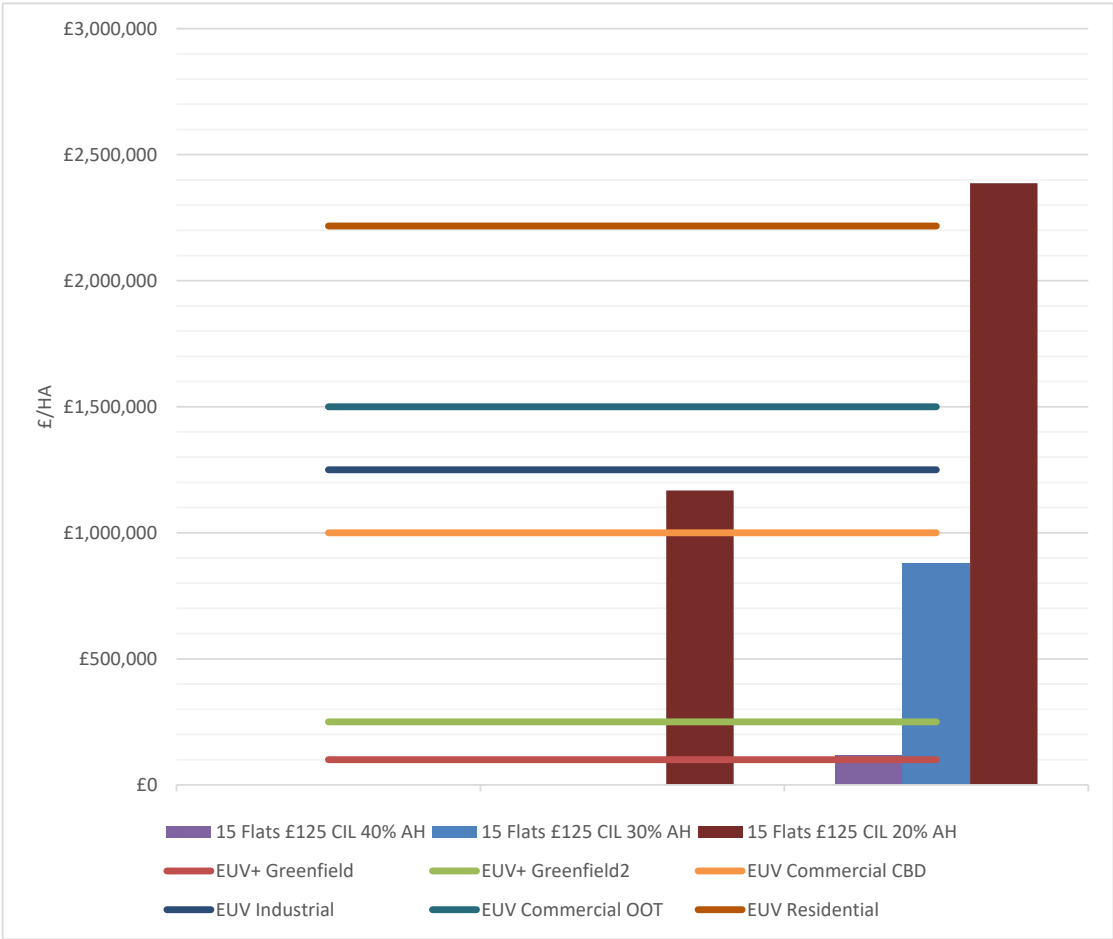
Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
15	Flats 20% AH	PDL - Town Centre	0.10	0.10	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	£116,794	£1,167,944							£1,067,944	£917,944	£167,944	-£82,056	-£332,056	-£1,049,056
					VL6	£4,000	£238,666	£2,386,656							£2,286,656	£2,136,656	£1,386,656	£1,136,656	£886,656	£169,656

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
15	Flats 30% AH	PDL - Town Centre	0.10	0.10	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	Negative RLV	Negative RLV							£779,134	£629,134	-£120,866	-£370,866	-£620,866	-£1,337,866
					VL6	£4,000	£87,913	£879,134												

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
15	Flats 40% AH	PDL - Town Centre	0.10	0.10	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	Negative RLV	Negative RLV							£15,976	-£134,024	-£884,024	-£1,134,024	-£1,384,024	-£2,101,024
					VL6	£4,000	£11,598	£115,976												

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.



Source: Dixon Searle Partnership (2019)

Table 1f: Residual Land Value Results by Value Level & Trial CIL Rate  
- 25 Unit Scheme - Flats

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
25  Flats 20% AH	PDL - Town Centre	0.17	0.17	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£224,367	£184,268	£144,035	£103,603	£62,373	Negative RLV			
				VL6	£4,000	£441,080	£402,342	£363,604	£324,867	£286,129	£247,391	£208,180	£167,947	£127,713
				VL7	£4,500	£647,134	£608,396	£569,658	£530,920	£492,182	£453,444	£414,706	£375,969	£337,231
						£1,045,126	£1,008,880	£972,634	£936,388	£900,143	£863,897	£827,651	£791,405	£752,891
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£1,346,203	£1,105,606	£864,207	£621,618	£374,238	Negative RLV			
				VL6	£4,000	£2,646,482	£2,414,054	£2,181,627	£1,949,199	£1,716,771	£1,484,344	£1,249,079	£1,007,680	£766,281
				VL7	£4,500	£3,882,805	£3,650,377	£3,417,949	£3,185,522	£2,953,094	£2,720,667	£2,488,239	£2,255,811	£2,023,384
						£6,270,755	£6,053,280	£5,835,805	£5,618,330	£5,400,855	£5,183,380	£4,965,905	£4,748,430	£4,517,348

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
25	Flats 30% AH	PDL - Town Centre	0.17	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£311,782	£273,044	£234,306	£194,590	£154,357	£114,124	£72,951	£31,721	Negative RLV
				VL6	£4,000	£501,881	£463,143	£424,405	£385,667	£346,929	£308,191	£269,453	£230,715	£190,861
				VL7	£4,500	£880,646	£844,400	£808,154	£770,792	£732,054	£693,316	£654,578	£615,840	£577,102
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£1,870,693	£1,638,265	£1,405,838	£1,167,543	£926,143	£684,744	£437,709	£190,329	Negative RLV
				VL6	£4,000	£3,011,283	£2,778,856	£2,546,428	£2,314,000	£2,081,573	£1,849,145	£1,616,718	£1,384,290	£1,145,163
				VL7	£4,500	£5,283,876	£5,066,401	£4,848,926	£4,624,753	£4,392,325	£4,159,897	£3,927,470	£3,695,042	£3,462,614

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
25	Flats 40% AH	PDL - Town Centre	0.17	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£102,439	£61,209	£19,979	Negative RLV					
				VL6	£4,000	£271,896	£233,158	£193,398						
				VL7	£4,500	£608,674	£569,936	£531,198	£492,460	£453,722	£414,984	£376,246	£337,508	£298,770
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£614,636	£367,256	£119,876	Negative RLV					
				VL6	£4,000	£1,631,375	£1,398,947	£1,160,386						
				VL7	£4,500	£3,652,041	£3,419,614	£3,187,186	£2,954,758	£2,722,331	£2,489,903	£2,257,475	£2,025,048	£1,792,620

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)



Table 1f(i): Surplus Analysis  
- 25 Unit Scheme - Flats

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
25	Flats 20% AH	PDL - Town Centre	0.17	0.17	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	£247,391	£1,484,344							£1,384,344	£1,234,344	£484,344	£234,344	-£15,656	-£732,656
					VL6	£4,000	£453,444	£2,720,667							£2,620,667	£2,470,667	£1,720,667	£1,470,667	£1,220,667	£503,667

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
25	Flats 30% AH	PDL - Town Centre	0.17	0.17	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	£114,124	£684,744							£1,749,145	£1,599,145	£849,145	£599,145	£349,145	-£367,855
					VL6	£4,000	£308,191	£1,849,145												

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
25	Flats 40% AH	PDL - Town Centre	0.17	0.17	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	Negative RLV	Negative RLV							£330,375	£180,375	-£569,625	-£819,625	-£1,069,625	-£1,786,625
					VL6	£4,000	£71,729	£430,375												

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

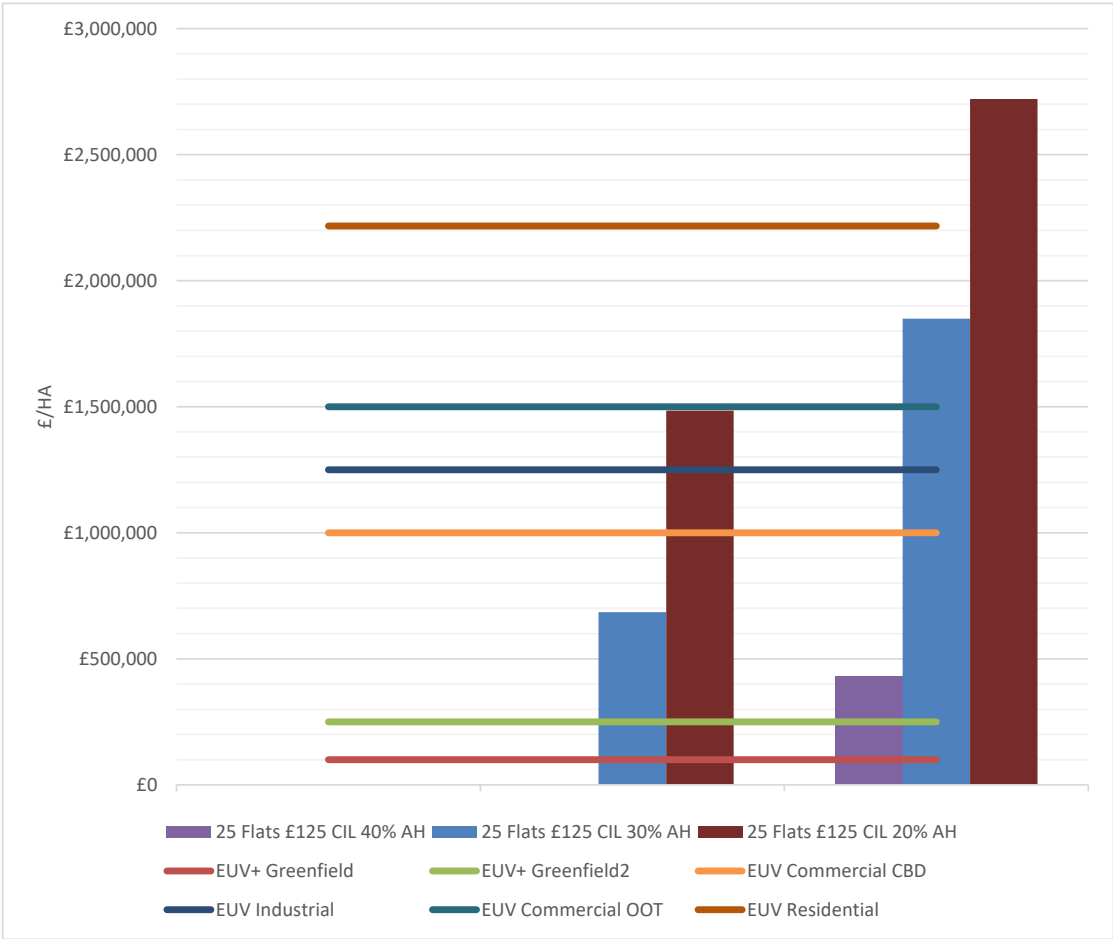


Table 1g: Residual Land Value Results by Value Level & Trial CIL Rate  
- 25 Unit Scheme - Flats including Ground Floor Convenience Store

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
25  Flats 20% AH incl. GF Convenience Store	PDL - Town Centre	0.17	0.17	VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250										£172,773
				VL4	£3,500	£395,653	£363,680	£331,706	£299,733	£267,760	£235,786	£203,813	£171,840	£139,866	
				VL5	£3,750	£625,355	£593,382	£561,408	£529,435	£497,462	£465,488	£433,515	£401,542	£369,568	
				VL6	£4,000	£843,939	£811,966	£779,992	£748,019	£716,046	£684,072	£652,099	£620,126	£588,152	
				VL7	£4,500	£1,284,644	£1,252,671	£1,220,698	£1,188,724	£1,156,751	£1,124,778	£1,092,804	£1,060,831	£1,028,858	
				Residual Land Value (£/Ha)											
				VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250										£1,036,638
				VL4	£3,500	£2,373,918	£2,182,080	£1,990,236	£1,798,398	£1,606,560	£1,414,716	£1,222,878	£1,031,040	£839,196	
				VL5	£3,750	£3,752,130	£3,560,292	£3,368,448	£3,176,610	£2,984,772	£2,792,928	£2,601,090	£2,409,252	£2,217,408	
				VL6	£4,000	£5,063,634	£4,871,796	£4,679,952	£4,488,114	£4,296,276	£4,104,432	£3,912,594	£3,720,756	£3,528,912	
				VL7	£4,500	£7,707,864	£7,516,026	£7,324,188	£7,132,344	£6,940,506	£6,748,668	£6,556,824	£6,364,986	£6,173,148	

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
25 Flats 30% AH incl. GF Convenience Store	PDL - Town Centre	0.17	0.17	VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250										
				VL4	£3,500	£276,234	£247,404	£218,574	£189,744	£160,915	£132,085	£74,425	£103,255	£45,595	
				VL5	£3,750	£493,401	£464,571	£435,742	£406,912	£378,082	£349,252	£320,422	£291,592	£262,762	
				VL6	£4,000	£695,147	£666,317	£637,487	£608,657	£579,827	£550,997	£522,167	£493,337	£464,507	
				VL7	£4,500	£1,103,544	£1,074,714	£1,045,884	£1,017,054	£988,224	£959,394	£930,564	£901,734	£872,905	
				Residual Land Value (£/Ha)											
				VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250										
				VL4	£3,500	£411,186	£238,206	£65,226	£1,311,444	£446,550	£619,530	£273,570			
				VL5	£3,750	£1,657,404	£1,484,424	£1,311,444	£1,138,464	£965,490	£792,510	£446,550	£619,530	£273,570	
				VL6	£3,500	£2,960,406	£2,787,426	£2,614,452	£2,441,472	£2,268,492	£2,095,512	£1,922,532	£1,749,552	£1,576,572	
				VL7	£4,000	£4,170,882	£3,997,902	£3,824,922	£3,651,942	£3,478,962	£3,305,982	£3,133,002	£2,960,022	£2,787,042	
VL8	£4,500	£6,621,264	£6,448,284	£6,275,304	£6,102,324	£5,929,344	£5,756,364	£5,583,384	£5,410,404	£5,237,430					

						Residual Land Value (£)												
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL				
25  Flats 40% AH incl. GF Convenience Store	PDL - Town Centre	0.17	0.17	VL1	£2,750	Negative RLV												
				VL2	£3,000													
				VL3	£3,250													
				VL4	£3,500													
				VL5	£3,750	£93,514	£69,669	£45,824	£21,978	Negative RLV								
				VL6	£4,000	£290,834	£266,989	£243,144	£219,299	£195,453	£171,608	£147,763	£123,918	£100,073				
				VL7	£4,500	£465,916	£442,073	£418,228	£394,383	£370,537	£346,692	£322,847	£299,002	£275,157				
						£823,161	£799,316	£775,471	£751,626	£727,780	£703,935	£680,090	£656,245	£632,400				
						Residual Land Value (£/Ha)												
				VL1	£2,750	Negative RLV												
				VL2	£3,000													
				VL3	£3,250													
				VL4	£3,500													
				VL5	£3,750	£561,084	£418,014	£274,944	£131,868	Negative RLV								
				VL6	£4,000	£1,745,004	£1,601,934	£1,458,864	£1,315,794	£1,172,718	£1,029,648	£886,578	£743,508	£600,438				
VL7	£4,500	£2,795,496	£2,652,438	£2,509,368	£2,366,298	£2,223,222	£2,080,152	£1,937,082	£1,794,012	£1,650,942								
		£4,938,966	£4,795,896	£4,652,826	£4,509,756	£4,366,680	£4,223,610	£4,080,540	£3,937,470	£3,794,400								

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:		
EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

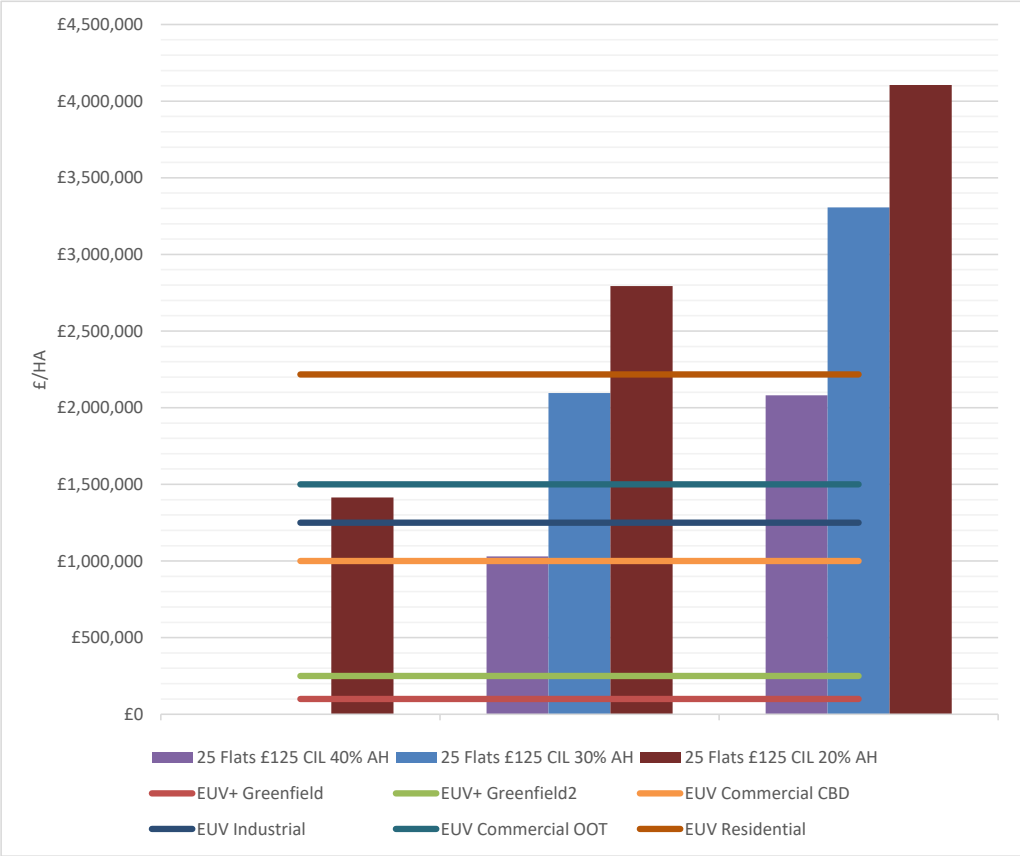
Table 1g(i): Surplus Analysis  
- 25 Unit Scheme - Flats including Ground Floor Convenience Store

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value /ha - £125/m <sup>2</sup> CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
25	Flats 20% AH incl. GF Convenience Store	PDL - Town Centre	0.17	0.17	VL4	£3,500	£235,786	£1,414,716	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,314,716	£1,164,716	£414,716	£164,716	-£85,284	-£802,284
					VL5	£3,750	£465,488	£2,792,928							£2,692,928	£2,542,928	£1,792,928	£1,542,928	£1,292,928	£575,928
					VL6	£4,000	£684,072	£4,104,432							£4,004,432	£3,854,432	£3,104,432	£2,854,432	£2,604,432	£1,887,432

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value /ha - £125/m <sup>2</sup> CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
25	Flats 20% AH incl. GF Convenience Store	PDL - Town Centre	0.17	0.17	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	£349,252	£2,095,512							£1,995,512	£1,845,512	£1,095,512	£845,512	£595,512	-£121,488
					VL6	£4,000	£550,997	£3,305,982							£3,205,982	£3,055,982	£2,305,982	£2,055,982	£1,805,982	£1,088,982

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value /ha - £125/m <sup>2</sup> CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
25	Flats 20% AH incl. GF Convenience Store	PDL - Town Centre	0.17	0.17	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	£171,608	£1,029,648							£929,648	£779,648	£29,648	-£220,352	-£470,352	-£1,187,352
					VL6	£4,000	£346,692	£2,080,152							£1,980,152	£1,830,152	£1,080,152	£830,152	£580,152	-£136,848

BLV Notes:		
EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.



Source: Dixon Searle Partnership (2019)

Table 1h: Residual Land Value Results by Value Level & Trial CIL Rate  
- 30 Unit Scheme - Flats Sheltered

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
30 Flats Sheltered 20% AH	PDL - Town Centre	0.20	0.20	VL6	£4,000	£496,708	£460,595	£424,482	£388,369	£352,256	£316,144	£280,031	£243,743	£206,591
				VL7	£4,500	£980,502	£944,390	£908,277	£872,164	£836,051	£799,938	£763,825	£727,713	£691,600
				VL8	£4,750	£1,225,748	£1,189,635	£1,153,522	£1,117,409	£1,081,297	£1,045,184	£1,009,071	£972,958	£936,845
						Residual Land Value (£/Ha)								
				VL6	£4,000	£2,483,540	£2,302,975	£2,122,410	£1,941,845	£1,761,280	£1,580,720	£1,400,155	£1,218,715	£1,032,955
				VL7	£4,500	£4,902,510	£4,721,950	£4,541,385	£4,360,820	£4,180,255	£3,999,690	£3,819,125	£3,638,565	£3,458,000
				VL8	£4,750	£6,128,740	£5,948,175	£5,767,610	£5,587,045	£5,406,485	£5,225,920	£5,045,355	£4,864,790	£4,684,225

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
30 Flats Sheltered 30% AH	PDL - Town Centre	0.20	0.20	VL6	£4,000	£290,562	£258,587	£225,939	£193,044	£160,149	£127,034	£93,820	£60,606	£27,393
				VL7	£4,500	£732,998	£701,023	£669,048	£637,073	£605,098	£573,123	£541,148	£509,173	£477,198
				VL8	£4,750	£959,057	£927,082	£895,107	£863,132	£831,157	£799,183	£767,208	£735,233	£703,258
						Residual Land Value (£/Ha)								
				VL6	£4,000	£1,452,810	£1,292,935	£1,129,695	£965,220	£800,745	£635,170	£469,100	£303,030	£136,965
				VL7	£4,500	£3,664,990	£3,505,115	£3,345,240	£3,185,365	£3,025,490	£2,865,615	£2,705,740	£2,545,865	£2,385,990
				VL8	£4,750	£4,795,285	£4,635,410	£4,475,535	£4,315,660	£4,155,785	£3,995,915	£3,836,040	£3,676,165	£3,516,290

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
30 Flats Sheltered 40% AH	PDL - Town Centre	0.20	0.20	VL6	£4,000	£75,032	£46,638	£18,244	Negative RLV					
				VL7	£4,500	£476,689	£449,354	£422,019	£394,683	£367,348	£340,012	£312,677	£285,342	£258,007
				VL8	£4,750	£681,237	£653,901	£626,566	£599,231	£571,895	£544,560	£517,224	£489,889	£462,554
						Residual Land Value (£/Ha)								
				VL6	£4,000	£375,160	£233,190	£91,220	Negative RLV					
				VL7	£4,500	£2,383,445	£2,246,770	£2,110,095	£1,973,415	£1,836,740	£1,700,060	£1,563,385	£1,426,710	£1,290,035
				VL8	£4,750	£3,406,185	£3,269,505	£3,132,830	£2,996,155	£2,859,475	£2,722,800	£2,586,120	£2,449,445	£2,312,770

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1h(i): Surplus Analysis  
- 30 Unit Scheme - Flats Sheltered

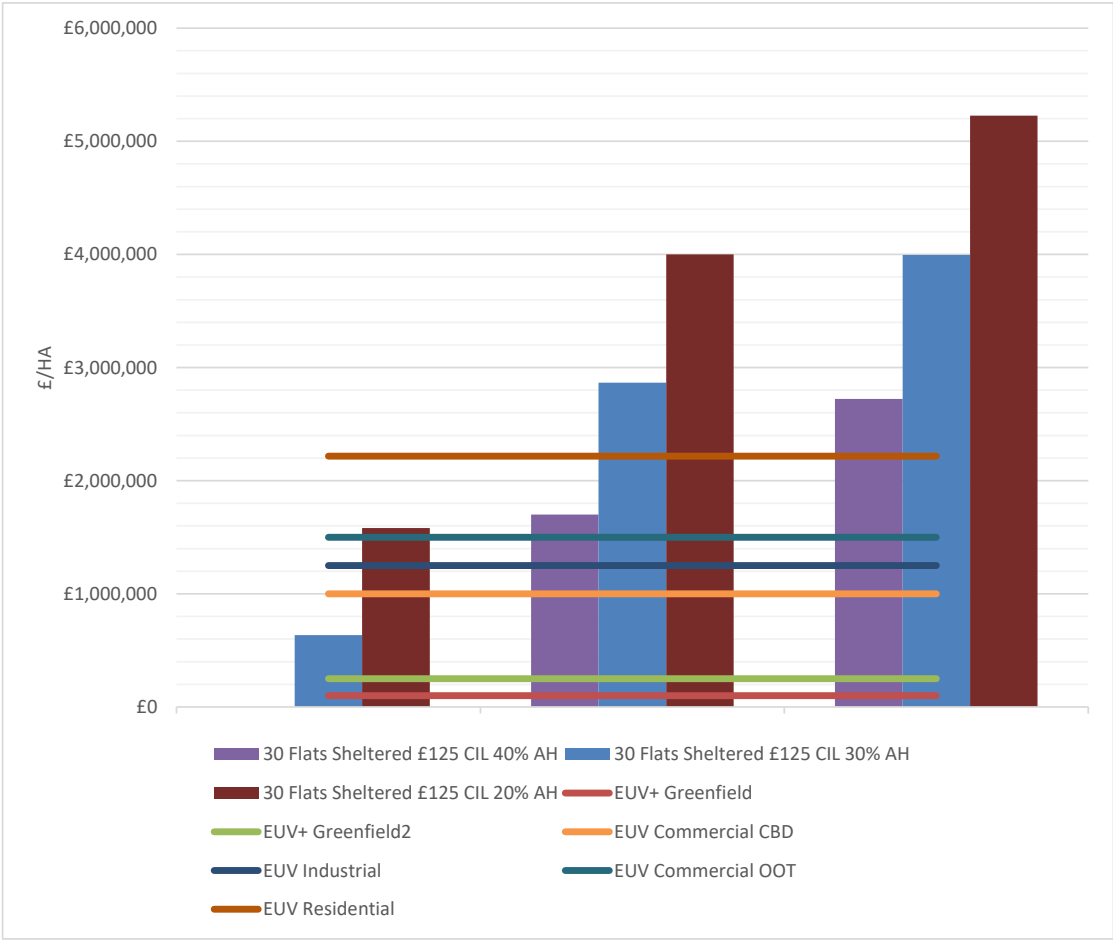
Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
30	Flats Sheltered 20% AH	PDL - Town Centre	0.20	0.20	VL6	£4,000	£316,144	£1,580,720	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,480,720	£1,330,720	£580,720	£330,720	£80,720	-£636,280
					VL7	£4,500	£799,938	£3,999,690							£3,899,690	£3,749,690	£2,999,690	£2,749,690	£2,499,690	£1,782,690
					VL8	£4,750	£1,045,184	£5,225,920							£5,125,920	£4,975,920	£4,225,920	£3,975,920	£3,725,920	£3,008,920

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
30	Flats Sheltered 30% AH	PDL - Town Centre	0.20	0.20	VL6	£4,000	£127,034	£635,170	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£535,170	£385,170	-£364,830	-£614,830	-£864,830	-£1,581,830
					VL7	£4,500	£573,123	£2,865,615							£2,765,615	£2,615,615	£1,865,615	£1,615,615	£1,365,615	£648,615
					VL8	£4,750	£799,183	£3,995,915							£3,895,915	£3,745,915	£2,995,915	£2,745,915	£2,495,915	£1,778,915

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
30	Flats Sheltered 40% AH	PDL - Town Centre	0.20	0.20	VL6	£4,000	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL7	£4,500	£340,012	£1,700,060							£1,600,060	£1,450,060	£700,060	£450,060	£200,060	-£516,940
					VL8	£4,750	£544,560	£2,722,800							£2,622,800	£2,472,800	£1,722,800	£1,472,800	£1,222,800	£505,800

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.



Source: Dixon Searle Partnership (2019)

Table 1i: Residual Land Value Results by Value Level & Trial CIL Rate  
- 50 Unit Scheme - Flats

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
50  Flats 20% AH	PDL - Town Centre	0.33	0.33	VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250	£112,409	£29,964	Negative RLV							
				VL4	£3,500	£536,839	£459,363	£381,887	£304,411	£226,936	£146,702	£65,107	Negative RLV		
				VL5	£3,750	£958,549	£886,057	£813,566	£737,838	£660,362	£582,886	£505,410	£427,934	£350,458	
				VL6	£4,000	£1,341,288	£1,270,790	£1,199,161	£1,126,670	£1,054,178	£981,686	£909,195	£836,703	£762,566	
				VL7	£4,500	£2,097,736	£2,027,238	£1,956,740	£1,886,242	£1,815,744	£1,745,246	£1,674,748	£1,604,250	£1,533,752	
						Residual Land Value (£/Ha)									
				VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250	£337,226	£89,891	Negative RLV							
				VL4	£3,500	£1,610,517	£1,378,090	£1,145,662	£913,234	£680,807	£440,106	£195,320	Negative RLV		
				VL5	£3,750	£2,875,647	£2,658,172	£2,440,698	£2,213,513	£1,981,086	£1,748,658	£1,516,230	£1,283,803	£1,051,375	
				VL6	£4,000	£4,023,864	£3,812,370	£3,597,484	£3,380,009	£3,162,534	£2,945,059	£2,727,584	£2,510,109	£2,287,698	
				VL7	£4,500	£6,293,207	£6,081,713	£5,870,219	£5,658,725	£5,447,232	£5,235,738	£5,024,244	£4,812,750	£4,601,256	

						Residual Land Value (£)												
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL				
50  Flats 30% AH	PDL - Town Centre	0.33	0.33	VL1	£2,750	Negative RLV												
				VL2	£3,000													
				VL3	£3,250													
				VL4	£3,500	£252,956	£173,726	£92,801	£10,340	Negative RLV								
				VL5	£3,750	£657,795	£580,319	£502,843	£425,367	£347,891	£270,415	£191,860	£111,384	£28,923				
				VL6	£4,000	£1,015,698	£943,206	£870,715	£798,223	£721,440	£643,964	£566,488	£489,012	£411,537				
				VL7	£4,500	£1,711,175	£1,640,677	£1,570,179	£1,499,681	£1,429,183	£1,358,685	£1,288,187	£1,217,050	£1,144,559				
						Residual Land Value (£/Ha)												
				VL1	£2,750	Negative RLV												
				VL2	£3,000													
				VL3	£3,250													
				VL4	£3,500	£758,867	£521,179	£278,402	£31,021	Negative RLV								
				VL5	£3,750	£1,973,384	£1,740,957	£1,508,529	£1,276,101	£1,043,674	£811,246	£575,580	£334,151	£86,770				
				VL6	£4,000	£3,047,094	£2,829,619	£2,612,144	£2,394,669	£2,164,320	£1,931,892	£1,699,465	£1,467,037	£1,234,610				
				VL7	£4,500	£5,133,524	£4,922,030	£4,710,536	£4,499,042	£4,287,548	£4,076,054	£3,864,560	£3,651,151	£3,433,676				

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
50  Flats 40% AH	PDL - Town Centre	0.33	0.33	VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250										
				VL4	£3,500										
				VL5	£3,750	£323,774	£246,299	£166,812	£85,715	£3,255	Negative RLV				
				VL6	£4,000	£656,105	£578,629	£501,153	£423,678	£346,202	£268,726	£190,105	£109,585	£27,125	
				VL7	£4,500	£1,297,954	£1,227,094	£1,154,602	£1,082,111	£1,009,619	£937,127	£864,636	£792,144	£714,943	
						Residual Land Value (£/Ha)									
				VL1	£2,750	Negative RLV									
				VL2	£3,000										
				VL3	£3,250										
				VL4	£3,500										
				VL5	£3,750	£971,323	£738,896	£500,437	£257,146	£9,766	Negative RLV				
				VL6	£4,000	£1,968,316	£1,735,888	£1,503,460	£1,271,033	£1,038,605	£806,177	£570,316	£328,756	£81,376	
				VL7	£4,500	£3,893,862	£3,681,281	£3,463,807	£3,246,332	£3,028,857	£2,811,382	£2,593,907	£2,376,432	£2,144,829	

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)



Table 1h(i): Surplus Analysis  
- 50 Unit Scheme - Flats

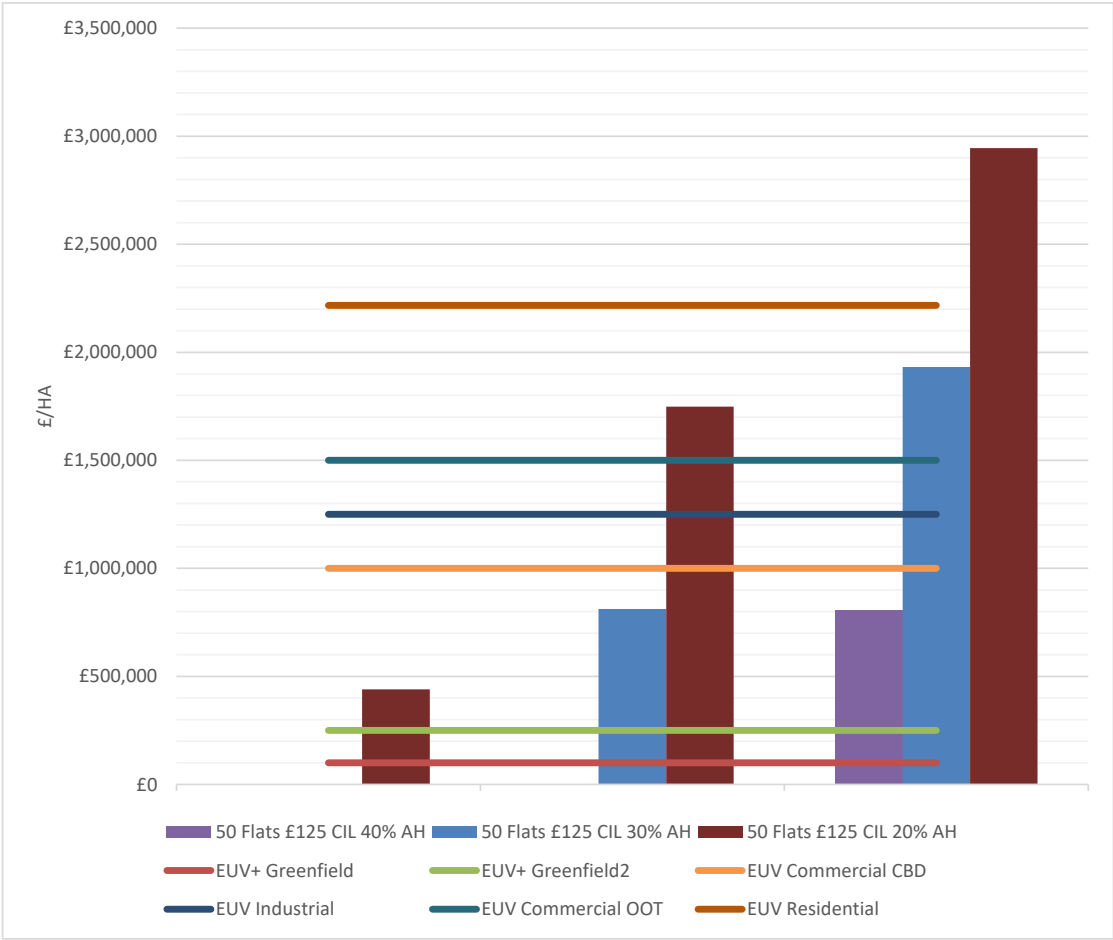
Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Flats 20% AH	PDL - Town Centre	0.33	0.33	VL4	£3,500	£146,702	£440,106	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£340,106	£190,106	-£559,894	-£809,894	-£1,059,894	-£1,776,894
					VL5	£3,750	£582,886	£1,748,658							£1,648,658	£1,498,658	£748,658	£498,658	£248,658	-£468,342
					VL6	£4,000	£981,686	£2,945,059							£2,845,059	£2,695,059	£1,945,059	£1,695,059	£1,445,059	£728,059

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Flats 30% AH	PDL - Town Centre	0.33	0.33	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	£270,415	£811,246							£711,246	£561,246	-£188,754	-£438,754	-£688,754	-£1,405,754
					VL6	£4,000	£643,964	£1,931,892							£1,831,892	£1,681,892	£931,892	£681,892	£431,892	-£285,108

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Flats 40% AH	PDL - Town Centre	0.33	0.33	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	Negative RLV	Negative RLV							£706,177	£556,177	-£193,823	-£443,823	-£693,823	-£1,410,823
					VL6	£4,000	£268,726	£806,177												

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.



Source: Dixon Searle Partnership (2019)



Table 1j: Residual Land Value Results by Value Level & Trial CIL Rate  
- 50 Unit Scheme - Flats including Studio Flats

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
50	Flats 20% AH	PDL - Town Centre	0.33	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£571,894	£499,550	£427,206	£354,863	£282,519	£210,175	£134,799	£58,073	Negative RLV
				VL6	£4,000	£932,836	£865,678	£798,521	£730,676	£658,333	£585,989	£513,645	£441,302	£368,958
				VL7	£4,500	£1,621,952	£1,556,869	£1,491,787	£1,426,704	£1,361,622	£1,296,539	£1,231,457	£1,166,374	£1,099,391
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500	£525,263	£298,406	£65,815	Negative RLV					
				VL5	£3,750	£1,715,681	£1,498,650	£1,281,619	£1,064,588	£847,557	£630,526	£404,398	£174,218	Negative RLV
				VL6	£4,000	£2,798,507	£2,597,035	£2,395,564	£2,192,029	£1,974,998	£1,757,967	£1,540,936	£1,323,905	£1,106,874
				VL7	£4,500	£4,865,856	£4,670,608	£4,475,361	£4,280,113	£4,084,866	£3,889,618	£3,694,371	£3,499,123	£3,298,173

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
50	Flats 30% AH	PDL - Town Centre	0.33	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£286,433	£213,610	£137,883	£60,728	Negative RLV				
				VL6	£4,000	£628,621	£555,798	£482,975	£410,153	£337,330	£264,508	£190,969	£115,014	£37,230
				VL7	£4,500	£1,277,491	£1,211,978	£1,146,003	£1,078,402	£1,010,800	£943,198	£875,597	£807,995	£740,393
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	£859,299	£640,831	£413,649	£182,183	Negative RLV				
				VL6	£4,000	£1,885,862	£1,667,394	£1,448,926	£1,230,458	£1,011,991	£793,523	£572,908	£345,043	£111,691
				VL7	£4,500	£3,832,473	£3,635,933	£3,438,010	£3,235,205	£3,032,400	£2,829,595	£2,626,790	£2,423,985	£2,221,180

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
50	Flats 40% AH	PDL - Town Centre	0.33	VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	Negative RLV								
				VL6	£4,000	£190,148	£112,968	£33,870	Negative RLV					
				VL7	£4,500	£806,184	£737,278	£663,281	£589,284	£515,288	£441,291	£367,294	£293,298	£219,301
				Residual Land Value (£/Ha)										
				VL1	£2,750	Negative RLV								
				VL2	£3,000									
				VL3	£3,250									
				VL4	£3,500									
				VL5	£3,750	Negative RLV								
				VL6	£4,000	£570,444	£338,905	£101,610	Negative RLV					
				VL7	£4,500	£2,418,552	£2,211,834	£1,989,844	£1,767,853	£1,545,863	£1,323,873	£1,101,883	£879,893	£657,903

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1j(i): Surplus Analysis  
- 50 Unit Scheme - Flats including Studio Flats

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Flats 20% AH	PDL - Town Centre	0.33	0.33	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	£210,175	£630,526							£530,526	£380,526	-£369,474	-£619,474	-£869,474	-£1,586,474
					VL6	£4,000	£585,989	£1,757,967							£1,657,967	£1,507,967	£757,967	£507,967	£257,967	-£459,033

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Flats 30% AH	PDL - Town Centre	0.33	0.33	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	Negative RLV	Negative RLV							£693,523	£543,523	-£206,477	-£456,477	-£706,477	-£1,423,477
					VL6	£4,000	£264,508	£793,523												

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Flats 40% AH	PDL - Town Centre	0.33	0.33	VL4	£3,500	Negative RLV	Negative RLV	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	Negative RLV					
					VL5	£3,750	Negative RLV	Negative RLV												
					VL6	£4,000	Negative RLV	Negative RLV												

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

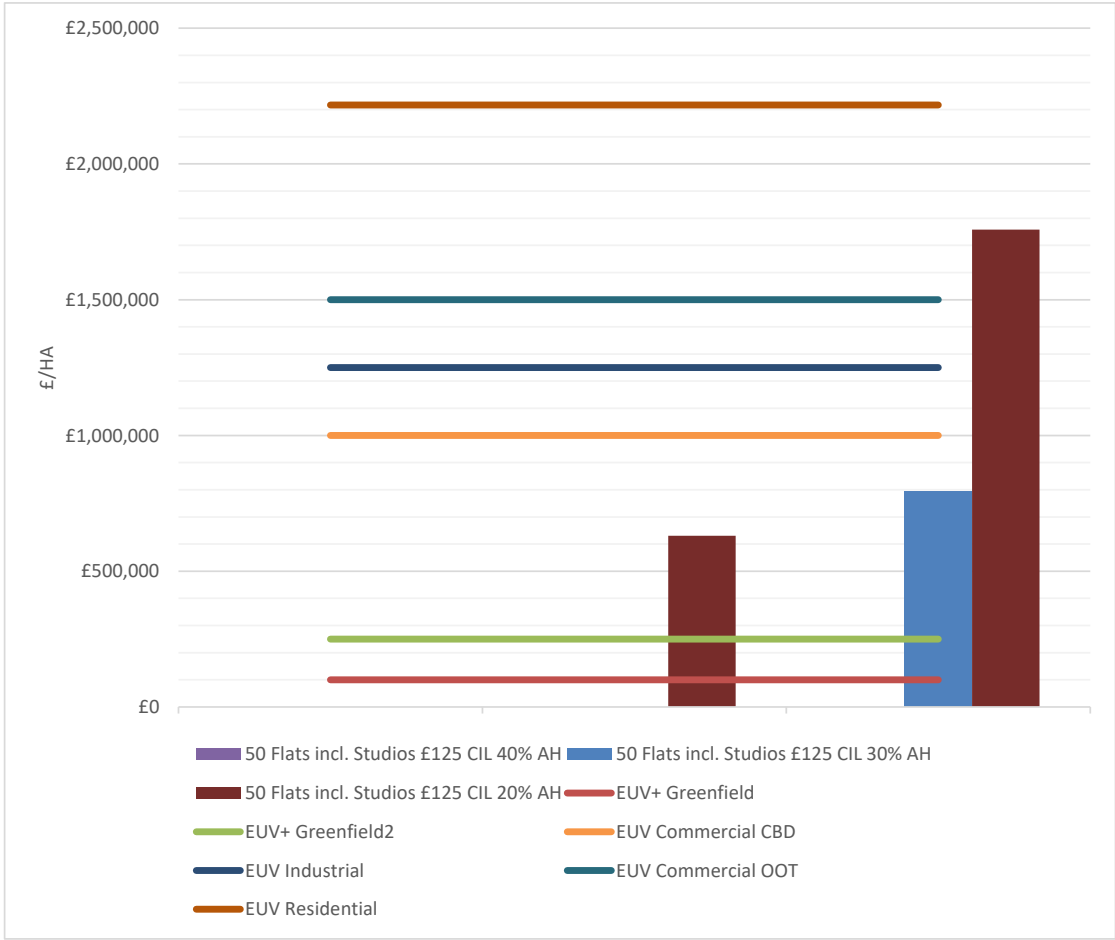


Table 1k: Residual Land Value Results by Value Level & Trial CIL Rate  
- 50 Unit Scheme - Mixed

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
50  Mixed 20% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£819,010	£726,370	£631,608	£536,845	£442,083	£347,321	£252,558	£155,360	£55,581
				VL2	£3,000	£1,362,338	£1,276,111	£1,188,458	£1,099,792	£1,011,126	£922,460	£833,794	£742,170	£647,408
				VL3	£3,250	£1,885,132	£1,798,904	£1,712,677	£1,626,449	£1,540,222	£1,453,994	£1,367,767	£1,281,539	£1,194,040
				VL4	£3,500	£2,419,857	£2,333,629	£2,247,402	£2,161,174	£2,074,947	£1,988,719	£1,902,492	£1,816,264	£1,730,037
				VL5	£3,750	£2,970,988	£2,884,760	£2,798,532	£2,712,305	£2,626,077	£2,539,850	£2,453,622	£2,367,395	£2,281,167
				VL6	£4,000	£3,495,273	£3,409,045	£3,322,818	£3,236,590	£3,150,363	£3,064,135	£2,977,908	£2,891,680	£2,805,452
				VL7	£4,500	£4,552,792	£4,466,564	£4,380,337	£4,294,109	£4,207,882	£4,121,654	£4,035,426	£3,949,199	£3,862,971
				Residual Land Value (£/Ha)										
				VL1	£2,750	£750,759	£665,839	£578,974	£492,108	£405,243	£318,377	£231,512	£142,413	£50,949
				VL2	£3,000	£1,248,810	£1,169,768	£1,089,420	£1,008,143	£926,866	£845,588	£764,311	£680,323	£593,457
				VL3	£3,250	£1,728,038	£1,648,996	£1,569,954	£1,490,912	£1,411,870	£1,332,828	£1,253,786	£1,174,744	£1,094,537
				VL4	£3,500	£2,218,202	£2,139,160	£2,060,118	£1,981,077	£1,902,035	£1,822,993	£1,743,951	£1,664,909	£1,585,867
				VL5	£3,750	£2,723,405	£2,644,363	£2,565,321	£2,486,279	£2,407,238	£2,328,196	£2,249,154	£2,170,112	£2,091,070
				VL6	£4,000	£3,204,000	£3,124,958	£3,045,916	£2,966,874	£2,887,832	£2,808,790	£2,729,749	£2,650,707	£2,571,665
				VL7	£4,500	£4,173,392	£4,094,350	£4,015,309	£3,936,267	£3,857,225	£3,778,183	£3,699,141	£3,620,099	£3,541,057

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL
50  Mixed 30% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£600,227	£505,766	£411,305	£316,844	£222,383	£124,333	£24,105	Negative RLV	
				VL2	£3,000	£1,113,024	£1,024,640	£936,256	£847,871	£757,517	£663,056	£568,595	£474,134	£379,673
				VL3	£3,250	£1,590,350	£1,504,397	£1,418,443	£1,332,490	£1,246,537	£1,158,330	£1,069,946	£981,561	£893,177
				VL4	£3,500	£2,081,657	£1,995,703	£1,909,750	£1,823,796	£1,737,843	£1,651,890	£1,565,936	£1,479,983	£1,394,030
				VL5	£3,750	£2,596,998	£2,511,044	£2,425,091	£2,339,137	£2,253,184	£2,167,231	£2,081,277	£1,995,324	£1,909,371
				VL6	£4,000	£3,073,009	£2,987,056	£2,901,103	£2,815,149	£2,729,196	£2,643,243	£2,557,289	£2,471,336	£2,385,382
				VL7	£4,500	£4,038,143	£3,952,189	£3,866,236	£3,780,283	£3,694,329	£3,608,376	£3,522,422	£3,436,469	£3,350,516
						Residual Land Value (£/Ha)								
				VL1	£2,750	£550,208	£463,619	£377,030	£290,440	£203,851	£113,972	£22,097	Negative RLV	
				VL2	£3,000	£1,020,272	£939,253	£858,234	£777,215	£694,390	£607,801	£521,212	£434,622	£348,033
				VL3	£3,250	£1,457,821	£1,379,030	£1,300,240	£1,221,449	£1,142,659	£1,061,802	£980,783	£899,765	£818,746
				VL4	£3,500	£1,908,185	£1,829,395	£1,750,604	£1,671,813	£1,593,023	£1,514,232	£1,435,442	£1,356,651	£1,277,860
				VL5	£3,750	£2,380,581	£2,301,791	£2,223,000	£2,144,209	£2,065,419	£1,986,628	£1,907,838	£1,829,047	£1,750,256
				VL6	£4,000	£2,816,925	£2,738,135	£2,659,344	£2,580,553	£2,501,763	£2,422,972	£2,344,182	£2,265,391	£2,186,601
				VL7	£4,500	£3,701,631	£3,622,840	£3,544,050	£3,465,259	£3,386,468	£3,307,678	£3,228,887	£3,150,097	£3,071,306

						Residual Land Value (£)												
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL				
50  Mixed 40% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£355,551	£261,778	£165,964	£67,501	Negative RLV								
				VL2	£3,000	£828,777	£737,799	£644,026	£550,254	£456,481	£362,709	£268,937	£173,399	£75,120				
				VL3	£3,250	£1,255,136	£1,167,817	£1,080,077	£992,337	£904,598	£816,858	£725,060	£631,287	£537,515				
				VL4	£3,500	£1,694,319	£1,608,992	£1,523,665	£1,438,338	£1,353,012	£1,267,685	£1,180,721	£1,092,981	£1,005,241				
				VL5	£3,750	£2,166,694	£2,081,368	£1,996,041	£1,910,714	£1,825,387	£1,740,061	£1,654,734	£1,569,407	£1,484,080				
				VL6	£4,000	£2,584,754	£2,499,427	£2,414,100	£2,328,774	£2,243,447	£2,158,120	£2,072,793	£1,987,467	£1,902,140				
				VL7	£4,500	£3,438,978	£3,353,651	£3,268,325	£3,182,998	£3,097,671	£3,012,344	£2,927,018	£2,841,691	£2,756,364				
				Residual Land Value (£/Ha)														
				VL1	£2,750	£325,921	£239,963	£152,134	£61,876	Negative RLV								
				VL2	£3,000	£759,713	£676,315	£590,357	£504,399	£418,441	£332,483	£246,525	£158,949	£68,860				
				VL3	£3,250	£1,150,541	£1,070,499	£990,071	£909,643	£829,214	£748,786	£664,638	£578,680	£492,722				
				VL4	£3,500	£1,553,125	£1,474,909	£1,396,693	£1,318,477	£1,240,261	£1,162,045	£1,082,327	£1,001,899	£921,471				
				VL5	£3,750	£1,986,136	£1,907,920	£1,829,704	£1,751,488	£1,673,272	£1,595,056	£1,516,839	£1,438,623	£1,360,407				
				VL6	£4,000	£2,369,358	£2,291,141	£2,212,925	£2,134,709	£2,056,493	£1,978,277	£1,900,061	£1,821,844	£1,743,628				
				VL7	£4,500	£3,152,397	£3,074,180	£2,995,964	£2,917,748	£2,839,532	£2,761,316	£2,683,100	£2,604,883	£2,526,667				

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1k(i): Surplus Analysis  
- 50 Unit Scheme - Mixed

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 20% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,988,719	£1,822,993	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,722,993	£1,572,993	£822,993	£572,993	£322,993	-£394,007
					VL5	£3,750	£2,539,850	£2,328,196							£2,228,196	£2,078,196	£1,328,196	£1,078,196	£828,196	£111,196
					VL6	£4,000	£3,064,135	£2,808,790							£2,708,790	£2,558,790	£1,808,790	£1,558,790	£1,308,790	£591,790

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 30% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,651,890	£1,514,232	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,414,232	£1,264,232	£514,232	£264,232	£14,232	-£702,768
					VL5	£3,750	£2,167,231	£1,986,628							£1,886,628	£1,736,628	£986,628	£736,628	£486,628	-£230,372
					VL6	£4,000	£2,643,243	£2,422,972							£2,322,972	£2,172,972	£1,422,972	£1,172,972	£922,972	£205,972

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 40% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,267,685	£1,162,045	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,062,045	£912,045	£162,045	-£87,955	-£337,955	-£1,054,955
					VL5	£3,750	£1,740,061	£1,595,056							£1,495,056	£1,345,056	£595,056	£345,056	£95,056	-£621,944
					VL6	£4,000	£2,158,120	£1,978,277							£1,878,277	£1,728,277	£978,277	£728,277	£478,277	-£238,723

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

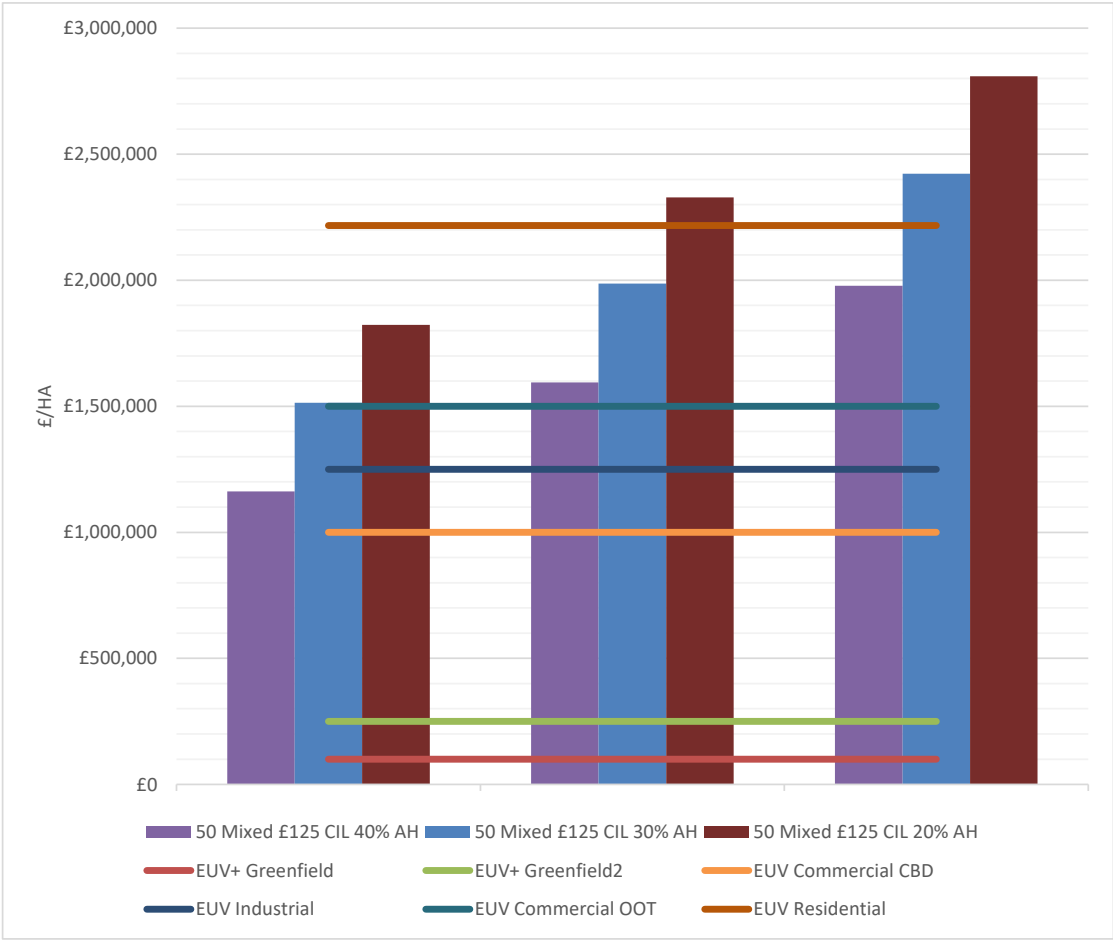


Table 1I: Residual Land Value Results by Value Level & Trial CIL Rate  
- 50 Unit Scheme - Mixed with 6% Sustainability Sensitivity Test

						Residual Land Value (£)									
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL	
50  Mixed 20% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£617,810	£523,048	£428,286	£333,523	£238,761	£141,030	£40,896	Negative RLV		
				VL2	£3,000	£1,175,548	£1,086,882	£998,216	£909,550	£820,884	£728,373	£633,610	£538,848	£444,086	
				VL3	£3,250	£1,700,122	£1,613,895	£1,527,667	£1,441,440	£1,355,212	£1,268,984	£1,181,131	£1,092,465	£1,003,798	
				VL4	£3,500	£2,234,847	£2,148,620	£2,062,392	£1,976,165	£1,889,937	£1,803,710	£1,717,482	£1,631,254	£1,545,027	
				VL5	£3,750	£2,785,978	£2,699,750	£2,613,523	£2,527,295	£2,441,068	£2,354,840	£2,268,612	£2,182,385	£2,096,157	
				VL6	£4,000	£3,310,263	£3,224,035	£3,137,808	£3,051,580	£2,965,353	£2,879,125	£2,792,898	£2,706,670	£2,620,443	
				VL7	£4,500	£4,367,782	£4,281,554	£4,195,327	£4,109,099	£4,022,872	£3,936,644	£3,850,417	£3,764,189	£3,677,962	
				Residual Land Value (£/Ha)											
				VL1	£2,750	£566,326	£479,461	£392,595	£305,730	£218,864	£129,278	£37,488	Negative RLV		
				VL2	£3,000	£1,077,586	£996,309	£915,032	£833,754	£752,477	£667,675	£580,810	£493,944	£407,079	
				VL3	£3,250	£1,558,445	£1,479,403	£1,400,361	£1,321,320	£1,242,278	£1,163,236	£1,082,703	£1,001,426	£920,149	
				VL4	£3,500	£2,048,610	£1,969,568	£1,890,526	£1,811,484	£1,732,442	£1,653,400	£1,574,358	£1,495,317	£1,416,275	
				VL5	£3,750	£2,553,813	£2,474,771	£2,395,729	£2,316,687	£2,237,645	£2,158,603	£2,079,561	£2,000,520	£1,921,478	
				VL6	£4,000	£3,034,408	£2,955,366	£2,876,324	£2,797,282	£2,718,240	£2,639,198	£2,560,156	£2,481,114	£2,402,072	
				VL7	£4,500	£4,003,800	£3,924,758	£3,845,716	£3,766,674	£3,687,632	£3,608,591	£3,529,549	£3,450,507	£3,371,465	

						Residual Land Value (£)												
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL				
50  Mixed 30% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£397,552	£303,091	£208,156	£110,005	£9,467	Negative RLV							
				VL2	£3,000	£923,387	£835,003	£743,763	£649,302	£554,841	£460,380	£365,919	£271,458	£175,302				
				VL3	£3,250	£1,405,929	£1,319,975	£1,233,845	£1,145,461	£1,057,077	£968,693	£880,309	£791,924	£697,723				
				VL4	£3,500	£1,897,235	£1,811,282	£1,725,328	£1,639,375	£1,553,422	£1,467,468	£1,381,515	£1,295,561	£1,208,741				
				VL5	£3,750	£2,412,576	£2,326,623	£2,240,669	£2,154,716	£2,068,763	£1,982,809	£1,896,856	£1,810,902	£1,724,949				
				VL6	£4,000	£2,888,588	£2,802,634	£2,716,681	£2,630,728	£2,544,774	£2,458,821	£2,372,868	£2,286,914	£2,200,961				
				VL7	£4,500	£3,853,721	£3,767,768	£3,681,814	£3,595,861	£3,509,908	£3,423,954	£3,338,001	£3,252,048	£3,166,094				
				Residual Land Value (£/Ha)														
				VL1	£2,750	£364,422	£277,833	£190,809	£100,838	£8,678	Negative RLV							
				VL2	£3,000	£846,438	£765,419	£681,783	£595,194	£508,604	£422,015	£335,426	£248,836	£160,694				
				VL3	£3,250	£1,288,768	£1,209,977	£1,131,025	£1,050,006	£968,987	£887,968	£806,950	£725,931	£639,580				
				VL4	£3,500	£1,739,132	£1,660,342	£1,581,551	£1,502,760	£1,423,970	£1,345,179	£1,266,389	£1,187,598	£1,108,013				
				VL5	£3,750	£2,211,528	£2,132,737	£2,053,947	£1,975,156	£1,896,366	£1,817,575	£1,738,784	£1,659,994	£1,581,203				
				VL6	£4,000	£2,647,872	£2,569,082	£2,490,291	£2,411,500	£2,332,710	£2,253,919	£2,175,129	£2,096,338	£2,017,547				
				VL7	£4,500	£3,532,578	£3,453,787	£3,374,997	£3,296,206	£3,217,415	£3,138,625	£3,059,834	£2,981,044	£2,902,253				

						Residual Land Value (£)											
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL			
50  Mixed 40% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£151,784	£52,969	Neagitive RLV									
				VL2	£3,000	£630,373	£536,601	£442,828	£349,056	£255,283	£159,218	£60,588	Negatie RLV				
				VL3	£3,250	£1,067,302	£979,562	£891,823	£804,083	£711,406	£617,634	£523,861	£430,089	£336,317			
				VL4	£3,500	£1,511,242	£1,425,915	£1,340,588	£1,255,261	£1,167,946	£1,080,206	£992,466	£904,726	£816,987			
				VL5	£3,750	£1,983,617	£1,898,291	£1,812,964	£1,727,637	£1,642,310	£1,556,984	£1,471,657	£1,386,330	£1,301,003			
				VL6	£4,000	£2,401,677	£2,316,350	£2,231,023	£2,145,697	£2,060,370	£1,975,043	£1,889,716	£1,804,390	£1,719,063			
				VL7	£4,500	£3,255,901	£3,170,574	£3,085,248	£2,999,921	£2,914,594	£2,829,267	£2,743,941	£2,658,614	£2,573,287			
				Residual Land Value (£/Ha)													
				VL1	£2,750	£139,135	£48,555	Neagitive RLV									
				VL2	£3,000	£577,842	£491,884	£405,926	£319,968	£234,010	£145,950	£55,539	Negatie RLV				
				VL3	£3,250	£978,360	£897,932	£817,504	£737,076	£652,122	£566,164	£480,206	£394,248	£308,290			
				VL4	£3,500	£1,385,305	£1,307,089	£1,228,872	£1,150,656	£1,070,617	£990,189	£909,761	£829,332	£748,904			
				VL5	£3,750	£1,818,316	£1,740,100	£1,661,883	£1,583,667	£1,505,451	£1,427,235	£1,349,019	£1,270,803	£1,192,586			
				VL6	£4,000	£2,201,537	£2,123,321	£2,045,105	£1,966,888	£1,888,672	£1,810,456	£1,732,240	£1,654,024	£1,575,808			
				VL7	£4,500	£2,984,576	£2,906,360	£2,828,144	£2,749,927	£2,671,711	£2,593,495	£2,515,279	£2,437,063	£2,358,847			

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)



Table 1l(i): Surplus Analysis  
- 50 Unit Scheme - Mixed with 6% Sustainability Sensitivity Test

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 20% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,803,710	£1,653,400	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,553,400	£1,403,400	£653,400	£403,400	£153,400	-£563,600
					VL5	£3,750	£2,354,840	£2,158,603							£2,058,603	£1,908,603	£1,158,603	£908,603	£658,603	-£58,397
					VL6	£4,000	£2,879,125	£2,639,198							£2,539,198	£2,389,198	£1,639,198	£1,389,198	£1,139,198	£422,198

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 30% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,467,468	£1,345,179	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,245,179	£1,095,179	£345,179	£95,179	-£154,821	-£871,821
					VL5	£3,750	£1,982,809	£1,817,575							£1,717,575	£1,567,575	£817,575	£567,575	£317,575	-£399,425
					VL6	£4,000	£2,458,821	£2,253,919							£2,153,919	£2,003,919	£1,253,919	£1,003,919	£753,919	£36,919

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 40% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,080,206	£990,189	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£890,189	£740,189	-£9,811	-£259,811	-£509,811	-£1,226,811
					VL5	£3,750	£1,556,984	£1,427,235							£1,327,235	£1,177,235	£427,235	£177,235	-£72,765	-£789,765
					VL6	£4,000	£1,975,043	£1,810,456							£1,710,456	£1,560,456	£810,456	£560,456	£310,456	-£406,544

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

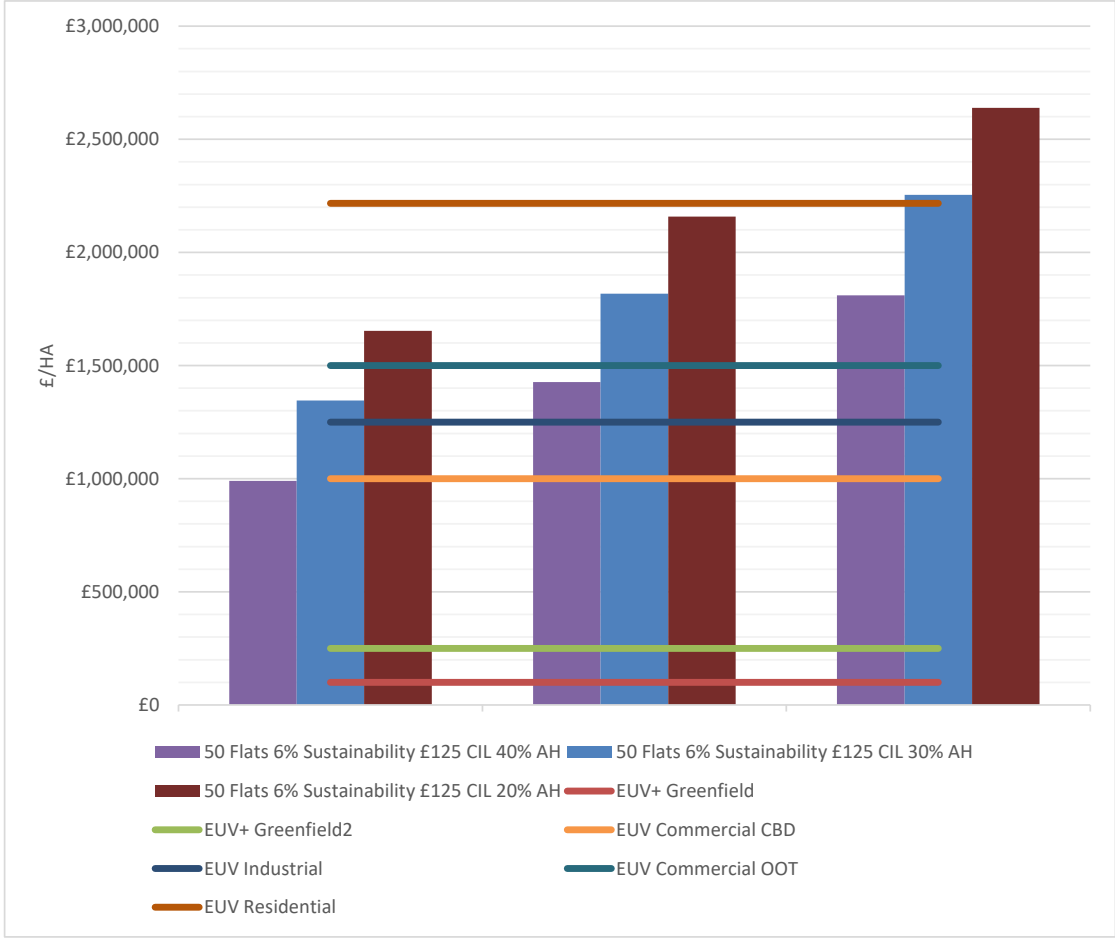


Table 1m: Residual Land Value Results by Value Level & Trial CIL Rate  
- 50 Unit Scheme - Mixed - Sensitivity Tests M4(2) and M4(3) @ 30% AH only

M4(2) @ 80% M4(3) @ 5%						Residual Land Value (£)										
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL		
50	Mixed 30% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£523,684	£429,223	£334,762	£240,301	£142,942	£43,176	Negative RLV			
					VL2	£3,000	£1,041,405	£953,021	£864,636	£775,435	£680,973	£586,512	£492,051	£397,590	£303,129	
					VL3	£3,250	£1,520,701	£1,434,747	£1,348,794	£1,262,841	£1,175,095	£1,086,711	£998,326	£909,942	£821,558	
					VL4	£3,500	£2,012,007	£1,926,054	£1,840,100	£1,754,147	£1,668,194	£1,582,240	£1,496,287	£1,410,333	£1,324,380	
					VL5	£3,750	£2,527,348	£2,441,395	£2,355,441	£2,269,488	£2,183,535	£2,097,581	£2,011,628	£1,925,674	£1,839,721	
					VL6	£4,000	£3,003,360	£2,917,407	£2,831,453	£2,745,500	£2,659,546	£2,573,593	£2,487,640	£2,401,686	£2,315,733	
					VL7	£4,500	£3,968,493	£3,882,540	£3,796,587	£3,710,633	£3,624,680	£3,538,726	£3,452,773	£3,366,820	£3,280,866	
					Residual Land Value (£/Ha)										Negative RLV	
					VL1	£2,750	£480,044	£393,454	£306,865	£220,276	£131,030	£39,578	Negative RLV			
					VL2	£3,000	£954,621	£873,602	£792,583	£710,815	£624,226	£537,636	£451,047	£364,458	£277,868	
					VL3	£3,250	£1,393,976	£1,315,185	£1,236,394	£1,157,604	£1,077,170	£996,151	£915,133	£834,114	£753,095	
					VL4	£3,500	£1,844,340	£1,765,549	£1,686,759	£1,607,968	£1,529,177	£1,450,387	£1,371,596	£1,292,806	£1,214,015	
					VL5	£3,750	£2,316,736	£2,237,945	£2,159,155	£2,080,364	£2,001,573	£1,922,783	£1,843,992	£1,765,202	£1,686,411	
					VL6	£4,000	£2,753,080	£2,674,289	£2,595,499	£2,516,708	£2,437,918	£2,359,127	£2,280,336	£2,201,546	£2,122,755	
					VL7	£4,500	£3,637,786	£3,558,995	£3,480,204	£3,401,414	£3,322,623	£3,243,833	£3,165,042	£3,086,251	£3,007,461	
M4(2) @ 98% M4(3) @ 2%						Residual Land Value (£)										
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL		
50	Mixed 30% AH	PDL/Greenfield	1.09	0.91	VL1	£2,750	£536,578	£442,117	£347,656	£253,195	£156,334	£56,899	Negative RLV			
					VL2	£3,000	£1,053,469	£965,085	£876,701	£788,317	£693,867	£599,406	£504,945	£410,484	£316,023	
					VL3	£3,250	£1,532,433	£1,446,480	£1,360,527	£1,274,573	£1,187,159	£1,098,775	£1,010,391	£922,007	£833,623	
					VL4	£3,500	£2,023,740	£1,937,786	£1,851,833	£1,765,880	£1,679,926	£1,593,973	£1,508,020	£1,422,066	£1,336,113	
					VL5	£3,750	£2,539,081	£2,453,127	£2,367,174	£2,281,221	£2,195,267	£2,109,314	£2,023,361	£1,937,407	£1,851,454	
					VL6	£4,000	£3,015,093	£2,929,139	£2,843,186	£2,757,232	£2,671,279	£2,585,326	£2,499,372	£2,413,419	£2,327,466	
					VL7	£4,500	£3,901,568	£3,894,273	£3,808,319	£3,722,366	£3,636,412	£3,550,459	£3,464,506	£3,378,552	£3,292,599	
					Residual Land Value (£/Ha)										Negative RLV	
					VL1	£2,750	£491,863	£405,274	£318,685	£232,095	£143,306	£52,158	Negative RLV			
					VL2	£3,000	£965,680	£884,661	£803,642	£722,624	£636,045	£549,456	£462,866	£376,277	£289,688	
					VL3	£3,250	£1,404,731	£1,325,940	£1,247,149	£1,168,359	£1,088,229	£1,007,211	£926,192	£845,173	£764,154	
					VL4	£3,500	£1,855,095	£1,776,304	£1,697,514	£1,618,723	£1,539,932	£1,461,142	£1,382,351	£1,303,561	£1,224,770	
					VL5	£3,750	£2,327,491	£2,248,700	£2,169,910	£2,091,119	£2,012,328	£1,933,538	£1,854,747	£1,775,957	£1,697,166	
					VL6	£4,000	£2,763,835	£2,685,044	£2,606,254	£2,527,463	£2,448,673	£2,369,882	£2,291,091	£2,212,301	£2,133,510	
					VL7	£4,500	£3,576,437	£3,569,750	£3,490,959	£3,412,169	£3,333,378	£3,254,587	£3,175,797	£3,097,006	£3,018,216	

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)



Table 1m(i): Surplus Analysis  
- 50 Unit Scheme - Mixed - Sensitivity Tests M4(2) and M4(3) @ 30% AH only

Sensitivity Test 1:

M4(2) @ 80%

M4(3) @ 5%

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial OoT)	EUV+ £ / ha (Commercial CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 30% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,582,240	£1,451,597	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,351,597	£1,201,597	£451,597	£201,597	-£48,403	-£765,403
					VL5	£3,750	£2,097,581	£1,924,386							£1,824,386	£1,674,386	£924,386	£674,386	£424,386	-£292,614
					VL6	£4,000	£2,573,593	£2,361,095							£2,261,095	£2,111,095	£1,361,095	£1,111,095	£861,095	£144,095

Sensitivity Test 2:

M4(2) @ 98%

M4(3) @ 2%

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial OoT)	EUV+ £ / ha (Commercial CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
50	Mixed 30% AH	PDL/Greenfie Id	1.09	0.91	VL4	£3,500	£1,593,973	£1,462,360	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,362,360	£1,212,360	£462,360	£212,360	-£37,640	-£754,640
					VL5	£3,750	£2,109,314	£1,935,150							£1,835,150	£1,685,150	£935,150	£685,150	£435,150	-£281,850
					VL6	£4,000	£2,585,326	£2,371,858							£2,271,858	£2,121,858	£1,371,858	£1,121,858	£871,858	£154,858

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

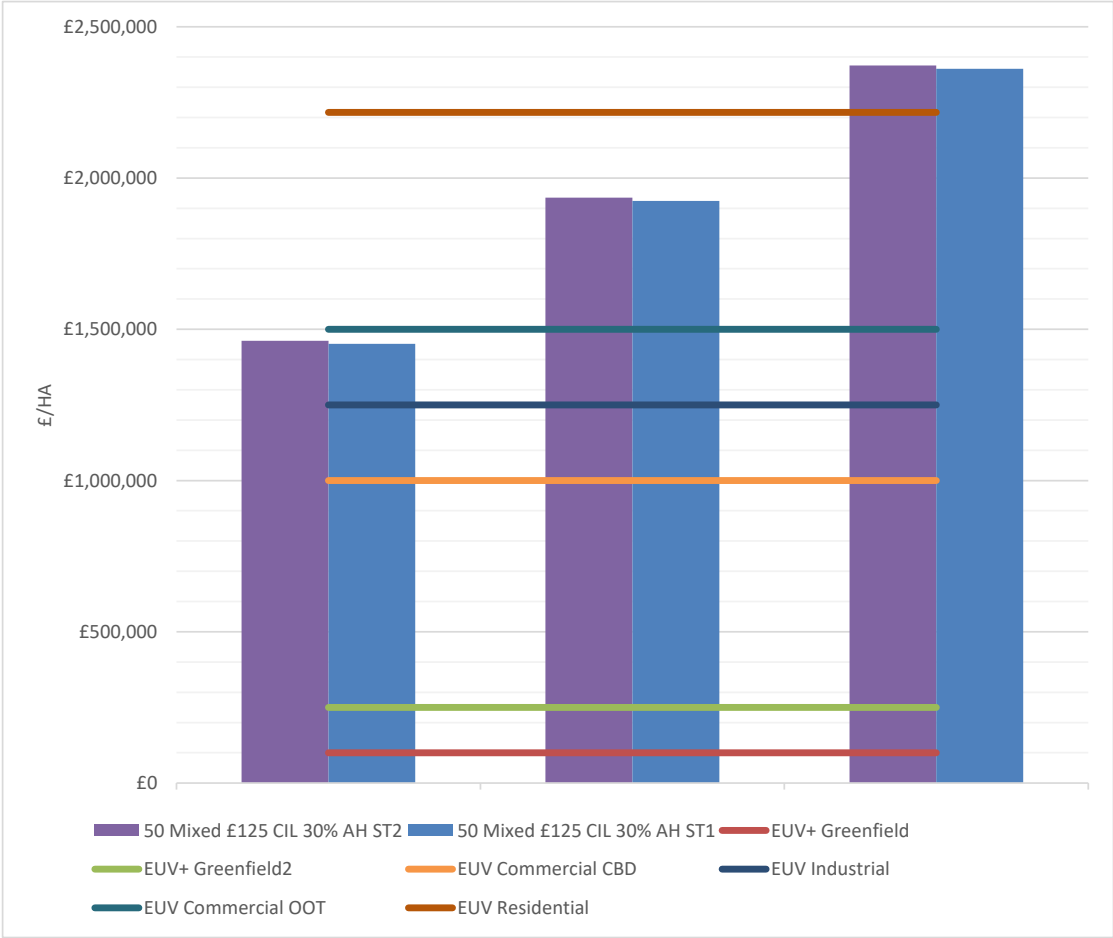


Table 1n: Residual Land Value Results by Value Level & Trial CIL Rate  
- 100 Unit Scheme - Mixed

						Residual Land Value (£)											
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL			
100  Mixed 20% AH	PDL/Greenfield	2.18	1.82	VL1	£2,750	£1,579,705	£1,423,357	£1,267,013	£1,110,658	£954,311	£797,963	£641,614	£485,265	£328,917			
				VL2	£3,000	£2,735,167	£2,578,819	£2,422,470	£2,266,122	£2,109,773	£1,953,425	£1,797,076	£1,640,728	£1,484,379			
				VL3	£3,250	£3,870,856	£3,714,508	£3,558,159	£3,401,811	£3,245,462	£3,089,114	£2,932,765	£2,776,417	£2,620,068			
				VL4	£3,500	£5,032,909	£4,876,561	£4,720,212	£4,563,864	£4,407,515	£4,251,167	£4,094,818	£3,938,470	£3,782,121			
				VL5	£3,750	£6,230,552	£6,074,204	£5,917,855	£5,761,507	£5,605,159	£5,448,810	£5,292,462	£5,136,113	£4,979,765			
				VL6	£4,000	£7,370,195	£7,213,847	£7,057,499	£6,901,150	£6,744,802	£6,588,454	£6,432,105	£6,275,757	£6,119,409			
				VL7	£4,500	£9,667,936	£9,511,588	£9,355,239	£9,198,891	£9,042,543	£8,886,195	£8,729,846	£8,573,498	£8,417,150			
				Residual Land Value (£/Ha)													
				VL1	£2,750	£724,031	£652,372	£580,714	£509,052	£437,393	£365,733	£294,073	£222,413	£150,754			
				VL2	£3,000	£1,253,618	£1,181,959	£1,110,299	£1,038,639	£966,979	£895,320	£823,660	£752,000	£680,340			
				VL3	£3,250	£1,774,142	£1,702,483	£1,630,823	£1,559,163	£1,487,503	£1,415,844	£1,344,184	£1,272,524	£1,200,865			
				VL4	£3,500	£2,306,750	£2,235,090	£2,163,431	£2,091,771	£2,020,111	£1,948,452	£1,876,792	£1,805,132	£1,733,472			
				VL5	£3,750	£2,855,670	£2,784,010	£2,712,350	£2,640,691	£2,569,031	£2,497,371	£2,425,712	£2,354,052	£2,282,392			
				VL6	£4,000	£3,378,006	£3,306,347	£3,234,687	£3,163,027	£3,091,368	£3,019,708	£2,948,048	£2,876,389	£2,804,729			
				VL7	£4,500	£4,431,137	£4,359,478	£4,287,818	£4,216,158	£4,144,499	£4,072,839	£4,001,179	£3,929,520	£3,857,860			

						Residual Land Value (£)												
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL				
100  Mixed 30% AH	PDL/Greenfield	2.18	1.82	VL1	£2,750	£1,188,741	£1,048,633	£908,525	£768,418	£628,310	£488,202	£348,094	£206,778	£61,792				
				VL2	£3,000	£2,257,153	£2,117,045	£1,976,937	£1,836,829	£1,696,722	£1,556,614	£1,416,511	£1,276,398	£1,136,291				
				VL3	£3,250	£3,298,087	£3,157,980	£3,017,873	£2,877,765	£2,737,657	£2,597,549	£2,457,442	£2,317,334	£2,177,226				
				VL4	£3,500	£4,375,657	£4,235,550	£4,095,442	£3,955,334	£3,815,227	£3,675,120	£3,535,012	£3,394,904	£3,254,797				
				VL5	£3,750	£5,502,685	£5,362,577	£5,222,470	£5,082,362	£4,942,254	£4,802,147	£4,662,039	£4,521,932	£4,381,824				
				VL6	£4,000	£6,549,115	£6,409,007	£6,268,899	£6,128,792	£5,988,684	£5,848,577	£5,708,469	£5,568,362	£5,428,254				
				VL7	£4,500	£8,667,619	£8,527,511	£8,387,404	£8,247,296	£8,107,188	£7,967,081	£7,826,974	£7,686,866	£7,546,759				
				Residual Land Value (£/Ha)														
				VL1	£2,750	£544,840	£480,623	£416,407	£352,192	£287,975	£223,759	£159,543	£94,773	£28,321				
				VL2	£3,000	£1,034,528	£970,312	£906,096	£841,880	£777,664	£713,448	£649,234	£585,016	£520,800				
				VL3	£3,250	£1,511,623	£1,447,408	£1,383,192	£1,318,976	£1,254,759	£1,190,543	£1,126,328	£1,062,111	£997,895				
				VL4	£3,500	£2,005,509	£1,941,294	£1,877,078	£1,812,861	£1,748,646	£1,684,430	£1,620,214	£1,555,998	£1,491,782				
				VL5	£3,750	£2,522,064	£2,457,848	£2,393,632	£2,329,416	£2,265,200	£2,200,984	£2,136,768	£2,072,552	£2,008,336				
				VL6	£4,000	£3,001,678	£2,937,462	£2,873,245	£2,809,030	£2,744,814	£2,680,598	£2,616,382	£2,552,166	£2,487,950				
				VL7	£4,500	£3,972,659	£3,908,443	£3,844,227	£3,780,011	£3,715,795	£3,651,579	£3,587,363	£3,523,147	£3,458,931				

						Residual Land Value (£)										
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £0/m² CIL	Residual Land Value - £25/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £75/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £125/m² CIL	Residual Land Value - £150/m² CIL	Residual Land Value - £175/m² CIL	Residual Land Value - £200/m² CIL		
100  Mixed 40% AH	PDL/Greenfield	2.18	1.82	VL1	£2,750	£696,091	£575,750	£455,409	£335,068	£213,712	£89,325	Negative RLV				
				VL2	£3,000	£1,657,724	£1,537,383	£1,417,042	£1,296,701	£1,176,360	£1,056,019	£935,678	£815,337	£694,996		
				VL3	£3,250	£2,582,402	£2,462,062	£2,341,721	£2,221,380	£2,101,046	£1,980,698	£1,860,357	£1,740,016	£1,619,675		
				VL4	£3,500	£3,556,351	£3,436,010	£3,315,670	£3,195,330	£3,074,989	£2,954,649	£2,834,308	£2,713,967	£2,593,635		
				VL5	£3,750	£4,596,819	£4,476,478	£4,356,137	£4,235,796	£4,115,455	£3,995,114	£3,874,773	£3,754,435	£3,634,095		
				VL6	£4,000	£5,528,889	£5,408,548	£5,288,207	£5,167,866	£5,047,525	£4,927,184	£4,806,843	£4,686,502	£4,566,161		
				VL7	£4,500	£7,427,517	£7,307,176	£7,186,836	£7,066,495	£6,946,154	£6,825,813	£6,705,472	£6,585,131	£6,464,790		
				Residual Land Value (£/Ha)												
				VL1	£2,750	£319,042	£263,885	£208,729	£153,573	£97,951	£40,941	Negative RLV				
				VL2	£3,000	£759,790	£704,634	£649,478	£594,321	£539,165	£484,009	£428,852	£373,696	£318,540		
				VL3	£3,250	£1,183,601	£1,128,445	£1,073,289	£1,018,133	£962,979	£907,820	£852,664	£797,507	£742,351		
				VL4	£3,500	£1,629,994	£1,574,838	£1,519,682	£1,464,526	£1,409,370	£1,354,214	£1,299,058	£1,243,902	£1,188,749		
				VL5	£3,750	£2,106,875	£2,051,719	£1,996,563	£1,941,407	£1,886,250	£1,831,094	£1,775,938	£1,720,783	£1,665,627		
				VL6	£4,000	£2,534,074	£2,478,918	£2,423,762	£2,368,605	£2,313,449	£2,258,293	£2,203,136	£2,147,980	£2,092,824		
				VL7	£4,500	£3,404,279	£3,349,122	£3,293,967	£3,238,810	£3,183,654	£3,128,498	£3,073,341	£3,018,185	£2,963,029		

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1n(i): Surplus Analysis  
- 100 Unit Scheme - Mixed

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
100	Mixed 20% AH	PDL/Greenfie Id	2.18	1.82	VL4	£3,500	£4,251,167	£1,948,452	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,848,452	£1,698,452	£948,452	£698,452	£448,452	-£268,548
					VL5	£3,750	£5,448,810	£2,497,371							£2,397,371	£2,247,371	£1,497,371	£1,247,371	£997,371	£280,371
					VL6	£4,000	£6,588,454	£3,019,708							£2,919,708	£2,769,708	£2,019,708	£1,769,708	£1,519,708	£802,708

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
100	Mixed 30% AH	PDL/Greenfie Id	2.18	1.82	VL4	£3,500	£3,675,120	£1,684,430	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,584,430	£1,434,430	£684,430	£434,430	£184,430	-£532,570
					VL5	£3,750	£4,802,147	£2,200,984							£2,100,984	£1,950,984	£1,200,984	£950,984	£700,984	-£16,016
					VL6	£4,000	£5,848,577	£2,680,598							£2,580,598	£2,430,598	£1,680,598	£1,430,598	£1,180,598	£463,598

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
100	Mixed 40% AH	PDL/Greenfie Id	2.18	1.82	VL4	£3,500	£2,954,649	£1,354,214	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,254,214	£1,104,214	£354,214	£104,214	-£145,786	-£862,786
					VL5	£3,750	£3,995,114	£1,831,094							£1,731,094	£1,581,094	£831,094	£581,094	£331,094	-£385,906
					VL6	£4,000	£4,927,184	£2,258,293							£2,158,293	£2,008,293	£1,258,293	£1,008,293	£758,293	£41,293

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

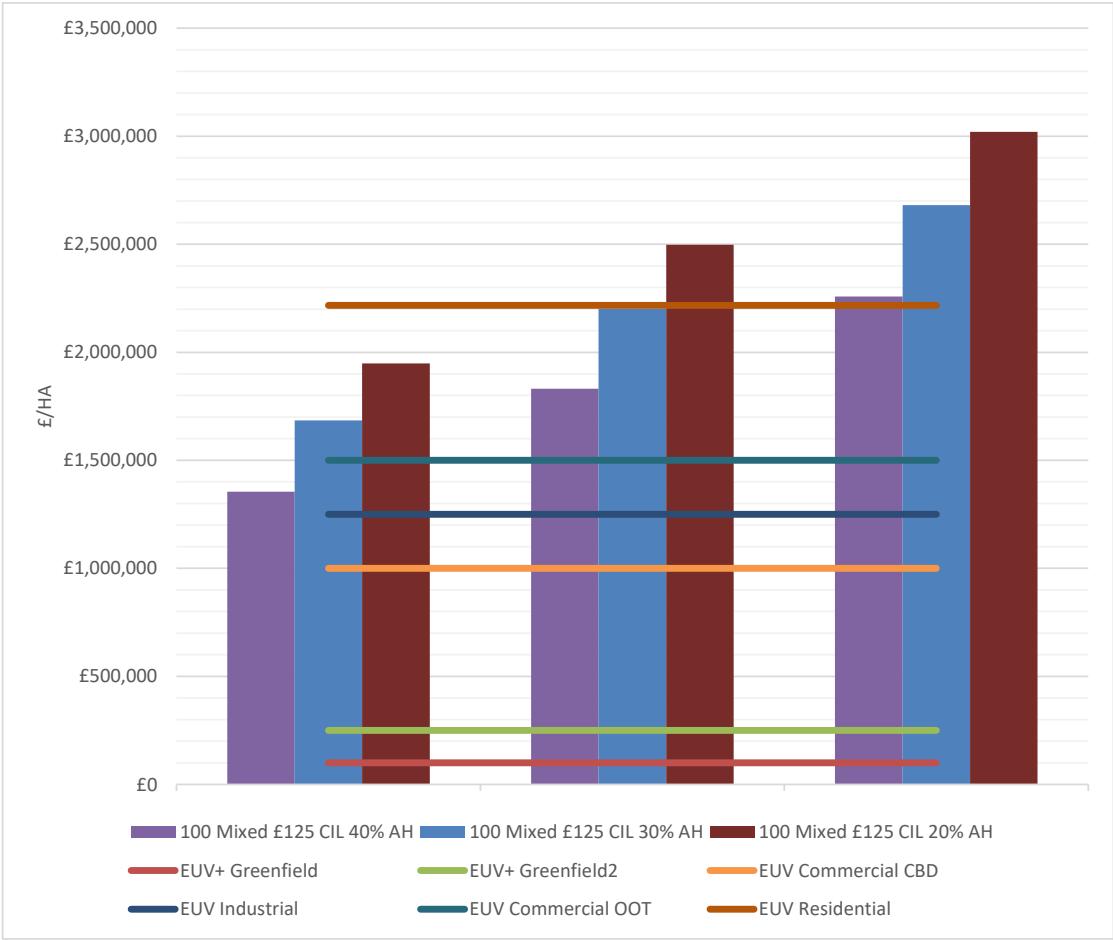


Table 1o: Residual Land Value Results by Value Level & Trial CIL Rate  
- 350 Unit Scheme - Mixed

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
350	Mixed 20% AH	Greenfield	6.36	VL1	£2,750	£7,036,149	£6,484,526	£5,932,902	£5,381,279	£4,829,655	£4,278,031	£3,726,424	£3,174,789	£2,623,161
				VL2	£3,000	£11,104,277	£10,552,654	£10,001,030	£9,449,407	£8,897,783	£8,346,160	£7,794,536	£7,242,913	£6,691,289
				VL3	£3,250	£15,105,383	£14,553,760	£14,002,137	£13,450,513	£12,898,889	£12,347,266	£11,795,642	£11,244,019	£10,692,395
				VL4	£3,500	£19,195,850	£18,644,227	£18,092,604	£17,540,981	£16,989,358	£16,437,735	£15,886,111	£15,334,488	£14,782,864
				VL5	£3,750	£23,406,956	£22,855,333	£22,303,710	£21,752,087	£21,200,464	£20,648,841	£20,097,218	£19,545,595	£18,993,971
				VL6	£4,000	£27,421,464	£26,869,841	£26,318,218	£25,766,596	£25,214,973	£24,663,350	£24,111,727	£23,560,104	£23,008,481
				VL7	£4,500	£35,513,032	£34,961,409	£34,409,788	£33,858,165	£33,306,542	£32,754,920	£32,203,297	£31,651,674	£31,100,052
				Residual Land Value (£/Ha)										
				VL1	£2,750	£850,524	£783,844	£717,164	£650,484	£583,804	£517,125	£450,447	£383,766	£317,085
				VL2	£3,000	£1,342,275	£1,275,596	£1,208,916	£1,142,236	£1,075,556	£1,008,876	£942,197	£875,517	£808,837
				VL3	£3,250	£1,825,925	£1,759,246	£1,692,566	£1,625,886	£1,559,206	£1,492,527	£1,425,847	£1,359,167	£1,292,487
				VL4	£3,500	£2,320,377	£2,253,698	£2,187,018	£2,120,338	£2,053,659	£1,986,979	£1,920,299	£1,853,619	£1,786,940
				VL5	£3,750	£2,829,412	£2,762,733	£2,696,053	£2,629,373	£2,562,693	£2,496,014	£2,429,334	£2,362,654	£2,295,975
				VL6	£4,000	£3,314,682	£3,248,003	£3,181,323	£3,114,643	£3,047,964	£2,981,284	£2,914,604	£2,847,925	£2,781,245
				VL7	£4,500	£4,292,784	£4,226,104	£4,159,425	£4,092,745	£4,026,066	£3,959,386	£3,892,706	£3,826,027	£3,759,347

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
350	Mixed 30% AH	Greenfield	6.36	VL1	£2,750	£5,398,085	£4,913,301	£4,428,485	£3,943,685	£3,458,886	£2,974,086	£2,489,286	£2,004,486	£1,519,687
				VL2	£3,000	£9,107,671	£8,622,872	£8,138,072	£7,653,273	£7,168,473	£6,683,673	£6,198,873	£5,714,074	£5,229,274
				VL3	£3,250	£12,718,262	£12,233,463	£11,748,664	£11,263,868	£10,779,068	£10,294,268	£9,809,469	£9,324,669	£8,839,869
				VL4	£3,500	£16,460,845	£15,976,046	£15,491,247	£15,006,447	£14,521,648	£14,036,849	£13,552,052	£13,067,253	£12,582,453
				VL5	£3,750	£20,381,612	£19,896,813	£19,412,014	£18,927,215	£18,442,416	£17,957,617	£17,472,818	£16,988,018	£16,503,219
				VL6	£4,000	£24,012,003	£23,527,203	£23,042,404	£22,557,605	£22,072,807	£21,588,008	£21,103,209	£20,618,411	£20,133,611
				VL7	£4,500	£31,365,176	£30,880,377	£30,395,578	£29,910,779	£29,425,979	£28,941,182	£28,456,383	£27,971,583	£27,486,785
				Residual Land Value (£/Ha)										
				VL1	£2,750	£652,516	£593,916	£535,311	£476,709	£418,107	£359,505	£300,903	£242,301	£183,698
				VL2	£3,000	£1,100,927	£1,042,325	£983,723	£925,121	£866,519	£807,917	£749,314	£690,712	£632,110
				VL3	£3,250	£1,537,372	£1,478,770	£1,420,168	£1,361,566	£1,302,964	£1,244,362	£1,185,760	£1,127,158	£1,068,556
				VL4	£3,500	£1,989,772	£1,931,170	£1,872,568	£1,813,966	£1,755,364	£1,696,762	£1,638,160	£1,579,558	£1,520,956
				VL5	£3,750	£2,463,711	£2,405,109	£2,346,507	£2,287,905	£2,229,303	£2,170,701	£2,112,099	£2,053,497	£1,994,895
				VL6	£4,000	£2,902,550	£2,843,948	£2,785,346	£2,726,743	£2,668,142	£2,609,539	£2,550,937	£2,492,335	£2,433,733
				VL7	£4,500	£3,791,395	£3,732,793	£3,674,191	£3,615,589	£3,556,986	£3,498,385	£3,439,783	£3,381,180	£3,322,578

						Residual Land Value (£)								
Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m <sup>2</sup>	Residual Land Value - £0/m <sup>2</sup> CIL	Residual Land Value - £25/m <sup>2</sup> CIL	Residual Land Value - £50/m <sup>2</sup> CIL	Residual Land Value - £75/m <sup>2</sup> CIL	Residual Land Value - £100/m <sup>2</sup> CIL	Residual Land Value - £125/m <sup>2</sup> CIL	Residual Land Value - £150/m <sup>2</sup> CIL	Residual Land Value - £175/m <sup>2</sup> CIL	Residual Land Value - £200/m <sup>2</sup> CIL
350	Mixed 40% AH	Greenfield	6.36	VL1	£2,750	£3,722,000	£3,305,202	£2,888,405	£2,471,608	£2,054,811	£1,638,013	£1,221,216	£804,419	£387,621
				VL2	£3,000	£7,065,003	£6,648,206	£6,231,409	£5,814,612	£5,397,815	£4,981,017	£4,564,220	£4,147,423	£3,730,626
				VL3	£3,250	£10,276,551	£9,859,754	£9,442,958	£9,026,162	£8,609,365	£8,192,569	£7,775,790	£7,358,983	£6,942,177
				VL4	£3,500	£13,663,363	£13,246,566	£12,829,769	£12,412,972	£11,996,180	£11,579,385	£11,162,590	£10,745,796	£10,328,999
				VL5	£3,750	£17,286,796	£16,869,999	£16,453,202	£16,036,405	£15,619,608	£15,202,811	£14,786,014	£14,369,217	£13,952,422
				VL6	£4,000	£20,524,636	£20,107,839	£19,691,043	£19,274,246	£18,857,449	£18,440,653	£18,023,856	£17,607,059	£17,190,262
				VL7	£4,500	£27,123,003	£26,706,206	£26,289,409	£25,872,613	£25,455,816	£25,039,019	£24,622,222	£24,205,425	£23,788,629
				Residual Land Value (£/Ha)										
				VL1	£2,750	£449,912	£399,530	£349,148	£298,766	£248,384	£198,002	£147,620	£97,237	£46,855
				VL2	£3,000	£854,011	£803,629	£753,247	£702,865	£652,483	£602,101	£551,719	£501,337	£450,955
				VL3	£3,250	£1,242,220	£1,191,838	£1,141,456	£1,091,075	£1,040,692	£990,311	£939,931	£889,547	£839,164
				VL4	£3,500	£1,651,615	£1,601,233	£1,550,851	£1,500,469	£1,450,088	£1,399,706	£1,349,324	£1,298,942	£1,248,560
				VL5	£3,750	£2,089,613	£2,039,231	£1,988,849	£1,938,467	£1,888,084	£1,837,702	£1,787,320	£1,736,938	£1,686,557
				VL6	£4,000	£2,481,000	£2,430,618	£2,380,236	£2,329,854	£2,279,472	£2,229,090	£2,178,708	£2,128,326	£2,077,944
				VL7	£4,500	£3,278,605	£3,228,223	£3,177,841	£3,127,459	£3,077,077	£3,026,695	£2,976,313	£2,925,930	£2,875,549

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

Source: Dixon Searle Partnership (2019)

Table 1o(i): Surplus Analysis  
- 350 Unit Scheme - Mixed

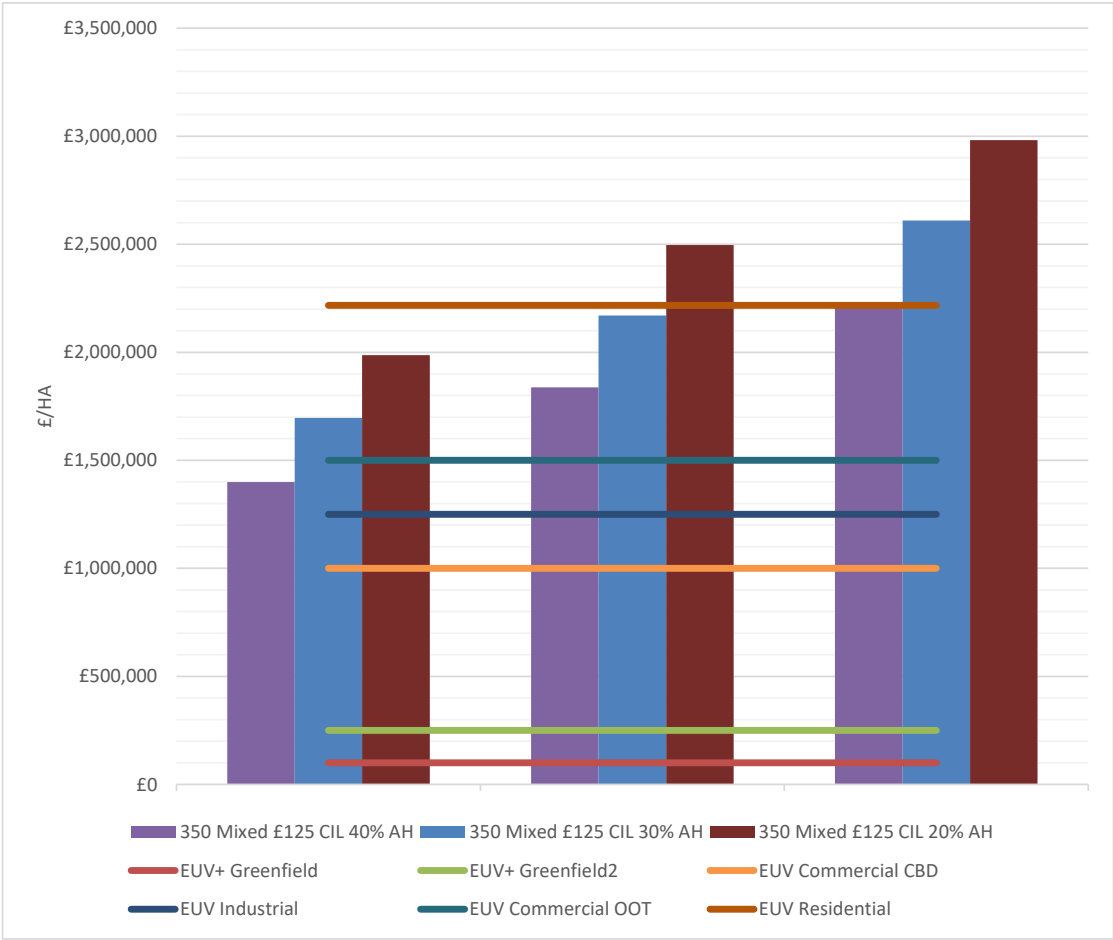
Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
350	Mixed 20% AH	Greenfield	8.27	6.36	VL4	£3,500	£16,437,735	£1,986,979	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,886,979	£1,736,979	£986,979	£736,979	£486,979	-£230,021
					VL5	£3,750	£20,648,841	£2,496,014							£2,396,014	£2,246,014	£1,496,014	£1,246,014	£996,014	£279,014
					VL6	£4,000	£24,663,350	£2,981,284							£2,881,284	£2,731,284	£1,981,284	£1,731,284	£1,481,284	£764,284

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
350	Mixed 30% AH	Greenfield	8.27	6.36	VL4	£3,500	£14,036,849	£1,696,762	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,596,762	£1,446,762	£696,762	£446,762	£196,762	-£520,238
					VL5	£3,750	£17,957,617	£2,170,701							£2,070,701	£1,920,701	£1,170,701	£920,701	£670,701	-£46,299
					VL6	£4,000	£21,588,008	£2,609,539							£2,509,539	£2,359,539	£1,609,539	£1,359,539	£1,109,539	£392,539

Development Scenario		Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Value Level	Value £/m²	Residual Land Value - £125/m² CIL	Residual Land Value /ha - £125/m² CIL	EUV £/ha (Greenfield)	EUV £/ha (Greenfield)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Greenfield	+/- Difference Greenfield	+/- Difference Commercial CBD	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Residential
350	Mixed 40% AH	Greenfield	8.27	6.36	VL4	£3,500	£11,579,385	£1,399,706	£100,000	£250,000	£1,000,000	£1,250,000	£1,500,000	£2,217,000	£1,299,706	£1,149,706	£399,706	£149,706	-£100,294	-£817,294
					VL5	£3,750	£15,202,811	£1,837,702							£1,737,702	£1,587,702	£837,702	£587,702	£337,702	-£379,298
					VL6	£4,000	£18,440,653	£2,229,090							£2,129,090	£1,979,090	£1,229,090	£979,090	£729,090	£12,090

BLV Notes:

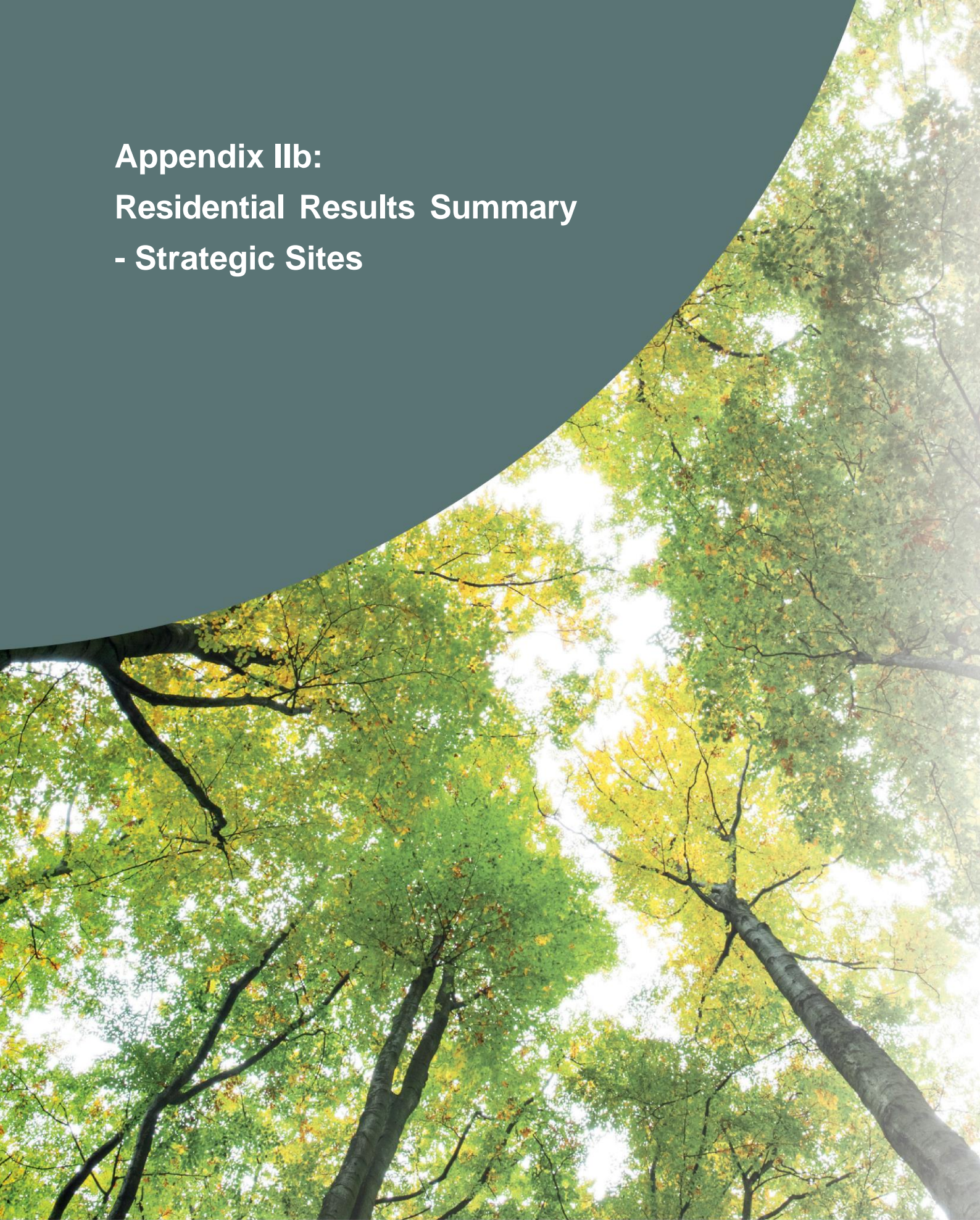
EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.



Source: Dixon Searle Partnership (2019)



**Appendix IIb:  
Residential Results Summary  
- Strategic Sites**





**Table 2a: Strategic Site: Residual Surplus Results - Southleigh**

Development Scenario		Typical Site Type	Gross Site Area (ha)	Residential Net Site Area (ha)	Site Density (dph)	Value £/m²	BLV (£/Gross Ha)	Sensitivity Test	Residual Surplus / Deficit	Residual Surplus /unit
2100	Mixed 30% AH	Greenfield - Rural	154.00	52.50	40	£4,000	£100,000	No A27 Junction	£50,935,761	£24,255
								With A27 Junction	£40,752,373	£19,406
								With A27 Junction & Increased Sustainability	£35,092,675	£16,711
							£250,000	No A27 Junction	£28,298,688	£13,476
								With A27 Junction	£18,115,932	£8,627
								With A27 Junction & Increased Sustainability	£12,455,688	£5,931
2100	Mixed 40% AH	Greenfield - Rural	154.00	52.50	40	£4,000	£100,000	No A27 Junction	£34,945,423	£16,641
								With A27 Junction	£24,762,128	£11,791
								With A27 Junction & Increased Sustainability	£19,130,858	£9,110
							£250,000	No A27 Junction	£12,308,446	£5,861
								With A27 Junction	£2,125,150	£1,012
								With A27 Junction & Increased Sustainability	£0	£0

Source: Dixon Searle Partnership (2019)



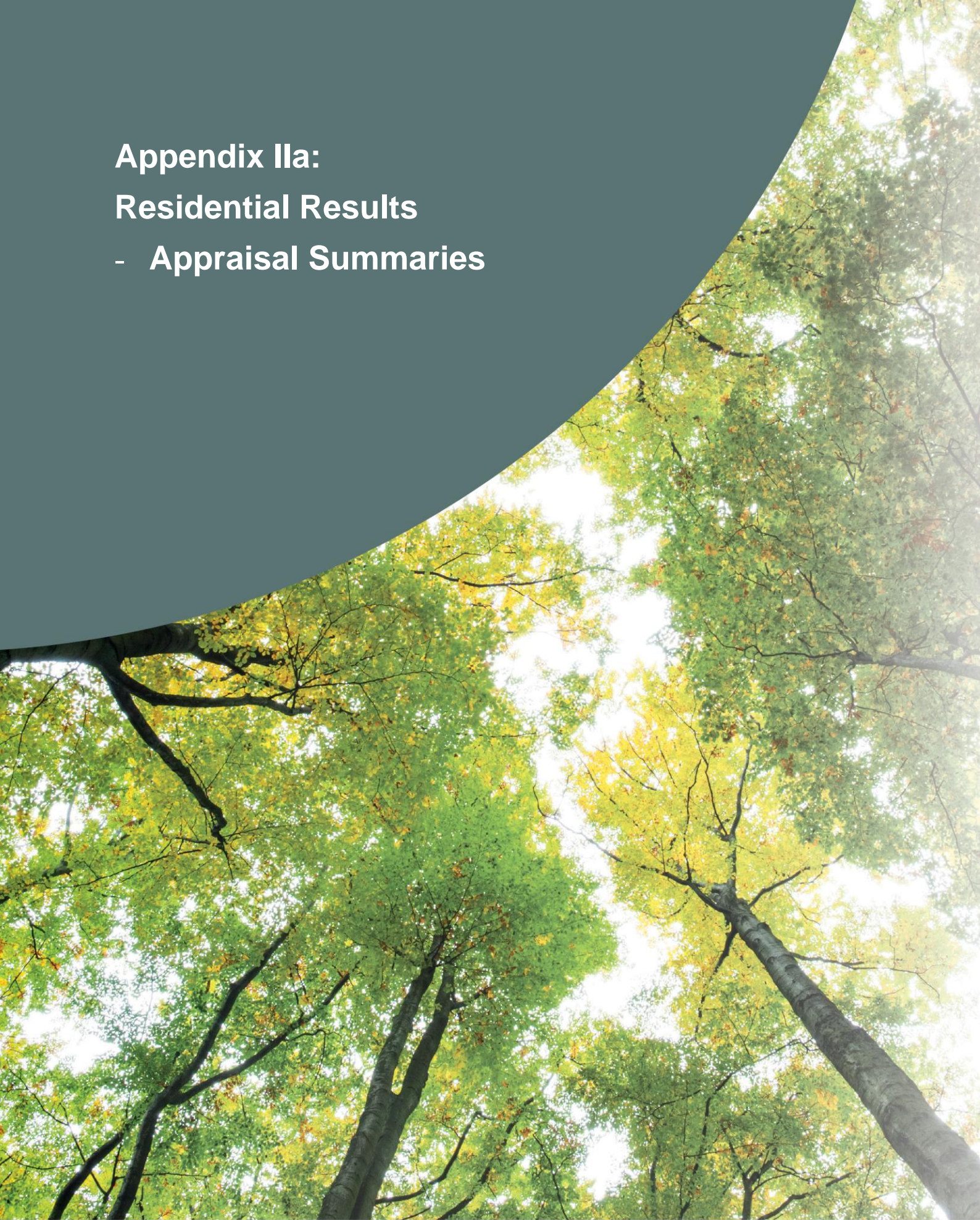
**Table 2b: Large Site Typology: Residual Surplus Results - 560 Unit Scheme**

Development Scenario		Typical Site Type	Gross Site Area (ha)	Residential Net Site Area (ha)	Site Density (dph)	Value £/m <sup>2</sup>	BLV (£/Gross Ha)	Sensitivity Test	Residual Surplus / Deficit	Residual Surplus /unit
560	Mixed 30% AH	Greenfield - Rural	26.70	15.78	40	£3,500	£100,000	Base	£9,034,225	£16,132.54
								Base & Increased Sustainability	£6,937,737	£12,389
							£250,000	Base	£4,738,857	£8,462
								Base & Increased Sustainability	£2,642,372	£4,719
560	Mixed 40% AH	Greenfield - Rural	26.70	15.78	40	£3,500	£100,000	Base	£4,902,324	£8,754
								Base & Increased Sustainability	£2,816,727	£5,030
							£250,000	Base	£606,944	£1,084
								Base & Increased Sustainability	£0	£0

Source: Dixon Searle Partnership (2019)



**Appendix IIa:**  
**Residential Results**  
**- Appraisal Summaries**





**Net RLV: £376,851**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	10 Houses 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	888					
TOTAL NUMBER OF UNITS	Total 10	Private 7	Affordable 3	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue			£454,725			
Open Market Housing Revenue			£2,388,750			
<u>Total Value of Scheme</u>			£2,843,475			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£1,327,354			
Fees, Contingencies, Planning Costs etc			£199,103			
Site Works			£75,000			
Sustainable Design & Construction Costs			£26,547			
Building Regs Access Compliance, Solent Mitigation etc.			£17,981			
<u>Total Build Costs</u>			£1,645,985			
Section 106 / CIL Costs			£118,800			
Marketing Costs & Legal Fees			£92,804			
<u>Total s106 &amp; Marketing Costs</u>			£211,604			
<u>Finance on Build Costs</u>			£45,279			
<u>TOTAL DEVELOPMENT COSTS</u>			£1,902,868			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£477,750			
Affordable Housing Profit			£27,284			
<u>Total Operating Profit</u>			£505,034			
<u>GROSS RESIDUAL LAND VALUE</u>			£435,573			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£58,722			
<u>Total Finance &amp; Acquisition Costs</u>			£58,722			
<u>NET RESIDUAL LAND VALUE</u>			<u>£376,851</u>			

**Net RLV: £357,740**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	10 Houses 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	888					
TOTAL NUMBER OF UNITS	Total 10	Private 7	Affordable 3	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue			£454,725			
Open Market Housing Revenue			£2,388,750			
<u>Total Value of Scheme</u>			£2,843,475			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£1,327,354			
Fees, Contingencies, Planning Costs etc			£199,103			
Site Works			£75,000			
Sustainable Design & Construction Costs			£26,547			
Building Regs Access Compliance, Solent Mitigation etc.			£17,981			
<u>Total Build Costs</u>			£1,645,985			
Section 106 / CIL Costs			£141,000			
Marketing Costs & Legal Fees			£92,804			
<u>Total s106 &amp; Marketing Costs</u>			£233,804			
<u>Finance on Build Costs</u>			£45,820			
<u>TOTAL DEVELOPMENT COSTS</u>			£1,925,609			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£477,750			
Affordable Housing Profit			£27,284			
<u>Total Operating Profit</u>			£505,034			
<u>GROSS RESIDUAL LAND VALUE</u>			£412,832			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees. Legal Fees, Stamp Duty, Interest etc.			£55,092			
<u>Total Finance &amp; Acquisition Costs</u>			£55,092			
<u>NET RESIDUAL LAND VALUE</u>			<u>£357,740</u>			

**Net RLV: £139,672**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	15 Flats 20% AH VL5 @£100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,024					
TOTAL NUMBER OF UNITS	Total 15	Private 12	Affordable 3	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue			£299,625			
Open Market Housing Revenue			£2,625,000			
<u>Total Value of Scheme</u>			£2,924,625			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£1,561,599			
Fees, Contingencies, Planning Costs etc			£234,240			
Site Works			£75,000			
Sustainable Design & Construction Costs			£31,232			
Building Regs Access Compliance, Solent Mitigation etc.			£23,367			
<u>Total Build Costs</u>			£1,925,438			
Section 106 / CIL Costs			£147,353			
Marketing Costs & Legal Fees			£98,989			
<u>Total s106 &amp; Marketing Costs</u>			£246,342			
<u>Finance on Build Costs</u>			£52,937			
<u>TOTAL DEVELOPMENT COSTS</u>			£2,224,716			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£525,000			
Affordable Housing Profit			£17,978			
<u>Total Operating Profit</u>			£542,978			
<u>GROSS RESIDUAL LAND VALUE</u>			£156,931			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£17,259			
<u>Total Finance &amp; Acquisition Costs</u>			£17,259			
<u>NET RESIDUAL LAND VALUE</u>			<u>£139,672</u>			

Net RLV: £116,794

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential				
DEVELOPMENT DESCRIPTION	15 Flats 20% AH VL5 @ £125 CIL				
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,024				
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH	
	15	12	3	20%	
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2
	80%	0%	20%	0%	0%
SITE SIZE (HA)				0.25	
VALUE / AREA				5	
REVENUE					
Affordable Housing Revenue				£299,625	
Open Market Housing Revenue				£2,625,000	
Total Value of Scheme				£2,924,625	
RESIDENTIAL BUILDING, MARKETING & S106 COSTS					
Build Costs				£1,561,599	
Fees, Contingencies, Planning Costs etc				£234,240	
Site Works				£75,000	
Sustainable Design & Construction Costs				£31,232	
Building Regs Access Compliance, Solent Mitigation etc.				£23,367	
Total Build Costs				£1,925,438	
Section 106 / CIL Costs				£172,941	
Marketing Costs & Legal Fees				£98,989	
Total s106 & Marketing Costs				£271,930	
Finance on Build Costs				£53,561	
TOTAL DEVELOPMENT COSTS				£2,250,928	
DEVELOPER'S RETURN FOR RISK AND PROFIT					
Open Market Housing Profit				£525,000	
Affordable Housing Profit				£17,978	
Total Operating Profit				£542,978	
GROSS RESIDUAL LAND VALUE				£130,719	
FINANCE & ACQUISITION COSTS					
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£13,925	
Total Finance & Acquisition Costs				£13,925	
NET RESIDUAL LAND VALUE				£116,794	

**Net RLV: £907,589**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	15 Houses 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,369					
TOTAL NUMBER OF UNITS	Total 15	Private 11	Affordable 4	% AH 27%		
PERCENTAGE BY TENURE	% Private 73%	% SR 0%	%AR 27%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue			£630,975			
Open Market Housing Revenue			£3,843,750			
<u>Total Value of Scheme</u>			£4,474,725			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£1,795,033			
Fees, Contingencies, Planning Costs etc			£269,255			
Site Works			£75,000			
Sustainable Design & Construction Costs			£35,901			
Building Regs Access Compliance, Solent Mitigation etc.			£26,972			
<u>Total Build Costs</u>			£2,202,160			
Section 106 / CIL Costs			£181,900			
Marketing Costs & Legal Fees			£145,492			
<u>Total s106 &amp; Marketing Costs</u>			£327,392			
<u>Finance on Build Costs</u>			£61,658			
<u>TOTAL DEVELOPMENT COSTS</u>			£2,591,209			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£768,750			
Affordable Housing Profit			£37,859			
<u>Total Operating Profit</u>			£806,609			
<u>GROSS RESIDUAL LAND VALUE</u>			£1,076,907			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£169,318			
<u>Total Finance &amp; Acquisition Costs</u>			£169,318			
<u>NET RESIDUAL LAND VALUE</u>			<u>£907,589</u>			



Net RLV: £880,022

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	15 Houses 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,369					
TOTAL NUMBER OF UNITS	Total 15	Private 11	Affordable 4	% AH 27%		
PERCENTAGE BY TENURE	% Private 73%	% SR 0%	%AR 27%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue			£630,975			
Open Market Housing Revenue			£3,843,750			
<u>Total Value of Scheme</u>			£4,474,725			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£1,795,033			
Fees, Contingencies, Planning Costs etc			£269,255			
Site Works			£75,000			
Sustainable Design & Construction Costs			£35,901			
Building Regs Access Compliance, Solent Mitigation etc.			£26,972			
<u>Total Build Costs</u>			£2,202,160			
Section 106 / CIL Costs			£216,125			
Marketing Costs & Legal Fees			£145,492			
<u>Total s106 &amp; Marketing Costs</u>			£361,617			
<u>Finance on Build Costs</u>			£62,492			
<u>TOTAL DEVELOPMENT COSTS</u>			£2,626,269			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£768,750			
Affordable Housing Profit			£37,859			
<u>Total Operating Profit</u>			£806,609			
<u>GROSS RESIDUAL LAND VALUE</u>			£1,041,848			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£161,826			
<u>Total Finance &amp; Acquisition Costs</u>			£161,826			
<u>NET RESIDUAL LAND VALUE</u>			<u>£880,022</u>			

Net RLV: £286,129

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential				
DEVELOPMENT DESCRIPTION	25 Flats 20% AH VL5 @ £100 CIL				
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,800				
TOTAL NUMBER OF UNITS	Total 25	Private 20	Affordable 5	% AH 20%	% Int 2 0%
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	
SITE SIZE (HA)	0.25				
VALUE / AREA	5				
<u>REVENUE</u>					
Affordable Housing Revenue				£546,375	
Open Market Housing Revenue				£4,575,000	
<u>Total Value of Scheme</u>				£5,121,375	
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>					
Build Costs				£2,746,260	
Fees, Contingencies, Planning Costs etc				£411,939	
Site Works				£75,000	
Sustainable Design & Construction Costs				£54,925	
Building Regs Access Compliance, Solent Mitigation etc.				£38,945	
<u>Total Build Costs</u>				£3,327,069	
Section 106 / CIL Costs				£255,000	
Marketing Costs & Legal Fees				£172,391	
<u>Total s106 &amp; Marketing Costs</u>				£427,391	
<u>Finance on Build Costs</u>				£91,515	
<u>TOTAL DEVELOPMENT COSTS</u>				£3,845,975	
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>					
Open Market Housing Profit				£915,000	
Affordable Housing Profit				£32,783	
<u>Total Operating Profit</u>				£947,783	
<u>GROSS RESIDUAL LAND VALUE</u>				£327,617	
<u>FINANCE &amp; ACQUISITION COSTS</u>					
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£41,488	
<u>Total Finance &amp; Acquisition Costs</u>				£41,488	
<u>NET RESIDUAL LAND VALUE</u>				£286,129	

**Net RLV: £247,391**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	25 Flats 20% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,800					
TOTAL NUMBER OF UNITS	Total 25	Private 20	Affordable 5	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
REVENUE						
Affordable Housing Revenue				£546,375		
Open Market Housing Revenue				£4,575,000		
Total Value of Scheme				£5,121,375		
RESIDENTIAL BUILDING, MARKETING & S106 COSTS						
Build Costs				£2,746,260		
Fees, Contingencies, Planning Costs etc				£411,939		
Site Works				£75,000		
Sustainable Design & Construction Costs				£54,925		
Building Regs Access Compliance, Solent Mitigation etc.				£38,945		
Total Build Costs				£3,327,069		
Section 106 / CIL Costs				£300,000		
Marketing Costs & Legal Fees				£172,391		
Total s106 & Marketing Costs				£472,391		
Finance on Build Costs				£92,612		
TOTAL DEVELOPMENT COSTS				£3,892,072		
DEVELOPER'S RETURN FOR RISK AND PROFIT						
Open Market Housing Profit				£915,000		
Affordable Housing Profit				£32,783		
Total Operating Profit				£947,783		
GROSS RESIDUAL LAND VALUE				£281,520		
FINANCE & ACQUISITION COSTS						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£34,129		
Total Finance & Acquisition Costs				£34,129		
NET RESIDUAL LAND VALUE				£247,391		

**Net RLV: £836,051**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	30 Flats Sheltered 20% AH VL7 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,810					
TOTAL NUMBER OF UNITS	Total 30	Private 24	Affordable 6	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 50%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.20		
VALUE / AREA				7		
<u>REVENUE</u>						
Affordable Housing Revenue			£699,300			
Open Market Housing Revenue			£6,624,000			
<u>Total Value of Scheme</u>			£7,323,300			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£3,239,989			
Fees, Contingencies, Planning Costs, Voids etc			£918,597			
Site Works			£72,000			
Sustainable Design & Construction Costs			£79,800			
Building Regs Access Compliance, Solent Mitigation etc.			£41,160			
<u>Total Build Costs</u>			£4,351,546			
Section 106 / CIL Costs			£250,000			
Marketing Costs & Legal Fees			£242,199			
<u>Total s106 &amp; Marketing Costs</u>			£492,199			
<u>TOTAL DEVELOPMENT COSTS</u>			£4,843,745			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£1,296,000			
Affordable Housing Profit			£41,958			
<u>Total Operating Profit</u>			£1,337,958			
<u>GROSS RESIDUAL LAND VALUE</u>			£1,141,597			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£305,546			
<u>Total Finance &amp; Acquisition Costs</u>			£305,546			
<u>NET RESIDUAL LAND VALUE</u>			<u>£836,051</u>			

**Net RLV: £799,938**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	30 Flats Sheltered 20% AH VL7 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	1,810					
TOTAL NUMBER OF UNITS	Total 30	Private 24	Affordable 6	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 50%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.20		
VALUE / AREA				7		
<u>REVENUE</u>						
Affordable Housing Revenue			£699,300			
Open Market Housing Revenue			£6,624,000			
<u>Total Value of Scheme</u>			£7,323,300			
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs			£3,239,989			
Fees, Contingencies, Planning Costs, Voids etc			£918,597			
Site Works			£72,000			
Sustainable Design & Construction Costs			£79,800			
Building Regs Access Compliance, Solent Mitigation etc.			£41,160			
<u>Total Build Costs</u>			£4,351,546			
Section 106 / CIL Costs			£290,000			
Marketing Costs & Legal Fees			£242,199			
<u>Total s106 &amp; Marketing Costs</u>			£532,199			
<u>TOTAL DEVELOPMENT COSTS</u>			£4,883,745			
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit			£1,296,000			
Affordable Housing Profit			£41,958			
<u>Total Operating Profit</u>			£1,337,958			
<u>GROSS RESIDUAL LAND VALUE</u>			£1,101,597			
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.			£301,659			
<u>Total Finance &amp; Acquisition Costs</u>			£301,659			
<u>NET RESIDUAL LAND VALUE</u>			<u>£799,938</u>			

Net RLV: £660,362

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Flats 20% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	3,600					
TOTAL NUMBER OF UNITS	Total 50	Private 40	Affordable 10	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£1,092,750		
Open Market Housing Revenue				£9,150,000		
<u>Total Value of Scheme</u>				£10,242,750		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,445,000		
Fees, Contingencies, Planning Costs etc				£816,750		
Site Works				£75,000		
Sustainable Design & Construction Costs				£108,900		
Building Regs Access Compliance, Solent Mitigation etc.				£93,581		
<u>Total Build Costs</u>				£6,539,231		
Section 106 / CIL Costs				£510,000		
Marketing Costs & Legal Fees				£344,783		
<u>Total s106 &amp; Marketing Costs</u>				£854,783		
<u>Finance on Build Costs</u>				£180,229		
<u>TOTAL DEVELOPMENT COSTS</u>				£7,574,243		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£1,830,000		
Affordable Housing Profit				£65,565		
<u>Total Operating Profit</u>				£1,895,565		
<u>GROSS RESIDUAL LAND VALUE</u>				£772,942		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£112,580		
<u>Total Finance &amp; Acquisition Costs</u>				£112,580		
<u>NET RESIDUAL LAND VALUE</u>				£660,362		



**Net RLV: £582,886**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Flats 20% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	3,600					
TOTAL NUMBER OF UNITS	Total 50	Private 40	Affordable 10	% AH 20%		
PERCENTAGE BY TENURE	% Private 80%	% SR 0%	%AR 20%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£1,092,750		
Open Market Housing Revenue				£9,150,000		
<u>Total Value of Scheme</u>				£10,242,750		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,445,000		
Fees, Contingencies, Planning Costs etc				£816,750		
Site Works				£75,000		
Sustainable Design & Construction Costs				£108,900		
Building Regs Access Compliance, Solent Mitigation etc.				£93,581		
<u>Total Build Costs</u>				£6,539,231		
Section 106 / CIL Costs				£600,000		
Marketing Costs & Legal Fees				£344,783		
<u>Total s106 &amp; Marketing Costs</u>				£944,783		
<u>Finance on Build Costs</u>				£182,423		
<u>TOTAL DEVELOPMENT COSTS</u>				£7,666,436		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£1,830,000		
Affordable Housing Profit				£65,565		
<u>Total Operating Profit</u>				£1,895,565		
<u>GROSS RESIDUAL LAND VALUE</u>				£680,749		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£97,863		
<u>Total Finance &amp; Acquisition Costs</u>				£97,863		
<u>NET RESIDUAL LAND VALUE</u>				£582,886		

**Net RLV: £2,253,184**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Mixed 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	4,389					
TOTAL NUMBER OF UNITS	Total 50	Private 35	Affordable 15	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£2,215,463		
Open Market Housing Revenue				£11,302,500		
<u>Total Value of Scheme</u>				£13,517,963		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,885,965		
Fees, Contingencies, Planning Costs etc				£882,895		
Site Works				£75,000		
Sustainable Design & Construction Costs				£117,719		
Building Regs Access Compliance, Solent Mitigation etc.				£108,853		
<u>Total Build Costs</u>				£7,070,432		
Section 106 / CIL Costs				£588,924		
Marketing Costs & Legal Fees				£443,039		
<u>Total s106 &amp; Marketing Costs</u>				£1,031,962		
<u>Finance on Build Costs</u>				£197,496		
<u>TOTAL DEVELOPMENT COSTS</u>				£8,299,890		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£2,260,500		
Affordable Housing Profit				£132,928		
<u>Total Operating Profit</u>				£2,393,428		
<u>GROSS RESIDUAL LAND VALUE</u>				£2,824,645		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£571,461		
<u>Total Finance &amp; Acquisition Costs</u>				£571,461		
<u>NET RESIDUAL LAND VALUE</u>				£2,253,184		

**Net RLV: £2,167,231**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	50 Mixed 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	4,389					
TOTAL NUMBER OF UNITS	Total 50	Private 35	Affordable 15	% AH 30%		
PERCENTAGE BY TENURE	% Private 70%	% SR 0%	%AR 30%	% Int 1 0%	% Int 2 0%	
SITE SIZE (HA)				0.25		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£2,215,463		
Open Market Housing Revenue				£11,302,500		
<u>Total Value of Scheme</u>				£13,517,963		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£5,885,965		
Fees, Contingencies, Planning Costs etc				£882,895		
Site Works				£75,000		
Sustainable Design & Construction Costs				£117,719		
Building Regs Access Compliance, Solent Mitigation etc.				£108,853		
<u>Total Build Costs</u>				£7,070,432		
Section 106 / CIL Costs				£698,654		
Marketing Costs & Legal Fees				£443,039		
<u>Total s106 &amp; Marketing Costs</u>				£1,141,693		
<u>Finance on Build Costs</u>				£200,171		
<u>TOTAL DEVELOPMENT COSTS</u>				£8,412,296		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£2,260,500		
Affordable Housing Profit				£132,928		
<u>Total Operating Profit</u>				£2,393,428		
<u>GROSS RESIDUAL LAND VALUE</u>				£2,712,239		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£545,008		
<u>Total Finance &amp; Acquisition Costs</u>				£545,008		
<u>NET RESIDUAL LAND VALUE</u>				£2,167,231		

**Net RLV: £4,942,254**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential				
DEVELOPMENT DESCRIPTION	100 Mixed 30% AH VL5 @ £100 CIL				
DEVELOPMENT SIZE (TOTAL m²) - GIA	8,411				
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH	
	100	70	30	30%	
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2
	70%	0%	15%	0%	0%
SITE SIZE (HA)				2.18	
VALUE / AREA				5	
REVENUE					
Affordable Housing Revenue				£4,147,748	
Open Market Housing Revenue				£22,857,750	
Total Value of Scheme				£27,005,498	
RESIDENTIAL BUILDING, MARKETING & S106 COSTS					
Build Costs				£10,470,397	
Fees, Contingencies, Planning Costs etc				£2,774,656	
Site Works				£666,000	
Sustainable Design & Construction Costs				£209,408	
Building Regs Access Compliance, Solent Mitigation etc.				£217,692	
Total Build Costs				£14,338,153	
Section 106 / CIL Costs				£920,756	
Marketing Costs & Legal Fees				£885,165	
Total s106 & Marketing Costs				£1,805,921	
TOTAL DEVELOPMENT COSTS				£16,144,074	
DEVELOPER'S RETURN FOR RISK AND PROFIT					
Open Market Housing Profit				£4,542,750	
Affordable Housing Profit				£248,865	
Total Operating Profit				£4,791,615	
GROSS RESIDUAL LAND VALUE				£6,069,809	
FINANCE & ACQUISITION COSTS					
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£1,127,555	
Total Finance & Acquisition Costs				£1,127,555	
NET RESIDUAL LAND VALUE				£4,942,254	

**Net RLV: £4,802,147**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	100 Mixed 30% AH VL5 @ £125 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	8,411					
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH		
	100	70	30	30%		
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2	
	70%	0%	15%	0%	0%	
SITE SIZE (HA)				2.18		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£4,147,748		
Open Market Housing Revenue				£22,857,750		
<u>Total Value of Scheme</u>				£27,005,498		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£10,470,397		
Fees, Contingencies, Planning Costs etc				£2,774,656		
Site Works				£666,000		
Sustainable Design & Construction Costs				£209,408		
Building Regs Access Compliance, Solent Mitigation etc.				£217,692		
<u>Total Build Costs</u>				£14,338,153		
Section 106 / CIL Costs				£1,075,944		
Marketing Costs & Legal Fees				£885,165		
<u>Total s106 &amp; Marketing Costs</u>				£1,961,109		
<u>TOTAL DEVELOPMENT COSTS</u>				£16,299,262		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£4,542,750		
Affordable Housing Profit				£248,865		
<u>Total Operating Profit</u>				£4,791,615		
<u>GROSS RESIDUAL LAND VALUE</u>				£5,914,621		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£1,112,474		
<u>Total Finance &amp; Acquisition Costs</u>				£1,112,474		
<u>NET RESIDUAL LAND VALUE</u>				£4,802,147		

**Net RLV: £18,442,416**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential				
DEVELOPMENT DESCRIPTION	350 Mixed 30% AH VL5 @ £100 CIL				
DEVELOPMENT SIZE (TOTAL m²) - GIA	29,437				
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH	
	350	245	105	30%	
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2
	70%	0%	4%	0%	0%
SITE SIZE (HA)	8.27				
VALUE / AREA	5				
REVENUE					
Affordable Housing Revenue				£33,431,022	
Open Market Housing Revenue				£60,595,500	
Total Value of Scheme				£94,026,522	
RESIDENTIAL BUILDING, MARKETING & S106 COSTS					
Build Costs				£36,650,319	
Fees, Contingencies, Planning Costs etc				£9,712,335	
Site Works, Sustainable Design & Construction Costs				£1,399,006	
Building Regs Access Compliance, Solent Mitigation etc.				£761,922	
Total Build Costs				£48,523,582	
Section 106 / CIL Costs				£3,197,933	
Marketing Costs & Legal Fees				£3,083,296	
Total s106 & Marketing Costs				£6,281,229	
TOTAL DEVELOPMENT COSTS				£54,804,811	
DEVELOPER'S RETURN FOR RISK AND PROFIT					
Open Market Housing Profit				£15,717,000	
Affordable Housing Profit				£896,611	
Total Operating Profit				£16,613,611	
GROSS RESIDUAL LAND VALUE				£22,608,100	
FINANCE & ACQUISITION COSTS					
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£4,165,684	
Total Finance & Acquisition Costs				£4,165,684	
NET RESIDUAL LAND VALUE				£18,442,416	



**Net RLV: £17,957,617**

## Residual Land Value Data Summary & Results

DEVELOPMENT TYPE	Residential					
DEVELOPMENT DESCRIPTION	350 Mixed 30% AH VL5 @ £100 CIL					
DEVELOPMENT SIZE (TOTAL m²) - GIA	29,437					
TOTAL NUMBER OF UNITS	Total	Private	Affordable	% AH		
	350	245	105	30%		
PERCENTAGE BY TENURE	% Private	% SR	%AR	% Int 1	% Int 2	
	70%	0%	4%	0%	0%	
SITE SIZE (HA)				8.27		
VALUE / AREA				5		
<u>REVENUE</u>						
Affordable Housing Revenue				£33,431,022		
Open Market Housing Revenue				£60,595,500		
<u>Total Value of Scheme</u>				£94,026,522		
<u>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</u>						
Build Costs				£36,650,319		
Fees, Contingencies, Planning Costs etc				£9,712,335		
Site Works, Sustainable Design & Construction Costs				£1,399,006		
Building Regs Access Compliance, Solent Mitigation etc.				£761,922		
<u>Total Build Costs</u>				£48,523,582		
Section 106 / CIL Costs				£3,734,917		
Marketing Costs & Legal Fees				£3,083,296		
<u>Total s106 &amp; Marketing Costs</u>				£6,818,213		
<u>TOTAL DEVELOPMENT COSTS</u>				£55,341,795		
<u>DEVELOPER'S RETURN FOR RISK AND PROFIT</u>						
Open Market Housing Profit				£15,717,000		
Affordable Housing Profit				£896,611		
<u>Total Operating Profit</u>				£16,613,611		
<u>GROSS RESIDUAL LAND VALUE</u>				£22,071,116		
<u>FINANCE &amp; ACQUISITION COSTS</u>						
Agents Fees, Legal Fees, Stamp Duty, Interest etc.				£4,113,499		
<u>Total Finance &amp; Acquisition Costs</u>				£4,113,499		
<u>NET RESIDUAL LAND VALUE</u>				£17,957,617		



**Appendix IIb:**  
**Residential Results Summary**  
**- Strategic Sites**  
**Appraisal Summaries**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
No J27 Upgrade - Base Sustainability

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership  
06 November 2018



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site****Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE****Sales Valuation**

	Units	m <sup>2</sup>	Sales Rate m <sup>2</sup>	Unit Price	Gross Sales
Market 1BF	265	13,250.00	4,000.00	200,000	53,000,000
Market 2BF	235	16,450.00	4,000.00	280,000	65,800,000
Market 2BH	265	20,935.00	4,000.00	316,000	83,740,000
Market 3BH	559	55,900.00	4,000.00	400,000	223,600,000
Market 4BH	147	19,110.00	4,000.00	520,000	76,440,000
1BF AH	113	5,650.00	1,880.00	94,000	10,622,000
2BF AH	101	7,070.00	1,880.00	131,600	13,291,600
2BH AH	113	8,927.00	1,880.00	148,520	16,782,760
3BH AH	239	22,227.00	1,880.00	174,840	41,786,760
4BH AH	63	7,056.00	1,880.00	210,560	13,265,280
Non Residential Uses	1	1,240.00	1,090.44	1,352,150	1,352,150
<b>Totals</b>	<b>2,101</b>	<b>177,815.00</b>			<b>599,680,550</b>

**Rental Area Summary**

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****602,180,550**

Purchaser's Costs	5.85%	225,351	
Effective Purchaser's Costs Rate	9.01%		225,351

**NET DEVELOPMENT VALUE****601,955,199****NET REALISATION****601,955,199****This appraisal report does not constitute a formal valuation.**

## APPRAISAL SUMMARY

## DIXON SEARLE PARTNERSHIP

### Havant Borough Council Southleigh Strategic Site

#### OUTLAY

##### ACQUISITION COSTS

Fixed Price	154.00 ha	100,000.00 /ha	15,400,000	
Fixed Price (154.00 Ha @ 100,000.00 /Hect)			15,400,000	
				15,400,000
Stamp Duty			759,500	
Effective Stamp Duty Rate		4.93%		
Agent Fee		1.50%	231,000	
Legal Fee		0.75%	115,500	
				1,106,000

##### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	15,588.24	1,341.00	20,903,824
Market 2BF	19,352.94	1,341.00	25,952,294
Market 2BH	20,935.00	1,341.00	28,073,835
Market 3BH	55,900.00	1,341.00	74,961,900
Market 4BH	19,110.00	1,341.00	25,626,510
1BF AH	6,647.06	1,341.00	8,913,706
2BF AH	8,317.65	1,341.00	11,153,965
2BH AH	8,927.00	1,341.00	11,971,107
3BH AH	22,227.00	1,341.00	29,806,407
4BH AH	7,056.00	1,341.00	9,462,096
Non Residential Uses	<u>1,610.00</u>	<u>1,666.34</u>	<u>2,682,805</u>
<b>Totals</b>	<b>185,670.88 m<sup>2</sup></b>		<b>249,508,448</b>
Contingency		5.00%	15,347,564
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
S106 Surplus		1.00%	50,935,761
Sustainable Design / Construction		2.00%	4,990,169
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				382,795,587
<b>PROFESSIONAL FEES</b>				
Professional Fees		10.00%	30,426,847	
				30,426,847
<b>DISPOSAL FEES</b>				
Marketing & Sales Agent Fees		3.00%	17,949,852	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				19,524,852
<b>MISCELLANEOUS FEES</b>				
AH Profit		6.00%	5,744,904	
Market Profit		20.00%	100,516,000	
Non-Residential		15.00%	577,823	
				106,838,727
<b>FINANCE</b>				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			16,218,466	
Construction			29,644,941	
Total Finance Cost				45,863,407
<b>TOTAL COSTS</b>				<b>601,955,419</b>
<b>PROFIT</b>				<b>220</b>

**Performance Measures**

**This appraisal report does not constitute a formal valuation.**



# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

Havant Borough Council  
Southleigh Strategic Site

## Table of Profit Amount and Gross Development Value

Sales: Rate /m²									
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%	+10.000%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²	4,400.00 /m²
-10.000%	(£17,145,473)	(£1,900,176)	£11,568,400	£24,421,346	£36,888,136	£48,868,902	£60,435,354	£71,758,536	£82,760,893
1,206.90 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
-7.500%	(£29,117,413)	(£12,482,385)	£1,949,156	£15,316,790	£27,998,062	£40,245,154	£52,122,869	£63,585,517	£74,779,960
1,240.43 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
-5.000%	(£42,739,106)	(£24,081,192)	(£8,056,742)	£5,784,090	£18,896,459	£31,522,089	£43,595,951	£55,310,515	£66,692,744
1,273.95 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
-2.500%	(£57,569,874)	(£36,869,263)	(£19,281,813)	(£3,922,611)	£9,619,023	£22,476,129	£34,942,478	£46,905,704	£58,469,489
1,307.47 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
0.000%	(£74,249,051)	(£51,144,378)	(£31,304,815)	(£14,608,357)	(£220)	£13,367,937	£26,049,285	£38,299,496	£50,153,838
1,341.00 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+2.500%	(£92,810,992)	(£66,600,088)	(£44,912,112)	(£26,280,382)	(£10,101,024)	£3,834,713	£16,951,242	£29,566,000	£41,643,043
1,374.53 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+5.000%	(£113,009,133)	(£84,159,331)	(£59,687,757)	(£39,044,977)	(£21,418,154)	(£5,973,277)	£7,667,440	£20,530,912	£32,993,733
1,408.05 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+7.500%	(£135,630,579)	(£103,363,016)	(£76,077,500)	(£53,302,675)	(£33,504,005)	(£16,744,698)	(£1,961,787)	£11,415,609	£24,100,098
1,441.58 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+10.000%	(£158,868,660)	(£124,575,700)	(£94,452,688)	(£68,635,124)	(£47,086,106)	(£28,479,572)	(£12,155,954)	£1,885,336	£15,006,025
1,475.10 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+12.500%	(£182,130,149)	(£147,583,475)	(£114,304,055)	(£85,978,390)	(£61,818,213)	(£41,220,692)	(£23,559,377)	(£8,023,943)	£5,715,619
1,508.63 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
This appraisal report does not constitute a formal valuation.	1	£4,000.00	4.50 Up & Down

## SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

### Havant Borough Council Southleigh Strategic Site

#### Construction: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

+12.500%
4,500.00 /m <sup>2</sup>
£93,670,992
£665,003,050
£85,743,186
£665,003,050
£77,767,121
£665,003,050
£69,752,967
£665,003,050
£61,603,486
£665,003,050
£53,345,874
£665,003,050
£44,940,173
£665,003,050
£36,353,838
£665,003,050
£27,609,877
£665,003,050
£18,585,694
£665,003,050

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
A27 Upgrade - Base Sustainability

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	265	13,250.00	4,000.00	200,000	53,000,000
Market 2BF	235	16,450.00	4,000.00	280,000	65,800,000
Market 2BH	265	20,935.00	4,000.00	316,000	83,740,000
Market 3BH	559	55,900.00	4,000.00	400,000	223,600,000
Market 4BH	147	19,110.00	4,000.00	520,000	76,440,000
1BF AH	113	5,650.00	1,880.00	94,000	10,622,000
2BF AH	101	7,070.00	1,880.00	131,600	13,291,600
2BH AH	113	8,927.00	1,880.00	148,520	16,782,760
3BH AH	239	22,227.00	1,880.00	174,840	41,786,760
4BH AH	63	7,056.00	1,880.00	210,560	13,265,280
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	1,090.44	1,352,150	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>177,815.00</b>			<b>599,680,550</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****602,180,550**

Purchaser's Costs	5.85%	(225,351)	
Effective Purchaser's Costs Rate	9.01%		(225,351)

**NET DEVELOPMENT VALUE****601,955,199****NET REALISATION****601,955,199**

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

**Havant Borough Council**  
**Southleigh Strategic Site**

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	100,000.00 /ha	15,400,000	
Fixed Price (154.00 Ha @ 100,000.00 /Hect)			15,400,000	
				15,400,000
Stamp Duty			759,500	
Effective Stamp Duty Rate		4.93%		
Agent Fee		1.50%	231,000	
Legal Fee		0.75%	115,500	
				1,106,000

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	15,588.24	1,341.00	20,903,824
Market 2BF	19,352.94	1,341.00	25,952,294
Market 2BH	20,935.00	1,341.00	28,073,835
Market 3BH	55,900.00	1,341.00	74,961,900
Market 4BH	19,110.00	1,341.00	25,626,510
1BF AH	6,647.06	1,341.00	8,913,706
2BF AH	8,317.65	1,341.00	11,153,965
2BH AH	8,927.00	1,341.00	11,971,107
3BH AH	22,227.00	1,341.00	29,806,407
4BH AH	7,056.00	1,341.00	9,462,096
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>185,670.88 m<sup>2</sup></b>		<b>249,508,448</b>
Contingency		5.00%	15,347,564
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
S106 Surplus		1.00%	40,752,373
Sustainable Design / Construction		2.00%	4,990,169
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				390,612,199

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,426,847	30,426,847
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	17,949,852	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				19,524,852

**MISCELLANEOUS FEES**

AH Profit		6.00%	5,744,904	
Market Profit		20.00%	100,516,000	
Non-Residential		15.00%	577,823	
				106,838,727

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			16,180,663	
Construction			21,865,920	
Total Finance Cost				38,046,583

**TOTAL COSTS****601,955,207****PROFIT****(8)****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
Southleigh Strategic Site

Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²
-10.000%	(£17,145,218)	(£1,899,960)	£11,568,612	£24,421,545	£36,888,323	£48,869,084	£60,343,493	£71,400,610
1,206.90 /m²	(£17,145,218)	(£1,899,960)	£11,568,612	£24,421,545	£36,888,323	£48,869,084	£60,343,493	£71,400,610
-7.500%	(£29,117,135)	(£12,482,134)	£1,949,368	£15,316,988	£27,998,260	£40,245,341	£52,111,661	£63,386,379
1,240.43 /m²	(£29,117,135)	(£12,482,134)	£1,949,368	£15,316,988	£27,998,260	£40,245,341	£52,111,661	£63,386,379
-5.000%	(£42,738,792)	(£24,080,921)	(£8,056,503)	£5,784,302	£18,896,658	£31,522,282	£43,596,136	£55,255,913
1,273.95 /m²	(£42,738,792)	(£24,080,921)	(£8,056,503)	£5,784,302	£18,896,658	£31,522,282	£43,596,136	£55,255,913
-2.500%	(£57,569,528)	(£36,868,954)	(£19,281,559)	(£3,922,387)	£9,619,235	£22,476,328	£34,942,664	£46,902,819
1,307.47 /m²	(£57,569,528)	(£36,868,954)	(£19,281,559)	(£3,922,387)	£9,619,235	£22,476,328	£34,942,664	£46,902,819
0.000%	(£74,248,651)	(£51,144,048)	(£31,304,544)	(£14,608,103)	(£8)	£13,368,138	£26,049,483	£38,299,682
1,341.00 /m²	(£74,248,651)	(£51,144,048)	(£31,304,544)	(£14,608,103)	(£8)	£13,368,138	£26,049,483	£38,299,682
+2.500%	(£92,810,566)	(£66,599,725)	(£44,911,798)	(£26,280,111)	(£10,100,787)	£3,834,925	£16,951,441	£29,566,193
1,374.53 /m²	(£92,810,566)	(£66,599,725)	(£44,911,798)	(£26,280,111)	(£10,100,787)	£3,834,925	£16,951,441	£29,566,193
+5.000%	(£113,008,659)	(£84,158,925)	(£59,687,415)	(£39,044,668)	(£21,417,900)	(£5,973,053)	£7,667,651	£20,531,110
1,408.05 /m²	(£113,008,659)	(£84,158,925)	(£59,687,415)	(£39,044,668)	(£21,417,900)	(£5,973,053)	£7,667,651	£20,531,110
+7.500%	(£135,630,065)	(£103,362,566)	(£76,077,100)	(£53,302,346)	(£33,503,734)	(£16,744,443)	(£1,961,570)	£11,415,812
1,441.58 /m²	(£135,630,065)	(£103,362,566)	(£76,077,100)	(£53,302,346)	(£33,503,734)	(£16,744,443)	(£1,961,570)	£11,415,812
+10.000%	(£158,868,142)	(£124,575,196)	(£94,452,262)	(£68,634,765)	(£47,085,794)	(£28,479,301)	(£12,155,713)	£1,885,548
1,475.10 /m²	(£158,868,142)	(£124,575,196)	(£94,452,262)	(£68,634,765)	(£47,085,794)	(£28,479,301)	(£12,155,713)	£1,885,548
+12.500%	(£182,129,631)	(£147,582,958)	(£114,303,596)	(£85,977,990)	(£61,817,875)	(£41,220,383)	(£23,559,119)	(£8,023,719)
1,508.63 /m²	(£182,129,631)	(£147,582,958)	(£114,303,596)	(£85,977,990)	(£61,817,875)	(£41,220,383)	(£23,559,119)	(£8,023,719)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
Market 3BH	1	£4,000.00	4.50 Up & Down

~~This appraisal report does not constitute a formal valuation.~~

**Havant Borough Council  
Southleigh Strategic Site****Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
Southleigh Strategic Site**

+10.000%	+12.500%
4,400.00 /m²	4,500.00 /m²
£82,128,239	£92,629,465
£82,128,239	£92,629,465
£74,322,619	£84,953,669
£74,322,619	£84,953,669
£66,384,875	£77,198,150
£66,384,875	£77,198,150
£58,324,710	£69,340,522
£58,324,710	£69,340,522
£50,122,841	£61,349,174
£50,122,841	£61,349,174
£41,643,227	£53,248,156
£41,643,227	£53,248,156
£32,993,921	£44,925,421
£32,993,921	£44,925,421
£24,100,294	£36,354,024
£24,100,294	£36,354,024
£15,006,224	£27,610,070
£15,006,224	£27,610,070
£5,715,830	£18,585,893
£5,715,830	£18,585,893

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
J27 Upgrade - Increased Sustainability

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	265	13,250.00	4,000.00	200,000	53,000,000
Market 2BF	235	16,450.00	4,000.00	280,000	65,800,000
Market 2BH	265	20,935.00	4,000.00	316,000	83,740,000
Market 3BH	559	55,900.00	4,000.00	400,000	223,600,000
Market 4BH	147	19,110.00	4,000.00	520,000	76,440,000
1BF AH	113	5,650.00	1,880.00	94,000	10,622,000
2BF AH	101	7,070.00	1,880.00	131,600	13,291,600
2BH AH	113	8,927.00	1,880.00	148,520	16,782,760
3BH AH	239	22,227.00	1,880.00	174,840	41,786,760
4BH AH	63	7,056.00	1,880.00	210,560	13,265,280
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	1,090.44	1,352,150	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>177,815.00</b>			<b>599,680,550</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****602,180,550**

Purchaser's Costs	5.85%	(225,351)	
Effective Purchaser's Costs Rate	9.01%		(225,351)

**NET DEVELOPMENT VALUE****601,955,199****NET REALISATION****601,955,199**

This appraisal report does not constitute a formal valuation.



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

**Havant Borough Council**  
**Southleigh Strategic Site**

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	100,000.00 /ha	15,400,000	
Fixed Price (154.00 Ha @ 100,000.00 /Hect)			15,400,000	
				15,400,000
Stamp Duty			759,500	
Effective Stamp Duty Rate		4.93%		
Agent Fee		1.50%	231,000	
Legal Fee		0.75%	115,500	
				1,106,000

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	15,588.24	1,341.00	20,903,824
Market 2BF	19,352.94	1,341.00	25,952,294
Market 2BH	20,935.00	1,341.00	28,073,835
Market 3BH	55,900.00	1,341.00	74,961,900
Market 4BH	19,110.00	1,341.00	25,626,510
1BF AH	6,647.06	1,341.00	8,913,706
2BF AH	8,317.65	1,341.00	11,153,965
2BH AH	8,927.00	1,341.00	11,971,107
3BH AH	22,227.00	1,341.00	29,806,407
4BH AH	7,056.00	1,341.00	9,462,096
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>185,670.88 m<sup>2</sup></b>		<b>249,508,448</b>
Contingency		5.00%	15,347,564
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
S106 Surplus		1.00%	35,092,675
Sustainable Design / Construction		6.00%	14,970,507
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				394,932,839

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,426,847	30,426,847
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	17,949,852	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				19,524,852

**MISCELLANEOUS FEES**

AH Profit		6.00%	5,744,904	
Market Profit		20.00%	100,516,000	
Non-Residential		15.00%	577,823	
				106,838,727

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			15,614,452	
Construction			18,111,505	
Total Finance Cost				33,725,957

**TOTAL COSTS****601,955,222****PROFIT****(23)****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
Southleigh Strategic Site

Table of Profit Amount and Profit Amount

		Sales: Rate /m²						
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²
-10.000%	(£15,495,042)	(£583,907)	£12,823,779	£25,519,676	£37,756,140	£49,518,255	£60,657,767	£71,469,032
1,206.90 /m²	(£15,495,042)	(£583,907)	£12,823,779	£25,519,676	£37,756,140	£49,518,255	£60,657,767	£71,469,032
-7.500%	(£27,759,352)	(£11,255,595)	£2,925,609	£16,112,095	£28,734,035	£40,802,522	£52,320,628	£63,343,653
1,240.43 /m²	(£27,759,352)	(£11,255,595)	£2,925,609	£16,112,095	£28,734,035	£40,802,522	£52,320,628	£63,343,653
-5.000%	(£41,616,440)	(£23,157,262)	(£7,285,550)	£6,435,124	£19,383,419	£31,863,283	£43,776,299	£55,071,970
1,273.95 /m²	(£41,616,440)	(£23,157,262)	(£7,285,550)	£6,435,124	£19,383,419	£31,863,283	£43,776,299	£55,071,970
-2.500%	(£56,851,359)	(£36,225,486)	(£18,796,051)	(£3,579,882)	£9,915,556	£22,649,424	£34,929,311	£46,662,476
1,307.47 /m²	(£56,851,359)	(£36,225,486)	(£18,796,051)	(£3,579,882)	£9,915,556	£22,649,424	£34,929,311	£46,662,476
0.000%	(£74,004,907)	(£50,958,685)	(£31,200,780)	(£14,510,818)	(£23)	£13,241,840	£25,871,146	£37,961,753
1,341.00 /m²	(£74,004,907)	(£50,958,685)	(£31,200,780)	(£14,510,818)	(£23)	£13,241,840	£25,871,146	£37,961,753
+2.500%	(£93,198,440)	(£66,933,973)	(£45,212,497)	(£26,590,426)	(£10,388,829)	£3,509,492	£16,513,163	£29,021,119
1,374.53 /m²	(£93,198,440)	(£66,933,973)	(£45,212,497)	(£26,590,426)	(£10,388,829)	£3,509,492	£16,513,163	£29,021,119
+5.000%	(£114,165,916)	(£85,149,958)	(£60,538,756)	(£39,810,238)	(£22,098,557)	(£6,659,851)	£6,999,490	£19,779,172
1,408.05 /m²	(£114,165,916)	(£85,149,958)	(£60,538,756)	(£39,810,238)	(£22,098,557)	(£6,659,851)	£6,999,490	£19,779,172
+7.500%	(£137,662,044)	(£105,154,604)	(£77,655,552)	(£54,619,864)	(£34,650,697)	(£17,811,828)	(£2,964,780)	£10,370,597
1,441.58 /m²	(£137,662,044)	(£105,154,604)	(£77,655,552)	(£54,619,864)	(£34,650,697)	(£17,811,828)	(£2,964,780)	£10,370,597
+10.000%	(£161,697,120)	(£127,330,792)	(£96,783,694)	(£70,613,191)	(£48,828,838)	(£30,031,854)	(£13,562,461)	£583,861
1,475.10 /m²	(£161,697,120)	(£127,330,792)	(£96,783,694)	(£70,613,191)	(£48,828,838)	(£30,031,854)	(£13,562,461)	£583,861
+12.500%	(£185,744,718)	(£151,198,045)	(£117,526,479)	(£88,782,318)	(£64,229,106)	(£43,394,990)	(£25,448,958)	(£9,740,692)
1,508.63 /m²	(£185,744,718)	(£151,198,045)	(£117,526,479)	(£88,782,318)	(£64,229,106)	(£43,394,990)	(£25,448,958)	(£9,740,692)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
Market 3BH	1	£4,000.00	4.50 Up & Down

~~This appraisal report does not constitute a formal valuation.~~

**Havant Borough Council  
Southleigh Strategic Site****Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
Southleigh Strategic Site**

+10.000%	+12.500%
4,400.00 /m <sup>2</sup>	4,500.00 /m <sup>2</sup>
£81,947,483	£92,240,288
£81,947,483	£92,240,288
£74,020,700	£84,415,623
£74,020,700	£84,415,623
£65,987,150	£76,533,767
£65,987,150	£76,533,767
£57,789,590	£68,573,331
£57,789,590	£68,573,331
£49,465,461	£60,464,203
£49,465,461	£60,464,203
£40,920,395	£52,208,974
£40,920,395	£52,208,974
£32,101,019	£43,798,729
£32,101,019	£43,798,729
£23,006,286	£35,114,987
£23,006,286	£35,114,987
£13,642,908	£26,171,663
£13,642,908	£26,171,663
£4,079,939	£16,908,920
£4,079,939	£16,908,920

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
No J27 Upgrade - Base Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership  
06 November 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site****Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE****Sales Valuation**

	Units	m²	Sales Rate m²	Unit Price	Gross Sales
Market 1BF	265	13,250.00	4,000.00	200,000	53,000,000
Market 2BF	235	16,450.00	4,000.00	280,000	65,800,000
Market 2BH	265	20,935.00	4,000.00	316,000	83,740,000
Market 3BH	559	55,900.00	4,000.00	400,000	223,600,000
Market 4BH	147	19,110.00	4,000.00	520,000	76,440,000
1BF AH	113	5,650.00	1,880.00	94,000	10,622,000
2BF AH	101	7,070.00	1,880.00	131,600	13,291,600
2BH AH	113	8,927.00	1,880.00	148,520	16,782,760
3BH AH	239	22,227.00	1,880.00	174,840	41,786,760
4BH AH	63	7,056.00	1,880.00	210,560	13,265,280
Non Residential Uses	1	1,240.00	1,090.44	1,352,150	1,352,150
<b>Totals</b>	<b>2,101</b>	<b>177,815.00</b>			<b>599,680,550</b>

**Rental Area Summary**

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****602,180,550**

Purchaser's Costs	5.85%	225,351	
Effective Purchaser's Costs Rate	9.01%		225,351

**NET DEVELOPMENT VALUE****601,955,199****NET REALISATION****601,955,199****This appraisal report does not constitute a formal valuation.**



## APPRAISAL SUMMARY

## DIXON SEARLE PARTNERSHIP

### Havant Borough Council Southleigh Strategic Site

#### OUTLAY

##### ACQUISITION COSTS

Fixed Price	154.00 ha	250,000.00 /ha	38,500,000	
Fixed Price (154.00 Ha @ 250,000.00 /Hect)			38,500,000	
				38,500,000
Stamp Duty			1,914,500	
Effective Stamp Duty Rate		4.97%		
Agent Fee		1.50%	577,500	
Legal Fee		0.75%	288,750	
				2,780,750

##### CONSTRUCTION COSTS

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	15,588.24	1,341.00	20,903,824
Market 2BF	19,352.94	1,341.00	25,952,294
Market 2BH	20,935.00	1,341.00	28,073,835
Market 3BH	55,900.00	1,341.00	74,961,900
Market 4BH	19,110.00	1,341.00	25,626,510
1BF AH	6,647.06	1,341.00	8,913,706
2BF AH	8,317.65	1,341.00	11,153,965
2BH AH	8,927.00	1,341.00	11,971,107
3BH AH	22,227.00	1,341.00	29,806,407
4BH AH	7,056.00	1,341.00	9,462,096
Non Residential Uses	<u>1,610.00</u>	<u>1,666.34</u>	<u>2,682,805</u>
<b>Totals</b>	<b>185,670.88 m<sup>2</sup></b>		<b>249,508,448</b>
Contingency		5.00%	15,347,564
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
S106 Surplus		1.00%	28,298,688
Sustainable Design / Construction		2.00%	4,990,169
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				360,158,514
<b>PROFESSIONAL FEES</b>				
Professional Fees		10.00%	30,426,847	
				30,426,847
<b>DISPOSAL FEES</b>				
Marketing & Sales Agent Fees		3.00%	17,949,852	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				19,524,852
<b>MISCELLANEOUS FEES</b>				
AH Profit		6.00%	5,744,904	
Market Profit		20.00%	100,516,000	
Non-Residential		15.00%	577,823	
				106,838,727
<b>FINANCE</b>				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			30,835,860	
Construction			12,889,650	
Total Finance Cost				43,725,510
<b>TOTAL COSTS</b>				<b>601,955,199</b>
<b>PROFIT</b>				<b>0</b>

**Performance Measures**

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

Havant Borough Council  
Southleigh Strategic Site

## Table of Profit Amount and Gross Development Value

Sales: Rate /m²									
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%	+10.000%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²	4,400.00 /m²
-10.000%	(£17,145,208)	(£1,899,951)	£11,568,620	£24,421,552	£36,888,330	£48,869,091	£60,435,536	£71,758,710	£82,761,063
1,206.90 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
-7.500%	(£29,117,124)	(£12,482,125)	£1,949,377	£15,316,996	£27,998,268	£40,245,348	£52,123,055	£63,585,697	£74,780,131
1,240.43 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
-5.000%	(£42,738,780)	(£24,080,910)	(£8,056,494)	£5,784,310	£18,896,666	£31,522,290	£43,596,143	£55,310,696	£66,692,921
1,273.95 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
-2.500%	(£57,569,515)	(£36,868,942)	(£19,281,549)	(£3,922,378)	£9,619,243	£22,476,335	£34,942,672	£46,905,893	£58,469,669
1,307.47 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
0.000%	(£74,248,636)	(£51,144,035)	(£31,304,533)	(£14,608,093)	£0	£13,368,146	£26,049,490	£38,299,690	£50,154,024
1,341.00 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+2.500%	(£92,810,549)	(£66,599,711)	(£44,911,786)	(£26,280,100)	(£10,100,778)	£3,834,933	£16,951,448	£29,566,200	£41,643,235
1,374.53 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+5.000%	(£113,008,640)	(£84,158,909)	(£59,687,402)	(£39,044,656)	(£21,417,890)	(£5,973,044)	£7,667,659	£20,531,118	£32,993,928
1,408.05 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+7.500%	(£135,630,045)	(£103,362,549)	(£76,077,084)	(£53,302,333)	(£33,503,723)	(£16,744,434)	(£1,961,562)	£11,415,820	£24,100,302
1,441.58 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+10.000%	(£158,868,122)	(£124,575,177)	(£94,452,245)	(£68,634,751)	(£47,085,782)	(£28,479,290)	(£12,155,704)	£1,885,556	£15,006,231
1,475.10 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550
+12.500%	(£182,129,611)	(£147,582,938)	(£114,303,578)	(£85,977,974)	(£61,817,861)	(£41,220,371)	(£23,559,109)	(£8,023,710)	£5,715,839
1,508.63 /m²	£551,922,550	£564,487,050	£577,051,550	£589,616,050	£602,180,550	£614,745,050	£627,309,550	£639,874,050	£652,438,550

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
This appraisal report does not constitute a formal valuation.	1	£4,000.00	4.50 Up & Down

## SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

### Havant Borough Council Southleigh Strategic Site

#### Construction: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

+12.500%
4,500.00 /m <sup>2</sup>
£93,671,158
£665,003,050
£85,743,355
£665,003,050
£77,767,291
£665,003,050
£69,753,141
£665,003,050
£61,603,665
£665,003,050
£53,346,056
£665,003,050
£44,940,361
£665,003,050
£36,354,031
£665,003,050
£27,610,077
£665,003,050
£18,585,901
£665,003,050

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
With A27 Upgrade - Base Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	265	13,250.00	4,000.00	200,000	53,000,000
Market 2BF	235	16,450.00	4,000.00	280,000	65,800,000
Market 2BH	265	20,935.00	4,000.00	316,000	83,740,000
Market 3BH	559	55,900.00	4,000.00	400,000	223,600,000
Market 4BH	147	19,110.00	4,000.00	520,000	76,440,000
1BF AH	113	5,650.00	1,880.00	94,000	10,622,000
2BF AH	101	7,070.00	1,880.00	131,600	13,291,600
2BH AH	113	8,927.00	1,880.00	148,520	16,782,760
3BH AH	239	22,227.00	1,880.00	174,840	41,786,760
4BH AH	63	7,056.00	1,880.00	210,560	13,265,280
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	1,090.44	1,352,150	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>177,815.00</b>			<b>599,680,550</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****602,180,550**

Purchaser's Costs	5.85%	(225,351)		
Effective Purchaser's Costs Rate	9.01%			(225,351)

**NET DEVELOPMENT VALUE****601,955,199****NET REALISATION****601,955,199****This appraisal report does not constitute a formal valuation.**



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

**Havant Borough Council**  
**Southleigh Strategic Site**

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	250,000.00 /ha	38,500,000	
Fixed Price (154.00 Ha @ 250,000.00 /Hect)			38,500,000	
				38,500,000
Stamp Duty			1,914,500	
Effective Stamp Duty Rate		4.97%		
Agent Fee		1.50%	577,500	
Legal Fee		0.75%	288,750	
				2,780,750

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	15,588.24	1,341.00	20,903,824
Market 2BF	19,352.94	1,341.00	25,952,294
Market 2BH	20,935.00	1,341.00	28,073,835
Market 3BH	55,900.00	1,341.00	74,961,900
Market 4BH	19,110.00	1,341.00	25,626,510
1BF AH	6,647.06	1,341.00	8,913,706
2BF AH	8,317.65	1,341.00	11,153,965
2BH AH	8,927.00	1,341.00	11,971,107
3BH AH	22,227.00	1,341.00	29,806,407
4BH AH	7,056.00	1,341.00	9,462,096
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>185,670.88 m<sup>2</sup></b>		<b>249,508,448</b>
Contingency		5.00%	15,347,564
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
S106 Surplus		1.00%	18,115,392
Sustainable Design / Construction		2.00%	4,990,169
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				367,975,218

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,426,847	30,426,847
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	17,949,852	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				19,524,852

**MISCELLANEOUS FEES**

AH Profit		6.00%	5,744,904	
Market Profit		20.00%	100,516,000	
Non-Residential		15.00%	577,823	
				106,838,727

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			27,602,949	
Construction			8,305,856	
Total Finance Cost				35,908,805

**TOTAL COSTS****601,955,199****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

**Table of Profit Amount and Profit Amount**

		Sales: Rate /m <sup>2</sup>						
Construction: Rate /m <sup>2</sup>	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,600.00 /m <sup>2</sup>	3,700.00 /m <sup>2</sup>	3,800.00 /m <sup>2</sup>	3,900.00 /m <sup>2</sup>	4,000.00 /m <sup>2</sup>	4,100.00 /m <sup>2</sup>	4,200.00 /m <sup>2</sup>	4,300.00 /m <sup>2</sup>
-10.000%	(£17,145,208)	(£1,899,951)	£11,568,620	£24,421,552	£36,888,330	£48,869,091	£60,343,499	£71,400,616
1,206.90 /m <sup>2</sup>	(£17,145,208)	(£1,899,951)	£11,568,620	£24,421,552	£36,888,330	£48,869,091	£60,343,499	£71,400,616
-7.500%	(£29,117,124)	(£12,482,125)	£1,949,377	£15,316,996	£27,998,268	£40,245,348	£52,111,668	£63,386,385
1,240.43 /m <sup>2</sup>	(£29,117,124)	(£12,482,125)	£1,949,377	£15,316,996	£27,998,268	£40,245,348	£52,111,668	£63,386,385
-5.000%	(£42,738,780)	(£24,080,910)	(£8,056,494)	£5,784,310	£18,896,666	£31,522,290	£43,596,143	£55,255,919
1,273.95 /m <sup>2</sup>	(£42,738,780)	(£24,080,910)	(£8,056,494)	£5,784,310	£18,896,666	£31,522,290	£43,596,143	£55,255,919
-2.500%	(£57,569,515)	(£36,868,942)	(£19,281,549)	(£3,922,378)	£9,619,243	£22,476,335	£34,942,672	£46,902,826
1,307.47 /m <sup>2</sup>	(£57,569,515)	(£36,868,942)	(£19,281,549)	(£3,922,378)	£9,619,243	£22,476,335	£34,942,672	£46,902,826
0.000%	(£74,248,636)	(£51,144,035)	(£31,304,533)	(£14,608,093)	£0	£13,368,146	£26,049,490	£38,299,690
1,341.00 /m <sup>2</sup>	(£74,248,636)	(£51,144,035)	(£31,304,533)	(£14,608,093)	£0	£13,368,146	£26,049,490	£38,299,690
+2.500%	(£92,810,549)	(£66,599,711)	(£44,911,786)	(£26,280,100)	(£10,100,778)	£3,834,933	£16,951,448	£29,566,200
1,374.53 /m <sup>2</sup>	(£92,810,549)	(£66,599,711)	(£44,911,786)	(£26,280,100)	(£10,100,778)	£3,834,933	£16,951,448	£29,566,200
+5.000%	(£113,008,640)	(£84,158,909)	(£59,687,402)	(£39,044,656)	(£21,417,890)	(£5,973,044)	£7,667,659	£20,531,118
1,408.05 /m <sup>2</sup>	(£113,008,640)	(£84,158,909)	(£59,687,402)	(£39,044,656)	(£21,417,890)	(£5,973,044)	£7,667,659	£20,531,118
+7.500%	(£135,630,045)	(£103,362,549)	(£76,077,084)	(£53,302,333)	(£33,503,723)	(£16,744,434)	(£1,961,562)	£11,415,820
1,441.58 /m <sup>2</sup>	(£135,630,045)	(£103,362,549)	(£76,077,084)	(£53,302,333)	(£33,503,723)	(£16,744,434)	(£1,961,562)	£11,415,820
+10.000%	(£158,868,122)	(£124,575,177)	(£94,452,245)	(£68,634,751)	(£47,085,782)	(£28,479,290)	(£12,155,704)	£1,885,556
1,475.10 /m <sup>2</sup>	(£158,868,122)	(£124,575,177)	(£94,452,245)	(£68,634,751)	(£47,085,782)	(£28,479,290)	(£12,155,704)	£1,885,556
+12.500%	(£182,129,611)	(£147,582,938)	(£114,303,578)	(£85,977,974)	(£61,817,861)	(£41,220,371)	(£23,559,109)	(£8,023,710)
1,508.63 /m <sup>2</sup>	(£182,129,611)	(£147,582,938)	(£114,303,578)	(£85,977,974)	(£61,817,861)	(£41,220,371)	(£23,559,109)	(£8,023,710)

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
Market 3BH	1	£4,000.00	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
Southleigh Strategic Site****Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
Southleigh Strategic Site**

+10.000%	+12.500%
4,400.00 /m²	4,500.00 /m²
£82,128,245	£92,629,471
£82,128,245	£92,629,471
£74,322,625	£84,953,675
£74,322,625	£84,953,675
£66,384,881	£77,198,156
£66,384,881	£77,198,156
£58,324,716	£69,340,529
£58,324,716	£69,340,529
£50,122,848	£61,349,180
£50,122,848	£61,349,180
£41,643,235	£53,248,162
£41,643,235	£53,248,162
£32,993,928	£44,925,428
£32,993,928	£44,925,428
£24,100,302	£36,354,031
£24,100,302	£36,354,031
£15,006,231	£27,610,077
£15,006,231	£27,610,077
£5,715,839	£18,585,901
£5,715,839	£18,585,901

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
With A27 Upgrade - Incr Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	265	13,250.00	4,000.00	200,000	53,000,000
Market 2BF	235	16,450.00	4,000.00	280,000	65,800,000
Market 2BH	265	20,935.00	4,000.00	316,000	83,740,000
Market 3BH	559	55,900.00	4,000.00	400,000	223,600,000
Market 4BH	147	19,110.00	4,000.00	520,000	76,440,000
1BF AH	113	5,650.00	1,880.00	94,000	10,622,000
2BF AH	101	7,070.00	1,880.00	131,600	13,291,600
2BH AH	113	8,927.00	1,880.00	148,520	16,782,760
3BH AH	239	22,227.00	1,880.00	174,840	41,786,760
4BH AH	63	7,056.00	1,880.00	210,560	13,265,280
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	<u>1,090.44</u>	<u>1,352,150</u>	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>177,815.00</b>			<b>599,680,550</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****602,180,550**

Purchaser's Costs	5.85%	(225,351)		
Effective Purchaser's Costs Rate	9.01%			(225,351)

**NET DEVELOPMENT VALUE****601,955,199****NET REALISATION****601,955,199**

This appraisal report does not constitute a formal valuation.



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

**Havant Borough Council**  
**Southleigh Strategic Site**

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	250,000.00 /ha	38,500,000	
Fixed Price (154.00 Ha @ 250,000.00 /Hect)			38,500,000	
				38,500,000
Stamp Duty			1,914,500	
Effective Stamp Duty Rate		4.97%		
Agent Fee		1.50%	577,500	
Legal Fee		0.75%	288,750	
				2,780,750

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	15,588.24	1,341.00	20,903,824
Market 2BF	19,352.94	1,341.00	25,952,294
Market 2BH	20,935.00	1,341.00	28,073,835
Market 3BH	55,900.00	1,341.00	74,961,900
Market 4BH	19,110.00	1,341.00	25,626,510
1BF AH	6,647.06	1,341.00	8,913,706
2BF AH	8,317.65	1,341.00	11,153,965
2BH AH	8,927.00	1,341.00	11,971,107
3BH AH	22,227.00	1,341.00	29,806,407
4BH AH	7,056.00	1,341.00	9,462,096
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>185,670.88 m<sup>2</sup></b>		<b>249,508,448</b>
Contingency		5.00%	15,347,564
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
S106 Surplus		1.00%	12,455,688
Sustainable Design / Construction		6.00%	14,970,507
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				372,295,852

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,426,847	30,426,847
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	17,949,852	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				19,524,852

**MISCELLANEOUS FEES**

AH Profit		6.00%	5,744,904	
Market Profit		20.00%	100,516,000	
Non-Residential		15.00%	577,823	
				106,838,727

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			25,314,709	
Construction			6,273,463	
Total Finance Cost				31,588,171

**TOTAL COSTS****601,955,199****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
Southleigh Strategic Site

Table of Profit Amount and Profit Amount

		Sales: Rate /m²						
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²
-10.000%	(£15,495,014)	(£583,884)	£12,823,801	£25,519,697	£37,756,160	£49,518,274	£60,657,784	£71,469,048
1,206.90 /m²	(£15,495,014)	(£583,884)	£12,823,801	£25,519,697	£37,756,160	£49,518,274	£60,657,784	£71,469,048
-7.500%	(£27,759,323)	(£11,255,569)	£2,925,631	£16,112,116	£28,734,056	£40,802,541	£52,320,646	£63,343,671
1,240.43 /m²	(£27,759,323)	(£11,255,569)	£2,925,631	£16,112,116	£28,734,056	£40,802,541	£52,320,646	£63,343,671
-5.000%	(£41,616,407)	(£23,157,233)	(£7,285,526)	£6,435,146	£19,383,440	£31,863,303	£43,776,318	£55,071,988
1,273.95 /m²	(£41,616,407)	(£23,157,233)	(£7,285,526)	£6,435,146	£19,383,440	£31,863,303	£43,776,318	£55,071,988
-2.500%	(£56,851,323)	(£36,225,453)	(£18,796,024)	(£3,579,858)	£9,915,578	£22,649,445	£34,929,331	£46,662,495
1,307.47 /m²	(£56,851,323)	(£36,225,453)	(£18,796,024)	(£3,579,858)	£9,915,578	£22,649,445	£34,929,331	£46,662,495
0.000%	(£74,004,864)	(£50,958,650)	(£31,200,751)	(£14,510,791)	£0	£13,241,861	£25,871,167	£37,961,772
1,341.00 /m²	(£74,004,864)	(£50,958,650)	(£31,200,751)	(£14,510,791)	£0	£13,241,861	£25,871,167	£37,961,772
+2.500%	(£93,198,395)	(£66,933,935)	(£45,212,463)	(£26,590,397)	(£10,388,804)	£3,509,515	£16,513,185	£29,021,140
1,374.53 /m²	(£93,198,395)	(£66,933,935)	(£45,212,463)	(£26,590,397)	(£10,388,804)	£3,509,515	£16,513,185	£29,021,140
+5.000%	(£114,165,865)	(£85,149,914)	(£60,538,719)	(£39,810,205)	(£22,098,529)	(£6,659,827)	£6,999,512	£19,779,193
1,408.05 /m²	(£114,165,865)	(£85,149,914)	(£60,538,719)	(£39,810,205)	(£22,098,529)	(£6,659,827)	£6,999,512	£19,779,193
+7.500%	(£137,661,989)	(£105,154,556)	(£77,655,509)	(£54,619,829)	(£34,650,667)	(£17,811,801)	(£2,964,756)	£10,370,619
1,441.58 /m²	(£137,661,989)	(£105,154,556)	(£77,655,509)	(£54,619,829)	(£34,650,667)	(£17,811,801)	(£2,964,756)	£10,370,619
+10.000%	(£161,697,064)	(£127,330,738)	(£96,783,648)	(£70,613,152)	(£48,828,803)	(£30,031,825)	(£13,562,435)	£583,884
1,475.10 /m²	(£161,697,064)	(£127,330,738)	(£96,783,648)	(£70,613,152)	(£48,828,803)	(£30,031,825)	(£13,562,435)	£583,884
+12.500%	(£185,744,662)	(£151,197,989)	(£117,526,429)	(£88,782,274)	(£64,229,069)	(£43,394,957)	(£25,448,929)	(£9,740,668)
1,508.63 /m²	(£185,744,662)	(£151,197,989)	(£117,526,429)	(£88,782,274)	(£64,229,069)	(£43,394,957)	(£25,448,929)	(£9,740,668)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
Market 3BH	1	£4,000.00	4.50 Up & Down

~~This appraisal report does not constitute a formal valuation.~~

**Havant Borough Council  
Southleigh Strategic Site****Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
Southleigh Strategic Site**

+10.000%	+12.500%
4,400.00 /m <sup>2</sup>	4,500.00 /m <sup>2</sup>
£81,947,499	£92,240,304
£81,947,499	£92,240,304
£74,020,716	£84,415,638
£74,020,716	£84,415,638
£65,987,167	£76,533,783
£65,987,167	£76,533,783
£57,789,608	£68,573,347
£57,789,608	£68,573,347
£49,465,479	£60,464,220
£49,465,479	£60,464,220
£40,920,414	£52,208,991
£40,920,414	£52,208,991
£32,101,039	£43,798,747
£32,101,039	£43,798,747
£23,006,307	£35,115,007
£23,006,307	£35,115,007
£13,642,929	£26,171,683
£13,642,929	£26,171,683
£4,079,961	£16,908,941
£4,079,961	£16,908,941

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
No J27 Upgrade - Base Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership  
06 November 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site****Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE****Sales Valuation**

	Units	m <sup>2</sup>	Sales Rate m <sup>2</sup>	Unit Price	Gross Sales
Market 1BF	227	11,350.00	4,000.00	200,000	45,400,000
Market 2BF	202	14,140.00	4,000.00	280,000	56,560,000
Market 2BH	227	17,933.00	4,000.00	316,000	71,732,000
Market 3BH	479	47,900.00	4,000.00	400,000	191,600,000
Market 4BH	126	16,380.00	4,000.00	520,000	65,520,000
1BF AH	151	7,550.00	1,880.00	94,000	14,194,000
2BF AH	134	9,380.00	1,880.00	131,600	17,634,400
2BH AH	151	11,929.00	1,880.00	148,520	22,426,520
3BH AH	319	29,667.00	1,880.00	174,840	55,773,960
4BH AH	84	9,408.00	1,880.00	210,560	17,687,040
Non Residential Uses	1	1,240.00	1,090.44	1,352,150	1,352,150
<b>Totals</b>	<b>2,101</b>	<b>176,877.00</b>			<b>559,880,070</b>

**Rental Area Summary**

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****562,380,070**

Purchaser's Costs	5.85%	225,351	
Effective Purchaser's Costs Rate	9.01%		225,351

**NET DEVELOPMENT VALUE****562,154,719****NET REALISATION****562,154,719****This appraisal report does not constitute a formal valuation.**



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site****OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	100,000.00 /ha	15,400,000	
Fixed Price (154.00 Ha @ 100,000.00 /Hect)			15,400,000	
				15,400,000
Stamp Duty			759,500	
Effective Stamp Duty Rate		4.93%		
Agent Fee		1.50%	231,000	
Legal Fee		0.75%	115,500	
				1,106,000

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	13,352.94	1,341.00	17,906,294
Market 2BF	16,635.29	1,341.00	22,307,929
Market 2BH	17,933.00	1,341.00	24,048,153
Market 3BH	47,900.00	1,341.00	64,233,900
Market 4BH	16,380.00	1,341.00	21,965,580
1BF AH	8,882.35	1,341.00	11,911,235
2BF AH	11,035.29	1,341.00	14,798,329
2BH AH	11,929.00	1,341.00	15,996,789
3BH AH	29,667.00	1,341.00	39,783,447
4BH AH	9,408.00	1,341.00	12,616,128
Non Residential Uses	<u>1,610.00</u>	1,666.34	<u>2,682,805</u>
<b>Totals</b>	<b>184,732.88 m<sup>2</sup></b>		<b>248,250,590</b>
Contingency		5.00%	15,284,671
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
S106 Surplus		1.00%	34,945,423
Sustainable Design / Construction		2.00%	4,965,012
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				365,459,341
<b>PROFESSIONAL FEES</b>				
Professional Fees		10.00%	30,301,061	
				30,301,061
<b>DISPOSAL FEES</b>				
Marketing & Sales Agent Fees		3.00%	16,755,838	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				18,330,838
<b>MISCELLANEOUS FEES</b>				
AH Profit		6.00%	7,662,955	
Market Profit		20.00%	86,162,400	
Non-Residential		15.00%	577,823	
				94,403,178
<b>FINANCE</b>				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			16,212,886	
Construction			20,941,416	
Total Finance Cost				37,154,302
<b>TOTAL COSTS</b>				<b>562,154,719</b>
<b>PROFIT</b>				<b>0</b>

**Performance Measures**

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

# DIXON SEARLE PARTNERSHIP

Havant Borough Council  
Southleigh Strategic Site

**Table of Profit Amount and Gross Development Value**

Sales: Rate /m²									
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%	+10.000%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²	4,400.00 /m²
-10.000%	(£8,692,689)	£3,684,512	£15,213,625	£26,163,505	£36,770,364	£46,981,051	£56,824,491	£66,409,525	£75,795,834
1,206.90 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
-7.500%	(£20,157,273)	(£6,433,166)	£5,646,595	£17,104,842	£27,971,968	£38,454,998	£48,583,575	£58,357,366	£67,871,200
1,240.43 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
-5.000%	(£33,342,307)	(£17,625,567)	(£4,177,287)	£7,608,678	£18,919,031	£29,754,186	£40,129,765	£50,163,083	£59,870,006
1,273.95 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
-2.500%	(£47,829,247)	(£30,233,283)	(£15,199,600)	(£1,981,697)	£9,570,761	£20,733,221	£31,498,738	£41,783,446	£51,722,869
1,307.47 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
0.000%	(£64,499,341)	(£44,420,414)	(£27,256,679)	(£12,775,547)	£0	£11,531,178	£22,547,411	£33,207,743	£43,414,419
1,341.00 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+2.500%	(£83,119,707)	(£60,141,988)	(£41,039,350)	(£24,486,247)	(£10,395,278)	£1,962,083	£13,457,920	£24,355,744	£34,891,418
1,374.53 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+5.000%	(£104,011,059)	(£78,236,677)	(£56,187,075)	(£37,841,789)	(£21,867,906)	(£8,121,595)	£3,924,166	£15,302,937	£26,143,399
1,408.05 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+7.500%	(£126,831,107)	(£98,087,222)	(£73,496,873)	(£52,440,653)	(£34,732,634)	(£19,353,798)	(£5,872,909)	£5,886,249	£17,117,126
1,441.58 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+10.000%	(£149,975,367)	(£120,406,775)	(£92,668,599)	(£69,051,567)	(£49,010,853)	(£31,655,082)	(£16,928,768)	(£3,770,475)	£7,848,332
1,475.10 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+12.500%	(£173,119,627)	(£143,506,456)	(£114,095,328)	(£87,567,069)	(£64,723,967)	(£45,625,052)	(£28,817,523)	(£14,504,715)	(£1,732,759)
1,508.63 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
This appraisal report does not constitute a formal valuation.	1	£4,000.00	4.50 Up & Down

## SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

### Havant Borough Council Southleigh Strategic Site

#### Construction: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

Havant Borough Council  
Southleigh Strategic Site

+12.500%
4,500.00 /m <sup>2</sup>
£85,009,786
£616,231,570
£77,220,738
£616,231,570
£69,328,978
£616,231,570
£61,365,537
£616,231,570
£53,266,555
£616,231,570
£45,024,664
£616,231,570
£36,561,958
£616,231,570
£27,900,450
£616,231,570
£18,931,316
£616,231,570
£9,788,795
£616,231,570

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
With A27 Upgrade - Base Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	227	11,350.00	4,000.00	200,000	45,400,000
Market 2BF	202	14,140.00	4,000.00	280,000	56,560,000
Market 2BH	227	17,933.00	4,000.00	316,000	71,732,000
Market 3BH	479	47,900.00	4,000.00	400,000	191,600,000
Market 4BH	126	16,380.00	4,000.00	520,000	65,520,000
1BF AH	151	7,550.00	1,880.00	94,000	14,194,000
2BF AH	134	9,380.00	1,880.00	131,600	17,634,400
2BH AH	151	11,929.00	1,880.00	148,520	22,426,520
3BH AH	319	29,667.00	1,880.00	174,840	55,773,960
4BH AH	84	9,408.00	1,880.00	210,560	17,687,040
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	<u>1,090.44</u>	<u>1,352,150</u>	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>176,877.00</b>			<b>559,880,070</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****562,380,070**

Purchaser's Costs	5.85%	(225,351)	
Effective Purchaser's Costs Rate	9.01%		(225,351)

**NET DEVELOPMENT VALUE****562,154,719****NET REALISATION****562,154,719**

This appraisal report does not constitute a formal valuation.



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

**Havant Borough Council**  
**Southleigh Strategic Site**

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	100,000.00 /ha	15,400,000	
Fixed Price (154.00 Ha @ 100,000.00 /Hect)			15,400,000	
				15,400,000
Stamp Duty			759,500	
Effective Stamp Duty Rate		4.93%		
Agent Fee		1.50%	231,000	
Legal Fee		0.75%	115,500	
				1,106,000

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	13,352.94	1,341.00	17,906,294
Market 2BF	16,635.29	1,341.00	22,307,929
Market 2BH	17,933.00	1,341.00	24,048,153
Market 3BH	47,900.00	1,341.00	64,233,900
Market 4BH	16,380.00	1,341.00	21,965,580
1BF AH	8,882.35	1,341.00	11,911,235
2BF AH	11,035.29	1,341.00	14,798,329
2BH AH	11,929.00	1,341.00	15,996,789
3BH AH	29,667.00	1,341.00	39,783,447
4BH AH	9,408.00	1,341.00	12,616,128
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>184,732.88 m<sup>2</sup></b>		<b>248,250,590</b>
Contingency		5.00%	15,284,671
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
S106 Surplus		1.00%	24,762,128
Sustainable Design / Construction		2.00%	4,965,012
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				373,276,046

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,301,061	30,301,061
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	16,755,838	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				18,330,838

**MISCELLANEOUS FEES**

AH Profit		6.00%	7,662,955	
Market Profit		20.00%	86,162,400	
Non-Residential		15.00%	577,823	
				94,403,178

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			15,822,366	
Construction			13,515,231	
Total Finance Cost				29,337,597

**TOTAL COSTS****562,154,719****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
Southleigh Strategic Site

Table of Profit Amount and Profit Amount

		Sales: Rate /m <sup>2</sup>						
Construction: Rate /m <sup>2</sup>	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,600.00 /m <sup>2</sup>	3,700.00 /m <sup>2</sup>	3,800.00 /m <sup>2</sup>	3,900.00 /m <sup>2</sup>	4,000.00 /m <sup>2</sup>	4,100.00 /m <sup>2</sup>	4,200.00 /m <sup>2</sup>	4,300.00 /m <sup>2</sup>
-10.000%	(£8,692,689)	£3,684,512	£15,213,625	£26,163,505	£36,770,364	£46,921,611	£56,514,040	£65,797,346
1,206.90 /m <sup>2</sup>	(£8,692,689)	£3,684,512	£15,213,625	£26,163,505	£36,770,364	£46,921,611	£56,514,040	£65,797,346
-7.500%	(£20,157,273)	(£6,433,166)	£5,646,595	£17,104,842	£27,971,968	£38,453,649	£48,463,910	£57,955,518
1,240.43 /m <sup>2</sup>	(£20,157,273)	(£6,433,166)	£5,646,595	£17,104,842	£27,971,968	£38,453,649	£48,463,910	£57,955,518
-5.000%	(£33,342,307)	(£17,625,567)	(£4,177,287)	£7,608,678	£18,919,031	£29,754,186	£40,112,010	£49,966,540
1,273.95 /m <sup>2</sup>	(£33,342,307)	(£17,625,567)	(£4,177,287)	£7,608,678	£18,919,031	£29,754,186	£40,112,010	£49,966,540
-2.500%	(£47,829,247)	(£30,233,283)	(£15,199,600)	(£1,981,697)	£9,570,761	£20,733,221	£31,498,738	£41,730,837
1,307.47 /m <sup>2</sup>	(£47,829,247)	(£30,233,283)	(£15,199,600)	(£1,981,697)	£9,570,761	£20,733,221	£31,498,738	£41,730,837
0.000%	(£64,499,341)	(£44,420,414)	(£27,256,679)	(£12,775,547)	£0	£11,531,178	£22,547,411	£33,205,400
1,341.00 /m <sup>2</sup>	(£64,499,341)	(£44,420,414)	(£27,256,679)	(£12,775,547)	£0	£11,531,178	£22,547,411	£33,205,400
+2.500%	(£83,119,707)	(£60,141,988)	(£41,039,350)	(£24,486,247)	(£10,395,278)	£1,962,083	£13,457,920	£24,355,744
1,374.53 /m <sup>2</sup>	(£83,119,707)	(£60,141,988)	(£41,039,350)	(£24,486,247)	(£10,395,278)	£1,962,083	£13,457,920	£24,355,744
+5.000%	(£104,011,059)	(£78,236,677)	(£56,187,075)	(£37,841,789)	(£21,867,906)	(£8,121,595)	£3,924,166	£15,302,937
1,408.05 /m <sup>2</sup>	(£104,011,059)	(£78,236,677)	(£56,187,075)	(£37,841,789)	(£21,867,906)	(£8,121,595)	£3,924,166	£15,302,937
+7.500%	(£126,831,107)	(£98,087,222)	(£73,496,873)	(£52,440,653)	(£34,732,634)	(£19,353,798)	(£5,872,909)	£5,886,249
1,441.58 /m <sup>2</sup>	(£126,831,107)	(£98,087,222)	(£73,496,873)	(£52,440,653)	(£34,732,634)	(£19,353,798)	(£5,872,909)	£5,886,249
+10.000%	(£149,975,367)	(£120,406,775)	(£92,668,599)	(£69,051,567)	(£49,010,853)	(£31,655,082)	(£16,928,768)	(£3,770,475)
1,475.10 /m <sup>2</sup>	(£149,975,367)	(£120,406,775)	(£92,668,599)	(£69,051,567)	(£49,010,853)	(£31,655,082)	(£16,928,768)	(£3,770,475)
+12.500%	(£173,119,627)	(£143,506,456)	(£114,095,328)	(£87,567,069)	(£64,723,967)	(£45,625,052)	(£28,817,523)	(£14,504,715)
1,508.63 /m <sup>2</sup>	(£173,119,627)	(£143,506,456)	(£114,095,328)	(£87,567,069)	(£64,723,967)	(£45,625,052)	(£28,817,523)	(£14,504,715)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
Market 3BH	1	£4,000.00	4.50 Up & Down

~~This appraisal report does not constitute a formal valuation.~~

**Havant Borough Council  
Southleigh Strategic Site****Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
Southleigh Strategic Site**

+10.000%	+12.500%
4,400.00 /m²	4,500.00 /m²
£74,748,427	£83,547,528
£74,748,427	£83,547,528
£67,138,857	£76,027,092
£67,138,857	£76,027,092
£59,371,069	£68,454,135
£59,371,069	£68,454,135
£51,438,025	£60,756,121
£51,438,025	£60,756,121
£43,306,931	£52,885,485
£43,306,931	£52,885,485
£34,876,131	£44,844,570
£34,876,131	£44,844,570
£26,143,399	£36,512,670
£26,143,399	£36,512,670
£17,117,126	£27,897,030
£17,117,126	£27,897,030
£7,848,332	£18,931,316
£7,848,332	£18,931,316
(£1,732,759)	£9,788,795
(£1,732,759)	£9,788,795

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
With A27 Upgrade - Increased Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	227	11,350.00	4,000.00	200,000	45,400,000
Market 2BF	202	14,140.00	4,000.00	280,000	56,560,000
Market 2BH	227	17,933.00	4,000.00	316,000	71,732,000
Market 3BH	479	47,900.00	4,000.00	400,000	191,600,000
Market 4BH	126	16,380.00	4,000.00	520,000	65,520,000
1BF AH	151	7,550.00	1,880.00	94,000	14,194,000
2BF AH	134	9,380.00	1,880.00	131,600	17,634,400
2BH AH	151	11,929.00	1,880.00	148,520	22,426,520
3BH AH	319	29,667.00	1,880.00	174,840	55,773,960
4BH AH	84	9,408.00	1,880.00	210,560	17,687,040
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	<u>1,090.44</u>	<u>1,352,150</u>	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>176,877.00</b>			<b>559,880,070</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****562,380,070**

Purchaser's Costs	5.85%	(225,351)	
Effective Purchaser's Costs Rate	9.01%		(225,351)

**NET DEVELOPMENT VALUE****562,154,719****NET REALISATION****562,154,719**

This appraisal report does not constitute a formal valuation.



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	100,000.00 /ha	15,400,000	
Fixed Price (154.00 Ha @ 100,000.00 /Hect)			15,400,000	15,400,000
Stamp Duty			759,500	
Effective Stamp Duty Rate		4.93%		
Agent Fee		1.50%	231,000	
Legal Fee		0.75%	115,500	
				1,106,000

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	13,352.94	1,341.00	17,906,294
Market 2BF	16,635.29	1,341.00	22,307,929
Market 2BH	17,933.00	1,341.00	24,048,153
Market 3BH	47,900.00	1,341.00	64,233,900
Market 4BH	16,380.00	1,341.00	21,965,580
1BF AH	8,882.35	1,341.00	11,911,235
2BF AH	11,035.29	1,341.00	14,798,329
2BH AH	11,929.00	1,341.00	15,996,789
3BH AH	29,667.00	1,341.00	39,783,447
4BH AH	9,408.00	1,341.00	12,616,128
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>184,732.88 m<sup>2</sup></b>		<b>248,250,590</b>
Contingency		5.00%	15,284,671
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
S106 Surplus		1.00%	19,130,858
Sustainable Design / Construction		6.00%	14,895,035
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				377,574,800

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,301,061	30,301,061
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	16,755,838	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				18,330,838

**MISCELLANEOUS FEES**

AH Profit		6.00%	7,662,955	
Market Profit		20.00%	86,162,400	
Non-Residential		15.00%	577,823	
				94,403,178

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			14,709,531	
Construction			10,329,087	
Total Finance Cost				25,038,618

**TOTAL COSTS****562,154,494****PROFIT****225****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

**Sensitivity Analysis results are not available.**  
**Click the Analysis Results tab, then print the report.**

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
No J27 Upgrade - Base Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership  
06 November 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site****Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE****Sales Valuation**

	Units	m <sup>2</sup>	Sales Rate m <sup>2</sup>	Unit Price	Gross Sales
Market 1BF	227	11,350.00	4,000.00	200,000	45,400,000
Market 2BF	202	14,140.00	4,000.00	280,000	56,560,000
Market 2BH	227	17,933.00	4,000.00	316,000	71,732,000
Market 3BH	479	47,900.00	4,000.00	400,000	191,600,000
Market 4BH	126	16,380.00	4,000.00	520,000	65,520,000
1BF AH	151	7,550.00	1,880.00	94,000	14,194,000
2BF AH	134	9,380.00	1,880.00	131,600	17,634,400
2BH AH	151	11,929.00	1,880.00	148,520	22,426,520
3BH AH	319	29,667.00	1,880.00	174,840	55,773,960
4BH AH	84	9,408.00	1,880.00	210,560	17,687,040
Non Residential Uses	1	1,240.00	1,090.44	1,352,150	1,352,150
<b>Totals</b>	<b>2,101</b>	<b>176,877.00</b>			<b>559,880,070</b>

**Rental Area Summary**

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****562,380,070**

Purchaser's Costs	5.85%	225,351	
Effective Purchaser's Costs Rate	9.01%		225,351

**NET DEVELOPMENT VALUE****562,154,719****NET REALISATION****562,154,719****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site****OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	250,000.00 /ha	38,500,000	
Fixed Price (154.00 Ha @ 250,000.00 /Hect)			38,500,000	
				38,500,000
Stamp Duty			1,914,500	
Effective Stamp Duty Rate		4.97%		
Agent Fee		1.50%	577,500	
Legal Fee		0.75%	288,750	
				2,780,750

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	13,352.94	1,341.00	17,906,294
Market 2BF	16,635.29	1,341.00	22,307,929
Market 2BH	17,933.00	1,341.00	24,048,153
Market 3BH	47,900.00	1,341.00	64,233,900
Market 4BH	16,380.00	1,341.00	21,965,580
1BF AH	8,882.35	1,341.00	11,911,235
2BF AH	11,035.29	1,341.00	14,798,329
2BH AH	11,929.00	1,341.00	15,996,789
3BH AH	29,667.00	1,341.00	39,783,447
4BH AH	9,408.00	1,341.00	12,616,128
Non Residential Uses	<u>1,610.00</u>	1,666.34	<u>2,682,805</u>
<b>Totals</b>	<b>184,732.88 m<sup>2</sup></b>		<b>248,250,590</b>
Contingency		5.00%	15,284,671
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
S106 Surplus		1.00%	12,308,446
Sustainable Design / Construction		2.00%	4,965,012
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				342,822,364
<b>PROFESSIONAL FEES</b>				
Professional Fees		10.00%	30,301,061	
				30,301,061
<b>DISPOSAL FEES</b>				
Marketing & Sales Agent Fees		3.00%	16,755,838	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				18,330,838
<b>MISCELLANEOUS FEES</b>				
AH Profit		6.00%	7,662,955	
Market Profit		20.00%	86,162,400	
Non-Residential		15.00%	577,823	
				94,403,178
<b>FINANCE</b>				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			28,303,023	
Construction			6,713,506	
Total Finance Cost				35,016,529
<b>TOTAL COSTS</b>				<b>562,154,719</b>
<b>PROFIT</b>				<b>0</b>

**Performance Measures**

**This appraisal report does not constitute a formal valuation.**



# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

Havant Borough Council  
Southleigh Strategic Site

Table of Profit Amount and Gross Development Value

Sales: Rate /m²									
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%	+10.000%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²	4,400.00 /m²
-10.000%	(£8,692,689)	£3,684,512	£15,213,625	£26,163,505	£36,770,364	£46,981,051	£56,824,491	£66,409,525	£75,795,834
1,206.90 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
-7.500%	(£20,157,273)	(£6,433,166)	£5,646,595	£17,104,842	£27,971,968	£38,454,998	£48,583,575	£58,357,366	£67,871,200
1,240.43 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
-5.000%	(£33,342,307)	(£17,625,567)	(£4,177,287)	£7,608,678	£18,919,031	£29,754,186	£40,129,765	£50,163,083	£59,870,006
1,273.95 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
-2.500%	(£47,829,247)	(£30,233,283)	(£15,199,600)	(£1,981,697)	£9,570,761	£20,733,221	£31,498,738	£41,783,446	£51,722,869
1,307.47 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
0.000%	(£64,499,341)	(£44,420,414)	(£27,256,679)	(£12,775,547)	£0	£11,531,178	£22,547,411	£33,207,743	£43,414,419
1,341.00 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+2.500%	(£83,119,707)	(£60,141,988)	(£41,039,350)	(£24,486,247)	(£10,395,278)	£1,962,083	£13,457,920	£24,355,744	£34,891,418
1,374.53 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+5.000%	(£104,011,059)	(£78,236,677)	(£56,187,075)	(£37,841,789)	(£21,867,906)	(£8,121,595)	£3,924,166	£15,302,937	£26,143,399
1,408.05 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+7.500%	(£126,831,107)	(£98,087,222)	(£73,496,873)	(£52,440,653)	(£34,732,634)	(£19,353,798)	(£5,872,909)	£5,886,249	£17,117,126
1,441.58 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+10.000%	(£149,975,367)	(£120,406,775)	(£92,668,599)	(£69,051,567)	(£49,010,853)	(£31,655,082)	(£16,928,768)	(£3,770,475)	£7,848,332
1,475.10 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270
+12.500%	(£173,119,627)	(£143,506,456)	(£114,095,328)	(£87,567,069)	(£64,723,967)	(£45,625,052)	(£28,817,523)	(£14,504,715)	(£1,732,759)
1,508.63 /m²	£519,298,870	£530,069,170	£540,839,470	£551,609,770	£562,380,070	£573,150,370	£583,920,670	£594,690,970	£605,461,270

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
This appraisal report does not constitute a formal valuation.	1	£4,000.00	4.50 Up & Down

Project: Z:\Jobs & Enquiries\CONFIRMED JOBS\Strategic Projects\18483A - Havant BC - Reg 19 Plan Viability\Appraisals\Southleigh\40% AH\250K Per Ha\2,100 Unit Scheme - Southleigh No J27.wcfx

ARGUS Developer Version: 8.10.001

- 5 -

Report Date: 06/11/2018

## SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

### Havant Borough Council Southleigh Strategic Site

#### Construction: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP

Havant Borough Council  
Southleigh Strategic Site

+12.500%
4,500.00 /m <sup>2</sup>
£85,009,786
£616,231,570
£77,220,738
£616,231,570
£69,328,978
£616,231,570
£61,365,537
£616,231,570
£53,266,555
£616,231,570
£45,024,664
£616,231,570
£36,561,958
£616,231,570
£27,900,450
£616,231,570
£18,931,316
£616,231,570
£9,788,795
£616,231,570

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
With A27 Upgrade - Base Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	227	11,350.00	4,000.00	200,000	45,400,000
Market 2BF	202	14,140.00	4,000.00	280,000	56,560,000
Market 2BH	227	17,933.00	4,000.00	316,000	71,732,000
Market 3BH	479	47,900.00	4,000.00	400,000	191,600,000
Market 4BH	126	16,380.00	4,000.00	520,000	65,520,000
1BF AH	151	7,550.00	1,880.00	94,000	14,194,000
2BF AH	134	9,380.00	1,880.00	131,600	17,634,400
2BH AH	151	11,929.00	1,880.00	148,520	22,426,520
3BH AH	319	29,667.00	1,880.00	174,840	55,773,960
4BH AH	84	9,408.00	1,880.00	210,560	17,687,040
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	<u>1,090.44</u>	<u>1,352,150</u>	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>176,877.00</b>			<b>559,880,070</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****562,380,070**

Purchaser's Costs	5.85%	(225,351)	
Effective Purchaser's Costs Rate	9.01%		(225,351)

**NET DEVELOPMENT VALUE****562,154,719****NET REALISATION****562,154,719**

This appraisal report does not constitute a formal valuation.

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	250,000.00 /ha	38,500,000	
Fixed Price (154.00 Ha @ 250,000.00 /Hect)			38,500,000	
				38,500,000
Stamp Duty			1,914,500	
Effective Stamp Duty Rate		4.97%		
Agent Fee		1.50%	577,500	
Legal Fee		0.75%	288,750	
				2,780,750

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	13,352.94	1,341.00	17,906,294
Market 2BF	16,635.29	1,341.00	22,307,929
Market 2BH	17,933.00	1,341.00	24,048,153
Market 3BH	47,900.00	1,341.00	64,233,900
Market 4BH	16,380.00	1,341.00	21,965,580
1BF AH	8,882.35	1,341.00	11,911,235
2BF AH	11,035.29	1,341.00	14,798,329
2BH AH	11,929.00	1,341.00	15,996,789
3BH AH	29,667.00	1,341.00	39,783,447
4BH AH	9,408.00	1,341.00	12,616,128
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>184,732.88 m<sup>2</sup></b>		<b>248,250,590</b>
Contingency		5.00%	15,284,671
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
S106 Surplus		1.00%	2,125,150
Sustainable Design / Construction		2.00%	4,965,012
Solent SPA	2,100.00 un	564.00 /un	1,184,400

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

EVP	2,100.00 un	500.00 /un	1,050,000	
Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				350,639,068

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,301,061	30,301,061
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	16,755,838	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				18,330,838

**MISCELLANEOUS FEES**

AH Profit		6.00%	7,662,955	
Market Profit		20.00%	86,162,400	
Non-Residential		15.00%	577,823	
				94,403,178

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			24,061,684	
Construction			3,138,141	
Total Finance Cost				27,199,824

**TOTAL COSTS****562,154,719****PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
Southleigh Strategic Site

Table of Profit Amount and Profit Amount

		Sales: Rate /m <sup>2</sup>						
Construction: Rate /m <sup>2</sup>	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,600.00 /m <sup>2</sup>	3,700.00 /m <sup>2</sup>	3,800.00 /m <sup>2</sup>	3,900.00 /m <sup>2</sup>	4,000.00 /m <sup>2</sup>	4,100.00 /m <sup>2</sup>	4,200.00 /m <sup>2</sup>	4,300.00 /m <sup>2</sup>
-10.000%	(£8,692,689)	£3,684,512	£15,213,625	£26,163,505	£36,770,364	£46,921,611	£56,514,040	£65,797,346
1,206.90 /m <sup>2</sup>	(£8,692,689)	£3,684,512	£15,213,625	£26,163,505	£36,770,364	£46,921,611	£56,514,040	£65,797,346
-7.500%	(£20,157,273)	(£6,433,166)	£5,646,595	£17,104,842	£27,971,968	£38,453,649	£48,463,910	£57,955,518
1,240.43 /m <sup>2</sup>	(£20,157,273)	(£6,433,166)	£5,646,595	£17,104,842	£27,971,968	£38,453,649	£48,463,910	£57,955,518
-5.000%	(£33,342,307)	(£17,625,567)	(£4,177,287)	£7,608,678	£18,919,031	£29,754,186	£40,112,010	£49,966,540
1,273.95 /m <sup>2</sup>	(£33,342,307)	(£17,625,567)	(£4,177,287)	£7,608,678	£18,919,031	£29,754,186	£40,112,010	£49,966,540
-2.500%	(£47,829,247)	(£30,233,283)	(£15,199,600)	(£1,981,697)	£9,570,761	£20,733,221	£31,498,738	£41,730,837
1,307.47 /m <sup>2</sup>	(£47,829,247)	(£30,233,283)	(£15,199,600)	(£1,981,697)	£9,570,761	£20,733,221	£31,498,738	£41,730,837
0.000%	(£64,499,341)	(£44,420,414)	(£27,256,679)	(£12,775,547)	£0	£11,531,178	£22,547,411	£33,205,400
1,341.00 /m <sup>2</sup>	(£64,499,341)	(£44,420,414)	(£27,256,679)	(£12,775,547)	£0	£11,531,178	£22,547,411	£33,205,400
+2.500%	(£83,119,707)	(£60,141,988)	(£41,039,350)	(£24,486,247)	(£10,395,278)	£1,962,083	£13,457,920	£24,355,744
1,374.53 /m <sup>2</sup>	(£83,119,707)	(£60,141,988)	(£41,039,350)	(£24,486,247)	(£10,395,278)	£1,962,083	£13,457,920	£24,355,744
+5.000%	(£104,011,059)	(£78,236,677)	(£56,187,075)	(£37,841,789)	(£21,867,906)	(£8,121,595)	£3,924,166	£15,302,937
1,408.05 /m <sup>2</sup>	(£104,011,059)	(£78,236,677)	(£56,187,075)	(£37,841,789)	(£21,867,906)	(£8,121,595)	£3,924,166	£15,302,937
+7.500%	(£126,831,107)	(£98,087,222)	(£73,496,873)	(£52,440,653)	(£34,732,634)	(£19,353,798)	(£5,872,909)	£5,886,249
1,441.58 /m <sup>2</sup>	(£126,831,107)	(£98,087,222)	(£73,496,873)	(£52,440,653)	(£34,732,634)	(£19,353,798)	(£5,872,909)	£5,886,249
+10.000%	(£149,975,367)	(£120,406,775)	(£92,668,599)	(£69,051,567)	(£49,010,853)	(£31,655,082)	(£16,928,768)	(£3,770,475)
1,475.10 /m <sup>2</sup>	(£149,975,367)	(£120,406,775)	(£92,668,599)	(£69,051,567)	(£49,010,853)	(£31,655,082)	(£16,928,768)	(£3,770,475)
+12.500%	(£173,119,627)	(£143,506,456)	(£114,095,328)	(£87,567,069)	(£64,723,967)	(£45,625,052)	(£28,817,523)	(£14,504,715)
1,508.63 /m <sup>2</sup>	(£173,119,627)	(£143,506,456)	(£114,095,328)	(£87,567,069)	(£64,723,967)	(£45,625,052)	(£28,817,523)	(£14,504,715)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
Market 3BH	1	£4,000.00	4.50 Up & Down

~~This appraisal report does not constitute a formal valuation.~~



**Havant Borough Council  
Southleigh Strategic Site****Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
Southleigh Strategic Site**

+10.000%	+12.500%
4,400.00 /m²	4,500.00 /m²
£74,748,427	£83,547,528
£74,748,427	£83,547,528
£67,138,857	£76,027,092
£67,138,857	£76,027,092
£59,371,069	£68,454,135
£59,371,069	£68,454,135
£51,438,025	£60,756,121
£51,438,025	£60,756,121
£43,306,931	£52,885,485
£43,306,931	£52,885,485
£34,876,131	£44,844,570
£34,876,131	£44,844,570
£26,143,399	£36,512,670
£26,143,399	£36,512,670
£17,117,126	£27,897,030
£17,117,126	£27,897,030
£7,848,332	£18,931,316
£7,848,332	£18,931,316
(£1,732,759)	£9,788,795
(£1,732,759)	£9,788,795

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
Southleigh Strategic Site

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Southleigh - 2,100 Residential  
40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
With A27 Upgrade - Increased Sust Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 3, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m²</b>	<b>Sales Rate m²</b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	227	11,350.00	4,000.00	200,000	45,400,000
Market 2BF	202	14,140.00	4,000.00	280,000	56,560,000
Market 2BH	227	17,933.00	4,000.00	316,000	71,732,000
Market 3BH	479	47,900.00	4,000.00	400,000	191,600,000
Market 4BH	126	16,380.00	4,000.00	520,000	65,520,000
1BF AH	151	7,550.00	1,880.00	94,000	14,194,000
2BF AH	134	9,380.00	1,880.00	131,600	17,634,400
2BH AH	151	11,929.00	1,880.00	148,520	22,426,520
3BH AH	319	29,667.00	1,880.00	174,840	55,773,960
4BH AH	84	9,408.00	1,880.00	210,560	17,687,040
Non Residential Uses	<u>1</u>	<u>1,240.00</u>	1,090.44	1,352,150	<u>1,352,150</u>
<b>Totals</b>	<b>2,101</b>	<b>176,877.00</b>			<b>559,880,070</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	500	250	125,000	125,000

**Investment Valuation****Ground Rent**

Current Rent	125,000	YP @	5.0000%	20.0000	2,500,000
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**GROSS DEVELOPMENT VALUE****562,380,070**

Purchaser's Costs	5.85%	(225,351)	
Effective Purchaser's Costs Rate	9.01%		(225,351)

**NET DEVELOPMENT VALUE****562,154,719****NET REALISATION****562,154,719**

This appraisal report does not constitute a formal valuation.

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
Southleigh Strategic Site

**OUTLAY****ACQUISITION COSTS**

Fixed Price	154.00 ha	250,000.00 /ha	38,500,000	
Fixed Price (154.00 Ha @ 250,000.00 /Hect)			38,500,000	
				38,500,000
Stamp Duty			1,914,500	
Effective Stamp Duty Rate		4.97%		
Agent Fee		1.50%	577,500	
Legal Fee		0.75%	288,750	
				2,780,750

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost
Market 1BF	13,352.94	1,341.00	17,906,294
Market 2BF	16,635.29	1,341.00	22,307,929
Market 2BH	17,933.00	1,341.00	24,048,153
Market 3BH	47,900.00	1,341.00	64,233,900
Market 4BH	16,380.00	1,341.00	21,965,580
1BF AH	8,882.35	1,341.00	11,911,235
2BF AH	11,035.29	1,341.00	14,798,329
2BH AH	11,929.00	1,341.00	15,996,789
3BH AH	29,667.00	1,341.00	39,783,447
4BH AH	9,408.00	1,341.00	12,616,128
Non Residential Uses	1,610.00	1,666.34	2,682,805
<b>Totals</b>	<b>184,732.88 m<sup>2</sup></b>		<b>248,250,590</b>
Contingency		5.00%	15,284,671
Utilities (Offsite)			7,000,000
Utilities (Onsite)			5,000,000
Green Infrastructure			14,000,000
Primary Road System	2,100.00 un	4,500.00 /un	9,450,000
Abnormals			10,493,150
Primary School			11,499,677
Site Access / A27			18,000,000
Sustainable Design / Construction		6.00%	14,895,035
Solent SPA	2,100.00 un	564.00 /un	1,184,400
EVP	2,100.00 un	500.00 /un	1,050,000

**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
Southleigh Strategic Site**

Access M4(2) - Flats	714.00 un	494.00 /un	352,716	
Access M4(2) - Houses	1,386.00 un	734.00 /un	1,017,324	
Access M4(3) - Flats	714.00 un	313.00 /un	223,482	
Access M4(3) - Houses	1,386.00 un	536.00 /un	742,896	
				358,443,942

**PROFESSIONAL FEES**

Professional Fees		10.00%	30,301,061	30,301,061
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**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	16,755,838	
Sales Legal Fee	2,100.00 un	750.00 /un	1,575,000	
				18,330,838

**MISCELLANEOUS FEES**

AH Profit		6.00%	7,662,955	
Market Profit		20.00%	86,162,400	
Non-Residential		15.00%	577,823	
				94,403,178

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			25,143,162	
Construction			2,552,945	
Other			349,147	
Total Finance Cost				28,045,255

**TOTAL COSTS****570,805,023****PROFIT****(8,650,303)****Performance Measures**

Profit on Cost%	(1.52%)
Profit on GDV%	(1.54%)

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
Southleigh Strategic Site

Table of Profit Amount and Profit Amount

		Sales: Rate /m²						
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,600.00 /m²	3,700.00 /m²	3,800.00 /m²	3,900.00 /m²	4,000.00 /m²	4,100.00 /m²	4,200.00 /m²	4,300.00 /m²
-10.000%	(£16,660,439)	(£3,257,409)	£8,448,986	£19,701,434	£30,503,699	£40,776,699	£50,510,465	£59,833,727
1,206.90 /m²	(£16,660,439)	(£3,257,409)	£8,448,986	£19,701,434	£30,503,699	£40,776,699	£50,510,465	£59,833,727
-7.500%	(£29,686,264)	(£14,622,652)	(£1,453,714)	£10,087,291	£21,208,832	£31,931,105	£42,080,021	£51,690,381
1,240.43 /m²	(£29,686,264)	(£14,622,652)	(£1,453,714)	£10,087,291	£21,208,832	£31,931,105	£42,080,021	£51,690,381
-5.000%	(£44,405,109)	(£27,135,588)	(£12,584,865)	£192,752	£11,722,031	£22,716,231	£33,321,086	£43,349,598
1,273.95 /m²	(£44,405,109)	(£27,135,588)	(£12,584,865)	£192,752	£11,722,031	£22,716,231	£33,321,086	£43,349,598
-2.500%	(£60,975,647)	(£41,517,743)	(£24,752,037)	(£10,574,142)	£1,831,058	£13,323,415	£24,215,421	£34,684,204
1,307.47 /m²	(£60,975,647)	(£41,517,743)	(£24,752,037)	(£10,574,142)	£1,831,058	£13,323,415	£24,215,421	£34,684,204
0.000%	(£79,989,991)	(£57,428,212)	(£38,705,717)	(£22,520,071)	(£8,650,303)	£3,469,363	£14,858,173	£25,693,444
1,341.00 /m²	(£79,989,991)	(£57,428,212)	(£38,705,717)	(£22,520,071)	(£8,650,303)	£3,469,363	£14,858,173	£25,693,444
+2.500%	(£101,112,971)	(£75,763,002)	(£54,099,394)	(£36,054,991)	(£20,348,092)	(£6,757,340)	£5,107,668	£16,365,571
1,374.53 /m²	(£101,112,971)	(£75,763,002)	(£54,099,394)	(£36,054,991)	(£20,348,092)	(£6,757,340)	£5,107,668	£16,365,571
+5.000%	(£124,615,220)	(£96,106,789)	(£71,780,094)	(£50,997,232)	(£33,413,148)	(£18,283,149)	(£4,936,451)	£6,745,974
1,408.05 /m²	(£124,615,220)	(£96,106,789)	(£71,780,094)	(£50,997,232)	(£33,413,148)	(£18,283,149)	(£4,936,451)	£6,745,974
+7.500%	(£148,537,945)	(£118,984,676)	(£91,405,756)	(£67,940,922)	(£48,101,922)	(£30,835,580)	(£16,245,362)	(£3,206,784)
1,441.58 /m²	(£148,537,945)	(£118,984,676)	(£91,405,756)	(£67,940,922)	(£48,101,922)	(£30,835,580)	(£16,245,362)	(£3,206,784)
+10.000%	(£172,464,351)	(£142,851,180)	(£113,457,404)	(£87,027,040)	(£64,249,296)	(£45,214,556)	(£28,495,733)	(£14,207,575)
1,475.10 /m²	(£172,464,351)	(£142,851,180)	(£113,457,404)	(£87,027,040)	(£64,249,296)	(£45,214,556)	(£28,495,733)	(£14,207,575)
+12.500%	(£196,390,757)	(£166,777,586)	(£137,164,415)	(£108,055,461)	(£82,799,936)	(£60,883,195)	(£42,428,538)	(£26,288,180)
1,508.63 /m²	(£196,390,757)	(£166,777,586)	(£137,164,415)	(£108,055,461)	(£82,799,936)	(£60,883,195)	(£42,428,538)	(£26,288,180)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£4,000.00	4.50 Up & Down
Market 2BF	1	£4,000.00	4.50 Up & Down
Market 4BH	1	£4,000.00	4.50 Up & Down
Market 2BH	1	£4,000.00	4.50 Up & Down
Market 3BH	1	£4,000.00	4.50 Up & Down

~~This appraisal report does not constitute a formal valuation.~~

**Havant Borough Council  
Southleigh Strategic Site****Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**



**Havant Borough Council  
Southleigh Strategic Site**

+10.000%	+12.500%
4,400.00 /m²	4,500.00 /m²
£68,822,127	£77,622,852
£68,822,127	£77,622,852
£60,927,423	£69,844,179
£60,927,423	£69,844,179
£52,847,549	£61,997,234
£52,847,549	£61,997,234
£44,588,754	£53,976,914
£44,588,754	£53,976,914
£36,022,230	£45,792,451
£36,022,230	£45,792,451
£27,139,196	£37,324,731
£27,139,196	£37,324,731
£17,872,970	£28,554,828
£17,872,970	£28,554,828
£8,375,582	£19,376,758
£8,375,582	£19,376,758
(£1,517,042)	£9,970,474
(£1,517,042)	£9,970,474
(£12,192,652)	£128,046
(£12,192,652)	£128,046

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
560 Unit Residential Scheme

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30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
Base Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	70	3,500.00	3,500.00	175,000	12,250,000
Market 2BF	63	4,410.00	3,500.00	245,000	15,435,000
Market 2BH	71	5,609.00	3,500.00	276,500	19,631,500
Market 3BH	149	14,900.00	3,500.00	350,000	52,150,000
Market 4BH	39	5,070.00	3,500.00	455,000	17,745,000
1BF AH	30	1,500.00	1,645.00	82,250	2,467,500
2BF AH	27	1,890.00	1,645.00	115,150	3,109,050
2BH AH	30	2,370.00	1,645.00	129,955	3,898,650
3BH AH	64	5,952.00	1,645.00	152,985	9,791,040
4BH AH	17	1,904.00	1,645.00	184,240	3,132,080
<b>Totals</b>	<b>560</b>	<b>47,105.00</b>			<b>139,609,820</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****140,274,820**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****140,235,918****NET REALISATION****140,235,918****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**
**Havant Borough Council**  
**560 Unit Residential Scheme**  
**OUTLAY**
**ACQUISITION COSTS**

Fixed Price	26.70 ha	100,000.00 /ha	2,670,000	
Fixed Price (26.70 Ha @ 100,000.00 /Hect)			2,670,000	2,670,000
Stamp Duty			123,000	
Effective Stamp Duty Rate		4.61%		
Agent Fee		1.50%	40,050	
Legal Fee		0.75%	20,025	
				183,075

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Market 1BF	4,117.65	1,341.00	5,521,765	
Market 2BF	5,188.24	1,341.00	6,957,424	
Market 2BH	5,609.00	1,341.00	7,521,669	
Market 3BH	14,900.00	1,341.00	19,980,900	
Market 4BH	5,070.00	1,341.00	6,798,870	
1BF AH	1,764.71	1,341.00	2,366,471	
2BF AH	2,223.53	1,341.00	2,981,753	
2BH AH	2,370.00	1,341.00	3,178,170	
3BH AH	5,952.00	1,341.00	7,981,632	
4BH AH	1,904.00	1,341.00	2,553,264	
<b>Totals</b>	<b>49,099.12 m<sup>2</sup></b>		<b>65,841,917</b>	
Contingency		5.00%	3,292,096	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un	11,760,000	
S106 Surplus		1.00%	9,034,225	
Sustainable Design / Construction		2.00%	1,316,838	
Solent SPA	560.00 un	564.00 /un	315,840	
EVP	560.00 un	500.00 /un	280,000	
Access M4(2) - Flats	190.00 un	494.00 /un	93,860	
Access M4(2) - Houses	370.00 un	734.00 /un	271,580	
Access M4(3) - Flats	190.00 un	313.00 /un	59,470	
Access M4(3) - Houses	370.00 un	536.00 /un	198,320	
				92,464,146

**PROFESSIONAL FEES**
**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

Professional Fees		10.00%	7,760,192	
				7,760,192
<b>DISPOSAL FEES</b>				
Marketing & Sales Agent Fees		3.00%	3,516,345	
Sales Legal Fee	560.00 un	750.00 /un	420,000	
				3,936,345
<b>MISCELLANEOUS FEES</b>				
AH Profit		6.00%	1,343,899	
Market Profit		20.00%	23,575,300	
				24,919,199
<b>FINANCE</b>				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			1,325,282	
Construction			6,853,551	
Other			124,137	
Total Finance Cost				8,302,971
<b>TOTAL COSTS</b>				<b>140,235,927</b>
<b>PROFIT</b>				<b>(10)</b>
<b>Performance Measures</b>				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m²	3,237.50 /m²	3,325.00 /m²	3,412.50 /m²	3,500.00 /m²	3,587.50 /m²	3,675.00 /m²	3,762.50 /m²
-10.000%	(£3,883,644)	(£530,391)	£2,757,484	£5,941,093	£9,104,249	£12,267,405	£15,424,815	£18,574,327
1,206.90 /m²	(£3,883,644)	(£530,391)	£2,757,484	£5,941,093	£9,104,249	£12,267,405	£15,424,815	£18,574,327
-7.500%	(£6,265,381)	(£2,912,128)	£435,045	£3,688,852	£6,859,219	£10,022,374	£13,185,530	£16,339,652
1,240.43 /m²	(£6,265,381)	(£2,912,128)	£435,045	£3,688,852	£6,859,219	£10,022,374	£13,185,530	£16,339,652
-5.000%	(£8,647,117)	(£5,293,864)	(£1,940,612)	£1,391,559	£4,613,451	£7,777,344	£10,940,500	£14,103,656
1,273.95 /m²	(£8,647,117)	(£5,293,864)	(£1,940,612)	£1,391,559	£4,613,451	£7,777,344	£10,940,500	£14,103,656
-2.500%	(£11,028,854)	(£7,675,601)	(£4,322,348)	(£969,095)	£2,335,524	£5,532,314	£8,695,470	£11,858,625
1,307.47 /m²	(£11,028,854)	(£7,675,601)	(£4,322,348)	(£969,095)	£2,335,524	£5,532,314	£8,695,470	£11,858,625
0.000%	(£13,410,590)	(£10,057,337)	(£6,704,085)	(£3,350,832)	(£10)	£3,271,284	£6,450,439	£9,613,595
1,341.00 /m²	(£13,410,590)	(£10,057,337)	(£6,704,085)	(£3,350,832)	(£10)	£3,271,284	£6,450,439	£9,613,595
+2.500%	(£15,792,327)	(£12,439,074)	(£9,085,821)	(£5,732,569)	(£2,379,316)	£960,268	£4,200,449	£7,368,565
1,374.53 /m²	(£15,792,327)	(£12,439,074)	(£9,085,821)	(£5,732,569)	(£2,379,316)	£960,268	£4,200,449	£7,368,565
+5.000%	(£18,174,063)	(£14,820,811)	(£11,467,558)	(£8,114,305)	(£4,761,052)	(£1,407,800)	£1,911,171	£5,123,534
1,408.05 /m²	(£18,174,063)	(£14,820,811)	(£11,467,558)	(£8,114,305)	(£4,761,052)	(£1,407,800)	£1,911,171	£5,123,534
+7.500%	(£20,555,800)	(£17,202,547)	(£13,849,294)	(£10,496,042)	(£7,142,789)	(£3,789,536)	(£436,614)	£2,850,872
1,441.58 /m²	(£20,555,800)	(£17,202,547)	(£13,849,294)	(£10,496,042)	(£7,142,789)	(£3,789,536)	(£436,614)	£2,850,872
+10.000%	(£22,937,536)	(£19,584,284)	(£16,231,031)	(£12,877,778)	(£9,524,525)	(£6,171,273)	(£2,818,020)	£527,282
1,475.10 /m²	(£22,937,536)	(£19,584,284)	(£16,231,031)	(£12,877,778)	(£9,524,525)	(£6,171,273)	(£2,818,020)	£527,282
+12.500%	(£25,319,273)	(£21,966,020)	(£18,612,767)	(£15,259,515)	(£11,906,262)	(£8,553,009)	(£5,199,756)	(£1,846,504)
1,508.63 /m²	(£25,319,273)	(£21,966,020)	(£18,612,767)	(£15,259,515)	(£11,906,262)	(£8,553,009)	(£5,199,756)	(£1,846,504)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
2BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 30% AH 100k.wcfx  
ARGUS Developer Version: 8.10.004

**SENSITIVITY ANALYSIS REPORT****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£21,706,060	£24,732,465
£21,706,060	£24,732,465
£19,489,164	£22,609,768
£19,489,164	£22,609,768
£17,254,490	£20,403,140
£17,254,490	£20,403,140
£15,019,815	£18,169,327
£15,019,815	£18,169,327
£12,776,751	£15,934,652
£12,776,751	£15,934,652
£10,531,720	£13,694,876
£10,531,720	£13,694,876
£8,286,690	£11,449,846
£8,286,690	£11,449,846
£6,041,660	£9,204,816
£6,041,660	£9,204,816
£3,784,374	£6,959,785
£3,784,374	£6,959,785
£1,483,504	£4,711,643
£1,483,504	£4,711,643

**This appraisal report does not constitute a formal valuation.**



Havant Borough Council  
560 Unit Residential Scheme

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30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
Increased Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	70	3,500.00	3,500.00	175,000	12,250,000
Market 2BF	63	4,410.00	3,500.00	245,000	15,435,000
Market 2BH	71	5,609.00	3,500.00	276,500	19,631,500
Market 3BH	149	14,900.00	3,500.00	350,000	52,150,000
Market 4BH	39	5,070.00	3,500.00	455,000	17,745,000
1BF AH	30	1,500.00	1,645.00	82,250	2,467,500
2BF AH	27	1,890.00	1,645.00	115,150	3,109,050
2BH AH	30	2,370.00	1,645.00	129,955	3,898,650
3BH AH	64	5,952.00	1,645.00	152,985	9,791,040
4BH AH	17	1,904.00	1,645.00	184,240	3,132,080
<b>Totals</b>	<b>560</b>	<b>47,105.00</b>			<b>139,609,820</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****140,274,820**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****140,235,918****NET REALISATION****140,235,918****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**
**Havant Borough Council**  
**560 Unit Residential Scheme**  
**OUTLAY**
**ACQUISITION COSTS**

Fixed Price	26.70 ha	100,000.00 /ha	2,670,000	
Fixed Price (26.70 Ha @ 100,000.00 /Hect)			2,670,000	2,670,000
Stamp Duty			123,000	
Effective Stamp Duty Rate		4.61%		
Agent Fee		1.50%	40,050	
Legal Fee		0.75%	20,025	
				183,075

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate	m <sup>2</sup>	Cost	
Market 1BF	4,117.65	1,341.00		5,521,765	
Market 2BF	5,188.24	1,341.00		6,957,424	
Market 2BH	5,609.00	1,341.00		7,521,669	
Market 3BH	14,900.00	1,341.00		19,980,900	
Market 4BH	5,070.00	1,341.00		6,798,870	
1BF AH	1,764.71	1,341.00		2,366,471	
2BF AH	2,223.53	1,341.00		2,981,753	
2BH AH	2,370.00	1,341.00		3,178,170	
3BH AH	5,952.00	1,341.00		7,981,632	
4BH AH	1,904.00	1,341.00		2,553,264	
<b>Totals</b>	<b>49,099.12 m<sup>2</sup></b>			<b>65,841,917</b>	
Contingency		5.00%		3,292,096	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un		11,760,000	
S106 Surplus		1.00%		6,937,737	
Sustainable Design / Construction		6.00%		3,950,515	
Solent SPA	560.00 un	564.00 /un		315,840	
EVP	560.00 un	500.00 /un		280,000	
Access M4(2) - Flats	190.00 un	494.00 /un		93,860	
Access M4(2) - Houses	370.00 un	734.00 /un		271,580	
Access M4(3) - Flats	190.00 un	313.00 /un		59,470	
Access M4(3) - Houses	370.00 un	536.00 /un		198,320	
					93,001,335

**PROFESSIONAL FEES**
**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

Professional Fees		10.00%	7,760,192	
				7,760,192

**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	3,516,345	
Sales Legal Fee	560.00 un	750.00 /un	420,000	
				3,936,345

**MISCELLANEOUS FEES**

AH Profit		6.00%	1,343,899	
Market Profit		20.00%	23,575,300	
				24,919,199

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			1,325,282	
Construction			6,316,357	
Other			124,137	
Total Finance Cost				7,765,776

**TOTAL COSTS****140,235,922****PROFIT****(5)****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

## Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m²	3,237.50 /m²	3,325.00 /m²	3,412.50 /m²	3,500.00 /m²	3,587.50 /m²	3,675.00 /m²	3,762.50 /m²
-10.000%	(£3,557,904)	(£205,594)	£3,070,238	£6,248,130	£9,411,286	£12,574,442	£15,728,277	£18,877,789
1,206.90 /m²	(£3,557,904)	(£205,594)	£3,070,238	£6,248,130	£9,411,286	£12,574,442	£15,728,277	£18,877,789
-7.500%	(£6,021,074)	(£2,667,821)	£676,733	£3,921,626	£7,089,498	£10,252,653	£13,415,809	£16,566,711
1,240.43 /m²	(£6,021,074)	(£2,667,821)	£676,733	£3,921,626	£7,089,498	£10,252,653	£13,415,809	£16,566,711
-5.000%	(£8,484,244)	(£5,130,992)	(£1,777,739)	£1,550,713	£4,767,709	£7,930,865	£11,094,021	£14,255,634
1,273.95 /m²	(£8,484,244)	(£5,130,992)	(£1,777,739)	£1,550,713	£4,767,709	£7,930,865	£11,094,021	£14,255,634
-2.500%	(£10,947,415)	(£7,594,162)	(£4,240,909)	(£887,657)	£2,414,380	£5,609,077	£8,772,232	£11,935,388
1,307.47 /m²	(£10,947,415)	(£7,594,162)	(£4,240,909)	(£887,657)	£2,414,380	£5,609,077	£8,772,232	£11,935,388
0.000%	(£13,410,585)	(£10,057,332)	(£6,704,080)	(£3,350,827)	(£5)	£3,271,288	£6,450,444	£9,613,600
1,341.00 /m²	(£13,410,585)	(£10,057,332)	(£6,704,080)	(£3,350,827)	(£5)	£3,271,288	£6,450,444	£9,613,600
+2.500%	(£15,873,756)	(£12,520,503)	(£9,167,250)	(£5,813,997)	(£2,460,745)	£880,141	£4,122,864	£7,291,811
1,374.53 /m²	(£15,873,756)	(£12,520,503)	(£9,167,250)	(£5,813,997)	(£2,460,745)	£880,141	£4,122,864	£7,291,811
+5.000%	(£18,336,926)	(£14,983,673)	(£11,630,421)	(£8,277,168)	(£4,923,915)	(£1,570,662)	£1,752,621	£4,969,462
1,408.05 /m²	(£18,336,926)	(£14,983,673)	(£11,630,421)	(£8,277,168)	(£4,923,915)	(£1,570,662)	£1,752,621	£4,969,462
+7.500%	(£20,800,096)	(£17,446,844)	(£14,093,591)	(£10,740,338)	(£7,387,085)	(£4,033,833)	(£680,580)	£2,615,586
1,441.58 /m²	(£20,800,096)	(£17,446,844)	(£14,093,591)	(£10,740,338)	(£7,387,085)	(£4,033,833)	(£680,580)	£2,615,586
+10.000%	(£23,263,267)	(£19,910,014)	(£16,556,761)	(£13,203,509)	(£9,850,256)	(£6,497,003)	(£3,143,750)	£205,043
1,475.10 /m²	(£23,263,267)	(£19,910,014)	(£16,556,761)	(£13,203,509)	(£9,850,256)	(£6,497,003)	(£3,143,750)	£205,043
+12.500%	(£25,726,437)	(£22,373,185)	(£19,019,932)	(£15,666,679)	(£12,313,426)	(£8,960,174)	(£5,606,921)	(£2,253,668)
1,508.63 /m²	(£25,726,437)	(£22,373,185)	(£19,019,932)	(£15,666,679)	(£12,313,426)	(£8,960,174)	(£5,606,921)	(£2,253,668)

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 30% AH 100k - Incr Sust.wcfx  
ARGUS Developer Version: 8.10.004

**Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£21,993,175	£25,003,432
£21,993,175	£25,003,432
£19,715,096	£22,817,271
£19,715,096	£22,817,271
£17,405,146	£20,551,177
£17,405,146	£20,551,177
£15,094,068	£18,243,580
£15,094,068	£18,243,580
£12,776,756	£15,932,503
£12,776,756	£15,932,503
£10,454,967	£13,618,123
£10,454,967	£13,618,123
£8,133,179	£11,296,335
£8,133,179	£11,296,335
£5,811,390	£8,974,546
£5,811,390	£8,974,546
£3,472,339	£6,652,758
£3,472,339	£6,652,758
£1,083,481	£4,324,103
£1,083,481	£4,324,103

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
560 Unit Residential Scheme

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40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
Base Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	60	3,000.00	3,500.00	175,000	10,500,000
Market 2BF	54	3,780.00	3,500.00	245,000	13,230,000
Market 2BH	61	4,819.00	3,500.00	276,500	16,866,500
Market 3BH	128	12,800.00	3,500.00	350,000	44,800,000
Market 4BH	33	4,290.00	3,500.00	455,000	15,015,000
1BF AH	40	2,000.00	1,645.00	82,250	3,290,000
2BF AH	36	2,520.00	1,645.00	115,150	4,145,400
2BH AH	40	3,160.00	1,645.00	129,955	5,198,200
3BH AH	85	7,905.00	1,645.00	152,985	13,003,725
4BH AH	23	2,576.00	1,645.00	184,240	4,237,520
<b>Totals</b>	<b>560</b>	<b>46,850.00</b>			<b>130,286,345</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****130,951,345**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****130,912,443****NET REALISATION****130,912,443****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme****OUTLAY****ACQUISITION COSTS**

Fixed Price	26.70 ha	100,000.00 /ha	2,670,000	
Fixed Price (26.70 Ha @ 100,000.00 /Hect)			2,670,000	2,670,000
Stamp Duty			123,000	
Effective Stamp Duty Rate		4.61%		
Agent Fee		1.50%	40,050	
Legal Fee		0.75%	20,025	
				183,075

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Market 1BF	3,529.41	1,341.00	4,732,941	
Market 2BF	4,447.06	1,341.00	5,963,506	
Market 2BH	4,819.00	1,341.00	6,462,279	
Market 3BH	12,800.00	1,341.00	17,164,800	
Market 4BH	4,290.00	1,341.00	5,752,890	
1BF AH	2,352.94	1,341.00	3,155,294	
2BF AH	2,964.71	1,341.00	3,975,671	
2BH AH	3,160.00	1,341.00	4,237,560	
3BH AH	7,905.00	1,341.00	10,600,605	
4BH AH	2,576.00	1,341.00	3,454,416	
<b>Totals</b>	<b>48,844.12 m<sup>2</sup></b>		<b>65,499,962</b>	
Contingency		5.00%	3,274,998	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un	11,760,000	
S106 Surplus		1.00%	4,902,324	
Sustainable Design / Construction		2.00%	1,309,999	
Solent SPA	560.00 un	564.00 /un	315,840	
EVP	560.00 un	500.00 /un	280,000	
Access M4(2) - Flats	190.00 un	494.00 /un	93,860	
Access M4(2) - Houses	370.00 un	734.00 /un	271,580	
Access M4(3) - Flats	190.00 un	313.00 /un	59,470	
Access M4(3) - Houses	370.00 un	536.00 /un	198,320	
				87,966,353

**PROFESSIONAL FEES****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

Professional Fees		10.00%	7,725,996	
				7,725,996
<b>DISPOSAL FEES</b>				
Marketing & Sales Agent Fees		3.00%	3,012,345	
Sales Legal Fee	560.00 un	750.00 /un	420,000	
				3,432,345
<b>MISCELLANEOUS FEES</b>				
AH Profit		6.00%	1,792,491	
Market Profit		20.00%	20,215,300	
				22,007,791
<b>FINANCE</b>				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			1,325,282	
Construction			5,524,098	
Other			77,506	
Total Finance Cost				6,926,886
<b>TOTAL COSTS</b>				<b>130,912,446</b>
<b>PROFIT</b>				<b>(4)</b>
<b>Performance Measures</b>				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m²	3,237.50 /m²	3,325.00 /m²	3,412.50 /m²	3,500.00 /m²	3,587.50 /m²	3,675.00 /m²	3,762.50 /m²
-10.000%	(£3,236,921)	(£62,446)	£3,011,233	£6,011,934	£9,010,985	£12,008,701	£14,994,716	£17,972,604
1,206.90 /m²	(£3,236,921)	(£62,446)	£3,011,233	£6,011,934	£9,010,985	£12,008,701	£14,994,716	£17,972,604
-7.500%	(£5,606,288)	(£2,425,769)	£734,229	£3,778,564	£6,777,614	£9,776,664	£12,771,648	£15,757,663
1,240.43 /m²	(£5,606,288)	(£2,425,769)	£734,229	£3,778,564	£6,777,614	£9,776,664	£12,771,648	£15,757,663
-5.000%	(£7,975,654)	(£4,795,135)	(£1,614,616)	£1,520,493	£4,544,243	£7,543,294	£10,542,344	£13,534,594
1,273.95 /m²	(£7,975,654)	(£4,795,135)	(£1,614,616)	£1,520,493	£4,544,243	£7,543,294	£10,542,344	£13,534,594
-2.500%	(£10,345,021)	(£7,164,502)	(£3,983,983)	(£804,106)	£2,299,963	£5,309,923	£8,308,973	£11,308,023
1,307.47 /m²	(£10,345,021)	(£7,164,502)	(£3,983,983)	(£804,106)	£2,299,963	£5,309,923	£8,308,973	£11,308,023
0.000%	(£12,714,388)	(£9,533,869)	(£6,353,350)	(£3,172,831)	(£4)	£3,074,014	£6,075,603	£9,074,653
1,341.00 /m²	(£12,714,388)	(£9,533,869)	(£6,353,350)	(£3,172,831)	(£4)	£3,074,014	£6,075,603	£9,074,653
+2.500%	(£15,083,755)	(£11,903,236)	(£8,722,717)	(£5,542,198)	(£2,361,679)	£795,569	£3,842,232	£6,841,282
1,374.53 /m²	(£15,083,755)	(£11,903,236)	(£8,722,717)	(£5,542,198)	(£2,361,679)	£795,569	£3,842,232	£6,841,282
+5.000%	(£17,453,121)	(£14,272,603)	(£11,092,084)	(£7,911,565)	(£4,731,046)	(£1,550,527)	£1,581,810	£4,607,912
1,408.05 /m²	(£17,453,121)	(£14,272,603)	(£11,092,084)	(£7,911,565)	(£4,731,046)	(£1,550,527)	£1,581,810	£4,607,912
+7.500%	(£19,822,488)	(£16,641,969)	(£13,461,450)	(£10,280,931)	(£7,100,412)	(£3,919,893)	(£740,941)	£2,361,568
1,441.58 /m²	(£19,822,488)	(£16,641,969)	(£13,461,450)	(£10,280,931)	(£7,100,412)	(£3,919,893)	(£740,941)	£2,361,568
+10.000%	(£22,191,855)	(£19,011,336)	(£15,830,817)	(£12,650,298)	(£9,469,779)	(£6,289,260)	(£3,108,741)	£62,039
1,475.10 /m²	(£22,191,855)	(£19,011,336)	(£15,830,817)	(£12,650,298)	(£9,469,779)	(£6,289,260)	(£3,108,741)	£62,039
+12.500%	(£24,561,222)	(£21,380,703)	(£18,200,184)	(£15,019,665)	(£11,839,146)	(£8,658,627)	(£5,478,108)	(£2,297,589)
1,508.63 /m²	(£24,561,222)	(£21,380,703)	(£18,200,184)	(£15,019,665)	(£11,839,146)	(£8,658,627)	(£5,478,108)	(£2,297,589)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 40% AH 100k.wcfx  
ARGUS Developer Version: 8.10.004

**SENSITIVITY ANALYSIS REPORT****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£20,889,890	£23,727,807
£20,889,890	£23,727,807
£18,727,928	£21,632,122
£18,727,928	£21,632,122
£16,520,609	£19,482,168
£16,520,609	£19,482,168
£14,297,540	£17,283,555
£14,297,540	£17,283,555
£12,073,703	£15,060,487
£12,073,703	£15,060,487
£9,840,332	£12,837,418
£9,840,332	£12,837,418
£7,606,962	£10,606,012
£7,606,962	£10,606,012
£5,373,591	£8,372,641
£5,373,591	£8,372,641
£3,136,296	£6,139,271
£3,136,296	£6,139,271
£856,908	£3,905,900
£856,908	£3,905,900

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
560 Unit Residential Scheme

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40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£100,000/ha BLV  
Increased Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	60	3,000.00	3,500.00	175,000	10,500,000
Market 2BF	54	3,780.00	3,500.00	245,000	13,230,000
Market 2BH	61	4,819.00	3,500.00	276,500	16,866,500
Market 3BH	128	12,800.00	3,500.00	350,000	44,800,000
Market 4BH	33	4,290.00	3,500.00	455,000	15,015,000
1BF AH	40	2,000.00	1,645.00	82,250	3,290,000
2BF AH	36	2,520.00	1,645.00	115,150	4,145,400
2BH AH	40	3,160.00	1,645.00	129,955	5,198,200
3BH AH	85	7,905.00	1,645.00	152,985	13,003,725
4BH AH	23	2,576.00	1,645.00	184,240	4,237,520
<b>Totals</b>	<b>560</b>	<b>46,850.00</b>			<b>130,286,345</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****130,951,345**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****130,912,443****NET REALISATION****130,912,443****This appraisal report does not constitute a formal valuation.**



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme****OUTLAY****ACQUISITION COSTS**

Fixed Price	26.70 ha	100,000.00 /ha	2,670,000	
Fixed Price (26.70 Ha @ 100,000.00 /Hect)			2,670,000	2,670,000
Stamp Duty			123,000	
Effective Stamp Duty Rate		4.61%		
Agent Fee		1.50%	40,050	
Legal Fee		0.75%	20,025	
				183,075

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Market 1BF	3,529.41	1,341.00	4,732,941	
Market 2BF	4,447.06	1,341.00	5,963,506	
Market 2BH	4,819.00	1,341.00	6,462,279	
Market 3BH	12,800.00	1,341.00	17,164,800	
Market 4BH	4,290.00	1,341.00	5,752,890	
1BF AH	2,352.94	1,341.00	3,155,294	
2BF AH	2,964.71	1,341.00	3,975,671	
2BH AH	3,160.00	1,341.00	4,237,560	
3BH AH	7,905.00	1,341.00	10,600,605	
4BH AH	2,576.00	1,341.00	3,454,416	
<b>Totals</b>	<b>48,844.12 m<sup>2</sup></b>		<b>65,499,962</b>	
Contingency		5.00%	3,274,998	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un	11,760,000	
S106 Surplus		1.00%	2,816,727	
Sustainable Design / Construction		6.00%	3,929,998	
Solent SPA	560.00 un	564.00 /un	315,840	
EVP	560.00 un	500.00 /un	280,000	
Access M4(2) - Flats	190.00 un	494.00 /un	93,860	
Access M4(2) - Houses	370.00 un	734.00 /un	271,580	
Access M4(3) - Flats	190.00 un	313.00 /un	59,470	
Access M4(3) - Houses	370.00 un	536.00 /un	198,320	
				88,500,754

**PROFESSIONAL FEES****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

Professional Fees		10.00%	7,725,996	
				7,725,996

**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	3,012,345	
Sales Legal Fee	560.00 un	750.00 /un	420,000	
				3,432,345

**MISCELLANEOUS FEES**

AH Profit		6.00%	1,792,491	
Market Profit		20.00%	20,215,300	
				22,007,791

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			1,325,282	
Construction			4,989,695	
Other			77,506	
Total Finance Cost				6,392,483

**TOTAL COSTS****130,912,444****PROFIT****(2)****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

## Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m²	3,237.50 /m²	3,325.00 /m²	3,412.50 /m²	3,500.00 /m²	3,587.50 /m²	3,675.00 /m²	3,762.50 /m²
-10.000%	(£2,912,875)	£257,050	£3,318,324	£6,317,374	£9,316,424	£12,310,584	£15,296,599	£18,259,433
1,206.90 /m²	(£2,912,875)	£257,050	£3,318,324	£6,317,374	£9,316,424	£12,310,584	£15,296,599	£18,259,433
-7.500%	(£5,363,252)	(£2,182,734)	£970,828	£4,007,644	£7,006,694	£10,005,744	£12,997,525	£15,983,540
1,240.43 /m²	(£5,363,252)	(£2,182,734)	£970,828	£4,007,644	£7,006,694	£10,005,744	£12,997,525	£15,983,540
-5.000%	(£7,813,630)	(£4,633,111)	(£1,452,592)	£1,676,541	£4,696,964	£7,696,014	£10,695,065	£13,684,465
1,273.95 /m²	(£7,813,630)	(£4,633,111)	(£1,452,592)	£1,676,541	£4,696,964	£7,696,014	£10,695,065	£13,684,465
-2.500%	(£10,264,008)	(£7,083,489)	(£3,902,970)	(£723,527)	£2,377,569	£5,386,284	£8,385,335	£11,384,385
1,307.47 /m²	(£10,264,008)	(£7,083,489)	(£3,902,970)	(£723,527)	£2,377,569	£5,386,284	£8,385,335	£11,384,385
0.000%	(£12,714,386)	(£9,533,867)	(£6,353,348)	(£3,172,829)	(£2)	£3,074,016	£6,075,605	£9,074,655
1,341.00 /m²	(£12,714,386)	(£9,533,867)	(£6,353,348)	(£3,172,829)	(£2)	£3,074,016	£6,075,605	£9,074,655
+2.500%	(£15,164,764)	(£11,984,245)	(£8,803,726)	(£5,623,207)	(£2,442,688)	£716,705	£3,765,875	£6,764,925
1,374.53 /m²	(£15,164,764)	(£11,984,245)	(£8,803,726)	(£5,623,207)	(£2,442,688)	£716,705	£3,765,875	£6,764,925
+5.000%	(£17,615,141)	(£14,434,622)	(£11,254,103)	(£8,073,584)	(£4,893,065)	(£1,712,546)	£1,425,101	£4,455,195
1,408.05 /m²	(£17,615,141)	(£14,434,622)	(£11,254,103)	(£8,073,584)	(£4,893,065)	(£1,712,546)	£1,425,101	£4,455,195
+7.500%	(£20,065,519)	(£16,885,000)	(£13,704,481)	(£10,523,962)	(£7,343,443)	(£4,162,924)	(£982,670)	£2,128,756
1,441.58 /m²	(£20,065,519)	(£16,885,000)	(£13,704,481)	(£10,523,962)	(£7,343,443)	(£4,162,924)	(£982,670)	£2,128,756
+10.000%	(£22,515,897)	(£19,335,378)	(£16,154,859)	(£12,974,340)	(£9,793,821)	(£6,613,302)	(£3,432,783)	(£258,131)
1,475.10 /m²	(£22,515,897)	(£19,335,378)	(£16,154,859)	(£12,974,340)	(£9,793,821)	(£6,613,302)	(£3,432,783)	(£258,131)
+12.500%	(£24,966,275)	(£21,785,756)	(£18,605,237)	(£15,424,718)	(£12,244,199)	(£9,063,680)	(£5,883,161)	(£2,702,642)
1,508.63 /m²	(£24,966,275)	(£21,785,756)	(£18,605,237)	(£15,424,718)	(£12,244,199)	(£9,063,680)	(£5,883,161)	(£2,702,642)

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 40% AH 100k - Incr Sust.wcfx  
ARGUS Developer Version: 8.10.004

**SENSITIVITY ANALYSIS REPORT****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£21,160,218	£23,990,121
£21,160,218	£23,990,121
£18,938,890	£21,827,510
£18,938,890	£21,827,510
£16,668,795	£19,616,963
£16,668,795	£19,616,963
£14,371,405	£17,351,701
£14,371,405	£17,351,701
£12,072,331	£15,058,346
£12,072,331	£15,058,346
£9,763,975	£12,759,271
£9,763,975	£12,759,271
£7,454,245	£10,453,295
£7,454,245	£10,453,295
£5,144,515	£8,143,565
£5,144,515	£8,143,565
£2,827,551	£5,833,835
£2,827,551	£5,833,835
£461,265	£3,522,349
£461,265	£3,522,349

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
560 Unit Residential Scheme

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30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
Increased Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	70	3,500.00	3,500.00	175,000	12,250,000
Market 2BF	63	4,410.00	3,500.00	245,000	15,435,000
Market 2BH	71	5,609.00	3,500.00	276,500	19,631,500
Market 3BH	149	14,900.00	3,500.00	350,000	52,150,000
Market 4BH	39	5,070.00	3,500.00	455,000	17,745,000
1BF AH	30	1,500.00	1,645.00	82,250	2,467,500
2BF AH	27	1,890.00	1,645.00	115,150	3,109,050
2BH AH	30	2,370.00	1,645.00	129,955	3,898,650
3BH AH	64	5,952.00	1,645.00	152,985	9,791,040
4BH AH	17	1,904.00	1,645.00	184,240	3,132,080
<b>Totals</b>	<b>560</b>	<b>47,105.00</b>			<b>139,609,820</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****140,274,820**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****140,235,918****NET REALISATION****140,235,918****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**
**Havant Borough Council**  
**560 Unit Residential Scheme**  
**OUTLAY**
**ACQUISITION COSTS**

Fixed Price	26.70 ha	250,000.00 /ha	6,675,000	
Fixed Price (26.70 Ha @ 250,000.00 /Hect)			6,675,000	6,675,000
Stamp Duty			323,250	
Effective Stamp Duty Rate		4.84%		
Agent Fee		1.50%	100,125	
Legal Fee		0.75%	50,063	
				473,437

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Market 1BF	4,117.65	1,341.00	5,521,765	
Market 2BF	5,188.24	1,341.00	6,957,424	
Market 2BH	5,609.00	1,341.00	7,521,669	
Market 3BH	14,900.00	1,341.00	19,980,900	
Market 4BH	5,070.00	1,341.00	6,798,870	
1BF AH	1,764.71	1,341.00	2,366,471	
2BF AH	2,223.53	1,341.00	2,981,753	
2BH AH	2,370.00	1,341.00	3,178,170	
3BH AH	5,952.00	1,341.00	7,981,632	
4BH AH	1,904.00	1,341.00	2,553,264	
<b>Totals</b>	<b>49,099.12 m<sup>2</sup></b>		<b>65,841,917</b>	
Contingency		5.00%	3,292,096	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un	11,760,000	
S106 Surplus		1.00%	2,642,372	
Sustainable Design / Construction		6.00%	3,950,515	
Solent SPA	560.00 un	564.00 /un	315,840	
EVP	560.00 un	500.00 /un	280,000	
Access M4(2) - Flats	190.00 un	494.00 /un	93,860	
Access M4(2) - Houses	370.00 un	734.00 /un	271,580	
Access M4(3) - Flats	190.00 un	313.00 /un	59,470	
Access M4(3) - Houses	370.00 un	536.00 /un	198,320	
				88,705,970

**PROFESSIONAL FEES**
**This appraisal report does not constitute a formal valuation.**



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

Professional Fees		10.00%	7,760,192	
				7,760,192

**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	3,516,345	
Sales Legal Fee	560.00 un	750.00 /un	420,000	
				3,936,345

**MISCELLANEOUS FEES**

AH Profit		6.00%	1,343,899	
Market Profit		20.00%	23,575,300	
				24,919,199

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			3,320,522	
Construction			4,321,116	
Other			124,137	
Total Finance Cost				7,765,775

**TOTAL COSTS****140,235,918****PROFIT****(1)****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

## Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m²	3,237.50 /m²	3,325.00 /m²	3,412.50 /m²	3,500.00 /m²	3,587.50 /m²	3,675.00 /m²	3,762.50 /m²
-10.000%	(£3,557,900)	(£205,591)	£3,070,241	£6,248,134	£9,411,290	£12,574,445	£15,728,281	£18,877,792
1,206.90 /m²	(£3,557,900)	(£205,591)	£3,070,241	£6,248,134	£9,411,290	£12,574,445	£15,728,281	£18,877,792
-7.500%	(£6,021,070)	(£2,667,817)	£676,737	£3,921,629	£7,089,501	£10,252,657	£13,415,813	£16,566,715
1,240.43 /m²	(£6,021,070)	(£2,667,817)	£676,737	£3,921,629	£7,089,501	£10,252,657	£13,415,813	£16,566,715
-5.000%	(£8,484,240)	(£5,130,988)	(£1,777,735)	£1,550,717	£4,767,713	£7,930,869	£11,094,024	£14,255,638
1,273.95 /m²	(£8,484,240)	(£5,130,988)	(£1,777,735)	£1,550,717	£4,767,713	£7,930,869	£11,094,024	£14,255,638
-2.500%	(£10,947,411)	(£7,594,158)	(£4,240,905)	(£887,653)	£2,414,384	£5,609,080	£8,772,236	£11,935,392
1,307.47 /m²	(£10,947,411)	(£7,594,158)	(£4,240,905)	(£887,653)	£2,414,384	£5,609,080	£8,772,236	£11,935,392
0.000%	(£13,410,581)	(£10,057,329)	(£6,704,076)	(£3,350,823)	(£1)	£3,271,292	£6,450,448	£9,613,603
1,341.00 /m²	(£13,410,581)	(£10,057,329)	(£6,704,076)	(£3,350,823)	(£1)	£3,271,292	£6,450,448	£9,613,603
+2.500%	(£15,873,752)	(£12,520,499)	(£9,167,246)	(£5,813,994)	(£2,460,741)	£880,145	£4,122,868	£7,291,815
1,374.53 /m²	(£15,873,752)	(£12,520,499)	(£9,167,246)	(£5,813,994)	(£2,460,741)	£880,145	£4,122,868	£7,291,815
+5.000%	(£18,336,922)	(£14,983,669)	(£11,630,417)	(£8,277,164)	(£4,923,911)	(£1,570,658)	£1,752,625	£4,969,465
1,408.05 /m²	(£18,336,922)	(£14,983,669)	(£11,630,417)	(£8,277,164)	(£4,923,911)	(£1,570,658)	£1,752,625	£4,969,465
+7.500%	(£20,800,093)	(£17,446,840)	(£14,093,587)	(£10,740,334)	(£7,387,082)	(£4,033,829)	(£680,576)	£2,615,590
1,441.58 /m²	(£20,800,093)	(£17,446,840)	(£14,093,587)	(£10,740,334)	(£7,387,082)	(£4,033,829)	(£680,576)	£2,615,590
+10.000%	(£23,263,263)	(£19,910,010)	(£16,556,757)	(£13,203,505)	(£9,850,252)	(£6,496,999)	(£3,143,747)	£205,046
1,475.10 /m²	(£23,263,263)	(£19,910,010)	(£16,556,757)	(£13,203,505)	(£9,850,252)	(£6,496,999)	(£3,143,747)	£205,046
+12.500%	(£25,726,433)	(£22,373,181)	(£19,019,928)	(£15,666,675)	(£12,313,422)	(£8,960,170)	(£5,606,917)	(£2,253,664)
1,508.63 /m²	(£25,726,433)	(£22,373,181)	(£19,019,928)	(£15,666,675)	(£12,313,422)	(£8,960,170)	(£5,606,917)	(£2,253,664)

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 30% AH 250k - Incr Sust.wcfx  
ARGUS Developer Version: 8.10.004

**SENSITIVITY ANALYSIS REPORT****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£21,993,179	£25,003,436
£21,993,179	£25,003,436
£19,715,099	£22,817,274
£19,715,099	£22,817,274
£17,405,149	£20,551,181
£17,405,149	£20,551,181
£15,094,072	£18,243,584
£15,094,072	£18,243,584
£12,776,759	£15,932,506
£12,776,759	£15,932,506
£10,454,971	£13,618,127
£10,454,971	£13,618,127
£8,133,182	£11,296,338
£8,133,182	£11,296,338
£5,811,394	£8,974,550
£5,811,394	£8,974,550
£3,472,343	£6,652,761
£3,472,343	£6,652,761
£1,083,485	£4,324,107
£1,083,485	£4,324,107

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
560 Unit Residential Scheme

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30% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
Base Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	70	3,500.00	3,500.00	175,000	12,250,000
Market 2BF	63	4,410.00	3,500.00	245,000	15,435,000
Market 2BH	71	5,609.00	3,500.00	276,500	19,631,500
Market 3BH	149	14,900.00	3,500.00	350,000	52,150,000
Market 4BH	39	5,070.00	3,500.00	455,000	17,745,000
1BF AH	30	1,500.00	1,645.00	82,250	2,467,500
2BF AH	27	1,890.00	1,645.00	115,150	3,109,050
2BH AH	30	2,370.00	1,645.00	129,955	3,898,650
3BH AH	64	5,952.00	1,645.00	152,985	9,791,040
4BH AH	17	1,904.00	1,645.00	184,240	3,132,080
<b>Totals</b>	<b>560</b>	<b>47,105.00</b>			<b>139,609,820</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****140,274,820**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****140,235,918****NET REALISATION****140,235,918****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**
**Havant Borough Council**  
**560 Unit Residential Scheme**  
**OUTLAY**
**ACQUISITION COSTS**

Fixed Price	26.70 ha	250,000.00 /ha	6,675,000	
Fixed Price (26.70 Ha @ 250,000.00 /Hect)			6,675,000	6,675,000
Stamp Duty			323,250	
Effective Stamp Duty Rate		4.84%		
Agent Fee		1.50%	100,125	
Legal Fee		0.75%	50,063	
				473,437

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Market 1BF	4,117.65	1,341.00	5,521,765	
Market 2BF	5,188.24	1,341.00	6,957,424	
Market 2BH	5,609.00	1,341.00	7,521,669	
Market 3BH	14,900.00	1,341.00	19,980,900	
Market 4BH	5,070.00	1,341.00	6,798,870	
1BF AH	1,764.71	1,341.00	2,366,471	
2BF AH	2,223.53	1,341.00	2,981,753	
2BH AH	2,370.00	1,341.00	3,178,170	
3BH AH	5,952.00	1,341.00	7,981,632	
4BH AH	1,904.00	1,341.00	2,553,264	
<b>Totals</b>	<b>49,099.12 m<sup>2</sup></b>		<b>65,841,917</b>	
Contingency		5.00%	3,292,096	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un	11,760,000	
S106 Surplus		1.00%	4,738,857	
Sustainable Design / Construction		2.00%	1,316,838	
Solent SPA	560.00 un	564.00 /un	315,840	
EVP	560.00 un	500.00 /un	280,000	
Access M4(2) - Flats	190.00 un	494.00 /un	93,860	
Access M4(2) - Houses	370.00 un	734.00 /un	271,580	
Access M4(3) - Flats	190.00 un	313.00 /un	59,470	
Access M4(3) - Houses	370.00 un	536.00 /un	198,320	
				88,168,778

**PROFESSIONAL FEES**
**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

Professional Fees		10.00%	7,760,192	
				7,760,192

**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	3,516,345	
Sales Legal Fee	560.00 un	750.00 /un	420,000	
				3,936,345

**MISCELLANEOUS FEES**

AH Profit		6.00%	1,343,899	
Market Profit		20.00%	23,575,300	
				24,919,199

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			3,320,522	
Construction			4,858,309	
Other			124,137	
Total Finance Cost				8,302,968

**TOTAL COSTS****140,235,920****PROFIT****(2)****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%

**This appraisal report does not constitute a formal valuation.**



# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m²	3,237.50 /m²	3,325.00 /m²	3,412.50 /m²	3,500.00 /m²	3,587.50 /m²	3,675.00 /m²	3,762.50 /m²
-10.000%	(£3,883,637)	(£530,384)	£2,757,491	£5,941,100	£9,104,256	£12,267,412	£15,424,822	£18,574,334
1,206.90 /m²	(£3,883,637)	(£530,384)	£2,757,491	£5,941,100	£9,104,256	£12,267,412	£15,424,822	£18,574,334
-7.500%	(£6,265,373)	(£2,912,120)	£435,052	£3,688,859	£6,859,226	£10,022,382	£13,185,537	£16,339,659
1,240.43 /m²	(£6,265,373)	(£2,912,120)	£435,052	£3,688,859	£6,859,226	£10,022,382	£13,185,537	£16,339,659
-5.000%	(£8,647,110)	(£5,293,857)	(£1,940,604)	£1,391,567	£4,613,458	£7,777,351	£10,940,507	£14,103,663
1,273.95 /m²	(£8,647,110)	(£5,293,857)	(£1,940,604)	£1,391,567	£4,613,458	£7,777,351	£10,940,507	£14,103,663
-2.500%	(£11,028,846)	(£7,675,593)	(£4,322,341)	(£969,088)	£2,335,532	£5,532,321	£8,695,477	£11,858,632
1,307.47 /m²	(£11,028,846)	(£7,675,593)	(£4,322,341)	(£969,088)	£2,335,532	£5,532,321	£8,695,477	£11,858,632
0.000%	(£13,410,583)	(£10,057,330)	(£6,704,077)	(£3,350,824)	(£2)	£3,271,291	£6,450,446	£9,613,602
1,341.00 /m²	(£13,410,583)	(£10,057,330)	(£6,704,077)	(£3,350,824)	(£2)	£3,271,291	£6,450,446	£9,613,602
+2.500%	(£15,792,319)	(£12,439,066)	(£9,085,814)	(£5,732,561)	(£2,379,308)	£960,275	£4,200,456	£7,368,572
1,374.53 /m²	(£15,792,319)	(£12,439,066)	(£9,085,814)	(£5,732,561)	(£2,379,308)	£960,275	£4,200,456	£7,368,572
+5.000%	(£18,174,056)	(£14,820,803)	(£11,467,550)	(£8,114,297)	(£4,761,045)	(£1,407,792)	£1,911,179	£5,123,541
1,408.05 /m²	(£18,174,056)	(£14,820,803)	(£11,467,550)	(£8,114,297)	(£4,761,045)	(£1,407,792)	£1,911,179	£5,123,541
+7.500%	(£20,555,792)	(£17,202,539)	(£13,849,287)	(£10,496,034)	(£7,142,781)	(£3,789,529)	(£436,607)	£2,850,879
1,441.58 /m²	(£20,555,792)	(£17,202,539)	(£13,849,287)	(£10,496,034)	(£7,142,781)	(£3,789,529)	(£436,607)	£2,850,879
+10.000%	(£22,937,529)	(£19,584,276)	(£16,231,023)	(£12,877,771)	(£9,524,518)	(£6,171,265)	(£2,818,012)	£527,290
1,475.10 /m²	(£22,937,529)	(£19,584,276)	(£16,231,023)	(£12,877,771)	(£9,524,518)	(£6,171,265)	(£2,818,012)	£527,290
+12.500%	(£25,319,265)	(£21,966,013)	(£18,612,760)	(£15,259,507)	(£11,906,254)	(£8,553,002)	(£5,199,749)	(£1,846,496)
1,508.63 /m²	(£25,319,265)	(£21,966,013)	(£18,612,760)	(£15,259,507)	(£11,906,254)	(£8,553,002)	(£5,199,749)	(£1,846,496)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
2BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 30% AH 250k.wcfx  
ARGUS Developer Version: 8.10.004

**SENSITIVITY ANALYSIS REPORT****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£21,706,067	£24,732,471
£21,706,067	£24,732,471
£19,489,171	£22,609,774
£19,489,171	£22,609,774
£17,254,497	£20,403,147
£17,254,497	£20,403,147
£15,019,822	£18,169,334
£15,019,822	£18,169,334
£12,776,758	£15,934,659
£12,776,758	£15,934,659
£10,531,728	£13,694,883
£10,531,728	£13,694,883
£8,286,697	£11,449,853
£8,286,697	£11,449,853
£6,041,667	£9,204,823
£6,041,667	£9,204,823
£3,784,381	£6,959,792
£3,784,381	£6,959,792
£1,483,511	£4,711,650
£1,483,511	£4,711,650

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
560 Unit Residential Scheme

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40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
Increased Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	60	3,000.00	3,500.00	175,000	10,500,000
Market 2BF	54	3,780.00	3,500.00	245,000	13,230,000
Market 2BH	61	4,819.00	3,500.00	276,500	16,866,500
Market 3BH	128	12,800.00	3,500.00	350,000	44,800,000
Market 4BH	33	4,290.00	3,500.00	455,000	15,015,000
1BF AH	40	2,000.00	1,645.00	82,250	3,290,000
2BF AH	36	2,520.00	1,645.00	115,150	4,145,400
2BH AH	40	3,160.00	1,645.00	129,955	5,198,200
3BH AH	85	7,905.00	1,645.00	152,985	13,003,725
4BH AH	23	2,576.00	1,645.00	184,240	4,237,520
<b>Totals</b>	<b>560</b>	<b>46,850.00</b>			<b>130,286,345</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****130,951,345**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****130,912,443****NET REALISATION****130,912,443****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme****OUTLAY****ACQUISITION COSTS**

Fixed Price	26.70 ha	250,000.00 /ha	6,675,000	
Fixed Price (26.70 Ha @ 250,000.00 /Hect)			6,675,000	6,675,000
Stamp Duty			323,250	
Effective Stamp Duty Rate		4.84%		
Agent Fee		1.50%	100,125	
Legal Fee		0.75%	50,063	
				473,437

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Market 1BF	3,529.41	1,341.00	4,732,941	
Market 2BF	4,447.06	1,341.00	5,963,506	
Market 2BH	4,819.00	1,341.00	6,462,279	
Market 3BH	12,800.00	1,341.00	17,164,800	
Market 4BH	4,290.00	1,341.00	5,752,890	
1BF AH	2,352.94	1,341.00	3,155,294	
2BF AH	2,964.71	1,341.00	3,975,671	
2BH AH	3,160.00	1,341.00	4,237,560	
3BH AH	7,905.00	1,341.00	10,600,605	
4BH AH	2,576.00	1,341.00	3,454,416	
<b>Totals</b>	<b>48,844.12 m<sup>2</sup></b>		<b>65,499,962</b>	
Contingency		5.00%	3,274,998	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un	11,760,000	
Sustainable Design / Construction		6.00%	3,929,998	
Solent SPA	560.00 un	564.00 /un	315,840	
EVP	560.00 un	500.00 /un	280,000	
Access M4(2) - Flats	190.00 un	494.00 /un	93,860	
Access M4(2) - Houses	370.00 un	734.00 /un	271,580	
Access M4(3) - Flats	190.00 un	313.00 /un	59,470	
Access M4(3) - Houses	370.00 un	536.00 /un	198,320	
				85,684,028

**PROFESSIONAL FEES**

Professional Fees	10.00%	7,725,996
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**This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

7,725,996

**DISPOSAL FEES**

Marketing & Sales Agent Fees		3.00%	3,012,345
Sales Legal Fee	560.00 un	750.00 /un	420,000

3,432,345

**MISCELLANEOUS FEES**

AH Profit		6.00%	1,792,491
Market Profit		20.00%	20,215,300

22,007,791

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Land			3,320,420
Construction			3,681,398
Other			201,728

Total Finance Cost			7,203,546
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**TOTAL COSTS****133,202,143****PROFIT****(2,289,700)****Performance Measures**

Profit on Cost% (1.72%)

Profit on GDV% (1.75%)

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

## Table of Profit Amount and Profit Amount

Sales: Rate /m <sup>2</sup>								
Construction: Rate /m <sup>2</sup>	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m <sup>2</sup>	3,237.50 /m <sup>2</sup>	3,325.00 /m <sup>2</sup>	3,412.50 /m <sup>2</sup>	3,500.00 /m <sup>2</sup>	3,587.50 /m <sup>2</sup>	3,675.00 /m <sup>2</sup>	3,762.50 /m <sup>2</sup>
-10.000%	(£5,210,265)	(£2,029,746)	£1,119,102	£4,151,897	£7,150,947	£10,149,998	£13,142,665	£16,128,680
1,206.90 /m <sup>2</sup>	(£5,210,265)	(£2,029,746)	£1,119,102	£4,151,897	£7,150,947	£10,149,998	£13,142,665	£16,128,680
-7.500%	(£7,660,643)	(£4,480,124)	(£1,299,605)	£1,823,937	£4,841,217	£7,840,268	£10,839,318	£13,829,605
1,240.43 /m <sup>2</sup>	(£7,660,643)	(£4,480,124)	(£1,299,605)	£1,823,937	£4,841,217	£7,840,268	£10,839,318	£13,829,605
-5.000%	(£10,111,021)	(£6,930,502)	(£3,749,983)	(£571,360)	£2,523,983	£5,530,538	£8,529,588	£11,528,638
1,273.95 /m <sup>2</sup>	(£10,111,021)	(£6,930,502)	(£3,749,983)	(£571,360)	£2,523,983	£5,530,538	£8,529,588	£11,528,638
-2.500%	(£12,561,398)	(£9,380,879)	(£6,200,360)	(£3,019,841)	£150,655	£3,219,051	£6,219,858	£9,218,908
1,307.47 /m <sup>2</sup>	(£12,561,398)	(£9,380,879)	(£6,200,360)	(£3,019,841)	£150,655	£3,219,051	£6,219,858	£9,218,908
0.000%	(£15,011,776)	(£11,831,257)	(£8,650,738)	(£5,470,219)	(£2,289,700)	£865,693	£3,910,128	£6,909,178
1,341.00 /m <sup>2</sup>	(£15,011,776)	(£11,831,257)	(£8,650,738)	(£5,470,219)	(£2,289,700)	£865,693	£3,910,128	£6,909,178
+2.500%	(£17,462,154)	(£14,281,635)	(£11,101,116)	(£7,920,597)	(£4,740,078)	(£1,559,559)	£1,573,162	£4,599,448
1,374.53 /m <sup>2</sup>	(£17,462,154)	(£14,281,635)	(£11,101,116)	(£7,920,597)	(£4,740,078)	(£1,559,559)	£1,573,162	£4,599,448
+5.000%	(£19,912,532)	(£16,732,013)	(£13,551,494)	(£10,370,975)	(£7,190,456)	(£4,009,937)	(£830,502)	£2,275,362
1,408.05 /m <sup>2</sup>	(£19,912,532)	(£16,732,013)	(£13,551,494)	(£10,370,975)	(£7,190,456)	(£4,009,937)	(£830,502)	£2,275,362
+7.500%	(£22,362,909)	(£19,182,390)	(£16,001,871)	(£12,821,352)	(£9,640,834)	(£6,460,315)	(£3,279,796)	(£106,783)
1,441.58 /m <sup>2</sup>	(£22,362,909)	(£19,182,390)	(£16,001,871)	(£12,821,352)	(£9,640,834)	(£6,460,315)	(£3,279,796)	(£106,783)
+10.000%	(£24,813,287)	(£21,632,768)	(£18,452,249)	(£15,271,730)	(£12,091,211)	(£8,910,692)	(£5,730,173)	(£2,549,654)
1,475.10 /m <sup>2</sup>	(£24,813,287)	(£21,632,768)	(£18,452,249)	(£15,271,730)	(£12,091,211)	(£8,910,692)	(£5,730,173)	(£2,549,654)
+12.500%	(£27,263,665)	(£24,083,146)	(£20,902,627)	(£17,722,108)	(£14,541,589)	(£11,361,070)	(£8,180,551)	(£5,000,032)
1,508.63 /m <sup>2</sup>	(£27,263,665)	(£24,083,146)	(£20,902,627)	(£17,722,108)	(£14,541,589)	(£11,361,070)	(£8,180,551)	(£5,000,032)

## Sensitivity Analysis : Assumptions for Calculation

### Sales: Rate /m<sup>2</sup>

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
2BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 40% AH 250k - Incr Sust.wcfx  
ARGUS Developer Version: 8.10.004



**Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**

**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£19,089,362	£21,977,928
£19,089,362	£21,977,928
£16,815,620	£19,767,460
£16,815,620	£19,767,460
£14,516,545	£17,501,253
£14,516,545	£17,501,253
£12,217,471	£15,203,485
£12,217,471	£15,203,485
£9,908,228	£12,904,411
£9,908,228	£12,904,411
£7,598,498	£10,597,548
£7,598,498	£10,597,548
£5,288,768	£8,287,818
£5,288,768	£8,287,818
£2,973,367	£5,978,088
£2,973,367	£5,978,088
£611,336	£3,667,384
£611,336	£3,667,384
(£1,819,513)	£1,320,753
(£1,819,513)	£1,320,753

**This appraisal report does not constitute a formal valuation.**

Havant Borough Council  
560 Unit Residential Scheme

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40% Affordable Housing  
20% Profit Private / 6% Profit AH  
£250,000/ha BLV  
Base Sustainable Design / Construction Costs

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Development Appraisal  
Prepared by DSP  
Dixon Searle Partnership Ltd  
December 4, 2018

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD**

Havant Borough Council  
560 Unit Residential Scheme

**Appraisal Summary for Phase 1 Residential**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>m<sup>2</sup></b>	<b>Sales Rate m<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Market 1BF	60	3,000.00	3,500.00	175,000	10,500,000
Market 2BF	54	3,780.00	3,500.00	245,000	13,230,000
Market 2BH	61	4,819.00	3,500.00	276,500	16,866,500
Market 3BH	128	12,800.00	3,500.00	350,000	44,800,000
Market 4BH	33	4,290.00	3,500.00	455,000	15,015,000
1BF AH	40	2,000.00	1,645.00	82,250	3,290,000
2BF AH	36	2,520.00	1,645.00	115,150	4,145,400
2BH AH	40	3,160.00	1,645.00	129,955	5,198,200
3BH AH	85	7,905.00	1,645.00	152,985	13,003,725
4BH AH	23	2,576.00	1,645.00	184,240	4,237,520
<b>Totals</b>	<b>560</b>	<b>46,850.00</b>			<b>130,286,345</b>

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Ground Rent	133	250	33,250	33,250

**Investment Valuation****Ground Rent**

Current Rent	33,250	YP @	5.0000%	20.0000	665,000
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**GROSS DEVELOPMENT VALUE****130,951,345**

Purchaser's Costs

(38,903)

Effective Purchaser's Costs Rate

5.85%

(38,903)

**NET DEVELOPMENT VALUE****130,912,443****NET REALISATION****130,912,443****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme****OUTLAY****ACQUISITION COSTS**

Fixed Price	26.70 ha	250,000.00 /ha	6,675,000	
Fixed Price (26.70 Ha @ 250,000.00 /Hect)			6,675,000	6,675,000
Stamp Duty			323,250	
Effective Stamp Duty Rate		4.84%		
Agent Fee		1.50%	100,125	
Legal Fee		0.75%	50,063	
				473,437

**CONSTRUCTION COSTS**

Construction	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Market 1BF	3,529.41	1,341.00	4,732,941	
Market 2BF	4,447.06	1,341.00	5,963,506	
Market 2BH	4,819.00	1,341.00	6,462,279	
Market 3BH	12,800.00	1,341.00	17,164,800	
Market 4BH	4,290.00	1,341.00	5,752,890	
1BF AH	2,352.94	1,341.00	3,155,294	
2BF AH	2,964.71	1,341.00	3,975,671	
2BH AH	3,160.00	1,341.00	4,237,560	
3BH AH	7,905.00	1,341.00	10,600,605	
4BH AH	2,576.00	1,341.00	3,454,416	
<b>Totals</b>	<b>48,844.12 m<sup>2</sup></b>		<b>65,499,962</b>	
Contingency		5.00%	3,274,998	
Site Enabling & Infrastructure	560.00 un	21,000.00 /un	11,760,000	
S106 Surplus		1.00%	606,944	
Sustainable Design / Construction		2.00%	1,309,999	
Solent SPA	560.00 un	564.00 /un	315,840	
EVP	560.00 un	500.00 /un	280,000	
Access M4(2) - Flats	190.00 un	494.00 /un	93,860	
Access M4(2) - Houses	370.00 un	734.00 /un	271,580	
Access M4(3) - Flats	190.00 un	313.00 /un	59,470	
Access M4(3) - Houses	370.00 un	536.00 /un	198,320	
				83,670,973

**PROFESSIONAL FEES****This appraisal report does not constitute a formal valuation.**

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

Professional Fees		10.00%	7,725,996	
				7,725,996
<b>DISPOSAL FEES</b>				
Marketing & Sales Agent Fees		3.00%	3,012,345	
Sales Legal Fee	560.00 un	750.00 /un	420,000	
				3,432,345
<b>MISCELLANEOUS FEES</b>				
AH Profit		6.00%	1,792,491	
Market Profit		20.00%	20,215,300	
				22,007,791
<b>FINANCE</b>				
Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			3,316,489	
Construction			3,532,883	
Other			77,505	
Total Finance Cost				6,926,877
<b>TOTAL COSTS</b>				<b>130,912,419</b>
<b>PROFIT</b>				<b>24</b>
<b>Performance Measures</b>				
Profit on Cost%		0.00%		
Profit on GDV%		0.00%		

**This appraisal report does not constitute a formal valuation.**

# SENSITIVITY ANALYSIS REPORT

DIXON SEARLE PARTNERSHIP LTD

Havant Borough Council  
560 Unit Residential Scheme

Table of Profit Amount and Profit Amount

Sales: Rate /m²								
Construction: Rate /m²	-10.000%	-7.500%	-5.000%	-2.500%	0.000%	+2.500%	+5.000%	+7.500%
	3,150.00 /m²	3,237.50 /m²	3,325.00 /m²	3,412.50 /m²	3,500.00 /m²	3,587.50 /m²	3,675.00 /m²	3,762.50 /m²
-10.000%	(£3,236,893)	(£62,418)	£3,011,259	£6,011,961	£9,011,011	£12,008,728	£14,994,743	£17,972,630
1,206.90 /m²	(£3,236,893)	(£62,418)	£3,011,259	£6,011,961	£9,011,011	£12,008,728	£14,994,743	£17,972,630
-7.500%	(£5,606,260)	(£2,425,741)	£734,256	£3,778,590	£6,777,640	£9,776,690	£12,771,674	£15,757,689
1,240.43 /m²	(£5,606,260)	(£2,425,741)	£734,256	£3,778,590	£6,777,640	£9,776,690	£12,771,674	£15,757,689
-5.000%	(£7,975,626)	(£4,795,107)	(£1,614,589)	£1,520,520	£4,544,270	£7,543,320	£10,542,370	£13,534,620
1,273.95 /m²	(£7,975,626)	(£4,795,107)	(£1,614,589)	£1,520,520	£4,544,270	£7,543,320	£10,542,370	£13,534,620
-2.500%	(£10,344,993)	(£7,164,474)	(£3,983,955)	(£804,078)	£2,299,989	£5,309,949	£8,308,999	£11,308,050
1,307.47 /m²	(£10,344,993)	(£7,164,474)	(£3,983,955)	(£804,078)	£2,299,989	£5,309,949	£8,308,999	£11,308,050
0.000%	(£12,714,360)	(£9,533,841)	(£6,353,322)	(£3,172,803)	£24	£3,074,041	£6,075,629	£9,074,679
1,341.00 /m²	(£12,714,360)	(£9,533,841)	(£6,353,322)	(£3,172,803)	£24	£3,074,041	£6,075,629	£9,074,679
+2.500%	(£15,083,727)	(£11,903,208)	(£8,722,689)	(£5,542,170)	(£2,361,651)	£795,596	£3,842,258	£6,841,308
1,374.53 /m²	(£15,083,727)	(£11,903,208)	(£8,722,689)	(£5,542,170)	(£2,361,651)	£795,596	£3,842,258	£6,841,308
+5.000%	(£17,453,094)	(£14,272,575)	(£11,092,056)	(£7,911,537)	(£4,731,018)	(£1,550,499)	£1,581,837	£4,607,938
1,408.05 /m²	(£17,453,094)	(£14,272,575)	(£11,092,056)	(£7,911,537)	(£4,731,018)	(£1,550,499)	£1,581,837	£4,607,938
+7.500%	(£19,822,460)	(£16,641,941)	(£13,461,422)	(£10,280,903)	(£7,100,385)	(£3,919,866)	(£740,913)	£2,361,595
1,441.58 /m²	(£19,822,460)	(£16,641,941)	(£13,461,422)	(£10,280,903)	(£7,100,385)	(£3,919,866)	(£740,913)	£2,361,595
+10.000%	(£22,191,827)	(£19,011,308)	(£15,830,789)	(£12,650,270)	(£9,469,751)	(£6,289,232)	(£3,108,713)	£62,066
1,475.10 /m²	(£22,191,827)	(£19,011,308)	(£15,830,789)	(£12,650,270)	(£9,469,751)	(£6,289,232)	(£3,108,713)	£62,066
+12.500%	(£24,561,194)	(£21,380,675)	(£18,200,156)	(£15,019,637)	(£11,839,118)	(£8,658,599)	(£5,478,080)	(£2,297,561)
1,508.63 /m²	(£24,561,194)	(£21,380,675)	(£18,200,156)	(£15,019,637)	(£11,839,118)	(£8,658,599)	(£5,478,080)	(£2,297,561)

## Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£3,500.00	4.50 Up & Down
Market 2BF	1	£3,500.00	4.50 Up & Down
Market 4BH	1	£3,500.00	4.50 Up & Down
1BF AH	1	£1,645.00	4.50 Up & Down
2BF AH	1	£1,645.00	4.50 Up & Down
2BH AH	1	£1,645.00	4.50 Up & Down

Project: 560 Unit Scheme - 40% AH 250K.wcfx  
ARGUS Developer Version: 8.10.004

**SENSITIVITY ANALYSIS REPORT****DIXON SEARLE PARTNERSHIP LTD****Havant Borough Council  
560 Unit Residential Scheme**

3BH AH	1	£1,645.00	4.50 Up & Down
4BH AH	1	£1,645.00	4.50 Up & Down
Market 2BH	1	£3,500.00	4.50 Up & Down
Market 3BH	1	£3,500.00	4.50 Up & Down

**Construction: Rate /m<sup>2</sup>**

Original Values are varied by Steps of 2.500%.

Heading	Phase	Rate	No. of Steps
Market 1BF	1	£1,341.00	4.50 Up & Down
Market 2BF	1	£1,341.00	4.50 Up & Down
Market 2BH	1	£1,341.00	4.50 Up & Down
Market 3BH	1	£1,341.00	4.50 Up & Down
Market 4BH	1	£1,341.00	4.50 Up & Down
1BF AH	1	£1,341.00	4.50 Up & Down
2BF AH	1	£1,341.00	4.50 Up & Down
2BH AH	1	£1,341.00	4.50 Up & Down
3BH AH	1	£1,341.00	4.50 Up & Down
4BH AH	1	£1,341.00	4.50 Up & Down
Non Residential Uses	1	£1,666.34	4.50 Up & Down

**This appraisal report does not constitute a formal valuation.**



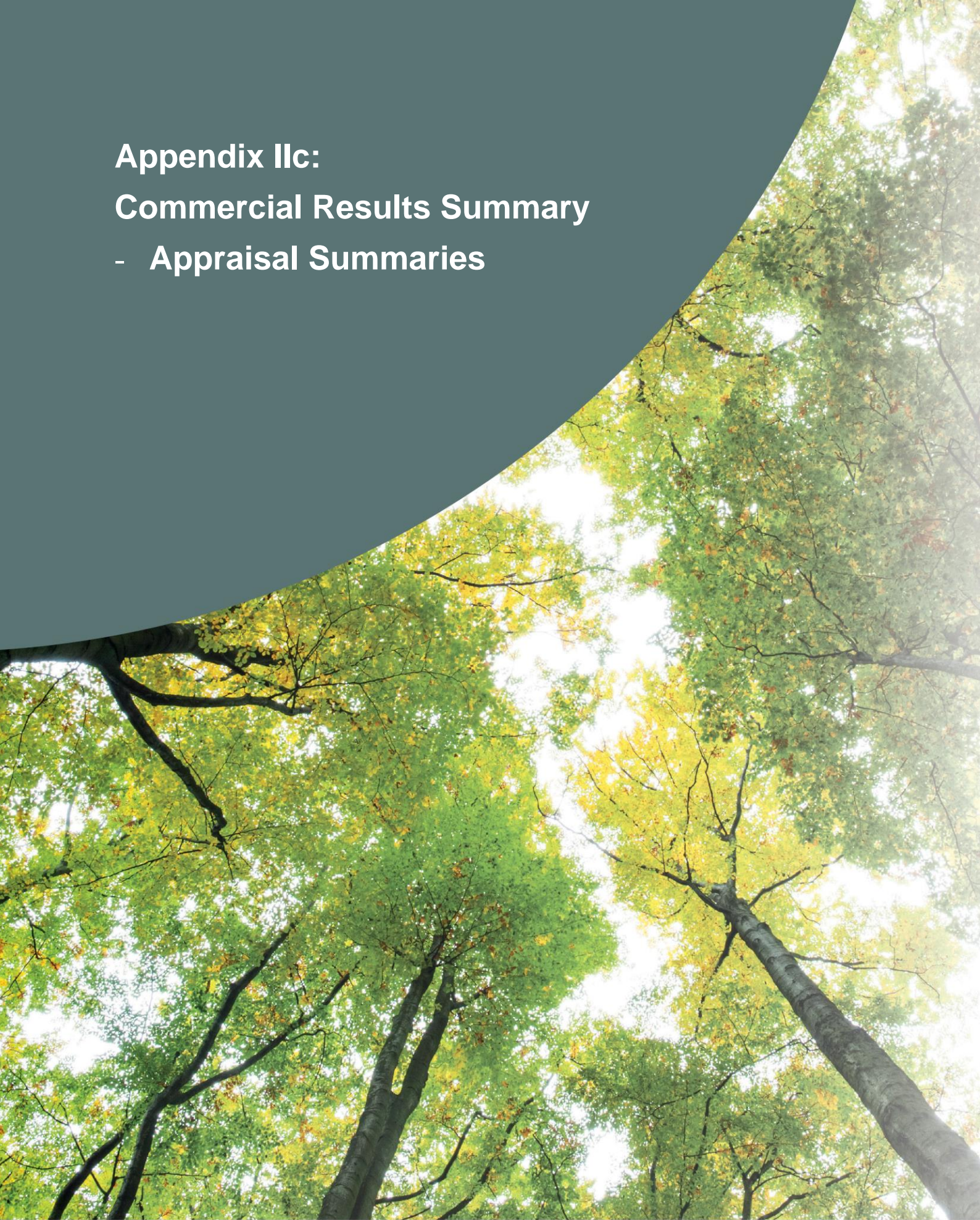
**Havant Borough Council  
560 Unit Residential Scheme**

+10.000%	+12.500%
3,850.00 /m²	3,937.50 /m²
£20,889,915	£23,727,832
£20,889,915	£23,727,832
£18,727,954	£21,632,147
£18,727,954	£21,632,147
£16,520,635	£19,482,193
£16,520,635	£19,482,193
£14,297,566	£17,283,581
£14,297,566	£17,283,581
£12,073,729	£15,060,513
£12,073,729	£15,060,513
£9,840,359	£12,837,444
£9,840,359	£12,837,444
£7,606,988	£10,606,038
£7,606,988	£10,606,038
£5,373,617	£8,372,668
£5,373,617	£8,372,668
£3,136,322	£6,139,297
£3,136,322	£6,139,297
£856,936	£3,905,926
£856,936	£3,905,926

**This appraisal report does not constitute a formal valuation.**



**Appendix IIc:**  
**Commercial Results Summary**  
**- Appraisal Summaries**



A1 Retail Warehousing / Foodstore  
Retail Warehousing (1250sqm)  
£120 CIL  
Medium Value

Development Appraisal  
Dixon Searle Partnership  
15 January 2019



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

**A1 Retail Warehousing / Foodstore**  
**Retail Warehousing (1250sqm)**  
**£120 CIL**

**Appraisal Summary for Phase 1**

**Currency in £**

**REVENUE****Rental Area Summary**

	<b>Units</b>	<b>m²</b>	<b>Rent Rate m²</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>
Retail Warehouse / Foodstore (1250 sqm)	1	1,125.00	225.00	253,125	253,125

**Investment Valuation****Retail Warehouse / Foodstore (1250 sqm)**

Market Rent	253,125	YP @	5.5000%	18.1818	
(1yr Rent Free)		PV 1yr @	5.5000%	0.9479	4,362,344

**GROSS DEVELOPMENT VALUE****4,362,344**

Purchaser's Costs

(250,835)

Effective Purchaser's Costs Rate

5.75%

(250,835)

**NET DEVELOPMENT VALUE****4,111,509****NET REALISATION****4,111,509****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.31 Ha @ 4,293,224.59 /Hect)

1,330,900

1,330,900

Agent Fee

1.50%

19,963

Legal Fee

0.75%

9,982

Site Prep &amp; s06 Costs

0.31 ha 200,000.00 /ha

62,000

91,945

**CONSTRUCTION COSTS****Construction**

	<b>m²</b>	<b>Build Rate m²</b>	<b>Cost</b>
Retail Warehouse / Foodstore (1250 sqm)	1,250.00	838.00	1,047,500
Contingency		5.00%	52,375
CIL		1.00%	150,000
			1,249,875

**Other Construction**

Site Works

15.00%

157,125

157,125

**PROFESSIONAL FEES**

All Professional

10.00%

120,463

120,463

**MARKETING & LETTING**

Letting Agent Fee

10.00%

25,313

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****A1 Retail Warehousing / Foodstore****Retail Warehousing (1250sqm)****£120 CIL**

Letting Legal Fee	1.00%	2,531	27,844
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**MISCELLANEOUS FEES**

Planning / Insurances	2.00%	20,950	
BREEAM	5.00%	52,375	73,325

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Land		130,891	
Construction		56,673	
Total Finance Cost			187,564

**TOTAL COSTS****3,239,040****PROFIT****872,469****Performance Measures**

Profit on GDV%	20.00%
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## **APPRAISAL SUMMARY**

**DIXON SEARLE PARTNERSHIP**

**A1 Retail Warehousing / Foodstore**  
**Retail Warehousing (1250sqm)**  
**£120 CIL**

**Initial**  
**MRV**  
253,125

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP**

A1 Retail Warehousing / Foodstore  
Retail Warehousing (1250sqm)  
£120 CIL

Student Accommodation - 150 Bed Block  
£120 CIL  
Medium Value 5.5% Yield

Development Appraisal  
Dixon Searle Partnership  
15 January 2019



**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Student Accommodation - 150 Bed Block  
£120 CIL****Appraisal Summary for Phase 1**

Currency in £

**REVENUE****Rental Area Summary**

	Units	m <sup>2</sup>	Rent Rate m <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Student Accommodation	150	1,080.00	17.10	6,242	373,725	936,225

**Investment Valuation****Student Accommodation**

Current Rent	373,725	YP @	5.5000%	18.1818	6,795,000
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**GROSS DEVELOPMENT VALUE****6,795,000**

Purchaser's Costs

(390,713)

Effective Purchaser's Costs Rate

5.75%

(390,713)

**NET DEVELOPMENT VALUE****6,404,288****NET REALISATION****6,404,288****OUTLAY****ACQUISITION COSTS**

Residualised Price (0.36 Ha @ 860,758.32 /Hect)			309,873	
				309,873
Agent Fee		1.50%	4,648	
Legal Fee		0.75%	2,324	
Site Survey & Prep Costs	0.36 ha	100,000.00 /ha	36,000	
				42,972

**CONSTRUCTION COSTS****Construction**

	m <sup>2</sup>	Build Rate m <sup>2</sup>	Cost	
Student Accommodation	1,800.00	1,951.00	3,511,800	
Contingency		5.00%	175,590	
CIL		1.00%	216,000	
				3,903,390

**Other Construction**

Site Works		5.00%	175,590	
				175,590

**PROFESSIONAL FEES**

All Professional		10.00%	351,180	
				351,180

**MARKETING & LETTING**

Letting Agent Fee		10.00%	37,373	
Letting Legal Fee		1.00%	3,737	
				41,110

**APPRAISAL SUMMARY****DIXON SEARLE PARTNERSHIP****Student Accommodation - 150 Bed Block  
£120 CIL****MISCELLANEOUS FEES**

Planning / Insurances	2.00%	70,236	
BREEAM	5.00%	175,590	
			245,826

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.500% (Nominal)			
Land		41,917	
Construction		225,047	
Total Finance Cost			266,964

**TOTAL COSTS****5,336,905****PROFIT****1,067,382****Performance Measures**

Profit on GDV%	15.71%
IRR	29.71%

## **APPRAISAL SUMMARY**

**DIXON SEARLE PARTNERSHIP**

**Student Accommodation - 150 Bed Block  
£120 CIL**

**Net MRV  
at Sale  
373,725**

## **APPRAISAL SUMMARY**

**DIXON SEARLE PARTNERSHIP**

**Student Accommodation - 150 Bed Block  
£120 CIL**



# Appendix IIc: Commercial Results Summary

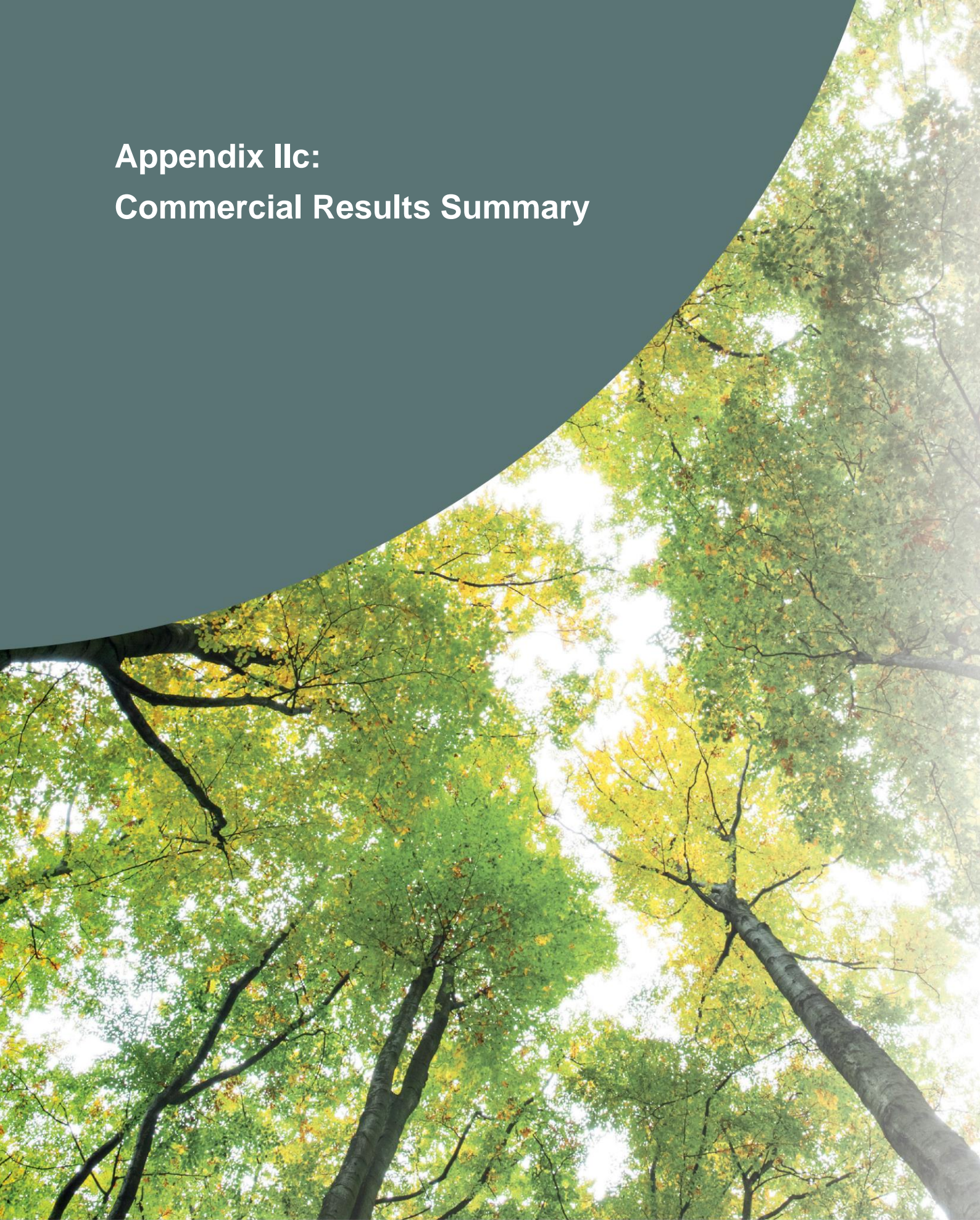




Table 3a Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
5% Yield

				Residual Land Value (£)									Residual Land Value (£/Ha)									
Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	
A1 Large Format Retail	Retail Warehousing / Foodstore	L	0.31	£1,424,918	£1,401,247	£1,377,577	£1,353,907	£1,330,237	£1,306,567	£1,282,897	£1,259,227	£1,235,557	£4,596,510	£4,520,152	£4,443,797	£4,367,442	£4,291,087	£4,214,732	£4,138,377	£4,062,023	£3,985,668	
		M	0.31	£1,777,039	£1,753,369	£1,729,698	£1,706,028	£1,682,358	£1,658,688	£1,635,018	£1,611,348	£1,587,678	£5,732,384	£5,656,029	£5,579,671	£5,503,316	£5,426,961	£5,350,606	£5,274,252	£5,197,897	£5,121,542	
		H	0.31	£2,129,160	£2,105,490	£2,081,819	£2,058,149	£2,034,479	£2,010,809	£1,987,139	£1,963,469	£1,963,469	£6,868,258	£6,791,903	£6,715,545	£6,639,190	£6,562,835	£6,486,481	£6,410,126	£6,333,771	£6,333,771	
A1 - A5 Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV									Negative RLV									
		M	0.04	£143,341	£137,660	£131,980	£126,299	£120,618	£114,937	£109,256	£103,575	£97,895	£3,583,525	£3,441,500	£3,299,500	£3,157,475	£3,015,450	£2,873,425	£2,731,400	£2,589,375	£2,447,375	
		H	0.04	£317,927	£312,246	£306,566	£300,885	£295,204	£289,523	£283,842	£278,162	£272,481	£7,948,175	£7,806,150	£7,664,150	£7,522,125	£7,380,100	£7,238,075	£7,096,050	£6,954,050	£6,812,025	
A1 - A5 Small Retail Units	Local convenience stores and local shops	L	0.06	Negative RLV									Negative RLV									
		M	0.06	Negative RLV									Negative RLV									
		H	0.06	£11,030	£5,349	£83,862	£78,182	£72,501	£66,820	£61,139	£55,458	£49,777	£183,833	£89,150	£1,397,700	£1,303,033	£1,208,350	£1,113,667	£1,018,983	£924,300	£829,617	
B1(a) Offices Town Centre	Smaller Office Building	L	0.08	Negative RLV									Negative RLV									
		M	0.08	Negative RLV									Negative RLV									
		H	0.08	£122,524	£113,056	£103,588	£94,120	£84,652	£75,183	£65,715	£56,247	£46,779	£1,531,550	£1,413,200	£1,294,850	£1,176,500	£1,058,150	£939,788	£821,438	£703,088	£584,738	
B1(a) Offices	Out of Town / Business Park	L	0.25	Negative RLV									Negative RLV									
		M	0.25	Negative RLV									Negative RLV									
		H	0.25	£313,306	£294,370	£275,434	£256,498	£237,562	£218,626	£199,689	£180,753	£161,817	£1,253,224	£1,177,480	£1,101,736	£1,025,992	£950,248	£874,504	£798,756	£723,012	£647,268	
B1/B2/B8 Industrial / Warehousing	Start-up / Move-on	L	0.13	Negative RLV									Negative RLV									
		M	0.13	Negative RLV									Negative RLV									
		H	0.13	Negative RLV									Negative RLV									
B1/B2/B8 Industrial / Warehousing	Larger	L	0.50	Negative RLV									Negative RLV									
		M	0.50	Negative RLV									Negative RLV									
		H	0.50	Negative RLV									Negative RLV									
C1 Hotel	Budget (60-Beds)	L	0.42	Negative RLV									Negative RLV									
		M	0.42	Negative RLV									Negative RLV									
		H	0.42	Negative RLV									Negative RLV									
C2 Residential Institution	Nursing Home	L	0.32	£147,555	£111,576	£75,598	£39,619	£3,640	Negative RLV				£461,109	£348,675	£236,244	£123,809	£11,375	Negative RLV				
		M	0.32	£1,195,120	£1,159,142	£1,123,163	£1,087,185	£1,051,206	£1,015,227	£979,249	£943,270	£907,292	£3,734,750	£3,622,319	£3,509,884	£3,397,453	£3,285,019	£3,172,584	£3,060,153	£2,947,719	£2,835,288	
		H	0.32	£2,242,686	£2,206,707	£2,170,729	£2,134,750	£2,098,772	£2,062,793	£2,026,814	£1,990,836	£1,954,857	£7,008,394	£6,895,959	£6,783,528	£6,671,094	£6,558,663	£6,446,228	£6,333,794	£6,221,363	£6,108,928	
Student Accommodation	100% Cluster type accommodation with ensuite (150 rooms)	L	0.36	Negative RLV									Negative RLV									
		M	0.36	£975,347	£941,262	£907,177	£873,090	£839,006	£804,921	£770,836	£736,752	£702,667	£2,709,297	£2,614,617	£2,519,936	£2,425,250	£2,330,572	£2,235,892	£2,141,211	£2,046,533	£1,951,853	
		H	0.36	£2,008,030	£1,973,945	£1,939,860	£1,905,775	£1,871,688	£1,837,604	£1,803,519	£1,769,434	£1,735,349	£5,577,861	£5,483,181	£5,388,500	£5,293,819	£5,199,133	£5,104,456	£5,009,775	£4,915,094	£4,820,414	

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

DSP 2019

Table 3b Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
5.5% Yield

				Residual Land Value (£)									Residual Land Value (£/Ha)								
Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL
A1 Large Format Retail	Retail Warehousing / Foodstore	L	0.31	£1,154,590	£1,130,920	£1,107,250	£1,083,580	£1,059,910	£1,036,240	£1,012,570	£988,899	£965,229	£3,724,484	£3,648,129	£3,571,774	£3,495,419	£3,419,065	£3,342,710	£3,266,355	£3,189,997	£3,113,642
		M	0.31	£1,472,920	£1,449,250	£1,425,580	£1,401,910	£1,378,240	£1,354,570	£1,330,900	£1,307,230	£1,283,559	£4,751,355	£4,675,000	£4,598,645	£4,522,290	£4,445,935	£4,369,581	£4,293,226	£4,216,871	£4,140,513
		H	0.31	£1,791,250	£1,767,580	£1,743,910	£1,720,240	£1,696,570	£1,672,900	£1,649,230	£1,625,560	£1,601,890	£5,778,226	£5,701,871	£5,625,516	£5,549,161	£5,472,806	£5,396,452	£5,320,097	£5,243,742	£5,167,387
A1 - A5 Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV									Negative RLV								
		M	0.04	£76,325	£70,644	£64,964	£59,283	£53,602	£47,921	£42,240	£36,560	£30,879	£1,908,125	£1,766,100	£1,624,100	£1,482,075	£1,340,050	£1,198,025	£1,056,000	£914,000	£771,975
		H	0.04	£234,157	£228,477	£222,796	£217,115	£211,434	£205,753	£200,072	£194,392	£188,711	£5,853,925	£5,711,925	£5,569,900	£5,427,875	£5,285,850	£5,143,825	£5,001,800	£4,859,800	£4,717,775
A1 - A5 Small Retail Units	Local convenience stores and local shops	L	0.06	Negative RLV									Negative RLV								
		M	0.06	Negative RLV									Negative RLV								
		H	0.06	£33,600	£27,920	£22,239	£16,558	£10,877	£5,196	Negative RLV			£560,000	£465,333	£370,650	£275,967	£181,283	£86,600	Negative RLV		
B1(a) Offices Town Centre	Smaller Office Building	L	0.08	Negative RLV									Negative RLV								
		M	0.08	Negative RLV									Negative RLV								
		H	0.08	Negative RLV									Negative RLV								
B1(a) Offices	Out of Town / Business Park	L	0.25	Negative RLV									Negative RLV								
		M	0.25	Negative RLV									Negative RLV								
		H	0.25	£64,605	£45,669	£26,733	£7,797	Negative RLV					£258,420	£182,676	£106,932	£31,188	Negative RLV				
B1/B2/B8 Industrial / Warehousing	Start-up / Move-on	L	0.13	Negative RLV									Negative RLV								
		M	0.13	Negative RLV									Negative RLV								
		H	0.13	Negative RLV									Negative RLV								
B1/B2/B8 Industrial / Warehousing	Larger	L	0.50	Negative RLV									Negative RLV								
		M	0.50	Negative RLV									Negative RLV								
		H	0.50	Negative RLV									Negative RLV								
C1 Hotel	Budget (60-Beds)	L	0.42	Negative RLV									Negative RLV								
		M	0.42	Negative RLV									Negative RLV								
		H	0.42	Negative RLV									Negative RLV								
C2 Residential Institution	Nursing Home	L	0.32	Negative RLV									Negative RLV								
		M	0.32	£692,478	£656,499	£620,520	£584,542	£548,563	£512,585	£476,606	£440,628	£404,649	£2,163,994	£2,051,559	£1,939,125	£1,826,694	£1,714,259	£1,601,828	£1,489,394	£1,376,963	£1,264,528
		H	0.32	£1,639,515	£1,603,536	£1,567,557	£1,531,579	£1,495,600	£1,459,622	£1,423,643	£1,387,665	£1,351,686	£5,123,484	£5,011,050	£4,898,616	£4,786,184	£4,673,750	£4,561,319	£4,448,884	£4,336,453	£4,224,019
Student Accommodation	100% Cluster type accommodation with ensuite (150 rooms)	L	0.36	Negative RLV									Negative RLV								
		M	0.36	£514,384	£480,299	£446,214	£412,129	£378,044	£343,957	£309,873	£275,788	£241,704	£1,428,844	£1,334,164	£1,239,483	£1,144,803	£1,050,122	£955,436	£860,758	£766,078	£671,400
		H	0.36	£1,452,524	£1,418,439	£1,384,354	£1,350,269	£1,316,185	£1,282,100	£1,248,015	£1,213,930	£1,179,845	£4,034,789	£3,940,108	£3,845,428	£3,750,747	£3,656,069	£3,561,389	£3,466,708	£3,372,028	£3,277,347

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

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Table 3c Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
6% Yield

Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value (£)									Residual Land Value (£/Ha)								
				Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL
A1 Large Format Retail	Retail Warehousing / Foodstore	L	0.31	£929,423	£905,753	£882,083	£858,413	£834,743	£811,073	£787,402	£763,732	£740,062	£2,998,139	£2,921,784	£2,845,429	£2,769,074	£2,692,719	£2,616,365	£2,540,006	£2,463,652	£2,387,297
		M	0.31	£1,219,607	£1,195,937	£1,172,267	£1,148,597	£1,124,927	£1,101,257	£1,077,587	£1,053,917	£1,030,246	£3,934,216	£3,857,861	£3,781,506	£3,705,152	£3,628,797	£3,552,442	£3,476,087	£3,399,732	£3,323,374
		H	0.31	£1,509,792	£1,486,121	£1,462,451	£1,438,781	£1,415,111	£1,391,441	£1,367,771	£1,344,101	£1,320,431	£4,870,297	£4,793,939	£4,717,584	£4,641,229	£4,564,874	£4,488,519	£4,412,165	£4,335,810	£4,259,455
A1 - A5 Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV									Negative RLV								
		M	0.04	£20,505	£14,824	£9,143	£3,462	Negative RLV					£512,625	£370,600	£228,575	£86,550	Negative RLV				
		H	0.04	£164,382	£158,701	£153,020	£147,340	£141,659	£135,978	£130,297	£124,616	£118,935	£4,109,550	£3,967,525	£3,825,500	£3,683,500	£3,541,475	£3,399,450	£3,257,425	£3,115,400	£2,973,375
A1 - A5 Small Retail Units	Local convenience stores and local shops	L	0.06	Negative RLV									Negative RLV								
		M	0.06																		
		H	0.06																		
B1(a) Offices Town Centre	Smaller Office Building	L	0.08	Negative RLV									Negative RLV								
		M	0.08																		
		H	0.08																		
B1(a) Offices	Out of Town / Business Park	L	0.25	Negative RLV									Negative RLV								
		M	0.25																		
		H	0.25																		
B1/B2/B8 Industrial / Warehousing	Start-up / Move-on	L	0.13	Negative RLV									Negative RLV								
		M	0.13																		
		H	0.13																		
B1/B2/B8 Industrial / Warehousing	Larger	L	0.50	Negative RLV									Negative RLV								
		M	0.50																		
		H	0.50																		
C1 Hotel	Budget (60-Beds)	L	0.42	Negative RLV									Negative RLV								
		M	0.42																		
		H	0.42																		
C2 Residential Institution	Nursing Home	L	0.32	Negative RLV									Negative RLV								
		M	0.32	£273,805	£237,827	£201,848	£165,870	£129,891	£93,912	£57,934	£21,955	Negative RLV	£855,641	£743,209	£630,775	£518,344	£405,909	£293,475	£181,044	£68,609	Negative RLV
		H	0.32	£1,137,108	£1,101,129	£1,065,151	£1,029,172	£993,194	£957,215	£921,236	£885,258	£849,279	£3,553,463	£3,441,028	£3,328,597	£3,216,163	£3,103,731	£2,991,297	£2,878,863	£2,766,431	£2,653,997
Student Accommodation	100% Cluster type accommodation with ensuite (150 rooms)	L	0.36	Negative RLV									Negative RLV								
		M	0.36	£130,247	£96,162	£62,078	£27,993	Negative RLV					£361,797	£267,117	£172,439	£77,758	Negative RLV				
		H	0.36	£989,603	£955,518	£921,433	£887,347	£853,262	£819,177	£785,093	£751,008	£716,923	£2,748,897	£2,654,217	£2,559,536	£2,464,853	£2,370,172	£2,275,492	£2,180,814	£2,086,133	£1,991,453

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

DSP 2019



Table 3d Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
6.5% Yield

				Residual Land Value (£)									Residual Land Value (£/Ha)									
Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	
A1 Large Format Retail	Retail Warehousing / Foodstore	L	0.31	£738,993	£715,323	£691,653	£667,983	£644,313	£620,643	£596,973	£573,303	£549,633	£2,383,848	£2,307,494	£2,231,139	£2,154,784	£2,078,429	£2,002,074	£1,925,719	£1,849,365	£1,773,010	
		M	0.31	£1,005,374	£981,704	£958,034	£934,364	£910,693	£887,023	£863,353	£839,683	£816,013	£3,243,142	£3,166,787	£3,090,432	£3,014,077	£2,937,719	£2,861,365	£2,785,010	£2,708,655	£2,632,300	
		H	0.31	£1,271,754	£1,248,084	£1,224,414	£1,200,744	£1,177,074	£1,153,404	£1,129,734	£1,106,064	£1,082,393	£4,102,432	£4,026,077	£3,949,723	£3,873,368	£3,797,013	£3,720,658	£3,644,303	£3,567,948	£3,491,590	
A1 - A5 Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV								Negative RLV										
		M	0.04																			
		H	0.04	£105,371	£99,690	£94,009	£88,329	£82,648	£76,967	£71,286	£65,605	£59,924	£2,634,275	£2,492,250	£2,350,225	£2,208,225	£2,066,200	£1,924,175	£1,782,150	£1,640,125	£1,498,100	
A1 - A5 Small Retail Units	Local convenience stores and local shops	L	0.06	Negative RLV								Negative RLV										
		M	0.06																			
		H	0.06																			
B1(a) Offices Town Centre	Smaller Office Building	L	0.08	Negative RLV								Negative RLV										
		M	0.08																			
		H	0.08																			
B1(a) Offices	Out of Town / Business Park	L	0.25	Negative RLV								Negative RLV										
		M	0.25																			
		H	0.25																			
B1/B2/B8 Industrial / Warehousing	Start-up / Move-on	L	0.13	Negative RLV								Negative RLV										
		M	0.13																			
		H	0.13																			
B1/B2/B8 Industrial / Warehousing	Larger	L	0.50	Negative RLV								Negative RLV										
		M	0.50																			
		H	0.50																			
C1 Hotel	Budget (60-Beds)	L	0.42	Negative RLV								Negative RLV										
		M	0.42																			
		H	0.42																			
C2 Residential Institution	Nursing Home	L	0.32	Negative RLV								Negative RLV										
		M	0.32																			
		H	0.32	£712,209	£676,231	£640,252	£604,274	£568,295	£532,316	£496,338	£460,359	£424,381	£2,225,653	£2,113,222	£2,000,788	£1,888,356	£1,775,922	£1,663,488	£1,551,056	£1,438,622	£1,326,191	
Student Accommodation	100% Cluster type accommodation with ensuite (150 rooms)	L	0.36	Negative RLV								Negative RLV										
		M	0.36																			
		H	0.36	£597,900	£563,815	£529,730	£495,646	£461,561	£427,476	£393,391	£359,304	£325,220	£1,660,833	£1,566,153	£1,471,472	£1,376,794	£1,282,114	£1,187,433	£1,092,753	£998,067	£903,389	

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

DSP 2019

Table 3e Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
7% Yield

Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value (£)									Residual Land Value (£/Ha)								
				Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL
A1 Large Format Retail	Retail Warehousing / Foodstore	L	0.31	£575,856	£552,186	£528,516	£504,846	£481,176	£457,505	£433,835	£410,165	£386,495	£1,857,600	£1,781,245	£1,704,890	£1,628,535	£1,552,181	£1,475,823	£1,399,468	£1,323,113	£1,246,758
		M	0.31	£821,844	£798,174	£774,504	£750,834	£727,164	£703,494	£679,824	£656,154	£632,483	£2,651,110	£2,574,755	£2,498,400	£2,422,045	£2,345,690	£2,269,335	£2,192,981	£2,116,626	£2,040,268
		H	0.31	£1,067,833	£1,044,163	£1,020,492	£996,822	£973,152	£949,482	£925,812	£902,142	£878,472	£3,444,623	£3,368,268	£3,291,910	£3,215,555	£3,139,200	£3,062,845	£2,986,490	£2,910,135	£2,833,781
A1 - A5 Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV									Negative RLV								
		M	0.04																		
		H	0.04	£54,818	£49,137	£43,456	£37,775	£32,094	£26,413	£20,733	£15,052	£9,371	£1,370,450	£1,228,425	£1,086,400	£944,375	£802,350	£660,325	£518,325	£376,300	£234,275
A1 - A5 Small Retail Units	Local convenience stores and local shops	L	0.06																		
		M	0.06	Negative RLV									Negative RLV								
		H	0.06																		
B1(a) Offices Town Centre	Smaller Office Building	L	0.08																		
		M	0.08	Negative RLV									Negative RLV								
		H	0.08																		
B1(a) Offices	Out of Town / Business Park	L	0.25																		
		M	0.25	Negative RLV									Negative RLV								
		H	0.25																		
B1/B2/B8 Industrial / Warehousing	Start-up / Move-on	L	0.13																		
		M	0.13	Negative RLV									Negative RLV								
		H	0.13																		
B1/B2/B8 Industrial / Warehousing	Larger	L	0.50																		
		M	0.50	Negative RLV									Negative RLV								
		H	0.50																		
C1 Hotel	Budget (60-Beds)	L	0.42																		
		M	0.42	Negative RLV									Negative RLV								
		H	0.42																		
C2 Residential Institution	Nursing Home	L	0.32																		
		M	0.32	Negative RLV									Negative RLV								
		H	0.32	£348,207	£312,229	£276,250	£240,271	£204,293	£168,314	£132,336	£96,357	£60,379	£1,088,147	£975,716	£863,281	£750,847	£638,416	£525,981	£413,550	£301,116	£188,684
Student Accommodation	100% Cluster type accommodation with ensuite (150 rooms)	L	0.36																		
		M	0.36	Negative RLV									Negative RLV								
		H	0.36	£262,155	£228,070	£193,985	£159,900	£125,815	£91,731	£57,646	£23,561	Negative RLV	£728,208	£633,528	£538,847	£444,167	£349,486	£254,808	£160,128	£65,447	Negative RLV

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

DSP 2019

Table 3f Residual Land Value Results by Use Class, Scheme Type, Value Level & CIL Rate  
7.5% Yield

				Residual Land Value (£)									Residual Land Value (£/Ha)																								
Use Class / Type	Scheme Type	Value Level	Site Size (Ha)	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL	Residual Land Value - £0/m² CIL	Residual Land Value - £20/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £60/m² CIL	Residual Land Value - £80/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £120/m² CIL	Residual Land Value - £140/m² CIL	Residual Land Value - £160/m² CIL																
A1 Large Format Retail	Retail Warehousing / Foodstore	L	0.31	£434,551	£410,881	£387,211	£363,541	£339,871	£316,201	£292,531	£268,861	£245,191	£1,401,777	£1,325,423	£1,249,068	£1,172,713	£1,096,358	£1,020,003	£943,648	£867,294	£790,939																
		M	0.31	£662,877	£639,207	£615,536	£591,866	£568,196	£544,526	£520,856	£497,186	£473,516	£2,138,313	£2,061,958	£1,985,600	£1,909,245	£1,832,890	£1,756,535	£1,680,181	£1,603,826	£1,527,471																
		H	0.31	£891,202	£867,532	£843,862	£820,192	£796,522	£772,851	£749,181	£725,511	£701,841	£2,874,845	£2,798,490	£2,722,135	£2,645,781	£2,569,426	£2,493,068	£2,416,713	£2,340,358	£2,264,003																
A1 - A5 Small Retail Units	Comparison (Town Centre)	L	0.04	Negative RLV									Negative RLV																								
		M	0.04																																		
		H	0.04																																		
A1 - A5 Small Retail Units	Local convenience stores and local shops	L	0.06	Negative RLV									Negative RLV																								
		M	0.06																																		
		H	0.06																																		
B1(a) Offices Town Centre	Smaller Office Building	L	0.08	Negative RLV									Negative RLV																								
		M	0.08																																		
		H	0.08																																		
B1(a) Offices	Out of Town / Business Park	L	0.25	Negative RLV									Negative RLV																								
		M	0.25																																		
		H	0.25																																		
B1/B2/B8 Industrial / Warehousing	Start-up / Move-on	L	0.13	Negative RLV									Negative RLV																								
		M	0.13																																		
		H	0.13																																		
B1/B2/B8 Industrial / Warehousing	Larger	L	0.50	Negative RLV									Negative RLV																								
		M	0.50																																		
		H	0.50																																		
C1 Hotel	Budget (60-Beds)	L	0.42	Negative RLV									Negative RLV																								
		M	0.42																																		
		H	0.42																																		
C2 Residential Institution	Nursing Home	L	0.32	Negative RLV									Negative RLV																								
		M	0.32																																		
		H	0.32	£32,920	Negative RLV								£102,875	Negative RLV																							
Student Accommodation	100% Cluster type accommodation with ensuite (150 rooms)	L	0.36	Negative RLV									Negative RLV																								
		M	0.36																																		
		H	0.36																																		

Key:

	RLV beneath Viability Test 1 (RLV <£100,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000/ha)
	RLV exceeding Viability Test 2 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,500,000/ha)
	RLV exceeding Viability Test 5 (RLV £2,217,000/ha)
	RLV exceeding Viability Test 5 (RLV >£2,217,000/ha)

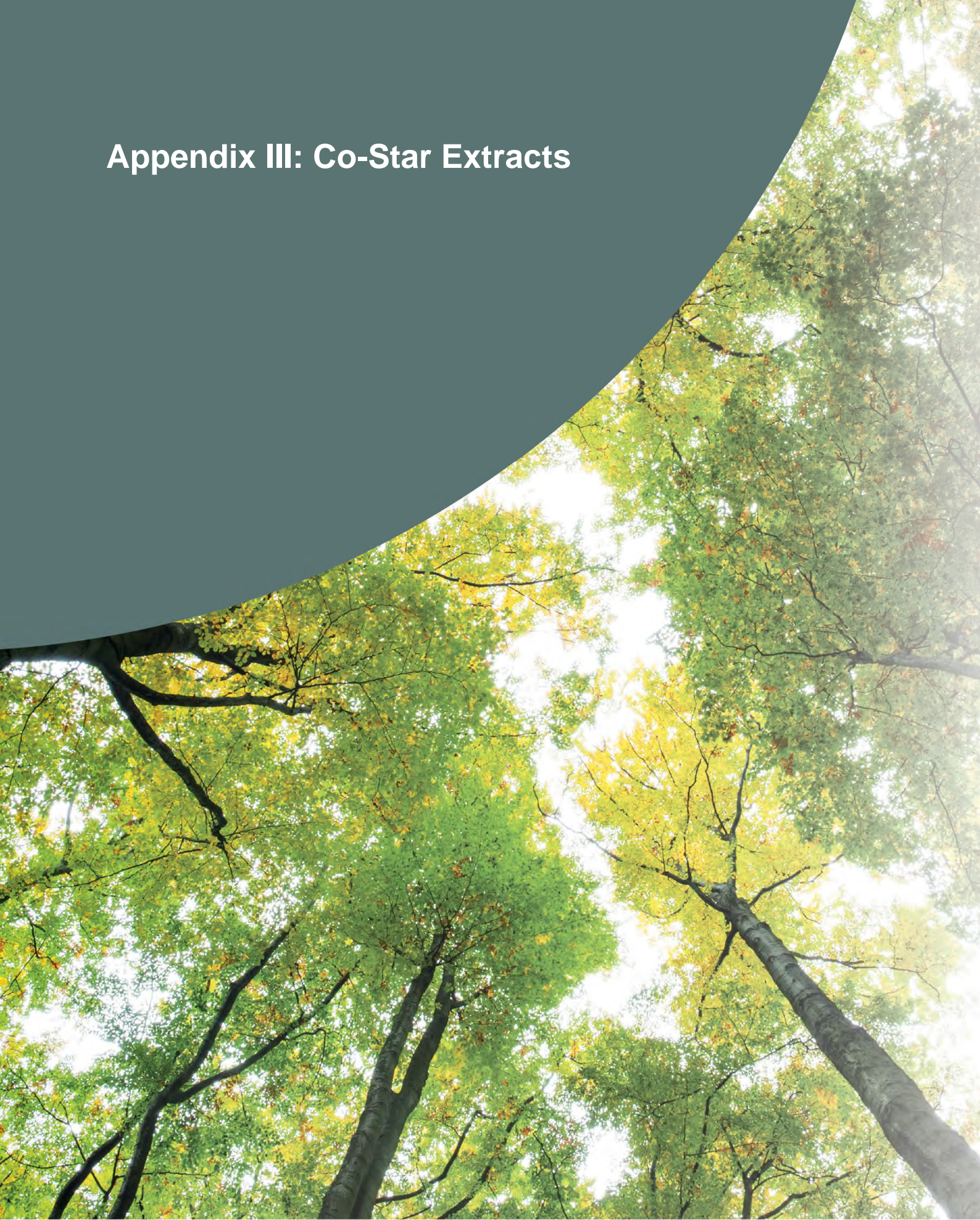
BLV Notes:

EUV £/ha	EUV+ £/ha	Notes
£100,000		Greenfield Enhancement
£250,000		Greenfield Enhancement (Upper)
£865,000	£1,000,000	Commercial CBD land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£1,250,000	£1,250,000	Industrial land values based on MHCLG Land Value Estimates 2017. No uplift applied as assumed "proxy AUV for developments on Brownfield land".
£1,250,000	£1,500,000	Commercial OOT land values based on MHCLG Land Value Estimates 2017. Includes a 20% uplift.
£3,695,000	£2,217,000	Residential land values based on MHCLG Land Value Estimates 2017. An allowance has been made for a minimum 50% reduction to MHCLG figure to reflect adjustment for AH, other planning obligations/CIL and planning risk.

DSP 2019



## Appendix III: Co-Star Extracts





# Retail

## Lease Comps Summary

Lease Comps Report

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
135	£12.33	£10.27	17

### TOP 50 LEASE COMPARABLES



### SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	99	£4.71	£12.33	£15.14	£76.74
Achieved Rent Per SF	68	£0.57	£10.27	£14.09	£38.81
Net Effective Rent Per SF	19	£0.39	£6.60	£16.42	£32.80
Asking Rent Discount	40	-28.6%	14.3%	6.5%	50.0%
TI Allowance	-	-	-	-	-
Rent Free Months	26	0	6	4	36

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	112	1	17	12	71
Deal Size	135	145	2,108	987	35,145
Lease Deal in Years	84	0.1	1.1	0.8	10.5
Floor Number	126	GRND	GRND	GRND	MEZZ

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
1 Solent Retail Park Solent Rd	★★★★★	3,400	GRND	12/09/2017	New	£23.53/fri	Asking
2 35 High St	★★★★★	484	GRND	19/07/2017	New	£19.63/fri	Effective
3 London Rd	★★★★★	1,538	GRND,1	01/05/2017	New	£13.17/fri	Asking
4 28A North St	★★★★★	3,882	GRND,...	04/04/2017	New	£8.37	Asking
5 Greywell Shopping Centre Greywell Rd	★★★★★	350	GRND	21/02/2017	New	£17.14	Asking
5 Greywell Shopping Centre Greywell Rd	★★★★★	579	GRND	21/02/2017	New	£10.36/fri	Asking
6 38 Wittering Rd	★★★★★	735	GRND	31/01/2017	New	£8.16/iri	Achieved
3 London Rd	★★★★★	2,486	GRND,1	01/01/2017	New	£12.05/fri	Asking
7 Unit 16 London Rd	★★★★★	947	GRND,1	17/11/2016	New	£15.31/fri	Asking
8 Greywell shopping centre 25-29 Park Parade	★★★★★	5,260	Unkwn	02/11/2016	New	£8.56	Asking
9 Maurepas Way	★★★★★	1,050	GRND	15/08/2016	New	£32.80/fri	Effective
10 3F Solent Rd	★★★★★	3,000	GRND	24/07/2016	New	£12.00/fri	Asking
11 10-12 High St	★★★★★	845	Unkwn	01/07/2016	New	-	-
5 Greywell Shopping Centre Greywell Rd	★★★★★	1,375	GRND	20/06/2016	New	£7.54/fri	Effective
12 45 North St	★★★★★	491	GRND	28/03/2016	New	£19.35/fri	Asking
13 Phase One 1-7 Selbourne Rd	★★★★★	9,631	GRND	18/03/2016	New	£33.23/fri	Achieved
14 7 West St	★★★★★	685	GRND,1	05/01/2016	New	£19.71/fri	Effective
8 Greywell shopping centre 1-35 Park Parade	★★★★★	35,145	GRND	03/01/2016	New	£0.39/fri	Effective
3 London Rd	★★★★★	981	GRND,1	07/12/2015	New	£15.80/fri	Effective
3 London Rd	★★★★★	981	GRND,1	07/12/2015	New	£15.80/fri	Asking
9 Maurepas Way	★★★★★	1,200	GRND	15/09/2015	New	£26.18/fri	Effective

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
15 Queens Parade London Rd	★★★★★	599	GRND	01/09/2015	New	-	-
5 Greywell Shopping Centre 35-37 Greywell Rd	★★★★★	7,610	GRND	20/08/2015	New	£3.22/fri	Effective
16 The Clock House London Rd	★★★★★	1,854	GRND	03/08/2015	New	£9.17/fri	Asking
5 Greywell Shopping Centre Greywell Rd	★★★★★	957	GRND	01/08/2015	New	£15.67/fri	Asking
5 Greywell Shopping Centre Greywell Rd	★★★★★	2,900	GRND	01/08/2015	New	£8.62/fri	Asking
9 Maurepas Way	★★★★★	1,500	GRND	12/07/2015	New	£27.46/fri	Effective
17 9 North St	★★★★★	434	GRND	10/07/2015	New	£23.04/fri	Effective
18 3 Market Parade	★★★★★	605	GRND	01/07/2015	New	£16.53/fri	Asking
3 London Rd	★★★★★	830	GRND	24/06/2015	New	£25.60/fri	Asking
19 The Meridian Centre North St	★★★★★	747	GRND	01/06/2015	New	£20.03/fri	Effective
10 3D Solent Rd	★★★★★	3,000	GRND	24/05/2015	New	£12.00/fri	Asking
20 Northney Rd	★★★★★	1,827	GRND	01/04/2015	New	£8.16	Asking
21 1-11 Dukes Walk	★★★★★	850	GRND	01/02/2015	New	£26.47	Achieved
10 3B Solent Rd	★★★★★	4,500	GRND	30/01/2015	New	£12.00/fri	Asking
3 London Rd	★★★★★	514	GRND	01/01/2015	New	£38.81/fri	Achieved
3 London Rd	★★★★★	804	GRND	01/01/2015	New	£24.81	Achieved
22 18-20 North St	★★★★★	3,682	GRND,1	31/12/2014	New	£5.16	Achieved
7 London Rd	★★★★★	986	GRND,1	05/12/2014	New	£10.14	Achieved
23 318 London Rd	★★★★★	596	GRND	28/11/2014	New	£19.47/fri	Effective
8 Greywell shopping centre 1-35 Park Parade	★★★★★	1,304	GRND	03/11/2014	New	£4.60/fri	Achieved
10 3A-3F Solent Rd	★★★★★	1,500	GRND	01/11/2014	New	£12.00/fri	Achieved

# Lease Comps Summary







## Lease Comps Report







Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
3 London Rd	★★★★★	1,593	GRND,1	16/10/2014	New	£11.30	Achieved
10 3A-3F Solent Rd	★★★★★	8,000	GRND	01/10/2014	New	£15.00/fri	Achieved
10 3A-3F Solent Rd	★★★★★	6,000	GRND	01/10/2014	New	£12.00/fri	Achieved
24 North St	★★★★★	1,290	GRND	01/09/2014	New	£9.30/fri	Asking
19 The Meridian Centre North St	★★★★★	1,328	GRND	01/09/2014	New	£18.83/fri	Asking
25 32 West St	★★★★★	815	GRND	01/09/2014	New	£21.47/fri	Achieved
26 224a London Rd	★★★★★	1,272	GRND,1	18/08/2014	New	£10.61/fri	Asking
27 254-254A London Rd	★★★★★	1,870	GRND	08/08/2014	New	£8.82/fri	Asking















## Sales Comps - Retail

Comps Statistics					
	Low	Average	Median	High	Count
Price					
For Sale & UC/Pending	£270,000	£270,000	£270,000	£270,000	1
Sold Transactions	£182,500	£410,208	£333,000	£1,000,000	12
Centre Size					
For Sale & UC/Pending	3,358 SF	3,358 SF	3,358 SF	3,358 SF	1
Sold Transactions	377 SF	3,000 SF	1,258 SF	17,776 SF	33
Price per SF					
For Sale & UC/Pending	£80.41	£80.41	£80.41	£80.41	1
Sold Transactions	£43.70	£162.00	£179.65	£1,000.00	12
Net Initial Yield					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	5.47%	7.59%	7.74%	9.10%	8
Days on Market					
For Sale & UC/Pending	132	132	132	132	1
Sold Transactions	3	295	192	877	30
Sale Price to Asking Price Ratio					
Sold Transactions	98.53%	123.87%	112.24%	203.69%	11
Totals					
For Sale & UC/Pending	Asking Price Total: £270,000		Total For Sale Transactions:		1
Sold Transactions	Total Sales Volume: £4,922,500		Total Sales Transactions:		33
	Total Included in Analysis: £5,192,500		Total Included in Analysis:		34
Survey Criteria					
basic criteria: Type of Property - Retail; Sale Date - 01/09/2014 - 25/09/2017; Sale Status - Under Offer, Sold, For Sale; Return and Search on Portfolio Sales as Individual Properties - Yes					
geography criteria: Submarket - Havant Ind (South Coast)					







<b>1</b>	<b>Unit 1-6 - Wellington Park, Unit 1 - Hambledon Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 6XA Hampshire County</p> <p>Sale Date: 15/07/2017 (877 days on mkt) Unit Type: 904 SF Retail Unit  Sale Price: - Year Built/Age: Built 2015 Age: 2  Price/SF: - NIA: 904 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3964842 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>2</b>	<b>Unit 1-6 - Wellington Park, Unit 6 - Hambledon Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 6XA Hampshire County</p> <p>Sale Date: 15/07/2017 (877 days on mkt) Unit Type: 904 SF Retail Unit  Sale Price: - Year Built/Age: Built 2015 Age: 2  Price/SF: - NIA: 904 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3964842 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>3</b>	<b>Unit 1-6 - Wellington Park, Unit 2 - Hambledon Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 6XA Hampshire County</p> <p>Sale Date: 15/07/2017 (877 days on mkt) Unit Type: 377 SF Retail Unit  Sale Price: - Year Built/Age: Built 2015 Age: 2  Price/SF: - NIA: 377 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3964842 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>4</b>	<b>Unit 1-6 - Wellington Park, Unit 3 - Hambledon Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 6XA Hampshire County</p> <p>Sale Date: 15/07/2017 (877 days on mkt) Unit Type: 570 SF Retail Unit  Sale Price: - Year Built/Age: Built 2015 Age: 2  Price/SF: - NIA: 570 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3964842 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>5</b>	<b>Unit 1-6 - Wellington Park, Unit 4 - Hambledon Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 6XA Hampshire County</p> <p>Sale Date: 15/07/2017 (877 days on mkt) Unit Type: 570 SF Retail Unit  Sale Price: - Year Built/Age: Built 2015 Age: 2  Price/SF: - NIA: 570 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3964842 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>6</b>	<b>Unit 1-6 - Wellington Park, Unit 5 - Hambledon Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 6XA Hampshire County</p> <p>Sale Date: 15/07/2017 (877 days on mkt) Unit Type: 377 SF Retail Unit  Sale Price: - Year Built/Age: Built 2015 Age: 2  Price/SF: - NIA: 377 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3964842 Sale Conditions: -  Research Status: Research Complete</p>		
		





<b>7</b>	<b>15 High St</b>	<b>PENDING</b>
<p>Emsworth, PO10 7AQ Hampshire County</p> <p>Asking Price: £270,000      Sale Type: Owner/User  Price/SF: £80.41      Bldg Type: RetailBank  Days on Market: 132      Bldg Status: Built 1903  Sale Status: Pending      NIA: 3,358 SF</p> <p>Net Initial Yield: -      Sale Conditions: -</p>		
		
<b>8</b>	<b>Units 2-18 - The Boulevard Precinct - London Rd (Part of Portfolio)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7DT Hampshire County</p> <p>Sale Date: 27/11/2015 (330 days on mkt)      Bldg Type: RetailStorefront  Sale Price: -      Year Built/Age: Built 1958 Age: 57  Price/SF: -      NIA: 11,049 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3452886      Sale Conditions: Bulk/Portfolio Sale  Research Status: Research Complete</p>		
		
<b>9</b>	<b>Units 1-23 - The Boulevard Precinct - London Rd (Part of Portfolio)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7DT Hampshire County</p> <p>Sale Date: 27/11/2015 (330 days on mkt)      Bldg Type: RetailStorefront Retail/Office  Sale Price: -      Year Built/Age: Built 1958 Age: 57  Price/SF: -      NIA: 17,776 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3452886      Sale Conditions: Bulk/Portfolio Sale  Research Status: Research Complete</p>		
		
<b>10</b>	<b>51 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO8 8UJ Hampshire County</p> <p>Sale Date: 15/07/2016 (428 days on mkt)      Bldg Type: RetailStorefront Retail/Residential  Sale Price: £275,000 - Confirmed      Year Built/Age: Built 1895 Age: 121  Price/SF: £268.29      NIA: 1,025 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3648904      Sale Conditions: -  Research Status: Confirmed</p>		
		
<b>11</b>	<b>The Wellington - 73 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7EX Hampshire County</p> <p>Sale Date: 01/04/2017 (151 days on mkt)      Bldg Type: RetailBar  Sale Price: -      Year Built/Age: Built 1909 Age: 107  Price/SF: -      NIA: 7,366 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3883603      Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>12</b>	<b>81C London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7EL Hampshire County</p> <p>Sale Date: 09/05/2016 (343 days on mkt)      Bldg Type: RetailStorefront  Sale Price: -      Year Built/Age: Built 1930 Age: 86  Price/SF: -      NIA: 3,286 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3618747      Sale Conditions: -  Research Status: Research Complete</p>		
		

<b>13</b>	<b>115 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7DZ Hampshire County</p> <p>Sale Date: 16/10/2016 Bldg Type: RetailStorefront Retail/Residential  Sale Price: - Year Built/Age: Built 1933 Age: 83  Price/SF: - NIA: 680 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3738394 Sale Conditions: Auction Sale  Research Status:</p>		
		
<b>14</b>	<b>230 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7HB Hampshire County</p> <p>Sale Date: 16/05/2016 (12 days on mkt) Bldg Type: RetailStorefront Retail/Residential  Sale Price: £189,000 - Confirmed Year Built/Age: Built 1950 Age: 66  Price/SF: £150.24 NIA: 1,258 SF</p> <p>Reversionary Yield: -  Net Initial Yield: 9.10%  Comp ID: 3605835 Sale Conditions: Auction Sale  Research Status: Confirmed</p>		
		
<b>15</b>	<b>240 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7HB Hampshire County</p> <p>Sale Date: 28/07/2017 (66 days on mkt) Bldg Type: RetailStorefront Retail/Residential  Sale Price: - Year Built/Age: Built 1921 Age: 96  Price/SF: - NIA: 678 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3968027 Sale Conditions: -  Research Status: Public Record</p>		
		
<b>16</b>	<b>250-252 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7HG Hampshire County</p> <p>Sale Date: 28/08/2015 (513 days on mkt) Bldg Type: RetailStorefront Retail/Residential  Sale Price: - Year Built/Age: Built 1950 Age: 65  Price/SF: - NIA: 1,382 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3383078 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>17</b>	<b>284 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7DS Hampshire County</p> <p>Sale Date: 08/12/2014 (308 days on mkt) Bldg Type: RetailStorefront  Sale Price: - Year Built/Age: Built 1909 Age: 105  Price/SF: - NIA: 579 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3181098 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>18</b>	<b>286-288 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7DS Hampshire County</p> <p>Sale Date: 14/12/2015 (21 days on mkt) Bldg Type: RetailStorefront  Sale Price: - Year Built/Age: Built 1970 Age: 45  Price/SF: - NIA: 15,057 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3482467 Sale Conditions: -  Research Status: Research Complete</p>		
		

<b>19</b>	<b>308 London Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7DS Hampshire County</p> <p>Sale Date: 16/05/2016 (19 days on mkt) Bldg Type: RetailStorefront  Sale Price: £335,000 - Confirmed Year Built/Age: Built 1966 Age: 50  Price/SF: £190.45 NIA: 1,759 SF</p> <p>Reversionary Yield: -  Net Initial Yield: 7.76%  Comp ID: 3605570  Research Status: Confirmed</p> <p>Sale Conditions: Auction Sale</p> 		
<b>20</b>	<b>308 London Rd (Part of Portfolio)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7DS Hampshire County</p> <p>Sale Date: 27/11/2015 (330 days on mkt) Bldg Type: RetailStorefront  Sale Price: - Year Built/Age: Built 1966 Age: 49  Price/SF: - NIA: 1,759 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3452886  Research Status: Research Complete</p> <p>Sale Conditions: Bulk/Portfolio Sale</p> 		
<b>21</b>	<b>Tesco Express - 75 Lovedean Ln</b>	<b>SOLD</b>
<p>Waterlooville, PO8 9RJ Hampshire County</p> <p>Sale Date: 08/02/2016 (21 days on mkt) Bldg Type: RetailStorefront  Sale Price: £775,000 - Confirmed Year Built/Age: Built 1930 Renov 2012 Age: 86  Price/SF: £168.85 NIA: 4,590 SF</p> <p>Reversionary Yield: -  Net Initial Yield: 6.45%  Comp ID: 3515110  Research Status: Confirmed</p> <p>Sale Conditions: Auction Sale</p> 		
<b>22</b>	<b>11 North St</b>	<b>SOLD</b>
<p>Havant, PO9 1PW Hampshire County</p> <p>Sale Date: 05/10/2016 (230 days on mkt) Bldg Type: RetailStorefront Retail/Residential  Sale Price: - Year Built/Age: Built 1930 Age: 86  Price/SF: - NIA: 638 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3736788  Research Status:</p> <p>Sale Conditions: -</p> 		
<b>23</b>	<b>Greywell shopping centre, Unit 25/29 - 1-35 Park Para</b>	<b>SOLD</b>
<p>Havant, PO9 5AA Hampshire County</p> <p>Sale Date: 21/03/2016 (17 days on mkt) Unit Type: 5,260 SF Retail Unit  Sale Price: £360,000 - Confirmed Year Built/Age: Built 1957 Age: 59  Price/SF: £68.44 NIA: 5,260 SF</p> <p>Reversionary Yield: -  Net Initial Yield: 7.72%  Comp ID: 3548759  Research Status: Confirmed</p> <p>Sale Conditions: Auction Sale</p> 		
<b>24</b>	<b>Greywell shopping centre, Unit 13/15 - 1-35 Park Para</b>	<b>SOLD</b>
<p>Havant, PO9 5AA Hampshire County</p> <p>Sale Date: 21/03/2016 (17 days on mkt) Unit Type: 2,170 SF Retail Unit  Sale Price: £260,000 Year Built/Age: Built 1957 Age: 59  Price/SF: £119.82 NIA: 2,170 SF</p> <p>Reversionary Yield: -  Net Initial Yield: 8.30%  Comp ID: 3548761  Research Status:</p> <p>Sale Conditions: Auction Sale</p> 		



<b>25</b>	<b>Greywell shopping centre, Unit 21 - 1-35 Park Para</b>	<b>SOLD</b>
Havant, PO9 5AA Hampshire County Sale Date: 21/03/2016 (17 days on mkt) Unit Type: 4,176 SF Retail Unit Sale Price: £182,500 - Confirmed Year Built/Age: Built 1957 Age: 59 Price/SF: £43.70 NIA: 4,176 SF Reversionary Yield: 10.96% Net Initial Yield: - Comp ID: 3548760 Sale Conditions: Auction Sale Research Status: Confirmed		
		
<b>26</b>	<b>Greywell shopping centre - 1-35 Park Para (Part of Multi-Unit)</b>	<b>SOLD</b>
Havant, PO9 5AA Hampshire County Sale Date: 19/10/2015 (3 days on mkt) Unit Type: 822 SF Retail Unit Sale Price: - Year Built/Age: Built 1957 Age: 58 Price/SF: - NIA: 822 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3419529 Sale Conditions: Auction Sale Research Status: Research Complete		
		
<b>27</b>	<b>Greywell shopping centre - 1-35 Park Para (Part of Multi-Unit)</b>	<b>SOLD</b>
Havant, PO9 5AA Hampshire County Sale Date: 19/10/2015 (3 days on mkt) Unit Type: 1,304 SF Retail Unit Sale Price: - Year Built/Age: Built 1957 Age: 58 Price/SF: - NIA: 1,304 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3419529 Sale Conditions: Auction Sale Research Status: Research Complete		
		
<b>28</b>	<b>2-4 Park Para</b>	<b>SOLD</b>
Havant, PO9 5AF Hampshire County Sale Date: 16/05/2016 (12 days on mkt) Bldg Type: RetailStorefront Sale Price: £331,000 - Confirmed Year Built/Age: Built 1960 Age: 56 Price/SF: £65.27 NIA: 5,071 SF Reversionary Yield: - Net Initial Yield: 9.07% Comp ID: 3686797 Sale Conditions: Auction Sale Research Status: Confirmed		
		
<b>29</b>	<b>32 Station Rd</b>	<b>SOLD</b>
Hayling Island, PO11 0EG Hampshire County Sale Date: 12/05/2017 (11 days on mkt) Bldg Type: RetailStorefront Retail/Residential Sale Price: £345,000 - Confirmed Year Built/Age: Built 1928 Age: 88 Price/SF: £330.46 NIA: 1,044 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3940159 Sale Conditions: High Vacancy Property Research Status: Confirmed		
		
<b>30</b>	<b>36-40 Station Rd</b>	<b>SOLD</b>
Hayling Island, PO11 0ER Hampshire County Sale Date: 10/08/2017 Bldg Type: Retail Sale Price: £1,000,000 - Approximate Year Built/Age: - Price/SF: £1,000.00 NIA: 1,000 SF Reversionary Yield: - Net Initial Yield: - Comp ID: 3979711 Sale Conditions: Redevelopment Project Research Status: Approximate		
		

<b>31</b>	<b>Retail Unit, Unit 7, 7A, 7B - 7 West St (Part of Multi-Unit)</b>	<b>SOLD</b>
<div> <div>Havant, PO9 1EH</div> <div> <div> <div>Sale Date: 01/03/2015 (192 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Unit Type: 1,337 SF Retail Unit</div> <div>Year Built/Age: Built 1965 Age: 50</div> <div>NIA: 1,337 SF</div> </div> </div> <div>Hampshire County</div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3507511</div> <div>Research Status: Research Complete</div> </div> <div> <div>Sale Conditions: -</div> </div> </div>		
		
<b>32</b>	<b>Retail Unit, Unit 7, 7A, 7B - 7 West St (Part of Multi-Unit)</b>	<b>SOLD</b>
<div> <div>Havant, PO9 1EH</div> <div> <div> <div>Sale Date: 01/03/2015 (192 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Unit Type: 1,184 SF Retail Unit</div> <div>Year Built/Age: Built 1965 Age: 50</div> <div>NIA: 1,184 SF</div> </div> </div> <div>Hampshire County</div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3507511</div> <div>Research Status: Research Complete</div> </div> <div> <div>Sale Conditions: -</div> </div> </div>		
		
<b>33</b>	<b>15-17 West St</b>	<b>SOLD</b>
<div> <div>Havant, PO9 1ER</div> <div> <div> <div>Sale Date: 12/02/2015 (20 days on mkt)</div> <div>Sale Price: £550,000 - Confirmed</div> <div>Price/SF: £247.97</div> </div> <div> <div>Bldg Type: RetailStorefront</div> <div>Year Built/Age: Built 1910 Age: 105</div> <div>NIA: 2,218 SF</div> </div> </div> <div>Hampshire County</div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: 6.87%</div> <div>Comp ID: 3232786</div> <div>Research Status: Confirmed</div> </div> <div> <div>Sale Conditions: Auction Sale</div> </div> </div>		
		
<b>34</b>	<b>32 West St</b>	<b>SOLD</b>
<div> <div>Havant, PO9 1PG</div> <div> <div> <div>Sale Date: 07/02/2017</div> <div>Sale Price: £320,000 - Confirmed</div> <div>Price/SF: £392.64</div> </div> <div> <div>Bldg Type: RetailStorefront</div> <div>Year Built/Age: Built 1950 Age: 67</div> <div>NIA: 815 SF</div> </div> </div> <div>Hampshire County</div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: 5.47%</div> <div>Comp ID: 3833644</div> <div>Research Status: Confirmed</div> </div> <div> <div>Sale Conditions: Auction Sale</div> </div> </div>		
		

# Offices

## Lease Comps Summary

### Lease Comps Report

Deals

186

Asking Rent Per SF

£10.43

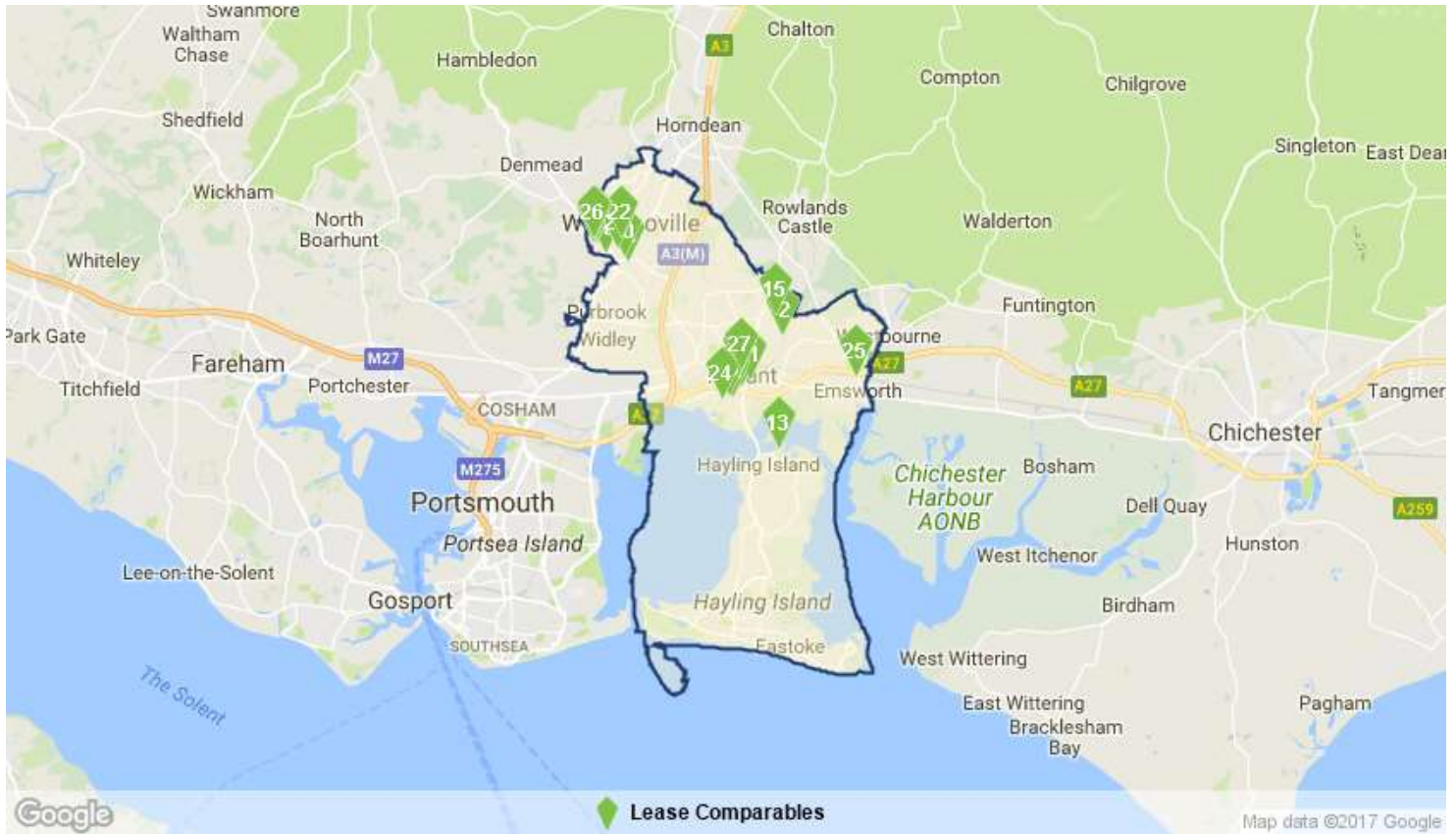
Achieved Rent Per SF

£11.60

Avg. Months On Market

20

#### TOP 50 LEASE COMPARABLES



#### SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	110	£1.35	£10.43	£11.74	£36.49
Achieved Rent Per SF	110	£4.11	£11.60	£11.05	£27.50
Net Effective Rent Per SF	25	£3.69	£10.69	£10.84	£20.51
Asking Rent Discount	66	-53.4%	5.8%	0.0%	66.5%
TI Allowance	-	-	-	-	-
Rent Free Months	19	0	4	3	12

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	101	0	20	12	106
Deal Size	186	90	2,760	1,239	82,000
Lease Deal in Years	109	0.1	0.7	0.4	5.5
Floor Number	94	BSMT	GRND	GRND	3



# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
1 The Meadows 3 Waterberry Dr	★★★★★	6,284	GRND,1...	17/07/2017	New	-	-
2 Oakwood Centre Downley Rd	★★★★★	610	1st	14/07/2017	New	£10.49/fri	Effective
2 Oakwood Centre Downley Rd	★★★★★	567	1st	05/06/2017	New	£8.83/fri	Effective
3 3-5 South St	★★★★★	880	GRND,1	31/05/2017	New	£11.36	Asking
4 Picton House Waterberry Dr	★★★★★	2,221	1st	20/04/2017	New	£3.69/fri	Effective
5 Waterberry Dr	★★★★★	2,879	GRND,1	18/04/2017	New	£12.00/fri	Effective
6 The Briars Waterberry Dr	★★★★★	1,065	1st	10/04/2017	New	£12.50/fri	Effective
7 Waterberry Dr	★★★★★	1,519	GRND,1	30/03/2017	New	£19.09/fri	Effective
8 312A London Rd	★★★★★	548	1st	11/01/2017	New	£6.93/fri	Effective
9 Langstone Gate Solent Rd	★★★★★	2,491	1-2	30/11/2016	Renewal	£15.00	Achieved
10 The Briars Waterberry Dr	★★★★★	1,239	1st	23/11/2016	New	£12.11	Effective
11 19 South St	★★★★★	819	GRND	30/09/2016	New	£12.21/fri	Achieved
12 Wellington Gate Silverthorne Way	★★★★★	7,500	1st	08/09/2016	New	£10.70	Achieved
13 Northney Marina Northney Rd	★★★★★	631	GRND	05/09/2016	New	£9.67/iri	Effective
6 The Briars Waterberry Dr	★★★★★	1,065	1st	13/08/2016	New	£12.00/fri	Effective
14 Waterberry Dr	★★★★★	4,094	GRND,1	10/08/2016	New	£12.21	Effective
9 Langstone Gate Solent Rd	★★★★★	132	GRND	14/07/2016	New	£27.50	Achieved
9 Langstone Gate Solent Rd	★★★★★	132	3rd	12/05/2016	New	£11.50	Achieved
2 Oakwood Centre Downley Rd	★★★★★	710	GRND	02/05/2016	New	£9.15	Effective
10 The Briars Waterberry Dr	★★★★★	1,239	1st	16/03/2016	New	£12.00	Achieved
6 The Briars Waterberry Dr	★★★★★	1,097	1st	15/12/2015	Renewal	£20.51/fri	Effective

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
15 Martin Rd	★★★★★	3,947	GRND	09/12/2015	Renewal	£8.98/fri	Effective
9 Langstone Gate Solent Rd	★★★★★	1,402	GRND	17/08/2015	New	£15.00/fri	Effective
16 Building 6000 Langstone Rd	★★★★★	1,452	2nd	02/08/2015	New	£10.84	Effective
17 Waterberry Dr	★★★★★	3,154	GRND,1	22/06/2015	New	£12.00/fri	Effective
18 64 West St	★★★★★	1,755	GRND,1-2	19/05/2015	New	£12.00/fri	Effective
19 Building 5000 Langstone Rd	★★★★★	2,090	1st	24/02/2015	New	£9.00	Effective
9 Langstone Gate Solent Rd	★★★★★	1,089	GRND	17/02/2015	New	£13.08	Effective
20 23 Arnison Rd	★★★★★	2,860	GRND	01/09/2014	New	£3.50/fri	Asking
21 Aston Rd	★★★★★	730	GRND	16/07/2014	New	£8.22/fri	Effective
13 Northney Marina Northney Rd	★★★★★	851	GRND	01/07/2014	New	£11.00	Asking
22 84-86 Jubilee Rd	★★★★★	5,499	GRND,1	14/02/2014	New	£6.36/fri	Asking
4 Picton House Waterberry Dr	★★★★★	2,221	1st	27/01/2014	New	£1.35/fri	Asking
23 Somerset House Hussar Ct	★★★★★	1,270	1st	15/01/2014	New	£6.69/fri	Asking
6 The Briars Waterberry Dr	★★★★★	1,023	GRND	20/11/2013	New	£11.03/fri	Effective
24 Industrial/Business Unit Southmoor Ln	★★★★★	107	GRND	01/11/2013	New	£36.49	Asking
24 Industrial/Business Unit Southmoor Ln	★★★★★	90	1st	01/11/2013	New	£26.00	Asking
24 Industrial/Business Unit Southmoor Ln	★★★★★	90	1st	01/11/2013	New	£26.00	Asking
24 Industrial/Business Unit Southmoor Ln	★★★★★	220	1st	01/11/2013	New	£35.45	Asking
24 Industrial/Business Unit Southmoor Ln	★★★★★	352	1st	01/11/2013	New	£28.05	Asking
24 Industrial/Business Unit Southmoor Ln	★★★★★	352	1st	01/11/2013	New	£28.05	Asking
25 Systems House North St	★★★★★	5,965	GRND,1	28/10/2013	New	£10.06/fri	Asking

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
21 Aston Rd	★★★★★	730	GRND	16/10/2013	New	£8.90/fri	Achieved
14 Waterberry Dr	★★★★★	1,250	GRND,1	11/09/2013	New	£12.93	Achieved
9 Langstone Gate Solent Rd	★★★★★	2,100	3rd	31/08/2013	New	-	-
9 Langstone Gate Solent Rd	★★★★★	1,089	1st	31/08/2013	New	-	-
26 Dragoon House Hussar Ct	★★★★★	456	1st	28/08/2013	New	£9.87	Asking
14 Waterberry Dr	★★★★★	1,250	GRND,1	31/07/2013	New	£12.93	Achieved
6 The Briars Waterberry Dr	★★★★★	997	Unkwn	01/03/2013	New	£10.54	Achieved
27 Park Lodge 7 Park Rd N	★★★★★	559	GRND,1	16/01/2013	New	£14.30	Achieved

## Sales Comps - Industrial







Comps Statistics					
	Low	Average	Median	High	Count
<b>Office</b>					
Price					
For Sale & UC/Pending	£175,000	£787,500	£787,500	£1,400,000	2
Sold Transactions	£430,000	£677,500	£677,500	£925,000	2
NIA					
For Sale & UC/Pending	992 SF	8,445 SF	7,484 SF	17,819 SF	4
Sold Transactions	843 SF	51,474 SF	4,600 SF	190,000 SF	9
Price per SF					
For Sale & UC/Pending	£122.36	£126.67	£149.38	£176.41	2
Sold Transactions	£74.99	£102.82	£292.54	£510.08	2
Net Initial Yield					
For Sale & UC/Pending	6.06%	6.06%	6.06%	6.06%	1
Sold Transactions	-	-	-	-	-
Days on Market					
For Sale & UC/Pending	12	342	195	968	4
Sold Transactions	17	780	321	2,461	4
Sale Price to Asking Price Ratio					
Sold Transactions	92.50%	94.03%	94.03%	95.56%	2
<b>Light Industrial</b>					
Price					
For Sale & UC/Pending	£77,750	£77,750	£77,750	£77,750	1
Sold Transactions	-	-	-	-	-
NIA					
For Sale & UC/Pending	681 SF	681 SF	681 SF	681 SF	1
Sold Transactions	681 SF	1,113 SF	1,257 SF	1,690 SF	5
Price per SF					
For Sale & UC/Pending	£114.17	£114.17	£114.17	£114.17	1
Sold Transactions	-	-	-	-	-
Net Initial Yield					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	-	-	-	-	-
Days on Market					
For Sale & UC/Pending	132	132	132	132	1
Sold Transactions	196	232	218	264	5
Sale Price to Asking Price Ratio					
Sold Transactions	-	-	-	-	-







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25/09/2017

## Sales Comps - Industrial

		Low	Average	Median	High	Count
Totals						
For Sale & UC/Pending Sold Transactions	Asking Price Total:		£1,652,750		Total For Sale Transactions:	5
	Total Sales Volume:		£1,355,000		Total Sales Transactions:	14
	Total Included in Analysis:		£3,007,750		Total Included in Analysis:	19
Survey Criteria						
<p>basic criteria: Type of Property - Office; Sale Date - 01/09/2014 - 25/09/2017; Sale Status - Under Offer, Sold, For Sale; Return and Search on Portfolio Sales as Individual Properties - Yes</p> <p>geography criteria: Submarket - Havant Ind (South Coast)</p>						

<b>1</b>	<b>Portfolio</b>	<b>FOR SALE</b>
2 Office buildings in Havant, HAM, having total size of 11,442 SF. Asking Price: £1,400,000      Sale Type: Investment Price/SF: £122.36      # Properties: 2 Days on Market: 245      Total Size: 11,442 SF Sale Status: Active      Total Land Area: 0 AC  Net Initial Yield: 6.06%      Sale Conditions: -		
<b>2</b>	<b>Units 1-20 - Light Industrial Unit, Unit 19C - Aston Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
Waterlooville, PO7 7HT      Hampshire County Sale Date: 30/11/2015 (196 days on mkt)      Unit Type: 1,690 SF Light Industrial Unit Sale Price: -      Year Built/Age: Built 1994 Age: 21 Price/SF: -      NIA: 1,690 SF  Reversionary Yield: - Net Initial Yield: - Comp ID: 3459176      Sale Conditions: - Research Status:		
<b>3</b>	<b>Units 1-29 - Oakwood Centre, Unit 17 - Downley Rd</b>	<b>PENDING</b>
Havant, PO9 2NP      Hampshire County Asking Price: £77,750      Sale Type: Investment OR Owner/User Price/SF: £114.17      Unit Type: 681 SF Light Industrial Unit Days on Market: 132      Bldg Status: Built 1988 Sale Status: Pending      NIA: 25,944 SF  Net Initial Yield: - Sale Conditions: -		
<b>4</b>	<b>Units 1-29 - Oakwood Centre, Unit 17 - Downley Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
Havant, PO9 2NP      Hampshire County Sale Date: 01/04/2015 (218 days on mkt)      Unit Type: 681 SF Light Industrial Unit Sale Price: -      Year Built/Age: Built 1988 Age: 26 Price/SF: -      NIA: 681 SF  Reversionary Yield: - Net Initial Yield: - Comp ID: 3364495      Sale Conditions: - Research Status: Research Complete		
<b>5</b>	<b>Units 1-29 - Oakwood Centre, Unit 18 - Downley Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
Havant, PO9 2NP      Hampshire County Sale Date: 01/04/2015 (218 days on mkt)      Unit Type: 681 SF Light Industrial Unit Sale Price: -      Year Built/Age: Built 1988 Age: 26 Price/SF: -      NIA: 681 SF  Reversionary Yield: - Net Initial Yield: - Comp ID: 3364495      Sale Conditions: - Research Status: Research Complete		
<b>6</b>	<b>Southleigh Park House - Eastleigh Rd</b>	<b>FOR SALE</b>
Havant, PO9 2PE      Hampshire County Asking Price: -      Sale Type: Owner/User Price/SF: -      Bldg Type: Office Days on Market: 12      Bldg Status: Built 1800 Sale Status: Active      NIA: 17,819 SF  Net Initial Yield: - Sale Conditions: -		

<b>7</b>	<b>Units 4-6 - Light Industrial Unit, Unit 4 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 02/03/2015 (264 days on mkt) Unit Type: 1,257 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 2002 Age: 12  Price/SF: - NIA: 1,257 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3252972 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>8</b>	<b>Units 4-6 - Light Industrial Unit, Unit 4 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 02/03/2015 (264 days on mkt) Unit Type: 1,257 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 2002 Age: 12  Price/SF: - NIA: 1,257 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3252972 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>9</b>	<b>Building 4000 - Langstone Rd (Part of Portfolio)</b>	<b>SOLD</b>
<p>Havant, PO9 1SA Hampshire County</p> <p>Sale Date: 29/02/2016 Bldg Type: Office  Sale Price: - Year Built/Age: Built 1966 Renov 2000 Age: 49  Price/SF: - NIA: 4,600 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3521050 Sale Conditions: Bulk/Portfolio Sale  Research Status: Research Complete</p>		
		
<b>10</b>	<b>Building 1000 - Langstone Rd (Part of Portfolio)</b>	<b>SOLD</b>
<p>Havant, PO9 1SA Hampshire County</p> <p>Sale Date: 29/02/2016 Bldg Type: Office  Sale Price: - Year Built/Age: Built 1966 Renov 2004 Age: 49  Price/SF: - NIA: 190,000 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3521050 Sale Conditions: Bulk/Portfolio Sale  Research Status: Research Complete</p>		
		
<b>11</b>	<b>Building 6000 - Langstone Rd (Part of Portfolio)</b>	<b>SOLD</b>
<p>Havant, PO9 1SA Hampshire County</p> <p>Sale Date: 29/02/2016 Bldg Type: Office  Sale Price: - Year Built/Age: Built 1989 Renov 2004 Age: 26  Price/SF: - NIA: 174,869 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3521050 Sale Conditions: Bulk/Portfolio Sale  Research Status: Research Complete</p>		
		
<b>12</b>	<b>Building 5000 - Langstone Rd (Part of Portfolio)</b>	<b>SOLD</b>
<p>Havant, PO9 1SA Hampshire County</p> <p>Sale Date: 29/02/2016 Bldg Type: Office  Sale Price: - Year Built/Age: Built 1966 Renov 2005 Age: 49  Price/SF: - NIA: 72,472 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3521050 Sale Conditions: Bulk/Portfolio Sale  Research Status: Research Complete</p>		
		

<b>13</b>	<b>Units A1 - A7 - Endeavour Business Park, Unit A5-A6 - Penner Rd</b>	<b>FOR SALE</b>
<div> <div>Havant, PO9 1QY</div> <div>Hampshire County</div> <div> <div> <div>Asking Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Unit Type: 3,527 SF Office Unit</div> </div> </div> <div> <div>Days on Market: 968</div> <div>Sale Status: Active</div> </div> <div> <div>Bldg Status: Built 2004</div> <div>NIA: 18,753 SF</div> </div> <div> <div>Net Initial Yield: -</div> <div>Sale Conditions: -</div> </div> </div> <div></div>		
<b>14</b>	<b>6 Seagull Ln</b>	<b>SOLD</b>
<div> <div>Emsworth, PO10 7QH</div> <div>Hampshire County</div> <div> <div> <div>Sale Date: 30/12/2016 (322 days on mkt)</div> <div>Sale Price: £430,000 - Confirmed</div> <div>Price/SF: £510.08</div> </div> <div> <div>Bldg Type: Office</div> <div>Year Built/Age: Built 1957 Age: 59</div> <div>NIA: 843 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3800003</div> <div>Research Status: Confirmed</div> </div> <div> <div>Sale Conditions: -</div> </div> </div> <div></div>		
<b>15</b>	<b>11 St Georges Walk</b>	<b>SOLD</b>
<div> <div>Waterlooville, PO7 7TU</div> <div>Hampshire County</div> <div> <div> <div>Sale Date: 01/09/2015 (2,461 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Bldg Type: Office</div> <div>Year Built/Age: Built 1979 Age: 35</div> <div>NIA: 1,862 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3618309</div> <div>Research Status: Research Complete</div> </div> <div> <div>Sale Conditions: -</div> </div> </div> <div></div>		
<b>16</b>	<b>Swiss House - St George's Walk</b>	<b>PENDING</b>
<div> <div>Waterlooville, PO7 7TU</div> <div>Hampshire County</div> <div> <div> <div>Asking Price: £175,000</div> <div>Price/SF: £176.41</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Bldg Type: Office</div> </div> </div> <div> <div>Days on Market: 145</div> <div>Sale Status: Pending</div> </div> <div> <div>Bldg Status: Built 1965</div> <div>NIA: 992 SF</div> </div> <div> <div>Net Initial Yield: -</div> <div>Sale Conditions: -</div> </div> </div> <div></div>		
<b>17</b>	<b>Leydene House - Waterberry Dr</b>	<b>SOLD</b>
<div> <div>Waterlooville, PO7 7XX</div> <div>Hampshire County</div> <div> <div> <div>Sale Date: 31/07/2017 (320 days on mkt)</div> <div>Sale Price: £925,000 - Confirmed</div> <div>Price/SF: £74.99</div> </div> <div> <div>Bldg Type: Office</div> <div>Year Built/Age: Built 1990 Age: 27</div> <div>NIA: 12,335 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 4001211</div> <div>Research Status: Confirmed</div> </div> <div> <div>Sale Conditions: -</div> </div> </div> <div></div>		
<b>18</b>	<b>Units 19-25 - Picton House, Unit 25 - Westside Vw</b>	<b>SOLD</b>
<div> <div>Waterlooville, PO7 7SQ</div> <div>Hampshire County</div> <div> <div> <div>Sale Date: 01/11/2014 (17 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Unit Type: 4,316 SF Office Unit</div> <div>Year Built/Age: Built 1994 Age: 20</div> <div>NIA: 4,316 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3230121</div> <div>Research Status: Research Complete</div> </div> <div> <div>Sale Conditions: Auction Sale</div> </div> </div> <div></div>		



Waterlooville, PO7 7SQ

Hampshire County

Sale Date: 01/10/2014

Unit Type: 1,971 SF Office Unit

Sale Price: -

Year Built/Age: Built 1994 Age: 20

Price/SF: -

NIA: 1,971 SF

Reversionary Yield: -

Net Initial Yield: -

Comp ID: 3230122

Sale Conditions: -

Research Status: Research Complete



# Industrial Lease Comps Summary

## Lease Comps Report

Deals

170

Asking Rent Per SF

£6.18

Achieved Rent Per SF

£5.78

Avg. Months On Market

13

### TOP 50 LEASE COMPARABLES



### SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	106	£2.13	£6.18	£6.50	£114.00
Achieved Rent Per SF	76	£1.80	£5.78	£6.32	£15.85
Net Effective Rent Per SF	36	£3.25	£6.96	£7.99	£20.45
Asking Rent Discount	48	-84.3%	12.0%	0.0%	91.2%
TI Allowance	-	-	-	-	-
Rent Free Months	16	0	3	2	12

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	123	1	13	8	65
Deal Size	170	226	8,361	2,825	110,816
Lease Deal in Years	79	0.1	0.8	0.5	14.3
Floor Number	107	GRND	GRND	GRND	MEZZ

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
1 Solent Rd	★★★★★	2,105	GRND	19/09/2017	New	£9.97/fri	Achieved
2 Waterberry Dr	★★★★★	5,427	GRND	26/06/2017	New	£7.50/fri	Effective
3 Furniss Business Centre Furniss Way	★★★★★	1,459	GRND	12/06/2017	New	£8.57	Asking
3 Furniss Business Centre Furniss Way	★★★★★	1,459	GRND	17/05/2017	New	£8.57	Asking
4 Penner Rd	★★★★★	1,901	GRND	16/05/2017	New	£7.89/fri	Effective
5 Palmers Rd	★★★★★	710	GRND,1	20/03/2017	New	£20.45/fri	Effective
1 Solent Rd	★★★★★	2,064	GRND	11/03/2017	New	£10.17/iri	Effective
6 Harts Farm Way	★★★★★	1,498	GRND,...	27/01/2017	New	£6.68	Asking
7 New Ln	★★★★★	16,266	GRND	20/01/2017	New	£6.00/fri	Effective
8 New Ln	★★★★★	41,542	GRND	23/12/2016	New	£6.00/fri	Effective
7 New Ln	★★★★★	53,542	GRND	23/12/2016	New	£5.34/fri	Effective
9 The Buttericks New Ln	★★★★★	1,659	GRND	01/10/2016	New	£114.00	Asking
10 Aston Rd	★★★★★	12,500	GRND,1	31/08/2016	New	£8.09	Effective
11 The Buttericks Complex New Ln	★★★★★	1,200	GRND	26/08/2016	New	£9.50/fri	Effective
1 Solent Rd	★★★★★	1,574	GRND	21/07/2016	New	£10.96/fri	Effective
10 Aston Rd	★★★★★	730	GRND	18/07/2016	New	£8.90	Effective
12 Solent Rd	★★★★★	3,019	GRND	29/06/2016	New	£12.39/fri	Effective
7 New Ln	★★★★★	8,643	GRND	09/06/2016	New	£5.26	Effective
1 Solent Rd	★★★★★	1,584	GRND	24/05/2016	New	£10.10/fri	Effective
1 Solent Rd	★★★★★	1,574	GRND	26/04/2016	New	£10.17/fri	Effective
9 The Buttericks New Ln	★★★★★	1,145	GRND	16/04/2016	New	£10.00	Effective

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
13 Hulbert Rd	★★★★★	80,000	GRND,1	13/04/2016	New	£8.33/fri	Effective
14 7 Arnside Rd	★★★★★	9,406	GRND,1	01/04/2016	New	£5.65	Asking
15 Manor Barn Lower Rd	★★★★★	2,830	GRND	01/03/2016	New	£3.53/fri	Effective
7 New Ln	★★★★★	16,261	GRND	01/03/2016	New	£6.00/fri	Effective
7 New Ln	★★★★★	8,500	Unkwn	01/12/2015	New	-	-
16 Unit 10 New Ln	★★★★★	4,151	GRND	13/11/2015	New	£7.75/fri	Asking
1 Solent Rd	★★★★★	1,574	GRND	30/10/2015	New	£10.17/fri	Effective
11 The Buttericks Complex 38 New Ln	★★★★★	830	GRND	18/09/2015	New	£9.50/fri	Effective
1 Solent Rd	★★★★★	1,043	GRND	26/08/2015	New	£10.07/fri	Effective
1 Solent Rd	★★★★★	1,043	GRND	30/06/2015	New	£10.07/fri	Effective
12 Solent Rd	★★★★★	2,996	GRND	24/06/2015	New	£12.50/fri	Effective
17 Southmoor Ln	★★★★★	1,171	GRND	01/05/2015	New	£7.51/fri	Asking
18 Mallard Buildings Northney Marina	★★★★★	835	GRND	01/03/2015	New	£9.50	Asking
19 Luxor Park Penner Rd	★★★★★	14,256	GRND,1...	02/12/2014	New	£10.64	Effective
20 Palmers Rd	★★★★★	2,926	GRND,...	31/10/2014	New	£3.25/fri	Effective
11 The Buttericks Complex New Ln	★★★★★	6,831	GRND	16/10/2014	New	£5.00	Effective
20 Palmers Rd	★★★★★	2,926	GRND,...	01/10/2014	New	£3.25/fri	Effective
21 Downley Rd	★★★★★	1,825	GRND	18/09/2014	New	£6.25	Effective
22 Elettra Ave	★★★★★	2,850	GRND,1	01/08/2014	New	£7.02/fri	Asking
23 Palmers Rd	★★★★★	3,052	GRND,1	01/08/2014	New	£7.18/fri	Asking
24 Elettra Ave	★★★★★	2,804	GRND,1	18/07/2014	New	£4.99/fri	Effective

# Lease Comps Summary

## Lease Comps Report

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
25 2 Downley Rd	★ ★ ★ ★ ★	2,250	GRND	21/05/2014	New	£4.80	Asking
17 Southmoor Ln	★ ★ ★ ★ ★	2,353	GRND	25/03/2014	New	£6.01/fri	Effective
26 Aston Rd	★ ★ ★ ★ ★	1,430	GRND,1	01/03/2014	New	£6.83/fri	Effective
27 12 Downley Rd	★ ★ ★ ★ ★	5,307	GRND,1	01/02/2014	New	£6.60/fri	Effective
28 Unit 12 Brockhampton Ln	★ ★ ★ ★ ★	9,208	GRND,...	25/11/2013	New	£3.91/fri	Asking
29 Parkwood Centre Aston Rd	★ ★ ★ ★ ★	1,010	GRND	01/11/2013	New	£8.42/fri	Effective
21 Downley Rd	★ ★ ★ ★ ★	2,780	GRND,1	29/10/2013	New	£5.76	Achieved
30 Downley Rd	★ ★ ★ ★ ★	1,743	GRND	01/10/2013	New	£7.17/fri	Asking

## Sales Comps - Industrial







Comps Statistics					
	Low	Average	Median	High	Count
<b>Office</b>					
Price					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	-	-	-	-	-
NIA					
For Sale & UC/Pending	3,527 SF	3,527 SF	3,527 SF	3,527 SF	1
Sold Transactions	-	-	-	-	-
Price per SF					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	-	-	-	-	-
Net Initial Yield					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	-	-	-	-	-
Days on Market					
For Sale & UC/Pending	968	968	968	968	1
Sold Transactions	-	-	-	-	-
Sale Price to Asking Price Ratio					
Sold Transactions	-	-	-	-	-
<b>Light Industrial</b>					
Price					
For Sale & UC/Pending	£77,750	£77,750	£77,750	£77,750	1
Sold Transactions	£350,000	£350,000	£350,000	£350,000	1
NIA					
For Sale & UC/Pending	681 SF	681 SF	681 SF	681 SF	1
Sold Transactions	681 SF	2,977 SF	1,604 SF	12,517 SF	12
Price per SF					
For Sale & UC/Pending	£114.17	£114.17	£114.17	£114.17	1
Sold Transactions	£27.96	£27.96	£27.96	£27.96	1
Net Initial Yield					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	-	-	-	-	-
Days on Market					
For Sale & UC/Pending	132	132	132	132	1
Sold Transactions	196	446	244	2,072	10
Sale Price to Asking Price Ratio					
Sold Transactions	82.35%	82.35%	82.35%	82.35%	1

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25/09/2017







## Sales Comps - Industrial







	Low	Average	Median	High	Count
<b>Industrial</b>					
<b>Price</b>					
For Sale & UC/Pending	£140,000	£368,400	£176,000	£1,200,000	5
Sold Transactions	£170,000	£1,585,000	£1,585,000	£3,000,000	2
<b>NIA</b>					
For Sale & UC/Pending	1,160 SF	20,866 SF	1,459 SF	120,000 SF	7
Sold Transactions	1,136 SF	57,953 SF	27,075 SF	196,720 SF	10
<b>Price per SF</b>					
For Sale & UC/Pending	£64.58	£76.87	£120.63	£120.69	5
Sold Transactions	£70.63	£72.16	£93.58	£116.52	2
<b>Net Initial Yield</b>					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	7.50%	7.50%	7.50%	7.50%	1
<b>Days on Market</b>					
For Sale & UC/Pending	109	432	341	714	7
Sold Transactions	94	588	606	1,232	6
<b>Sale Price to Asking Price Ratio</b>					
Sold Transactions	97.14%	98.57%	98.57%	100.00%	2
<b>Totals</b>					
For Sale & UC/Pending	Asking Price Total:	£1,919,750	Total For Sale Transactions:		9
Sold Transactions	Total Sales Volume:	£3,520,000	Total Sales Transactions:		22
	Total Included in Analysis:	£5,439,750	Total Included in Analysis:		31
<b>Survey Criteria</b>					
<p>basic criteria: Type of Property - Industrial, Light Industrial; Sale Date - 01/09/2014 - 25/09/2017; Sale Status - Under Offer, Sold, For Sale; Return and Search on Portfolio Sales as Individual Properties - Yes</p> <p>geography criteria: Submarket - Havant Ind (South Coast)</p>					







<b>1</b>	<b>22 Arnside Rd</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7UP Hampshire County</p> <p>Sale Date: 23/06/2017 (375 days on mkt) Bldg Type: Industrial/Warehouse  Sale Price: - Year Built/Age: Built 1960 Age: 57  Price/SF: - NIA: 11,678 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3951137 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>2</b>	<b>Units 1-20 - Light Industrial Unit, Unit 19C - Aston Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7HT Hampshire County</p> <p>Sale Date: 30/11/2015 (196 days on mkt) Unit Type: 1,895 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1994 Age: 21  Price/SF: - NIA: 1,895 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3459176 Sale Conditions: -  Research Status:</p>		
		
<b>3</b>	<b>Units 1-20 - Light Industrial Unit, Unit 19C - Aston Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7HT Hampshire County</p> <p>Sale Date: 30/11/2015 (196 days on mkt) Unit Type: 1,690 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1994 Age: 21  Price/SF: - NIA: 1,690 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3459176 Sale Conditions: -  Research Status:</p>		
		
<b>4</b>	<b>Units 1-29 - Oakwood Centre, Unit 17 - Downley Rd</b>	<b>PENDING</b>
<p>Havant, PO9 2NP Hampshire County</p> <p>Asking Price: £77,750 Sale Type: Investment OR Owner/User  Price/SF: £114.17 Unit Type: 681 SF Light Industrial Unit  Days on Market: 132 Bldg Status: Built 1988  Sale Status: Pending NIA: 25,944 SF</p> <p>Net Initial Yield: -  Sale Conditions: -</p>		
		
<b>5</b>	<b>Units 1-29 - Oakwood Centre, Unit 17 - Downley Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Havant, PO9 2NP Hampshire County</p> <p>Sale Date: 01/04/2015 (218 days on mkt) Unit Type: 681 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1988 Age: 26  Price/SF: - NIA: 681 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3364495 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>6</b>	<b>Units 1-29 - Oakwood Centre, Unit 18 - Downley Rd (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Havant, PO9 2NP Hampshire County</p> <p>Sale Date: 01/04/2015 (218 days on mkt) Unit Type: 681 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1988 Age: 26  Price/SF: - NIA: 681 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3364495 Sale Conditions: -  Research Status: Research Complete</p>		
		



<b>7</b>	<b>Units 7-11 - Light Industrial Unit, Unit 8 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 01/10/2014 (404 days on mkt) Unit Type: 1,544 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1992 Age: 22  Price/SF: - NIA: 1,544 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3151178 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>8</b>	<b>Units 7-11 - Light Industrial Unit, Unit 8 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 01/10/2014 (404 days on mkt) Unit Type: 1,234 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1992 Age: 22  Price/SF: - NIA: 1,234 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3151178 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>9</b>	<b>Units 4-6 - Light Industrial Unit, Unit 4 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 02/03/2015 (264 days on mkt) Unit Type: 1,257 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 2002 Age: 12  Price/SF: - NIA: 1,257 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3252972 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>10</b>	<b>Units 4-6 - Light Industrial Unit, Unit 4 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 02/03/2015 (264 days on mkt) Unit Type: 1,257 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 2002 Age: 12  Price/SF: - NIA: 1,257 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3252972 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>11</b>	<b>Units 1-3 - Light Industrial Unit, Unit 1 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 31/03/2015 Unit Type: 1,663 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1995 Age: 19  Price/SF: - NIA: 1,663 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3270398 Sale Conditions: -  Research Status: Research Complete</p>		
		
<b>12</b>	<b>Units 1-3 - Light Industrial Unit, Unit 1 - Elettra Ave (Part of Multi-Unit)</b>	<b>SOLD</b>
<p>Waterlooville, PO7 7XN Hampshire County</p> <p>Sale Date: 31/03/2015 Unit Type: 1,663 SF Light Industrial Unit  Sale Price: - Year Built/Age: Built 1995 Age: 19  Price/SF: - NIA: 1,663 SF</p> <p>Reversionary Yield: -  Net Initial Yield: -  Comp ID: 3270398 Sale Conditions: -  Research Status: Research Complete</p>		
		

<b>13</b>	<b>Units 1-8 - Furniss Business Centre, Unit 4 - Furniss Way</b>	<b>FOR SALE</b>
<div> <div>Hayling Island, PO11 0FG</div> <div>Hampshire County</div> <div> <div>Asking Price: £176,000</div> <div>Price/SF: £120.63</div> <div>Days on Market: 714</div> <div>Sale Status: Active</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Unit Type: 1,459 SF Industrial Unit</div> <div>Bldg Status: Built 2017</div> <div>NIA: 10,985 SF</div> </div> </div> <div> <div>Net Initial Yield: -</div> <div>Sale Conditions: -</div> </div> 		
<b>14</b>	<b>Units 1-8 - Furniss Business Centre, Unit 5 - Furniss Way</b>	<b>FOR SALE</b>
<div> <div>Hayling Island, PO11 0FG</div> <div>Hampshire County</div> <div> <div>Asking Price: £176,000</div> <div>Price/SF: £120.63</div> <div>Days on Market: 714</div> <div>Sale Status: Active</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Unit Type: 1,459 SF Industrial Unit</div> <div>Bldg Status: Built 2017</div> <div>NIA: 10,985 SF</div> </div> </div> <div> <div>Net Initial Yield: -</div> <div>Sale Conditions: -</div> </div> 		
<b>15</b>	<b>Units 1-8 - Furniss Business Centre, Unit 6 - Furniss Way</b>	<b>SOLD</b>
<div> <div>Hayling Island, PO11 0FG</div> <div>Hampshire County</div> <div> <div>Sale Date: 31/05/2017 (597 days on mkt)</div> <div>Sale Price: £170,000 - Confirmed</div> <div>Price/SF: £116.52</div> </div> <div> <div>Unit Type: 1,459 SF Industrial Unit</div> <div>Year Built/Age: Built 2017</div> <div>NIA: 1,459 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3938535</div> <div>Research Status: Confirmed</div> </div> <div> <div>Sale Conditions: -</div> </div> 		
<b>16</b>	<b>Units 1-8 - Furniss Business Centre, Unit 1 - Furniss Way</b>	<b>FOR SALE</b>
<div> <div>Hayling Island, PO11 0FG</div> <div>Hampshire County</div> <div> <div>Asking Price: £140,000</div> <div>Price/SF: £120.69</div> <div>Days on Market: 714</div> <div>Sale Status: Active</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Unit Type: 1,160 SF Industrial Unit</div> <div>Bldg Status: Built 2017</div> <div>NIA: 10,985 SF</div> </div> </div> <div> <div>Net Initial Yield: -</div> <div>Sale Conditions: -</div> </div> 		
<b>17</b>	<b>Units 1-8 - Furniss Business Centre, Unit 2 - Furniss Way</b>	<b>SOLD</b>
<div> <div>Hayling Island, PO11 0FG</div> <div>Hampshire County</div> <div> <div>Sale Date: 17/06/2017 (614 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Unit Type: 1,136 SF Industrial Unit</div> <div>Year Built/Age: Built 2017</div> <div>NIA: 1,136 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3955536</div> <div>Research Status: Public Record</div> </div> <div> <div>Sale Conditions: -</div> </div> 		
<b>18</b>	<b>Units 1-8 - Furniss Business Centre, Unit 3 - Furniss Way</b>	<b>SOLD</b>
<div> <div>Hayling Island, PO11 0FG</div> <div>Hampshire County</div> <div> <div>Sale Date: 17/06/2017 (614 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Unit Type: 1,394 SF Industrial Unit</div> <div>Year Built/Age: Built 2017</div> <div>NIA: 1,394 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3955546</div> <div>Research Status: Public Record</div> </div> <div> <div>Sale Conditions: -</div> </div> 		

<b>19</b>	<b>Units 12A-15 - Havant Business Centre, Unit 15 - Harts Farm Way</b>	<b>FOR SALE</b>
<div> <div>Havant, PO9 1HU</div> <div>Hampshire County</div> <div> <div>Asking Price: £150,000</div> <div>Price/SF: £115.21</div> <div>Days on Market: 307</div> <div>Sale Status: Active</div> <div>Net Initial Yield: -</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Unit Type: 1,302 SF Industrial Unit</div> <div>Bldg Status: Built 1993</div> <div>NIA: 4,490 SF</div> <div>Sale Conditions: -</div> </div> </div> <div></div>		
<b>20</b>	<b>4 Marples Way</b>	<b>SOLD</b>
<div> <div>Havant, PO9 1NX</div> <div>Hampshire County</div> <div> <div>Sale Date: 02/03/2015 (94 days on mkt)</div> <div>Sale Price: £3,000,000 - Confirmed</div> <div>Price/SF: £70.63</div> </div> <div> <div>Bldg Type: Industrial/Manufacturing</div> <div>Year Built/Age: Built 1980 Age: 35</div> <div>NIA: 42,472 SF</div> <div>Sale Conditions: -</div> </div> </div> <div></div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: 7.50%</div> <div>Comp ID: 3302038</div> <div>Research Status: Confirmed</div> </div>		
<b>21</b>	<b>NHS Supply Chain HQ - 4 Marples Way (Part of Portfolio)</b>	<b>SOLD</b>
<div> <div>Havant, PO9 1NX</div> <div>Hampshire County</div> <div> <div>Sale Date: 23/11/2016</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Bldg Type: Industrial/Manufacturing</div> <div>Year Built/Age: Built 1980 Age: 36</div> <div>NIA: 42,472 SF</div> <div>Sale Conditions: Bulk/Portfolio Sale</div> </div> </div> <div></div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: 6.50%</div> <div>Comp ID: 3761982</div> <div>Research Status: Research Complete</div> </div>		
<b>22</b>	<b>Havant Distribution Centre - New Ln</b>	<b>SOLD</b>
<div> <div>Havant, PO9 2NF</div> <div>Hampshire County</div> <div> <div>Sale Date: 02/02/2015 (1,232 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Bldg Type: Industrial/Warehouse</div> <div>Year Built/Age: Built 1967 Age: 47</div> <div>NIA: 160,143 SF</div> <div>Sale Conditions: -</div> </div> </div> <div></div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3284533</div> <div>Research Status: Research Complete</div> </div>		
<b>23</b>	<b>Units 2-8 - Kenwood Business Park - New Ln (Part of Portfolio)</b>	<b>SOLD</b>
<div> <div>Havant, PO9 2NT</div> <div>Hampshire County</div> <div> <div>Sale Date: 01/12/2014</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Bldg Type: Industrial/Manufacturing</div> <div>Year Built/Age: Built 1973 Renov 2008 Age: 41</div> <div>NIA: 196,720 SF</div> <div>Sale Conditions: Bulk/Portfolio Sale</div> </div> </div> <div></div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3226750</div> <div>Research Status: Research Complete</div> </div>		
<b>24</b>	<b>Units 1 &amp; 9 @ 415 - Kenwood Business Park - New Ln (Part of Portfolio)</b>	<b>SOLD</b>
<div> <div>Havant, PO9 2NT</div> <div>Hampshire County</div> <div> <div>Sale Date: 01/12/2014</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Bldg Type: Industrial/Warehouse</div> <div>Year Built/Age: Built 1979 Renov 2008 Age: 35</div> <div>NIA: 111,968 SF</div> <div>Sale Conditions: Bulk/Portfolio Sale</div> </div> </div> <div></div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3226750</div> <div>Research Status: Research Complete</div> </div>		

<b>25</b>	<b>10 - Kenwood Business Park - New Ln (Part of Portfolio)</b>	<b>SOLD</b>
<div> <div>Havant, PO9 2NT</div> <div>Hampshire County</div> <div> <div>Sale Date: 01/12/2014</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Bldg Type: IndustrialWarehouse</div> <div>Year Built/Age: Built 2008 Age: 6</div> <div>NIA: 10,088 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3226750</div> <div>Research Status: Research Complete</div> </div> <div> <div>Sale Conditions: Bulk/Portfolio Sale</div> </div>		
		
<b>26</b>	<b>Units A1 - A7 - Endeavour Business Park, Unit A5-A6 - Penner Rd</b>	<b>FOR SALE</b>
<div> <div>Havant, PO9 1QY</div> <div>Hampshire County</div> <div> <div>Asking Price: -</div> <div>Price/SF: -</div> <div>Days on Market: 968</div> <div>Sale Status: Active</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Unit Type: 3,527 SF Office Unit</div> <div>Bldg Status: Built 2004</div> <div>NIA: 18,753 SF</div> </div> </div> <div> <div>Net Initial Yield: -</div> </div> <div> <div>Sale Conditions: -</div> </div>		
		
<b>27</b>	<b>Units 1-3 - Solent Building - Southmoor Ln</b>	<b>PENDING</b>
<div> <div>Havant, PO9 1JW</div> <div>Hampshire County</div> <div> <div>Asking Price: £1,200,000</div> <div>Price/SF: £64.58</div> <div>Days on Market: 109</div> <div>Sale Status: Pending</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Bldg Type: IndustrialWarehouse</div> <div>Bldg Status: Built 1990</div> <div>NIA: 18,582 SF</div> </div> </div> <div> <div>Net Initial Yield: -</div> </div> <div> <div>Sale Conditions: -</div> </div>		
		
<b>28</b>	<b>Velocity - Stanbridge Rd</b>	<b>FOR SALE</b>
<div> <div>Havant, PO9 2NG</div> <div>Hampshire County</div> <div> <div>Asking Price: -</div> <div>Price/SF: -</div> <div>Days on Market: 123</div> <div>Sale Status: Active</div> </div> <div> <div>Sale Type: Investment</div> <div>Bldg Type: IndustrialWarehouse</div> <div>Bldg Status:</div> <div>NIA: 120,000 SF</div> </div> </div> <div> <div>Net Initial Yield: -</div> </div> <div> <div>Sale Conditions: -</div> </div>		
		
<b>29</b>	<b>5G - West End Garage - 5-7 Station Rd</b>	<b>PENDING</b>
<div> <div>Hayling Island, PO11 0EA</div> <div>Hampshire County</div> <div> <div>Asking Price: -</div> <div>Price/SF: -</div> <div>Days on Market: 341</div> <div>Sale Status: Pending</div> </div> <div> <div>Sale Type: Owner/User</div> <div>Bldg Type: IndustrialService</div> <div>Bldg Status:</div> <div>NIA: 2,097 SF</div> </div> </div> <div> <div>Net Initial Yield: -</div> </div> <div> <div>Sale Conditions: -</div> </div>		
		
<b>30</b>	<b>Unit 2 - The Meadows</b>	<b>SOLD</b>
<div> <div>Waterlooville, PO7 7XX</div> <div>Hampshire County</div> <div> <div>Sale Date: 19/09/2014 (224 days on mkt)</div> <div>Sale Price: -</div> <div>Price/SF: -</div> </div> <div> <div>Bldg Type: Light IndustrialLight Manufacturing</div> <div>Year Built/Age: Built 1984 Age: 30</div> <div>NIA: 9,638 SF</div> </div> </div> <div> <div>Reversionary Yield: -</div> <div>Net Initial Yield: -</div> <div>Comp ID: 3137891</div> <div>Research Status: Research Complete</div> </div> <div> <div>Sale Conditions: -</div> </div>		
		

Waterlooville, PO7 7XX

Hampshire County

Sale Date: 02/03/2015 (2,072 days on mkt) Bldg Type: Light IndustrialLight Manufacturing  
Sale Price: £350,000 - Confirmed Year Built/Age: Built 1995 Age: 19  
Price/SF: £27.96 NIA: 12,517 SF

Reversionary Yield: -

Net Initial Yield: -

Comp ID: 3253073

Sale Conditions: -

Research Status: Confirmed





**For: Havant Borough Council**

**Appendix III – Final v8  
Market Values & Assumptions  
Research**

**Whole Plan & CIL Viability Study**

**Dixon Searle Partnership**

Elm House, Tanshire Park, Shackleford Road,  
Elstead, Surrey, GU8 6LB  
[www.dixonsearle.co.uk](http://www.dixonsearle.co.uk)



**DixonSearle**  
Partnership



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**Notes:**

**CoStar property resource extracts for research base follow the above.**

## 1.0 Introduction

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- 1.1 Referred to within DSP's Viability Assessment main report, this document – Appendix III - provides an overview of the research undertaken into property values (commercial and residential), land values, general market commentary and wider economic conditions. Collectively, this research aims to help inform the assumptions setting for the residential and commercial appraisals and provides background evidence by building a picture of values and the variation of those within the Havant Borough context.
- 1.2 This report will also provide the Council with an indication of the type and sources of data that it could monitor – revisit and update to further inform its ongoing work where necessary in the future. Doing so would provide valuable context for monitoring the delivery subsequent to setting policy positions and aspirations.
- 1.3 It should be acknowledged that this is high level work and a great deal of variance may be seen in practice from one development to another (with site-specific characteristics). This data gathering process adopted by DSP involves the review of a range of information sources, so as to inform an overview that is relevant to and appropriate for the project context. The aim here is to consider changes and trends and therefore enable us to assess with the Council an updated context picture so far as is suitable and practically possible.
- 1.4 This Appendix uses a range of extracts and quotes (shown *in italic text* to distinguish those externally sourced information from DSP's commentary and context / analysis), with sources acknowledged.



## 2.0 Economic / Housing Market Context

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### Bank of England

2.1 The current official Bank Rate (Base Rate) has reduced the Base Rate from 0.5% to 0.25% since early August 2016. The Agent's Summary of Business Conditions (as of August 2017) stated:

- *'Consumer spending growth had eased slightly further in values terms. Manufacturing output growth had risen again, with exports supported by the past fall in sterling. Investment intentions were consistent with modest growth in spending over the year ahead.*
- *Recruitment difficulties had edged higher and broadened slightly. Pay awards were clustered around 2%–3%.*
- *Consumer goods price inflation had picked up further, largely reflecting the effects of the past fall in sterling feeding through into retail prices. Consumer services price inflation had also edged higher.*

2.2 Update Autumn 2018 - The official Bank Rate (Base Rate) was increased from 0.5% to 0.75% in August 2018, for the second time since August 2016. The Agent's Summary of Business Conditions (as of September 2018) states:

- *'Consumer spending growth ticked up, boosted by the warmer weather, but remained modest.*
- *Rising uncertainty, mostly related to concerns around Brexit, contributed to a slight softening in investment intentions.*
- *Export and domestic manufacturing output growth slowed modestly, but remained above average.*
- *Recruitment difficulties remained elevated; average pay settlements were a little higher than a year ago.'*

**Office for National Statistics (ONS) – House Price Index (September 2017)**

2.2 The following extracts provide a high-level summary of the UK HPI for September 2017:

- *'Average house prices in the UK have increased by 5.1% in the year to July 2017 (unchanged from June 2017). The annual growth rate has slowed since mid-2016 but has remained broadly around 5% during 2017.'*
- *The average UK house price was £226,000 in July 2017. This is £11,000 higher than in July 2016 and £2000 higher than last month.*
- *The main contribution to the increase in the UK house prices came from England, where house prices increased by 5.4% over the year to July 2017, with the average price in England now £243,000. Wales saw house prices increase by 3.1% over the last 12 months to stand at £151,000. In Scotland, the average price increased by 4.8% over the year to stand at £149,000. The average price in Northern Ireland currently stands at £129,000, an increase of 4.4% over the year to Quarter 2 (Apr to Jun) 2017.*
- *On a regional basis, London continues to be the region with the highest average house price at £489,000, followed by the South East and the East of England, which stand at £321,000 and £290,000 respectively. The lowest average price continues to be in the North East at £133,000.'*

2.3 Update in Autumn 2018 - The following extracts provide a high-level summary of the UK HPI for July 2018 (published 19 September 2018): -

- *'Average house prices in the UK have increased by 4.4% in the year to February 2018 (down from 4.7% in January 2018). The annual growth rate has slowed since mid-2016 but has remained generally under 5% throughout 2017 and into 2018. Average house prices in the UK decreased by 0.1% on the month.'*
- *The average UK house price was £225,000 in February 2018. This is £9,000 higher than in February 2017 and broadly unchanged from last month.*
- *The main contribution to the increase in UK house prices came from England, where house prices increased by 4.1% over the year to February 2018, with the average price in England now £242,000.*
- *On a regional basis the South East stood at £322,000 on average.*

### Land Registry

2.3 The **September 2017 Land Registry House Price Index Report** (published 14<sup>th</sup> November 2017) provided the following information, in summary, in terms of market trends:

2.4 Report headlines for September 2017:

- *the average price of a property in the UK was £226,367*
- *the annual price change for a property in the UK was 5.4%*
- *the monthly price change for a property in the UK was 0.4%*
- *the monthly index figure for the UK was 118.7*

2.5 Economic Statement:

- *'UK House prices grew by 5.4% in the year to September 2017, experiencing an increase of 0.6% percentage points from August 2017.*
- *In terms of housing demand, the Royal Institution of Chartered Surveyors' (RICS) residential market survey for September 2017 reported that new buyer enquiries fell during September, as a net balance of -20% more respondents noted a fall in demand. Not only does this extend a sequence of negative readings into a six month, it also represents the weakest figure since July 2016.*
- *The UK Property Transaction Statistics showed that the number of seasonally adjusted transactions on UK properties with a value of £40,000 or greater has increased by 4.6% between September 2016 and September 2017. However, comparing September 2017 with August 2017, the number of seasonally adjusted property transactions has decreased by 1.8%.*
- *Looking closer at the regional level of the UK, the highest annual growth was in the East Midlands (7.5%) while the slowest annual growth was London (2.8%) in the 12 months to July 2017. This is the 8<sup>th</sup> consecutive month when house price growth in London has remained below the UK average.'*
- *According to the bank of England Agent's summary business conditions reported that supply and demand appeared to be broadly in balance across the overall market.*

*Demand had proved more resilient in the new-build sector and the help to buy scheme was regarded as crucial to sustaining demand among first-time buyers.*

- *Looking more closely at regional levels of the UK, the largest annual growth was in the North West at 7.3% up from 5% in August 2017/ the slowest annual growth was in London at 2.5%. This is the 10<sup>th</sup> consecutive month where the growth in London house priced has remained below the UK average.*
- *On the supply side, RICS reported than new instructions to sell were more or less stable for the second report running, having declined continuously over the past 18 months. RICS also reported that little change is anticipated in terms of national sales activity over the coming three months. Likewise, the 11-month outlook is also flat at the national level, although respondents are a little more optimistic in Wales, Scotland and Northern Ireland.*

## 2.6 Extracts from the Average House Price tables:

Area	Average Price	Annual Change	Monthly Change
England	£226,367	5.4%	0.4%
South East	£324,465	5.5%	0.4%
Havant BC	£254,556	5.6%	-2.87%

## 2.7 The **UK House Price Index: September 2018** reports (published 19<sup>th</sup> September 2018) provide summary information in terms of market trends.

## 2.8 Report headlines for September 2018:

- *‘the average price of a property in England was £232,554*
- *the annual price change for a property in England was 3.5%*
- *the monthly price change for a property in England was 0%*
- *the monthly index figure for England was 122’*

## 2.9 Extracts from the Economic Statements:

- *'England house prices grew by 3.5% in the year to September 2018, up slightly from 3.1% in the year to August 2018. England average house prices in the UK were unchanged (0.0%) between August 2018 and September 2018.*
- *The Royal Institution of Chartered Surveyors' (RICS) UK Residential Market Survey for September 2018 reports a slight weakening in national new buyer demand for the second successive report, having remained stable over the four months prior. Their sales expectations series is negative for the next 12 months on a UK wide basis.*
- *The UK Property Transaction Statistics for September 2018 showed that on a seasonally adjusted basis, in the 3 months to September 2018, the number of transactions on residential properties with a value of £40,000 or greater in England was 98,400. This is down 2.7% compared to the 3 months to September 2017. Between August and September 2018, transactions fell by 0.5%.*
- *The number of mortgages approved for house purchases was broadly unchanged at 65,000 in September 2018. Mortgage approvals are seen to be a leading indicator of transactions volumes.*

Extracts from the Average House Price tables:

Area	Average Price	Annual Change	Monthly Change
England	£248,611	3.0%	1.2%
South East	£328,059	1.7%	-0.2%
Havant BC	£258,003	5.04%	0.43%

- 2.10 The above latest available data (to September 2018) indicates that average house prices in Havant, viewed on an annual basis, rose more than in both England and the South-East region overall with the annual growth rate remaining positive. However, at this level, the latest data indicates a slowing of house price increase and sales volume - all pointing to an overall 'marginal' and fairly 'static' picture.

### **RICS Residential Market Report (October 2017)**

- 2.9 Headline reads: *"Demand backdrop continues to deteriorate"*

- *'National price indicator turns flat with sentiment still downbeat in London and the South East;*

- *Subdued sales trends now being reported across most regions;*
  - *70% of respondents report sales prices are coming in below asking price for homes valued at £1m+.'*
- 2.10 *'The October 2017 RICS UK Residential Market Survey shows both demand and sales continuing to soften at the national level, with most regions displaying a flat to negative trend in the latest results. Meanwhile, forward looking indicators are suggesting momentum is likely to remain subdued, at least in the near term.*
- 2.11 *The national price net balance eased to +1% in October, following a reading of +6% in both the previous two months. This measure is now consistent with a flat price trend on a UK-wide basis, although there remains a significant variation across regions. Indeed, respondents in London continue to report downward pressure on prices, with the net balance coming in at -63% (the poorest reading since 2009). Similarly, the price gauge remains negative in the South East (albeit to a significantly lesser extent than in the capital), while East Anglia and the North East also returned readings below zero. By way of contrast, the price balances elsewhere remain generally firm, with the North West of England, Wales, Scotland and Northern Ireland all returning numbers consistent with further house price gains.*
- 2.12 *Alongside this, the headline near term price expectations series slipped to -11%, from -7% in September, and has now been negative in each of the last three reports. Again, the most cautious sentiment continues to be returned by contributors in London, although expectations are now also slightly negative in five other regions within England. The twelve-month view is stronger in most parts however, with ten of the twelve regions/countries covered in the report expected to see higher prices in a year's time. The two exceptions are London and the South East, where prices are anticipated to decline and remain flat, respectively.*
- 2.13 *When contributors were asked to compare sales prices with asking prices over the past two months, it predictably revealed greater discrepancies for more expensive homes. Nationally, for properties marketed at more than £1m, 71% of respondents reported sales prices coming in below asking prices (compared with 67% the last time the question was asked in July). Within this, 26% responded in the 'up to 5% below' category, and 35% answered 'between 5 and 10% below'.*

- 2.14 *For homes listed at between £0.5m and £1m, a combined 62% of contributors noted sales prices were coming in lower than asking prices (compared to 57% in July). The most favoured answer was 'up to 5% below' with 38% submitting this response. Finally, in terms of homes marketed at less than £0.5m, the largest share of respondents (42%) noted asking and sales prices were roughly the same level, although a still significant 32% stated sales prices were up to 5% under.*
- 2.15 *In terms of activity, the New Buyer Enquiries series continued to signal a softening in demand, with the national net balance coming in at -20% (unchanged from September). Likewise, agreed sales were also reported to have fallen, as 20% more respondents noted a decline in transactions (as opposed to a rise) over the month. What's more, Wales, Scotland and the North East were the only areas to have seen any pick-up during October, while sales trends were either flat or negative across the rest of the UK.*
- 2.16 *Going forward, national sales expectations remain flat over the coming three months, while the twelve-month view has turned marginally negative. When broken down, expectations are still reasonably positive in Scotland and Northern Ireland for the year ahead.*
- 2.17 *Following a couple of months in which new instructions had held broadly stable, the latest results point to a renewed deterioration in the flow of fresh listings coming to market (net balance -14%). Even so, given the drop in average sales per estate agent branch, stock levels have now risen slightly from the record low seen in June earlier this year.*
- 2.18 *In the lettings market, tenant demand was little changed during the three months to October (on a seasonally adjusted basis), while new landlord instructions remained in decline. Rental growth projections are modestly positive for the three months ahead (net balance +11%). Over the next five years, rents are anticipated to rise by an average of around 3.5% per annum, nationally. This compares with price growth projections of just above 1% over the same timeframe. Meanwhile, London remains the only area in which twelve-month rental growth projections are negative, with tenant demand still lacking momentum in the capital.'*
- 2.11 **The RICS UK Residential Market Survey (September 2018) report headlines:**



- *'Prices continue to rise in much of the UK*
- *Robust price growth reported across Scotland and Northern Ireland*
- *New instructions edge further into negative territory*
- *Sales expectations suggest activity is likely to remain stronger away from the south of England'*

## 2.12 Report extracts:

- *'Amidst reports of house prices (nationally) posting the sharpest monthly decline since July 2012, it is noteworthy that the August 2018 RICS Residential Market survey continues to show stronger trends in large parts of the UK. Significantly, whilst sentiment remains downbeat in London, parts of the wider South East, and to some extent, East Anglia, the results remain more solid in other areas, with Northern Ireland and Scotland in particular standing out.*
- *The picture regarding activity is a little less clear cut, with a flatter trend more generally. The Newly Agreed Sales net balance came in at -10% which represents the most negative reading on this metric for five months. As such, this result is pointing towards a modest decline in sales transactions. Disaggregating the data shows that, after a sharp fall in activity near the back of last year, sale trends are stabilising. Near term sales expectations suggest regional divergence will persist, with the market remaining relatively stronger away from the South of England.*
- *The survey has previously highlighted a lack of supply in the housing market as one of the main impediments to activity. The latest results reiterate this message... ..the appraisals net balance was once again negative in August which does not bode well for the new instructions pipeline in the coming months.*
- *The New Buyer Enquiries net balance figure of -6% is still consistent with a more or less flat trend in buyer demand.*
- *Turning to the lettings market, the latest numbers... ..point to a further decline in fresh rental stock coming to the market, a trend that has been emerging on the back of tax changes on Buy-to-Let properties. As a result of the supply-demand imbalance, near term rent expectations point to further rental growth in the coming three months.*
- *Rents are expected to rise at a faster rate than house prices; average rental growth projections stand at around 3% per annum for the next five years whilst prices are projected to rise by around 2% on the same basis.'*































































### **Savills: Residential Property Forecasts – Autumn 2017**

#### **The Six Factors that underpin our housing forecasts**

- 2.19 *'Forecasting house prices is not for the faint hearted. Getting it right presupposes you have made the right economic assumptions, can predict the direction of government and Bank of England policy and have the ability to foresee the fickle nature of buyer sentiment. And yet there is plenty we do know, or can predict with confidence, that allows us to best estimate the future of the housing market. In particular, there are six key factors (right) that influence our forecasts.*
- 2.20 *They show how the UK housing market has many moving parts. How we occupy our property changes over time and between generations. That means house prices, which we consider at a regional and national level on page 4, are just part of the picture. Transaction levels can be as much of a variable, whether across the market or among different groups of buyers.*
1. *In the short term, there will be uncertainty over what Brexit means for the UK economy and, just as importantly, for individual households' wealth and financial security. While it will take time for the precise impact to become clear, this uncertainty will make buyers more cautious in the short term at least.*
  2. *Mortgage interest rates in the UK are likely to rise over the next five years. That is likely to put a squeeze on the amount people can borrow in an age of mortgage regulation. Dramatic increases in the cost of borrowing, that would create undue financial stress on households, are unlikely.*
  3. *Buy-to-let investors are now beginning to feel the effect of the mortgage regulations that owner-occupier have lived with since 2014. They also now bear greater stamp duty costs and, unless there is a change of political heart, will increasingly be affected by restrictions on income tax relief.*
  4. *London has shown much greater house price growth than the rest of the country for the majority of the past decade. So, it is likely to be more constrained than the rest of the country by factors above.*
  5. *In previous cycles, we have always reached a point where house price growth in the north of the country exceeds that in the South. In the past, it was facilitated by a strong economy or relatively unrestricted access to mortgages.*
  6. *We are not building enough homes of the right type in the right places to meet demand. However, there seems to be an increased political desire to address this.*

- 2.21 *We expect house price growth to slow next year as uncertainty weighs down the market. There is capacity for growth later on, but this will be tempered by interest rate rises. This means that we expect UK house price growth to be limited to 14% in total over the next five years, half the level seen over the last five.*
- 2.22 *What's holding back growth? Right now, uncertainty. With the UK's future relationship with the EU up in the air, we've seen the UK's credit rating downgraded, the pound weakened, and the economy subdued. Inflation has cut into people's earnings, with the ONS reporting that incomes fell by 0.4% last year in real terms. Against this economic backdrop, there are no strong drivers for house price growth over inflation next year.*
- 2.23 *What about the following year? We expect the market to return to growth in 2019-20, as employment growth, wage growth, and GDP growth swing back towards trend levels. But in the longer term, we will face the impact of interest rate rises. Any rise in the Bank of England base rate, no matter how gradual or limited, will increase the cost of borrowing for households with a variable-rate mortgage. It will also hit households looking to agree a new mortgage: lenders must apply an interest rate 'stress test' to make sure their borrowers can afford repayments should rates rise. These new tests will push mortgage availability out of the reach of more households. This is what limits our growth forecasts for 2021 and 2022. With mortgage affordability increasingly constrained, any house price growth will be driven by earnings growth.*
- 2.24 *If everything is so uncertain, how do you know this is what's going to happen to the market? We base our forecasts on what Oxford Economics estimates is the most likely Brexit scenario: that the UK will have an interim EU deal from March 2019, then move to a free trade agreement. Clearly, other outcomes are possible; each having an impact on price growth. We also assume no major Brexit-related job losses and a Conservative minority government until 2022.*
- 2.25 *How do the different regions compare? Price growth will be most sluggish in areas where affordability is most stretched; particularly London and the commuter belt. Affordability in the capital is already more stretched than the rest of the UK, putting a brake on growth. But areas beyond the Home Counties have potential for growth: incomes have grown more in line with house prices, aiding affordability. That's why we expect the North to outperform London and the rest of the country. The North West, in particular,*

*has a robust economic outlook and strong employment growth. And house prices sit at a modest multiple of average incomes: 5.6 times in the North West, compared with 12.9 times in London. But these are trends for diverse regions. London contains ultra-prime Kensington and Chelsea, and up-and-coming Waltham Forest. The North West has affluent markets such as Trafford, along with less wealthy areas, such as Burnley. In general, we'd expect price trends to follow the same pattern we predict at a regional level. Prices will grow fastest in areas that are well-connected to markets.*

Location	2018	2019	2020	2021	2022	5-year compound growth
United Kingdom	 1.0%	 2.5%	 5.0%	 2.5%	 2.5%	14.2%
North West	 1.5%	 3.5%	 6.0%	 3.0%	 3.0%	18.1%
North East	 1.5%	 3.5%	 5.5%	 3.0%	 3.0%	17.6%
Yorkshire & Humberside	 1.5%	 3.5%	 5.5%	 3.0%	 3.0%	17.6%
Scotland	 1.5%	 3.5%	 5.0%	 3.0%	 3.0%	17.0%
Wales	 1.0%	 3.0%	 5.0%	 3.0%	 3.0%	15.9%
East Midlands	 1.0%	 3.0%	 5.0%	 2.5%	 2.5%	14.8%
West Midlands	 1.0%	 3.0%	 5.0%	 2.5%	 2.5%	14.8%
South West	 1.0%	 3.0%	 4.5%	 2.5%	 2.5%	14.2%
East of England	 0.5%	 2.5%	 4.0%	 2.0%	 2.0%	11.5%
South East	 0.5%	 2.5%	 4.0%	 2.0%	 2.0%	11.5%
London	 -2.0%	 0.0%	 5.0%	 2.0%	 2.0%	7.1%

### What the Future Holds

2.26 Our timeline show how political and economic uncertainty could influence the mainstream property market between now and 2022.

- 2018 – Brexit uncertainty cools the market. Low transactions and growth.
- 2019 – Some certainty returns to the market as we move to a transitional agreement with the EU. Transactions and house prices start to recover.
- 2020 – The last scraps of buy-to-let mortgage interest tax relief are withdrawn. Continued recovery, tempered by slightly impinged mortgage affordability.

- *2021 – Interest rate rises begin in earnest. Affordability stress-testing limits access to mortgage finance. House price growth more limited, but transactions continue their recovery.*
- *2022 – Interest rates continue to increase, dampening house price growth further. Another general election brings fresh uncertainty to the market. Limited house price growth transactions stabilise.*

### **Changing fortunes for buyer**

- 2.27 *In the year to the end of June 2017, there were 1.2 million transactions in the UK housing market, half a million fewer than 10 years ago. This reduction in number is one of the legacies of the credit crunch, but how is it shaping the property market? We examine what it means for four buyer types using past, present and predicted transaction data.*
- 2.28 *Much is made of the plight of first-time buyers. Receiving significant support from the Bank of Mum and Dad and, to a lesser but still important degree, the Help to Buy scheme, they ended the 12 months to the end of June within 5% of their pre-crunch level.*
- 2.29 *The potential for further significant growth in this number, however, is limited in an age of mortgage regulation where deposits are likely to remain high. But the constraints which this imposes vary across the country, and the extremes seen in London are unrepresentative of the majority of the rest of the UK. In the South East, the constraints are less acute, but still significant. In this region, the average household income of first-time buyers exceeds £50,000, and the average mortgage stands at more than four times that figure. Meanwhile, the average deposit is a considerable £48,000. Who is able to buy is restricted by their ability to raise that kind of sum for a deposit, along with the need to have a substantial household income. There seems little capacity to stretch loan-to-income multiples much further than they already stand and, as a result, that is likely to limit growth in first-time buyers in this part of the country.*
- 2.30 *By contrast, in the North West, the average income of a first-time buyer is just over £35,000, and the average mortgage is 3.24 times that sum. The average deposit – though certainly not to be sniffed at – is considerably less, at £19,000. And, while there are still undoubted constraints to be found in this area of the UK, they are not nearly as great as those experienced by their South-East counterparts.*

**Mortgaged Home Movers**

- 2.31 *The number of mortgaged home movers is only marginally higher than first-time buyers. Transactions have risen by less than 10% in the past five years, far less than the 29% across the housing market as whole.*
- 2.32 *In part, this activity reflects falling levels of home ownership. It also reflects a lack of earnings growth and rising levels of consumer credit that impinge on the ability to obtain a larger mortgage. But, perhaps more crucially, it points to households moving up the housing ladder less often. This reflects the longer time it takes to build up equity to make the next move – not just with house price growth, but paying down existing mortgage debt. A period of low house price growth will do little to help people build up sufficient housing wealth to be confident of moving up the ladder, although this should ease over the five years of our forecast period. In London, the cost of buying a house with an extra bedroom – and the ability to get a mortgage to do so – is likely to drive demand into the commuter zone, where upsizers get more for their money.*
- 2.33 *Buy-to-let investors have had the triple hit of extra stamp duty, restricted tax relief on their interest payments, and mortgage regulation. This has led to a large fall in purchases of investment property by those using a mortgage. The stamp duty surcharge has raised far more revenue for the Treasury than was envisaged, largely through the volume of cash investors. Changes seem unlikely. Meanwhile, the effect of restricted tax relief is probably yet to show its hand, given the benign interest rate environment and its staggered introduction. Mortgage regulation has had a more immediate impact since its introduction for small private landlords in January 2017 and was applied to portfolio landlords in October. It seems likely we'll see mortgaged buy-to-let numbers fall further, with investors looking to cheaper, higher-yielding properties to make the sums add up – often outside London and the South. Cash buyers have become more dominant, and now account for 34% of all house purchases – but they're likelier to be cost cautious.*

	2017	2018	2019	2020	2021	2022	5-year change
Mortgaged first-time buyers	360,000	360,000	370,000	370,000	380,000	380,000	6%
Mortgaged home movers	360,000	350,000	340,000	330,000	340,000	350,000	-3%
Mortgaged buy to let	75,000	65,000	65,000	60,000	55,000	55,000	-27%
Cash buyers	400,000	360,000	380,000	410,000	420,000	425,000	6%
<b>Total</b>	<b>1,195,000</b>	<b>1,135,000</b>	<b>1,155,000</b>	<b>1,170,000</b>	<b>1,195,000</b>	<b>1,210,000</b>	<b>1%</b>

### Transactions

- 2.34 *The number of cash buyers has become much more dominant in the market – they now account for some 34% of all house purchases, and 45% of all sums spent on house purchase. Amongst this group, investors, second-home buyers and those buying a home for other family members, now have to contend with the 3% stamp duty surcharge. All are likely to be slightly more cautious in weaker market conditions, given the additional ‘dead-money’ they will have to pay. Cash investors, in particular, are likely to become a little more cost conscious, particularly as returns from alternative investments begin to rise in a higher interest rate environment. Second-home buyers, who are essentially making a discretionary purchase, are likely to be fickle, particularly compared to those looking to buy a home for a family member, where the need is likely to result in a greater urgency to purchase. That, in turn, leaves downsizers, who we believe are likely to increase in number as they seek to release capital – either to help get their children or grandchildren on the housing ladder, or to further supplement their pensions and savings for retirement. For developers, the key will be to build suitable retirement housing to help facilitate those moves.*

### Help To Buy


























- 2.35 *Across the board, it remains to be seen exactly what will happen when Help to Buy comes to an end in 2021. The scheme is currently supporting 40,000 new house purchases a year across England, which has been underpinned by the announcement of another £10 billion of funding. Being of such importance to the housebuilding industry, we expect that it will be extended in some form. But, concerns over the extent to which it is fuelling house builder profits, and its effectiveness at getting people on the housing ladder, means it may be reduced in scope. One possibility may be that it becomes more targeted.*

*Currently, the average person using the scheme is buying a property worth £270,000, and has a yearly household income of £53,000. First-time buyers make up 81% of Help to Buy loans; 36% are putting down a deposit of more than 5%.*

### **Pushed to the Limit**

- 2.36 *As wages return to growth, rents for the mainstream market look set to grow faster in London – although there is still potential outside the capital, with high-yielding employment hubs. There are two major factors helping to put the brakes on rental growth in the near term. First: supply. When the former Chancellor announced a 3% stamp duty surcharge on additional homes in 2016, buy-to-let investors scrambled to buy properties before the 31 March deadline. As a result, we saw a glut of properties marketed for rent in the second half of 2016 and early 2017, which has helped to keep rental value growth low. Asking rents across England and Wales grew just 1.9% in the year to June 2017, and fell by 3.2% in London.*
- 2.37 *Since June, the London market seems to have accommodated this new supply and rental values have stabilised. And with government removing tax relief on buy-to-let mortgage payments, we expect to see new rental supply slow down over the next few years – unless build to rent developers can step in to fill the gap.*
- 2.38 *The second major factor affecting rental values over the longer term is affordability. Historically, rents have grown largely in line with wages. However, recent wage growth in the UK has been stagnant as Brexit-wary employers try to limit their costs. With rising levels of employment, this is forecast to change, with incomes set to head back to real growth by 2019.*
- 2.39 *Given how tightly affordability is stretched in London, and the levels of supply we have seen over the last two years, we see no pressure for rents to rise in excess of wage growth. Withdrawal of mortgage interest tax relief will push investors from London to higher-yielding regional locations. Increased rental supply there will dampen potential rental growth. The outlook is strongest for cities that attract employees from high-value sectors such as finance, technology, and professional.*



Location	2018	2019	2020	2021	2022	5-year compound growth
UK	 2.5%	 2.5%	 3.0%	 3.5%	 3.5%	15.5%
London	 3.0%	 3.0%	 3.5%	 3.5%	 3.0%	17.0%
UK excl London	 2.0%	 2.0%	 3.0%	 3.5%	 3.5%	15.0%
Wages	 3.0%	 3.0%	 3.0%	 3.5%	 3.5%	17.0%
CPI	 2.0%	 1.5%	 2.0%	 2.0%	 2.0%	9.5%

### Stepping up on delivery

- 2.40 *To have any impact on affordability, we need to build more homes. We look at the catalysts that could shape meaningful progress: government pressure on developers, new housebuilders, and increasing land supply. The housebuilding industry is producing 210,000 new homes per year in England, more than at any time since the global financial crisis (GFC). But there is still a need to do more. The Government's consultation on assessing housing need sets annual housing need in England at 266,000, while the House of Lords Economic Affairs Committee suggested over 300,000 new homes are needed each year to have any impact on affordability.*

### Government Pressure

- 2.41 *The white paper explicitly identifies slow delivery as one of the major difficulties facing the housing market. It proposes a more streamlined approach to planning, giving local authorities increased powers to deliver community infrastructure, and applying a standardised method to calculating housing need that could result in increased land supply in high-demand areas. It also suggests that local planning authorities could have powers to turn down applications from developers who have not shown a strong track record of delivering previously consented sites.*
- 2.42 *The Government wants to hold developers to account for new home delivery and ensure sites with planning permission are built. Although it's unclear how this will take effect, it is evident that this pressure, combined with the new housing delivery test for local authorities, means that the development industry can't merely maintain current levels of delivery.*



**Demand and Delivery**

- 2.43 *A step change in delivery is most likely to come from new entrants to the market. Over the past 18 months, we've seen small and medium housebuilders, much reduced during the GFC, re-enter the land market. But their resurgence relies on government support and continued housing market strength.*
- 2.44 *Institutional investors are also starting to fund build-to-rent schemes. In the UK, 17,000 build-to-rent homes have been completed, but this is an emerging sector. We expect delivery to increase as confidence grows; 79,000 build-to-rent units are in the development pipeline.*
- 2.45 *The greatest untapped potential comes from housing associations. The Savills Housing Sector Survey 2017 revealed that 66% of housing associations plan to deliver market-sale homes over the next five years, and more than 80% want to build homes for shared ownership or affordable rent. Delivering affordable housing increases the potential for absorption of new homes and allows for continued housebuilding in the event of a market downturn.*
- 2.46 *If housing associations are to achieve these ambitions, they need to have access to land and construction capacity, either their own or through partnerships. In our survey, 82% of housing associations said they plan to or are considering partnering with a private developer in the next five years. As many traditional builders are at capacity, the new development ambitions of housing associations could start to bring modern methods of construction (MMC) into the mainstream. We estimate that there could be capacity to build over 60,000 homes per year through MMC by 2022.*

**Land Availability**

- 2.47 *The potential to deliver homes will always be limited by the supply of land, especially in high-demand areas. The planning system could do more to respond to market signals to release land where affordability is most stretched. While the number of homes gaining permission, each year has increased 56% since the 2012 introduction of the National Planning Policy Framework, this has been spread across England, and not where new homes are needed the most.*
- 2.48 *For housing delivery to reach 300,000 homes per year, we need to make full use of the untapped market capacity in higher-demand areas. There is a shortfall of almost 90,000*

*planning consents each year in the least affordable areas in the country. More land availability in these areas would allow new entrants in the market without pushing up land values. This can then support higher output from smaller developers and mixed tenure delivery programmes from housing associations, which would move us towards being able to deliver the housing needed to support continued economic growth.'*

## **Savills**

- 2.49 The Savills **UK Housing Market Update – September 2018** headline: *'Price growth flat, but signs of an increase in activity'.*
- 2.50 *'House prices showed no change in October, according to Nationwide. This puts year to date growth at 1%, in line with our forecast for 2018. We have recently published our updated forecasts to 2023, which predict 14.8% growth for the nation over the next 5 years. The number of surveyors seeing falling house prices slightly exceeded the number seeing rises, according to the September RICS survey. Most surveyors continued to report falling numbers of new enquiries and new instructions. Surveyor optimism seen early in the summer has translated into two comparatively strong months of transactions in July and August, with August having the highest number of new loan completions since 2007. A return to greater negativity amongst surveyors suggests this uptick may be short lived. But the 7 month decline in transaction volumes has stopped for now.*
- 2.51 *One driver of transactions is the Help to Buy equity loan scheme, which supported approximately 1 in 8 first time buyers in Q1 2018. The scheme's extension was announced in last week's budget: it will now continue until 2023 but will be restricted to first time buyers only from 2021. It will also have new maximum value caps, set regionally. Since the scheme's start in 2013, 170,000 homes have been bought using it, the majority (81%) being first time buyers. This extension has provided much needed clarity, and has been welcomed by most major housebuilders. Other major announcements were for a stamp duty cut for shared ownership purchases and an additional 1% stamp duty for non resident buyers.*
- 2.52 *Annual house price growth was strongest in the Forest of Dean, Stirling and Burnley, all at approximately 10% growth over the 12 months to August. London remains the weakest performer, due in large part to Brexit impact on sentiment, with Kensington & Chelsea, Westminster and Camden showing the largest annual falls of 9%, 7% and 5%*

*respectively. Annual rental growth for the UK remained at 0.9% in September, according to the ONS. The East Midlands continued to show the strongest annual growth of 2.9%, followed by the South West at 2.1%. London has been the weakest performer, with rents 0.3% lower than this time last year, though we forecast higher rental growth in London than other regions over the next 5 years.'*

### 3.0 Residential Market Review

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- 3.1 Consistent with our assessment principles, DSP researches data from a range of readily available sources. As noted above, these are source that could also be used by HBC for any future similar work, updating or monitoring.
- 3.2 In the following sections we will provide an outline of the data reviewed, first setting out the latest available information and then working back through an outline of the previous and earliest research phases.
- 3.3 As part of the data collection process a framework was established for gathering and reviewing property values data. The residential market review has been based on a combination of Wards to the west of the A3 road (Hartplain, Cowplain, Waterloo, Stakes and Purbrook) and those areas to the East of the A3 road have been primarily based on Character Areas (including Portsdown Hill just to the West of the A3) as outlined in the Havant Borough Townscape, Landscape, Seascape Character Assessment. The only exception being Emsworth which has been divided into North and South areas. The following Figures 1a and 1b provide a map of the Borough with the aforementioned research areas defined.

*See below Figures 1a and 1b below*

Figure 1a: DSP Research Areas – Havant Borough excluding Hayling Island

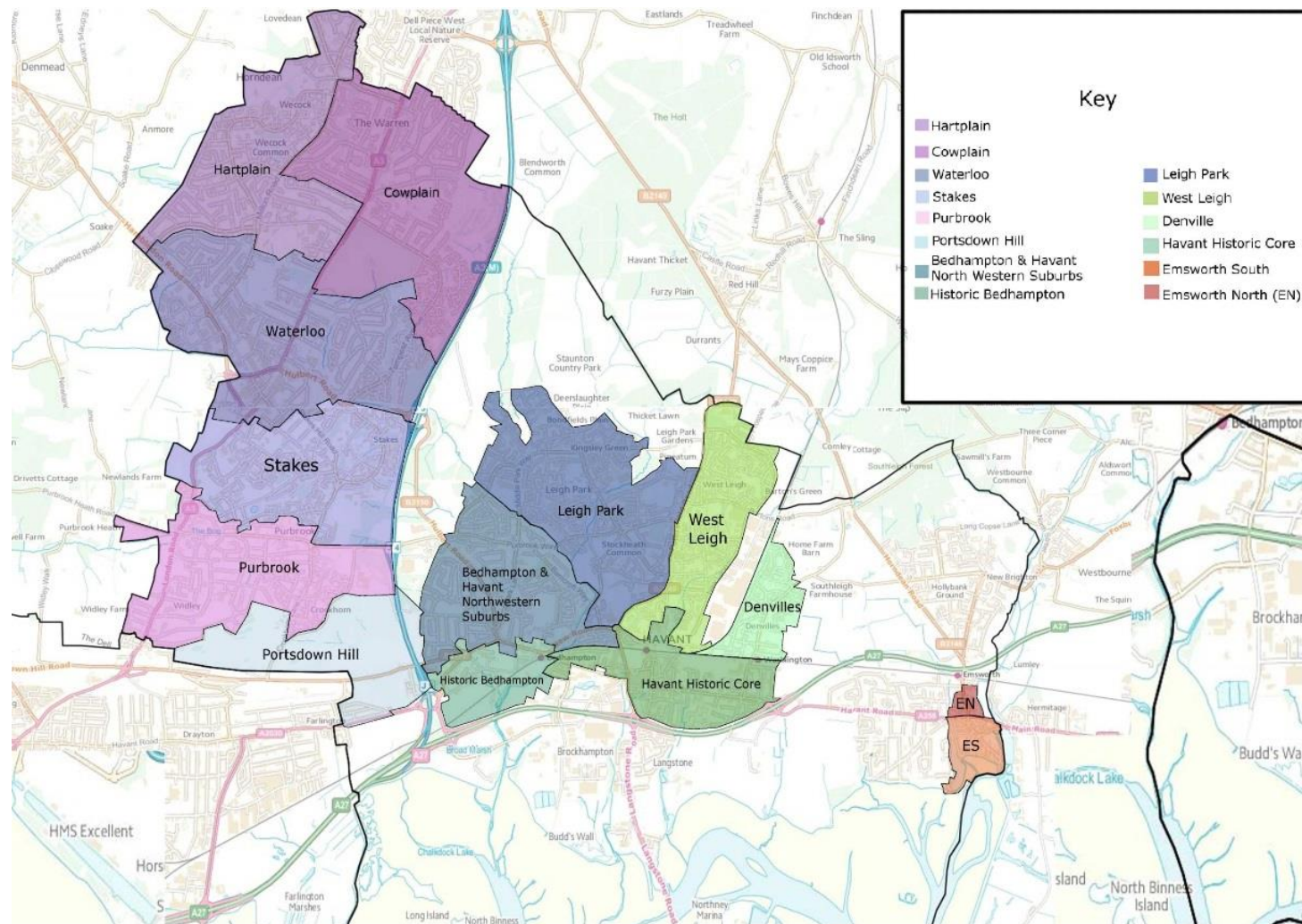
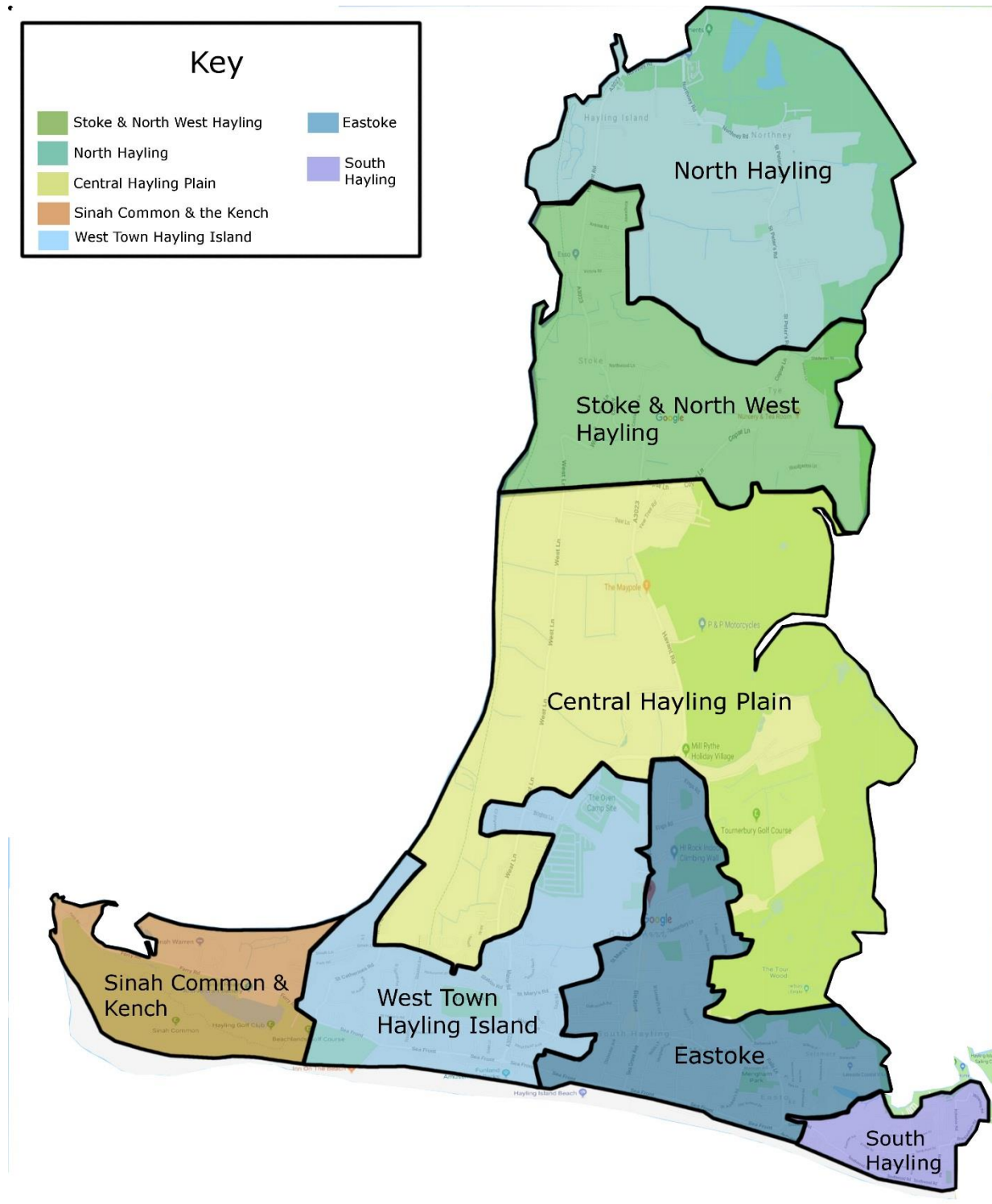




Figure 1b: DSP Research Areas – Hayling Island only



**Review of Land Registry New Builds Sold Prices Data (May 2017 – Autumn 2018)**

- 3.4 The following provides a Havant Borough Council summary of Land Registry published sold prices data – focussing on new-build, and resale housing. Although this data is automatically grouped by locality, we have subsequently grouped into the aforementioned research areas, resulting in a consistent dataset between sources. The floor areas have been sourced separately – from the Domestic Energy Performance Certificate (EPC) Register operated by Landmark on behalf of the Government and available to view via <https://www.epcregister.com/> under the DCLG's remit.

*See Table 1a on the following page.*

Table 1a – Land Registry Sold Prices Review Analysis – Havant New Builds (Completed October 2017) Data sorted by DSP Research Areas

Address	Locality	DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
<b>Bedhampton &amp; Havant NW Suburbs</b>											
Nelson Road	Bedhampton	Bedhampton & Havant NW Suburbs	PO9 3NF	18/11/2016	D	F	£449,000	162	£2,772	£469,645	£2,899
<b>Average</b>										<b>£469,645</b>	<b>£2,899</b>
<b>Denvilles</b>											
Daffodil Way	Denvilles	Denvilles	PO9 2FA	16/06/2016	S	F	£340,000	107	£3,178	£364,294	£3,405
Daffodil Way	Denvilles	Denvilles	PO9 2FA	17/06/2016	S	F	£349,000	107	£3,262	£373,937	£3,495
Daffodil Way	Denvilles	Denvilles	PO9 2FA	24/06/2016	S	F	£340,000	107	£3,178	£364,294	£3,405
Daffodil Way	Denvilles	Denvilles	PO9 2FA	29/07/2016	S	F	£345,000	107	£3,224	£364,076	£3,403
Portsea View	Denvilles	Denvilles	PO9 3FE	02/06/2016	D	F	£810,000	183	£4,426	£867,876	£4,742
Portsea View	Denvilles	Denvilles	PO9 3FE	23/06/2016	D	F	£730,000	165	£4,424	£782,160	£4,740
Portsea View	Denvilles	Denvilles	PO9 3FE	30/06/2016	D	F	£650,000	131	£4,962	£696,444	£5,316
Portsea View	Denvilles	Denvilles	PO9 3FE	30/06/2016	D	F	£645,000	131	£4,924	£691,087	£5,275
Portsea View	Denvilles	Denvilles	PO9 3FE	24/10/2016	D	F	£799,000	183	£4,366	£839,164	£4,586
Portsea View	Denvilles	Denvilles	PO9 3FE	09/12/2016	D	F	£770,000	169	£4,556	£787,245	£4,658
Portsea View	Denvilles	Denvilles	PO9 3FE	23/12/2016	D	F	£840,000	169	£4,970	£858,813	£5,082
Portsea View	Denvilles	Denvilles	PO9 3FE	23/12/2016	D	F	£850,000	131	£6,489	£869,037	£6,634
Portsea View	Denvilles	Denvilles	PO9 3FE	23/02/2017	D	F	£599,000	131	£4,573	£615,322	£4,697
<b>Average</b>										<b>£651,827</b>	<b>£4,572</b>
<b>Historic Bedhampton</b>											
Doyle Close	Bedhampton	Historic Bedhampton	PO9 1FB	23/09/2016	D	F	£299,950	89	£3,370	£319,603	£3,591



Address	Locality	DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Doyle Close	Bedhampton	Historic Bedhampton	PO9 1FB	30/09/2016	D	F	£309,950	95	£3,263	£330,258	£3,476
Doyle Close	Bedhampton	Historic Bedhampton	PO9 1FB	07/10/2016	D	F	£324,950	95	£3,421	£341,285	£3,592
Doyle Close	Bedhampton	Historic Bedhampton	PO9 1FB	17/10/2016	D	F	£304,950	95	£3,210	£320,279	£3,371
Doyle Close	Bedhampton	Historic Bedhampton	PO9 1FB	21/10/2016	S	F	£274,950	87	£3,160	£288,771	£3,319
Doyle Close	Bedhampton	Historic Bedhampton	PO9 1FB	28/10/2016	S	F	£289,950	90	£3,222	£304,525	£3,384
Abrams Way	Bedhampton	Historic Bedhampton	PO9 1FJ	17/06/2016	S	F	£269,950	70	£3,856	£289,239	£4,132
Abrams Way	Bedhampton	Historic Bedhampton	PO9 1FJ	16/09/2016	D	F	£299,950	95	£3,157	£319,603	£3,364
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	17/06/2016	S	F	£269,950	88	£3,068	£289,239	£3,287
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	24/06/2016	S	F	£274,950	88	£3,124	£294,596	£3,348
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	30/06/2016	S	F	£269,950	88	£3,068	£289,239	£3,287
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	01/07/2016	S	F	£269,950	88	£3,068	£284,876	£3,237
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	08/07/2016	S	F	£269,950	88	£3,068	£284,876	£3,237
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	08/07/2016	D	F	£299,950	95	£3,157	£316,535	£3,332

Address	Locality	DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	22/07/2016	D	F	£299,950	96	£3,124	£316,535	£3,297
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	22/07/2016	S	F	£269,950	71	£3,802	£284,876	£4,012
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	25/07/2016	S	F	£269,950	88	£3,068	£284,876	£3,237
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	05/08/2016	S	F	£269,950	88	£3,068	£284,603	£3,234
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	16/09/2016	D	F	£304,950	95	£3,210	£324,930	£3,420
Longcroft Way	Bedhampton	Historic Bedhampton	PO9 1FL	18/10/2016	S	F	£269,950	88	£3,068	£283,520	£3,222
Ranelagh Road	Bedhampton	Historic Bedhampton	PO9 1NR	30/06/2016	S	F	£274,950	88	£3,124	£294,596	£3,348
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	30/06/2016	T	F	£390,000	135	£2,889	£417,866	£3,095
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	29/07/2016	T	F	£322,000	117	£2,752	£339,804	£2,904
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	31/08/2016	T	F	£325,000	117	£2,778	£342,641	£2,929
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	27/09/2016	T	F	£420,000	149	£2,819	£447,518	£3,003
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	30/09/2016	T	F	£320,000	117	£2,735	£340,966	£2,914
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	30/09/2016	T	F	£315,000	109	£2,890	£335,639	£3,079

Address	Locality	DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	30/09/2016	T	F	£310,000	109	£2,844	£330,311	£3,030
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	30/09/2016	T	F	£385,000	138	£2,790	£410,225	£2,973
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	17/10/2016	T	F	£368,000	138	£2,667	£386,499	£2,801
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	10/11/2016	T	F	£320,000	109	£2,936	£334,714	£3,071
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	21/12/2016	D	F	£445,000	149	£2,987	£454,966	£3,053
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NW	21/12/2016	T	F	£380,000	138	£2,754	£388,511	£2,815
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	24/06/2016	F	L	£203,000	63	£3,222	£217,505	£3,452
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	24/06/2016	F	L	£158,000	49	£3,224	£169,289	£3,455
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	29/06/2016	F	L	£161,500	49	£3,296	£173,040	£3,531
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	29/06/2016	F	L	£209,000	63	£3,317	£223,933	£3,554
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	29/06/2016	F	L	£166,500	49	£3,398	£178,397	£3,641
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	30/06/2016	F	L	£205,000	64	£3,203	£219,648	£3,432

Address	Locality	DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	04/07/2016	F	L	£150,000	49	£3,061	£158,294	£3,230
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	26/08/2016	F	L	£214,000	63	£3,397	£225,616	£3,581
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	02/09/2016	F	L	£208,000	63	£3,302	£221,628	£3,518
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	12/09/2016	F	L	£168,500	49	£3,439	£179,540	£3,664
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	29/09/2016	F	L	£165,000	49	£3,367	£175,811	£3,588
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	30/09/2016	F	L	£166,500	49	£3,398	£177,409	£3,621
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	28/10/2016	F	L	£215,000	68	£3,162	£225,808	£3,321
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	11/11/2016	F	L	£215,000	68	£3,162	£224,886	£3,307
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	25/11/2016	F	L	£210,000	64	£3,281	£219,656	£3,432
Brunel Way	Bedhampton	Historic Bedhampton	PO9 3NZ	22/12/2016	F	L	£212,000	63	£3,365	£216,748	£3,440
Anson Close	Bedhampton	Historic Bedhampton	PO9 3PA	30/06/2016	T	F	£365,000	138	£2,645	£391,080	£2,834
Anson Close	Bedhampton	Historic Bedhampton	PO9 3PA	19/08/2016	T	F	£360,000	138	£2,609	£379,541	£2,750

Address	Locality	DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
<b>Average</b>										<b>£291,262</b>	<b>£3,309</b>
<b>Historic Havant Core</b>											
North Street	Havant	Historic Havant Core	PO9 1ET	16/06/2016	F	L	£117,500	53	£2,217	£125,896	£2,375
North Street	Havant	Historic Havant Core	PO9 1ET	09/01/2017	F	L	£109,995	32	£3,437	£112,992	£3,531
Brockhampton Lane	Havant	Historic Havant Core	PO9 1LZ	12/08/2016	F	L	£148,500	55	£2,700	£156,560	£2,847
Brockhampton Lane	Havant	Historic Havant Core	PO9 1LZ	30/11/2016	F	L	£78,000	27	£2,889	£81,587	£3,022
<b>Average</b>										<b>£119,259</b>	<b>£2,944</b>
<b>Portsdown Hill Area</b>											
Portsea View	Farlington	Portsdown Hill Area	PO9 3FE	01/06/2016	D	F	£720,000	165	£4,364	£771,446	£4,675
<b>Average</b>										<b>£771,446</b>	<b>£4,675</b>
<b>West Leigh</b>											
Pipits Close	Havant	West Leigh	PO9 3FB	24/06/2016	D	L	£249,995	82	£3,049	£267,858	£3,267
<b>Average</b>										<b>£267,858</b>	<b>£3,267</b>

3.5 The following table below provides a summary of Land Registry published sold prices data specifically for Hayling Island – focussing on new-build housing. Again, this data has been grouped into the aforementioned research areas, resulting in a consistent dataset between sources. The floor areas have been sourced separately – from the Domestic Energy Performance Certificate (EPC) Register operated by Landmark on behalf of the Government and available to view via <https://www.epcregister.com/> under the DCLG's remit.

Table 1b – Land Registry Sold Prices Review Analysis – Hayling New Build properties (Last 2yrs) sorted by DSP Research Areas

Address		DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m²	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m²)
Central Hayling Plain											
23	Signal Way	Central Hayling Plain	PO11 0FE	24/03/2017	S	F	£319,000	89	£3,584	£322,980	£3,629
27	Billy Road	Central Hayling Plain	PO11 0FA	24/02/2017	T	F	£275,000	77	£3,571	£278,493	£3,617
12	Signal Way	Central Hayling Plain	PO11 0FE	24/02/2017	T	F	£254,000	68	£3,735	£257,226	£3,783
14	Signal Way	Central Hayling Plain	PO11 0FE	24/02/2017	T	F	£258,000	68	£3,794	£261,277	£3,842
25	Billy Road	Central Hayling Plain	PO11 0FA	10/02/2017	T	F	£280,000	77	£3,636	£283,556	£3,683
9	Signal Way	Central Hayling Plain	PO11 0FE	03/02/2017	T	F	£292,500	77	£3,799	£296,215	£3,847
7	Signal Way	Central Hayling Plain	PO11 0FE	22/12/2016	T	F	£245,000	68	£3,603	£250,487	£3,684
3	Signal Way	Central Hayling Plain	PO11 0FE	21/12/2016	F	F	£288,000	77	£3,740	£294,450	£3,824

Address		DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
29	Billy Road	Central Hayling Plain	PO11 0FA	16/12/2016	T	F	£280,000	77	£3,636	£286,271	£3,718
1	Signal Way	Central Hayling Plain	PO11 0FE	16/12/2016	D	F	£410,000	112	£3,661	£419,183	£3,743
8	Signal Way	Central Hayling Plain	PO11 0FE	16/12/2016	D	F	£317,000	89	£3,562	£324,100	£3,642
5	Signal Way	Central Hayling Plain	PO11 0FE	15/12/2016	T	F	£245,000	68	£3,603	£250,487	£3,684
17	Billy Road	Central Hayling Plain	PO11 0FA	25/11/2016	T	F	£245,000	68	£3,603	£256,265	£3,769
3	Billy Road	Central Hayling Plain	PO11 0FA	25/11/2016	S	F	£285,000	77	£3,701	£298,105	£3,871
19	Billy Road	Central Hayling Plain	PO11 0FA	17/11/2016	T	F	£250,000	68	£3,676	£261,495	£3,846
15	Billy Road	Central Hayling Plain	PO11 0FA	28/10/2016	T	F	£250,000	68	£3,676	£262,567	£3,861
11	Billy Road	Central Hayling Plain	PO11 0FA	27/10/2016	S	F	£289,000	77	£3,753	£303,528	£3,942
1	Billy Road	Central Hayling Plain	PO11 0FA	30/09/2016	S	F	£255,000	68	£3,750	£271,708	£3,996
7	Billy Road	Central Hayling Plain	PO11 0FA	30/09/2016	D	F	£310,000	89	£3,483	£330,311	£3,711
9	Billy Road	Central Hayling Plain	PO11 0FA	30/09/2016	S	F	£287,000	77	£3,727	£305,804	£3,971

Address		DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m²	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m²)
2	Signal Way	Central Hayling Plain	PO11 0FE	30/09/2016	D	F	£385,000	107	£3,598	£410,225	£3,834
5	Billy Road	Central Hayling Plain	PO11 0FA	16/09/2016	D	F	£390,000	107	£3,645	£415,553	£3,884
6	Signal Way	Central Hayling Plain	PO11 0FE	27/06/2016	S	F	£250,000	68	£3,676	£267,863	£3,939
4	Signal Way	Central Hayling Plain	PO11 0FE	21/06/2016	S	F	£282,000	77	£3,662	£302,149	£3,924
<b>Average</b>										<b>£300,429</b>	<b>£3,802</b>
<b>Eastoke</b>											
3	Waders Walk	Eastoke	PO11 9FT	24/04/2017	D	F	£313,995	91	£3,450	£313,995	£3,450
15	Herons Way	Eastoke	PO11 9FL	31/03/2017	D	F	£409,995	113	£3,628	£415,111	£3,674
19	Herons Way	Eastoke	PO11 9FL	30/03/2017	D	F	£299,995	86	£3,488	£303,738	£3,532
21	Herons Way	Eastoke	PO11 9FL	10/02/2017	D	F	£290,000	86	£3,372	£293,683	£3,415
17	Herons Way	Eastoke	PO11 9FL	27/01/2017	D	F	£299,995	86	£3,488	£308,169	£3,583
1	St Benedict Road	Eastoke	PO11 9FN	27/01/2017	D	F	£414,995	138	£3,007	£426,303	£3,089
34	Herons Way	Eastoke	PO11 9FL	24/01/2017	D	F	£365,000	138	£2,645	£374,946	£2,717
30	Herons Way	Eastoke	PO11 9FL	20/01/2017	D	F	£409,995	138	£2,971	£421,167	£3,052
32	Herons Way	Eastoke	PO11 9FL	20/01/2017	D	F	£409,995	138	£2,971	£421,167	£3,052
36	Herons Way	Eastoke	PO11 9FL	13/01/2017	D	F	£414,995	138	£3,007	£426,303	£3,089
29	Herons Way	Eastoke	PO11 9FL	16/12/2016	D	F	£310,000	92	£3,370	£316,943	£3,445
31	Herons Way	Eastoke	PO11 9FL	16/12/2016	D	F	£314,995	92	£3,424	£322,050	£3,501
5	St Benedict Road	Eastoke	PO11 9FN	16/12/2016	D	F	£319,995	92	£3,478	£327,162	£3,556
28	Herons Way	Eastoke	PO11 9FL	09/12/2016	S	F	£264,995	82	£3,232	£270,930	£3,304



Address		DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
11	Herons Way	Eastoke	PO11 9FL	30/11/2016	D	F	£295,000	86	£3,430	£308,564	£3,588
12	Waders Walk	Eastoke	PO11 9FT	30/11/2016	D	F	£319,995	91	£3,516	£334,709	£3,678
22	Herons Way	Eastoke	PO11 9FL	28/11/2016	D	F	£409,995	138	£2,971	£428,847	£3,108
3	St Benedict Road	Eastoke	PO11 9FN	28/11/2016	D	F	£319,995	86	£3,721	£334,709	£3,892
26	Herons Way	Eastoke	PO11 9FL	25/11/2016	D	F	£264,995	82	£3,232	£277,180	£3,380
27	Herons Way	Eastoke	PO11 9FL	24/11/2016	D	F	£314,995	92	£3,424	£329,479	£3,581
24	Herons Way	Eastoke	PO11 9FL	22/11/2016	D	F	£319,995	86	£3,721	£334,709	£3,892
23	Herons Way	Eastoke	PO11 9FL	18/11/2016	S	F	£264,995	82	£3,232	£277,180	£3,380
8	Herons Way	Eastoke	PO11 9FL	15/11/2016	D	F	£299,995	86	£3,488	£313,789	£3,649
18	Herons Way	Eastoke	PO11 9FL	24/10/2016	D	F	£409,995	138	£2,971	£430,605	£3,120
14	Herons Way	Eastoke	PO11 9FL	07/10/2016	D	F	£314,995	86	£3,663	£330,829	£3,847
10	Herons Way	Eastoke	PO11 9FL	31/08/2016	S	F	£264,995	82	£3,232	£279,379	£3,407
13	Herons Way	Eastoke	PO11 9FL	31/08/2016	D	F	£405,995	138	£2,942	£428,032	£3,102
12	Herons Way	Eastoke	PO11 9FL	26/08/2016	S	F	£264,995	82	£3,232	£279,379	£3,407
16	Herons Way	Eastoke	PO11 9FL	25/08/2016	D	F	£316,000	86	£3,674	£333,152	£3,874
6	Herons Way	Eastoke	PO11 9FL	22/08/2016	D	F	£389,995	131	£2,977	£411,164	£3,139
29	St Benedict Road	Eastoke	PO11 9FN	18/08/2016	D	F	£304,995	86	£3,546	£321,550	£3,739
23	St Benedict Road	Eastoke	PO11 9FN	05/08/2016	D	F	£355,000	113	£3,142	£374,269	£3,312
9	Windsurfing Place	Eastoke	PO11 9FR	29/07/2016	S	F	£295,995	92	£3,217	£312,362	£3,395
13	Oyster Close	Eastoke	PO11 9FP	25/07/2016	D	F	£309,995	92	£3,370	£327,136	£3,556
3	Oyster Close	Eastoke	PO11 9FP	22/07/2016	D	F	£394,995	138	£2,862	£416,836	£3,021
10	Shute Close	Eastoke	PO11 9FS	19/07/2016	D	F	£349,995	113	£3,097	£369,347	£3,269
4	Herons Way	Eastoke	PO11 9FL	18/07/2016	S	F	£278,995	82	£3,402	£294,422	£3,591
27	St Benedict Road	Eastoke	PO11 9FN	18/07/2016	D	F	£304,995	86	£3,546	£321,859	£3,743

Address		DSP Corresponding Research Area	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
25	St Benedict Road	Eastoke	PO11 9FN	15/07/2016	D	F	£304,995	86	£3,546	£321,859	£3,743
2	Herons Way	Eastoke	PO11 9FL	30/06/2016	S	F	£278,995	82	£3,402	£298,930	£3,645
4	St Benedict Road	Eastoke	PO11 9FN	30/06/2016	D	F	£393,995	138	£2,855	£422,147	£3,059
13	Waders Walk	Eastoke	PO11 9FT	30/06/2016	D	F	£316,995	91	£3,483	£339,645	£3,732
2	St Benedict Road	Eastoke	PO11 9FN	27/06/2016	D	F	£499,995	195	£2,564	£535,721	£2,747
5	Oyster Close	Eastoke	PO11 9FP	24/06/2016	D	F	£359,995	113	£3,186	£385,717	£3,413
1	Herons Way	Eastoke	PO11 9FL	20/06/2016	D	F	£312,995	91	£3,440	£335,359	£3,685
10	Windsurfing Place	Eastoke	PO11 9FR	13/06/2016	S	F	£249,995	82	£3,049	£267,858	£3,267
17	St Benedict Road	Eastoke	PO11 9FN	10/06/2016	D	F	£305,154	92	£3,317	£326,958	£3,554
4	Oyster Close	Eastoke	PO11 9FP	10/06/2016	D	F	£394,995	138	£2,862	£423,218	£3,067
9	Oyster Close	Eastoke	PO11 9FP	10/06/2016	S	F	£274,995	82	£3,354	£294,644	£3,593
6	Oyster Close	Eastoke	PO11 9FP	06/06/2016	D	F	£499,995	195	£2,564	£535,721	£2,747
8	Oyster Close	Eastoke	PO11 9FP	03/06/2016	S	F	£274,995	82	£3,354	£294,644	£3,593
15	Oyster Close	Eastoke	PO11 9FP	01/06/2016	S	F	£219,995	195	£1,128	£235,714	£1,209
Average										<b>£348,640</b>	<b>£3,369</b>

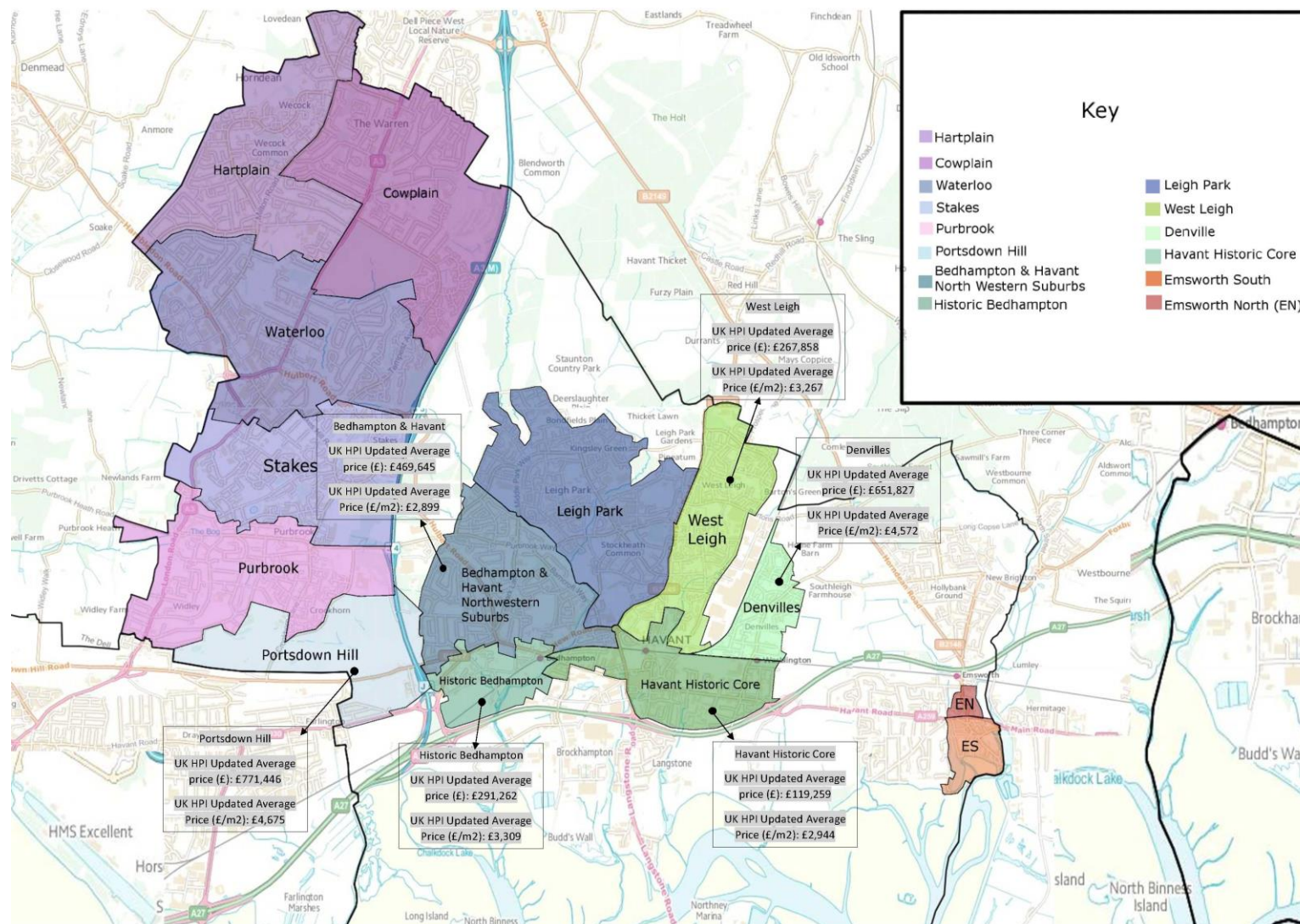
- 3.6 Table 1c below shows the overall analysis of the above Land Registry new build data by the DSP research areas (see paragraph 3.3 above) and then sorted by the highest to lowest values within the Borough. These values have then been mapped to provide a visual representation of the values and how the different research areas compare with one another (see figures 2a and 2b).

Table 1c – Land Registry Sold Prices Review Analysis – Havant Borough New Build properties (including Hayling Island) (Last 2yrs)

DSP Corresponding Research Area	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m2)
Portsdown Hill Area	£771,446	£4,675
Denvilles	£651,827	£4,572
Central Hayling	£300,429	£3,802
Eastoke	£348,640	£3,369
Historic Bedhampton	£291,262	£3,309
West Leigh	£267,858	£3,267
Historic Havant Core	£119,259	£2,944
Bedhampton & Havant NW Suburbs	£469,645	£2,899

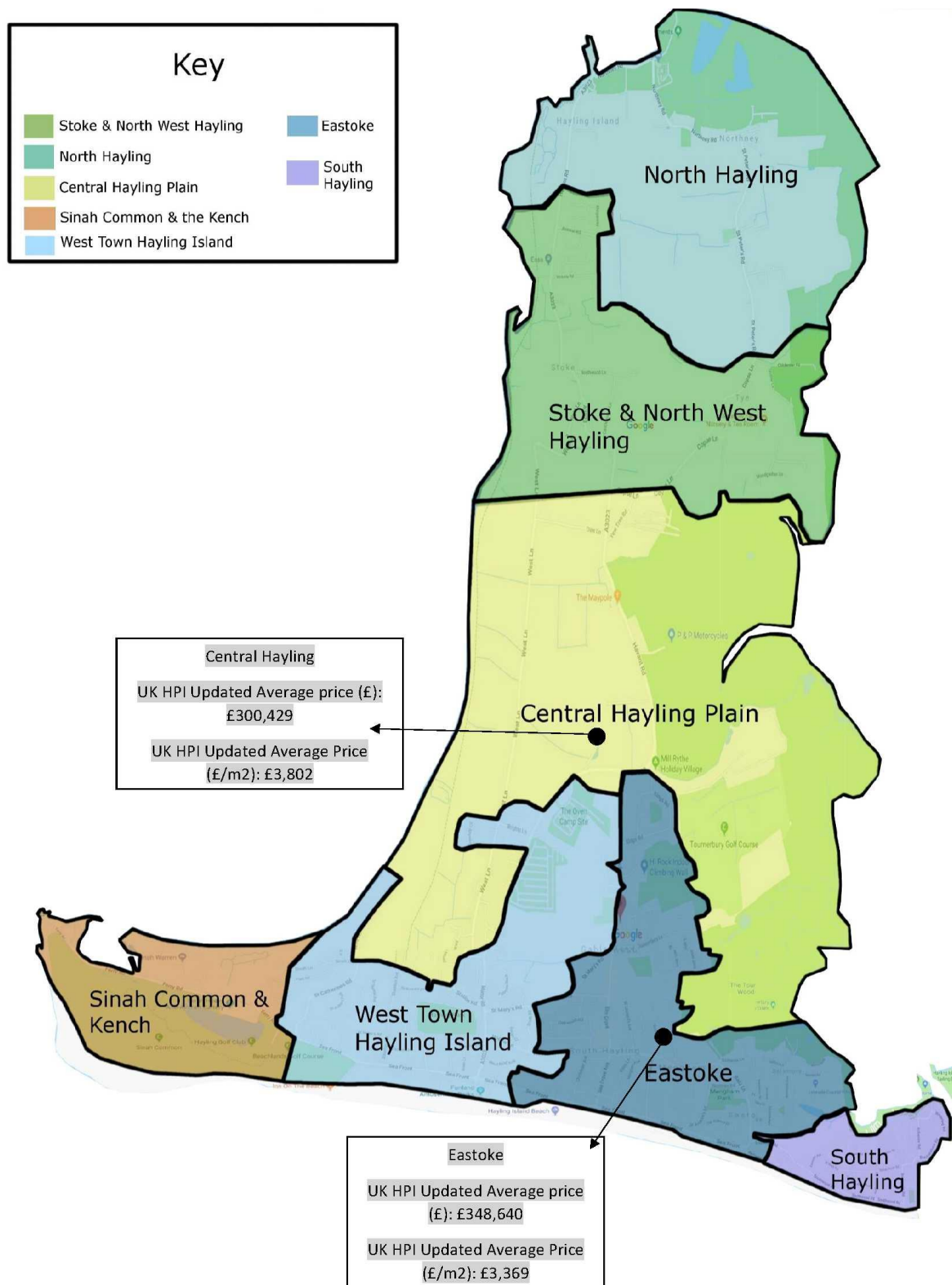
*See Figures 2a and 2b on the following page.*

Figure 2a – Land Registry New Builds Mapped by DSP Research Areas (excluding Hayling Island).





*Figure 2b – Land Registry New Builds Mapped by DSP Research Areas – Hayling Island only*



- 3.7 As the project progressed through to later draft / final stages, the above Land Registry New Build data was updated for the intervening period. The purpose of this additional research exercise was to provide further background information on the emerging market values picture in the Borough. The following table below provides a summary of all the Land Registry published sold prices data for both Hayling Island and the rest of the Borough. Again, this data has been grouped into the aforementioned research areas, resulting in a consistent dataset between sources. The floor areas have been sourced separately – from the Domestic Energy Performance Certificate (EPC) Register operated by Landmark on behalf of the Government and available to view via <https://www.epcregister.com/> under the DCLG's remit.

Table 1d – Land Registry Sold Prices Review Analysis – Havant BC New Build properties (Last 1yr) sorted by DSP Research Areas (Autumn 2018)

Address		Locality	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated values in line with UK HPI (£)	Updated values in line with UK HPI (£/m <sup>2</sup> )
<b>Bedhampton &amp; Havant NW Suburbs</b>											
22	Nelson Road	Havant	PO9 3NF	25/10/17	S	F	£320,000	109	£2,936	£319,168	£2,928
18	Nelson Road	Havant	PO9 3NF	22/12/17	T	F	£310,000	109	£2,844	£313,410	£2,875
<b>Average:</b>										<b>£316,289</b>	<b>£2,902</b>
<b>Havant Historic Core</b>											
6	Doyle Close	Havant	PO9 1FB	10/11/17	D	F	£374,950	118	£3,178	£376,562	£3,191
Austen House	Abrams Way	Havant	PO9 1FJ	02/02/18	F	L	£123,750	59	£2,097	£123,230	£2,089
4	Abrams Way	Havant	PO9 1FJ	11/05/18	S	F	£289,950	90	£3,222	£292,936	£3,255
6	Abrams Way	Havant	PO9 1FJ	11/05/18	S	F	£284,950	88	£3,238	£287,885	£3,271
3	Longcroft Way	Havant	PO9 1FL	20/12/17	S	F	£289,950	90	£3,222	£293,139	£3,257
1	Longcroft Way	Havant	PO9 1FL	11/01/18	S	F	£289,950	90	£3,222	£291,284	£3,236
7	Longcroft Way	Havant	PO9 1FL	19/01/18	S	F	£294,950	90	£3,277	£296,307	£3,292

Address		Locality	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m²	Updated values in line with UK HPI (£)	Updated values in line with UK HPI (£/m²)
5	Longcroft Way	Havant	PO9 1FL	26/01/18	S	F	£244,950	71	£3,450	£246,077	£3,466
9	Longcroft Way	Havant	PO9 1FL	23/03/18	D	F	£335,000	101	£3,317	£336,139	£3,328
Average:										£282,618	£3,154
Portsdown Hill											
40	Portsea View	Bedhampton	PO9 3FE	22/12/17	D	F	£849,000	183	£4,639	£858,339	£4,690
38	Portsea View	Bedhampton	PO9 3FE	22/02/18	D	F	£799,000	165	£4,842	£795,644	£4,822
42	Portsea View	Bedhampton	PO9 3FE	15/03/18	D	F	£825,000	183	£4,508	£827,805	£4,524
36	Portsea View	Bedhampton	PO9 3FE	28/03/18	D	F	£799,000	165	£4,842	£801,717	£4,859
39	Portsea View	Bedhampton	PO9 3FE	29/06/18	D	F	£860,000	183	£4,699	£864,042	£4,722
43	Portsea View	Bedhampton	PO9 3FE	29/06/18	D	F	£884,500	165	£5,361	£888,657	£5,386
Average:										£839,367	£4,834
Purbrook											
27	Taylor Close	Waterlooville	PO7 5GE	20/12/17	T	F	£204,995	52	£3,942	£207,250	£3,986
3	Taylor Close	Waterlooville	PO7 5GE	21/12/17	D	F	£314,995	72	£4,375	£318,460	£4,423
4	Taylor Close	Waterlooville	PO7 5GE	21/12/17	S	F	£292,995	82	£3,573	£296,218	£3,612
6	Taylor Close	Waterlooville	PO7 5GE	21/12/17	S	F	£282,995	82	£3,451	£286,108	£3,489
25	Taylor Close	Waterlooville	PO7 5GE	02/01/18	T	F	£202,995	52	£3,904	£203,929	£3,922
9	Taylor Close	Waterlooville	PO7 5GE	03/01/18	T	F	£253,995	72	£3,528	£255,163	£3,544
13	Taylor Close	Waterlooville	PO7 5GE	03/01/18	T	F	£253,995	72	£3,528	£255,163	£3,544
17	Taylor Close	Waterlooville	PO7 5GE	04/01/18	S	F	£254,995	72	£3,542	£256,168	£3,558
21	Taylor Close	Waterlooville	PO7 5GE	04/01/18	D	F	£347,995	114	£3,053	£349,596	£3,067
15	Taylor Close	Waterlooville	PO7 5GE	16/01/18	S	F	£254,995	72	£3,542	£256,168	£3,558
5	Taylor Close	Waterlooville	PO7 5GE	21/01/18	D	F	£314,995	72	£4,375	£316,444	£4,395
7	Taylor Close	Waterlooville	PO7 5GE	26/01/18	D	F	£384,995	114	£3,377	£386,766	£3,393

Address		Locality	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated values in line with UK HPI (£)	Updated values in line with UK HPI (£/m <sup>2</sup> )
11	Taylor Close	Waterlooville	PO7 5GE	26/01/18	T	F	£252,500	72	£3,507	£253,662	£3,523
29	Taylor Close	Waterlooville	PO7 5GE	26/01/18	D	F	£344,995	114	£3,026	£346,582	£3,040
8	Taylor Close	Waterlooville	PO7 5GE	31/01/18	S	F	£148,700	60	£2,478	£149,384	£2,490
10	Taylor Close	Waterlooville	PO7 5GE	31/01/18	S	F	£148,700	60	£2,478	£149,384	£2,490
12	Taylor Close	Waterlooville	PO7 5GE	31/01/18	S	F	£179,500	72	£2,493	£180,326	£2,505
14	Taylor Close	Waterlooville	PO7 5GE	31/01/18	S	F	£179,500	72	£2,493	£180,326	£2,505
16	Taylor Close	Waterlooville	PO7 5GE	31/01/18	S	F	£179,500	72	£2,493	£180,326	£2,505
18	Taylor Close	Waterlooville	PO7 5GE	31/01/18	S	F	£179,500	72	£2,493	£180,326	£2,505
23	Taylor Close	Waterlooville	PO7 5GE	31/01/18	T	F	£123,230	52	£2,370	£123,797	£2,381
2	Taylor Close	Waterlooville	PO7 5GE	28/02/18	D	F	£384,995	114	£3,377	£383,378	£3,363
1	Taylor Close	Waterlooville	PO7 5GE	28/03/18	D	F	£439,995	134	£3,284	£441,491	£3,295
20	Taylor Close	Waterlooville	PO7 5GE	29/03/18	S	F	£287,995	72	£4,000	£288,974	£4,014
22	Taylor Close	Waterlooville	PO7 5GE	29/03/18	S	F	£287,995	72	£4,000	£288,974	£4,014
19	Taylor Close	Waterlooville	PO7 5GE	25/06/18	D	F	£374,995	114	£3,289	£376,757	£3,305
Average:										£265,812	£3,324
Stakes											
31	Newlands Avenue	Waterlooville	PO7 5FH	25/05/18	D	F	£429,950	115	£3,739	£434,378	£3,777
11	Milk Lane	Waterlooville	PO7 5FJ	25/05/18	D	F	£374,950	100	£3,750	£378,812	£3,788
1	Milk Lane	Waterlooville	PO7 5FJ	29/06/18	D	F	£459,950	131	£3,511	£462,112	£3,528
3	Milk Lane	Waterlooville	PO7 5FJ	29/06/18	D	F	£454,950	128	£3,554	£457,088	£3,571
5	Milk Lane	Waterlooville	PO7 5FJ	06/07/18	D	F	£394,950	115	£3,434	£393,370	£3,421
9	Milk Lane	Waterlooville	PO7 5FJ	10/07/18	D	F	£394,950	115	£3,434	£393,370	£3,421
7	Milk Lane	Waterlooville	PO7 5FJ	13/07/18	D	F	£484,950	141	£3,439	£483,010	£3,426



Address		Locality	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated values in line with UK HPI (£)	Updated values in line with UK HPI (£/m <sup>2</sup> )
Owen House	Trenchard Close	Waterlooville	PO7 5FP	10/10/17	F	L	£105,000	46	£2,283	£104,727	£2,277
14	Nash Close	Waterlooville	PO7 5FU	22/11/17	D	F	£371,950	105	£3,542	£373,549	£3,558
16	Nash Close	Waterlooville	PO7 5FU	22/11/17	D	F	£353,950	100	£3,540	£355,472	£3,555
15	Nash Close	Waterlooville	PO7 5FU	15/12/17	D	F	£357,950	100	£3,580	£361,887	£3,619
11	Nash Close	Waterlooville	PO7 5FU	12/01/18	D	F	£375,950	105	£3,580	£377,679	£3,597
2	Beatty Gardens	Waterlooville	PO7 5GB	10/11/17	D	F	£444,950	131	£3,397	£446,863	£3,411
1	Beatty Gardens	Waterlooville	PO7 5GB	26/03/18	D	F	£479,950	141	£3,404	£481,582	£3,415
6	Beatty Gardens	Waterlooville	PO7 5GB	29/03/18	S	F	£339,950	89	£3,820	£341,106	£3,833
10	Beatty Gardens	Waterlooville	PO7 5GB	29/03/18	D	F	£374,950	100	£3,750	£376,225	£3,762
4	Beatty Gardens	Waterlooville	PO7 5GB	04/04/18	S	F	£344,950	89	£3,876	£345,950	£3,887
8	Beatty Gardens	Waterlooville	PO7 5GB	04/04/18	D	F	£364,950	100	£3,650	£366,008	£3,660
3	Beatty Gardens	Waterlooville	PO7 5GB	20/04/18	D	F	£434,950	122	£3,565	£436,211	£3,576
5	Beatty Gardens	Waterlooville	PO7 5GB	30/04/18	D	F	£419,950	115	£3,652	£421,168	£3,662
17	Beatty Gardens	Waterlooville	PO7 5GB	09/05/18	D	F	£439,950	122	£3,606	£444,481	£3,643
9	Beatty Gardens	Waterlooville	PO7 5GB	25/05/18	T	F	£354,950	118	£3,008	£358,606	£3,039
11	Beatty Gardens	Waterlooville	PO7 5GB	25/05/18	T	F	£374,950	133	£2,819	£378,812	£2,848
15	Beatty Gardens	Waterlooville	PO7 5GB	25/05/18	T	F	£359,950	118	£3,050	£363,657	£3,082
Average:										£389,005	£3,473
Waterloo											
Raebarn House	Hulbert Road	Waterlooville	PO7 7FH	11/06/18	F	L	£130,000	43	£3,023	£130,611	£3,037
Apsley Lodge	London Road	Waterlooville	PO7 7WB	18/12/17	F	L	£241,950	50	£4,839	£244,611	£4,892

Address		Locality	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated values in line with UK HPI (£)	Updated values in line with UK HPI (£/m <sup>2</sup> )
Apsley Lodge	London Road	Waterlooville	PO7 7WB	20/12/17	F	L	£288,732	68	£4,246	£291,908	£4,293
Apsley Lodge	London Road	Waterlooville	PO7 7WB	29/03/18	F	L	£327,950	74	£4,432	£329,065	£4,447
Apsley Lodge	London Road	Waterlooville	PO7 7WB	28/06/18	F	L	£206,742	52	£3,976	£207,714	£3,994
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	10/11/17	F	L	£258,300	71	£3,638	£259,411	£3,654
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	24/11/17	F	L	£249,800	68	£3,674	£250,874	£3,689
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	30/11/17	F	L	£258,300	71	£3,638	£259,411	£3,654
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	22/12/17	F	L	£258,300	71	£3,638	£261,141	£3,678
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	09/02/18	F	L	£222,650	61	£3,650	£221,715	£3,635
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	01/03/18	F	L	£266,900	74	£3,607	£267,807	£3,619
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	13/04/18	F	L	£258,300	60	£4,305	£259,049	£4,317
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	19/04/18	F	L	£219,200	60	£3,653	£219,836	£3,664
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	11/05/18	F	L	£219,100	60	£3,652	£221,357	£3,689
Wellesley Court	Darnel Road	Waterlooville	PO7 7YP	31/08/18	F	L	£258,300	71	£3,638	£260,211	£3,665
<b>Average:</b>										<b>£245,648</b>	<b>£3,862</b>

Address		Locality	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated values in line with UK HPI (£)	Updated values in line with UK HPI (£/m <sup>2</sup> )
<b>West Leigh</b>											
24	Harrison Way	Havant	PO9 5FD	15/12/17	S	F	£285,000	77	£3,701	£288,135	£3,742
26	Harrison Way	Havant	PO9 5FD	15/12/17	S	F	£285,000	77	£3,701	£288,135	£3,742
28	Harrison Way	Havant	PO9 5FD	18/12/17	D	F	£415,000	114	£3,640	£419,565	£3,680
32	Harrison Way	Havant	PO9 5FD	18/12/17	S	F	£285,000	77	£3,701	£288,135	£3,742
36	Harrison Way	Havant	PO9 5FD	19/12/17	T	F	£260,000	72	£3,611	£262,860	£3,651
30	Harrison Way	Havant	PO9 5FD	21/12/17	S	F	£295,000	77	£3,831	£298,245	£3,873
38	Harrison Way	Havant	PO9 5FD	21/12/17	T	F	£295,000	77	£3,831	£298,245	£3,873
34	Harrison Way	Havant	PO9 5FD	22/12/17	T	F	£295,000	77	£3,831	£298,245	£3,873
9	Harrison Way	Havant	PO9 5FD	29/03/18	D	F	£420,000	114	£3,684	£421,428	£3,697
17	Harrison Way	Havant	PO9 5FD	27/04/18	S	F	£345,000	97	£3,557	£346,001	£3,567
19	Harrison Way	Havant	PO9 5FD	29/06/18	S	F	£286,150	77	£3,716	£287,495	£3,734
23	Harrison Way	Havant	PO9 5FD	29/06/18	S	F	£295,000	77	£3,831	£296,387	£3,849
1	Lynch Close	Havant	PO9 5FE	29/06/18	S	F	£310,000	100	£3,100	£311,457	£3,115
4	Garrett Close	Havant	PO9 5FF	14/06/18	S	F	£315,000	100	£3,150	£316,481	£3,165
6	Garrett Close	Havant	PO9 5FF	29/06/18	S	F	£315,000	100	£3,150	£316,481	£3,165
8	Garrett Close	Havant	PO9 5FF	29/06/18	S	F	£305,000	77	£3,961	£306,434	£3,980
10	Garrett Close	Havant	PO9 5FF	29/06/18	S	F	£290,000	77	£3,766	£291,363	£3,784
12	Garrett Close	Havant	PO9 5FF	29/06/18	S	F	£310,000	100	£3,100	£311,457	£3,115
14	Garrett Close	Havant	PO9 5FF	29/06/18	S	F	£315,000	100	£3,150	£316,481	£3,165
16	Garrett Close	Havant	PO9 5FF	29/06/18	S	F	£265,000	72	£3,681	£266,246	£3,698
18	Garrett Close	Havant	PO9 5FF	24/08/18	S	F	£265,000	72	£3,681	£266,961	£3,708
<b>Average:</b>										<b>£309,344</b>	<b>£3,615</b>
<b>Central Hayling Plain</b>											

Address		Locality	Postcode	Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated values in line with UK HPI (£)	Updated values in line with UK HPI (£/m <sup>2</sup> )
31	Billy Road	Hayling Island	PO11 0FA	24/11/17	S	F	£269,000	68	£3,956	£270,157	£3,973
33	Billy Road	Hayling Island	PO11 0FA	24/11/17	S	F	£269,000	68	£3,956	£270,157	£3,973
10	Billy Road	Hayling Island	PO11 0FA	01/12/17	S	F	£295,000	77	£3,831	£298,245	£3,873
12	Billy Road	Hayling Island	PO11 0FA	20/12/17	T	F	£407,500	107	£3,808	£411,983	£3,850
35	Billy Road	Hayling Island	PO11 0FA	29/03/18	D	F	£399,995	107	£3,738	£401,355	£3,751
40	Signal Way	Hayling Island	PO11 0FE	26/01/18	D	F	£370,000	107	£3,458	£371,702	£3,474
50	Signal Way	Hayling Island	PO11 0FE	08/02/18	D	F	£435,000	144	£3,021	£433,173	£3,008
29	Signal Way	Hayling Island	PO11 0FE	08/03/18	D	F	£389,000	107	£3,636	£390,323	£3,648
2	Terriers Lane	Hayling Island	PO11 0FF	28/02/18	S	F	£335,000	89	£3,764	£333,593	£3,748
4	Terriers Lane	Hayling Island	PO11 0FF	29/03/18	D	F	£389,995	107	£3,645	£391,321	£3,657
8	Terriers Lane	Hayling Island	PO11 0FF	08/06/18	D	F	£389,995	107	£3,645	£391,828	£3,662
6	Terriers Lane	Hayling Island	PO11 0FF	29/06/18	D	F	£389,995	107	£3,645	£391,828	£3,662
Average:										£362,972	£3,690
Eastoke											
Limewood	St Marys Road	Hayling Island	PO11 9FE	26/07/18	F	L	£230,000	54	£4,259	£229,080	£4,242
3	Austen Gardens	Hayling Island	PO11 9FF	06/10/17	D	F	£625,000	170	£3,676	£623,375	£3,667
5	Austen Gardens	Hayling Island	PO11 9FF	04/07/18	S	F	£385,000	105	£3,667	£383,460	£3,652
Average:										£411,972	£3,854

- 3.8 Table 1e below shows the overall analysis of the above Land Registry new build data (Autumn 2018) by the DSP research areas (see paragraph 3.3 above). For ease of reference these values have been added as further columns to the summary data shown in table 1c above (original research carried out in October 2017).

Table 1e – Land Registry Sold Prices Review Analysis – Havant Borough New Build properties (including Hayling Island) (updated Autumn 2018)

DSP Corresponding Research Area	Original Research October 2017		Updated Research Autumn 2018	
	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
<b>Portsdown Hill</b>	£771,446	£4,675	£839,367	£4,834
<b>Denvilles</b>	£651,827	£4,572	n/a	n/a
<b>Waterloo</b>	n/a	n/a	£245,648	£3,862
<b>Central Hayling Plain</b>	£300,429	£3,802	£362,972	£3,690
<b>Eastoke</b>	£348,640	£3,369	£411,972	£3,854
<b>Historic Bedhampton</b>	£291,262	£3,309	n/a	n/a
<b>West Leigh</b>	£267,858	£3,267	£309,344	£3,615
<b>Stakes</b>	n/a	n/a	£389,005	£3,473
<b>Purbrook</b>	n/a	n/a	£265,812	£3,324
<b>Historic Havant Core</b>	£119,259	£2,944	£282,618	£3,154
<b>Bedhampton &amp; Havant NW Suburbs</b>	£469,645	£2,899	£316,289	£2,902

### Review of Land Registry Re-sale Sold Prices Data (April – June 2017)

3.9 The following Table 1f provides a Havant Borough based summary of Land Registry published sold prices data – focussing solely on re-sale housing over the last three months. As above, the floor areas have been sourced separately – from the Domestic Energy Performance Certificate (EPC) Register operated by Landmark on behalf of the Government and available to view via <https://www.epcregister.com/> under the DCLG's remit.

Table 1f – Land Registry Sold Prices Review – Havant Resale properties (April - June 2017) – *Data sorted by DSP Research Areas*

Address	Locality	DSP Corresponding Research Area	Postcode	Sale Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
<b>Bedhampton &amp; Havant NW Suburbs</b>											
Chidham Drive	Bedhampton	Bedhampton & Havant	PO9 1DU	05/05/2017	F	L	£106,000	38	£2,789	£108,747	£2,862
Finley Place	Bedhampton	Bedhampton & Havant	PO9 1EF	18/04/2017	T	F	£217,000	95	£2,284	£224,545	£2,364
Priorsdean Crescent	Bedhampton	Bedhampton & Havant	PO9 3AR	28/04/2017	T	F	£155,000	79	£1,962	£160,389	£2,030
Redbridge Grove	Bedhampton	Bedhampton & Havant	PO9 3DE	09/06/2017	T	F	£190,000	73	£2,603	£192,025	£2,630
Redbridge Grove	Bedhampton	Bedhampton & Havant	PO9 3DF	31/05/2017	T	F	£205,000	81	£2,531	£210,313	£2,596
Ibsley Grove	Bedhampton	Bedhampton & Havant	PO9 3DP	18/04/2017	T	F	£196,000	71	£2,761	£202,815	£2,857

Address	Locality	DSP Corresponding Research Area	Postcode	Sale Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Woodgreen Avenue	Bedhampton	Bedhampton & Havant	PO9 3ED	14/06/2017	S	F	£200,000	66	£3,030	£202,131	£3,063
Timsbury Crescent	Bedhampton	Bedhampton & Havant	PO9 3EG	09/06/2017	T	F	£185,000	64	£2,891	£186,972	£2,921
Fraser Road	Bedhampton	Bedhampton & Havant	PO9 3EJ	21/04/2017	S	F	£210,000	69	£3,043	£217,302	£3,149
South Downs Rise	Bedhampton	Bedhampton & Havant	PO9 3EX	19/05/2017	T	F	£265,000	90	£2,944	£271,868	£3,021
Bedhampton Road	Bedhampton	Bedhampton & Havant	PO9 3EZ	18/04/2017	F	L	£174,995	70	£2,500	£181,079	£2,587
Scratchface Lane	Bedhampton	Bedhampton & Havant	PO9 3NG	21/04/2017	D	F	£375,000	134	£2,799	£388,038	£2,896
Scratchface Lane	Bedhampton	Bedhampton & Havant	PO9 3NH	08/06/2017	S	F	£306,000	110	£2,782	£309,261	£2,811
Mitchell Road	Bedhampton	Bedhampton & Havant	PO9 3QB	28/04/2017	T	F	£232,000	75	£3,093	£240,066	£3,201
Chestnut Avenue	Bedhampton	Bedhampton & Havant	PO9 3QR	09/06/2017	D	F	£364,200	130	£2,802	£368,081	£2,831
Littlepark Avenue	Bedhampton	Bedhampton & Havant	PO9 3QY	31/05/2017	F	L	£115,000	71	£1,620	£117,980	£1,662
Oakwood Avenue	Bedhampton	Bedhampton & Havant	PO9 3RA	16/05/2017	D	F	£285,000	119	£2,395	£292,386	£2,457
Alderwood Close	Bedhampton	Bedhampton & Havant	PO9 3RG	19/05/2017	D	F	£285,000	77	£3,701	£292,386	£3,797

Address	Locality	DSP Corresponding Research Area	Postcode	Sale Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Winchfield Crescent	Bedhampton	Bedhampton & Havant	PO9 3SR	28/04/2017	T	F	£205,000	78	£2,628	£212,128	£2,720
Dockenfield Close	Bedhampton	Bedhampton & Havant	PO9 3ST	19/05/2017	T	F	£214,000	103	£2,078	£219,546	£2,132
Hulbert Road	Bedhampton	Bedhampton & Havant	PO9 3TF	12/05/2017	S	F	£391,000	194	£2,015	£401,134	£2,068
Hulbert Road	Bedhampton	Bedhampton & Havant	PO9 3TG	24/04/2017	D	F	£370,000	115	£3,217	£382,865	£3,329
Finchdean Road	Leigh Park	Bedhampton & Havant	PO9 4AA	26/05/2017	T	F	£235,000	95	£2,474	£241,091	£2,538
Finchdean Road	Leigh Park	Bedhampton & Havant	PO9 4AA	02/05/2017	S	F	£185,000	80	£2,313	£189,795	£2,372
Parkhouse Farm Way	Leigh Park	Bedhampton & Havant	PO9 4AJ	02/05/2017	T	F	£200,000	81	£2,469	£205,183	£2,533
Parkhouse Farm Way	Leigh Park	Bedhampton & Havant	PO9 4AN	03/05/2017	T	F	£195,000	80	£2,438	£200,054	£2,501
Linkenholt Way	Leigh Park	Bedhampton & Havant	PO9 4AR	26/04/2017	T	F	£212,000	89	£2,382	£219,371	£2,465
Crookham Close	Leigh Park	Bedhampton & Havant	PO9 4AX	21/04/2017	S	F	£202,500	77	£2,630	£209,541	£2,721
Hordle Road	Leigh Park	Bedhampton & Havant	PO9 4AZ	18/04/2017	T	F	£185,000	68	£2,721	£191,432	£2,815
Rockbourne Close	Leigh Park	Bedhampton & Havant	PO9 4BE	19/05/2017	T	F	£215,000	79	£2,722	£220,572	£2,792



Address	Locality	DSP Corresponding Research Area	Postcode	Sale Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Brangsgore Avenue	Leigh Park	Bedhampton & Havant	PO9 4BJ	18/05/2017	T	F	£215,000	78	£2,756	£220,572	£2,828
Average										£234,828	£2,695
Denvilles											
Manor Farm Close	Denvilles	Denvilles	PO9 2DQ	09/06/2017	D	F	£522,500	165	£3,167	£528,068	£3,200
Camelia Close	Denvilles	Denvilles	PO9 2FQ	05/05/2017	T	F	£295,000	71	£4,155	£302,646	£4,263
Camelia Close	Denvilles	Denvilles	PO9 2FQ	28/04/2017	T	F	£223,000	55	£4,055	£230,754	£4,196
Forsythia Close	Denvilles	Denvilles	PO9 2FW	28/04/2017	T	F	£219,950	58	£3,792	£227,597	£3,924
Glenleigh Park	Denvilles	Denvilles	PO9 2PH	19/05/2017	T	F	£326,000	120	£2,717	£334,449	£2,787
Hallett Road	Denvilles	Denvilles	PO9 2PJ	20/04/2017	S	F	£350,000	108	£3,241	£362,169	£3,353
Southleigh Road	Denvilles	Denvilles	PO9 2QQ	21/04/2017	D	F	£555,000	208	£2,668	£574,297	£2,761
Nutwick Road	Denvilles	Denvilles	PO9 2UJ	06/06/2017	T	F	£260,000	71	£3,662	£262,771	£3,701
Rowan Road	Denvilles	Denvilles	PO9 2UX	28/04/2017	T	F	£265,000	106	£2,500	£274,214	£2,587
Average										£344,107	£3,419
Havant Historic Core											
Juniper Square	Havant	Havant Historic Core	PO9 1JA	06/06/2017	F	L	£160,000	72	£2,222	£161,705	£2,246
West Street	Havant	Havant Historic Core	PO9 1LD	12/06/2017	T	F	£262,000	90	£2,911	£264,792	£2,942
Brockhampton Lane	Havant	Havant Historic Core	PO9 1LZ	25/05/2017	S	F	£230,000	63	£3,651	£235,961	£3,745
Cross Way	Havant	Havant Historic Core	PO9 1NG	03/05/2017	S	F	£227,000	68	£3,338	£232,883	£3,425

Address	Locality	DSP Corresponding Research Area	Postcode	Sale Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Staunton Road	Havant	Havant Historic Core	PO9 1NH	12/05/2017	T	F	£184,000	63	£2,921	£188,769	£2,996
Leigh Road	Havant	Havant Historic Core	PO9 2ES	09/06/2017	T	F	£211,000	57	£3,702	£213,249	£3,741
School Lane	Havant	Havant Historic Core	PO9 2GE	07/06/2017	T	F	£305,000	80	£3,813	£308,250	£3,853
Oaklands Road	Havant	Havant Historic Core	PO9 2RD	12/05/2017	F	L	£210,000	65	£3,231	£215,443	£3,315
Emsworth Road	Havant	Havant Historic Core	PO9 2SN	02/06/2017	F	L	£172,000	69	£2,493	£173,833	£2,519
Pook Lane	Havant	Havant Historic Core	PO9 2TH	19/05/2017	S	F	£360,000	135	£2,667	£369,330	£2,736
Luard Court	Havant	Havant Historic Core	PO9 2TN	02/06/2017	S	F	£285,000	77	£3,701	£288,037	£3,741
Pembury Road	Havant	Havant Historic Core	PO9 2TS	21/04/2017	D	F	£500,000	109	£4,587	£517,385	£4,747
Maple Wood	Havant	Historic Bedhampton	PO9 3JB	25/05/2017	D	F	£485,000	218	£2,225	£497,570	£2,282
Bidbury Mead	Havant	Historic Bedhampton	PO9 3JG	20/04/2017	S	F	£250,000	89	£2,809	£258,692	£2,907
<b>Average</b>										<b>£280,421</b>	<b>£3,228</b>
<b>Leigh Park</b>											
Blendworth Crescent	Leigh Park	Leigh Park	PO9 2BH	06/06/2017	T	F	£195,000	77	£2,532	£197,078	£2,559

Address	Locality	DSP Corresponding Research Area	Postcode	Sale Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Blendworth Crescent	Leigh Park	Leigh Park	PO9 2BH	12/05/2017	T	F	£190,000	80	£2,375	£194,924	£2,437
Barncroft Way	Leigh Park	Leigh Park	PO9 3AE	26/05/2017	T	F	£178,000	82	£2,171	£182,613	£2,227
Freeley Road	Leigh Park	Leigh Park	PO9 4AQ	28/04/2017	F	L	£157,000	65	£2,415	£162,459	£2,499
Shearer Close	Leigh Park	Leigh Park	PO9 4BT	31/05/2017	S	F	£245,000	88	£2,784	£251,350	£2,856
Parkhouse Farm Way	Leigh Park	Leigh Park	PO9 4DR	28/04/2017	T	F	£220,000	76	£2,895	£227,649	£2,995
Mewsey Court	Leigh Park	Leigh Park	PO9 4EH	09/06/2017	F	L	£70,000	50	£1,400	£70,746	£1,415
Tidcombe Green	Leigh Park	Leigh Park	PO9 4HU	05/05/2017	T	F	£182,500	83	£2,199	£187,230	£2,256
Southfield Walk	Leigh Park	Leigh Park	PO9 4HY	26/04/2017	F	L	£118,000	80	£1,475	£122,103	£1,526
Wheatley Green	Leigh Park	Leigh Park	PO9 4JS	21/04/2017	F	L	£90,000	47	£1,915	£93,129	£1,981
St Denys Walk	Leigh Park	Leigh Park	PO9 4LX	12/05/2017	T	F	£181,000	88	£2,057	£185,691	£2,110
Selborne Avenue	Leigh Park	Leigh Park	PO9 4PX	20/04/2017	T	F	£178,000	77	£2,312	£184,189	£2,392
Rownhams Road	Leigh Park	Leigh Park	PO9 4QD	26/05/2017	T	F	£180,000	84	£2,143	£184,665	£2,198
Greywell Road	Leigh Park	Leigh Park	PO9 5AL	28/04/2017	F	L	£83,000	40	£2,075	£85,886	£2,147
Little Hackets	Leigh Park	Leigh Park	PO9 5AU	12/05/2017	F	L	£130,000	50	£2,600	£133,369	£2,667
Blackdown Crescent	Leigh Park	Leigh Park	PO9 5AZ	28/04/2017	S	F	£205,000	81	£2,531	£212,128	£2,619
High Lawn Way	Leigh Park	Leigh Park	PO9 5BT	24/04/2017	T	F	£151,000	69	£2,188	£156,250	£2,264
Winterslow Drive	Leigh Park	Leigh Park	PO9 5DZ	02/06/2017	S	F	£155,000	68	£2,279	£156,652	£2,304
Winterslow Drive	Leigh Park	Leigh Park	PO9 5EB	12/05/2017	T	F	£210,000	71	£2,958	£215,443	£3,034
Winterslow Drive	Leigh Park	Leigh Park	PO9 5EB	21/04/2017	S	F	£180,000	86	£2,093	£186,258	£2,166
Marchwood Road	Leigh Park	Leigh Park	PO9 5EE	23/05/2017	S	F	£177,500	67	£2,649	£182,100	£2,718

Address	Locality	DSP Corresponding Research Area	Postcode	Sale Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Stockheath Road	Leigh Park	Leigh Park	PO9 5HE	12/05/2017	T	F	£300,000	113	£2,655	£307,775	£2,724
Billy Lawn Avenue	Leigh Park	Leigh Park	PO9 5HJ	26/05/2017	T	F	£195,000	83	£2,349	£200,054	£2,410
Billy Lawn Avenue	Leigh Park	Leigh Park	PO9 5HN	09/06/2017	T	F	£199,000	85	£2,341	£201,121	£2,366
Billy Lawn Avenue	Leigh Park	Leigh Park	PO9 5HN	12/05/2017	T	F	£200,000	107	£1,869	£205,183	£1,918
Billy Lawn Avenue	Leigh Park	Leigh Park	PO9 5HN	12/05/2017	T	F	£198,000	88	£2,250	£203,132	£2,308
<b>Average</b>										<b>£180,353</b>	<b>£2,350</b>
<b>Portsdown Hill</b>											
Almond Close	Havant	Portsdown Hill	PO9 3LP	28/04/2017	S	F	£279,995	83	£3,373	£289,730	£3,491
Auriol Drive	Havant	Portsdown Hill	PO9 3LR	05/05/2017	S	F	£390,000	133	£2,932	£400,108	£3,008
Auriol Drive	Havant	Portsdown Hill	PO9 3LS	30/05/2017	D	F	£425,000	126	£3,373	£436,015	£3,460
Fortunes Way	Havant	Portsdown Hill	PO9 3LY	09/05/2017	S	F	£307,500	90	£3,417	£315,470	£3,505
<b>Average</b>										<b>£360,331</b>	<b>£3,366</b>
<b>West Leigh</b>											
St Albans Road	Havant	West Leigh	PO9 2JS	31/05/2017	T	F	£160,000	74	£2,162	£164,147	£2,218
Fern Drive	Havant	West Leigh	PO9 2YH	28/04/2017	S	F	£235,000	71	£3,310	£243,171	£3,425
Kitwood Green	Havant	West Leigh	PO9 5QN	28/04/2017	T	F	£183,500	87	£2,109	£189,880	£2,183
Forestside Avenue	Havant	West Leigh	PO9 5SH	02/06/2017	T	F	£195,000	75	£2,600	£197,078	£2,628
<b>Average</b>										<b>£198,569</b>	<b>£2,613</b>

3.10 The following table below provides a summary of Land Registry published sold prices data specifically for Hayling Island – focussing on re-sale. Again, this data has been grouped into the aforementioned research areas, resulting in a consistent dataset between sources. The floor areas have been sourced separately – from the Domestic Energy Performance Certificate (EPC) Register operated by Landmark on behalf of the Government and available to view via <https://www.epcregister.com/> under the DCLG’s remit.

Table 1g – Land Registry Sold Prices Review Analysis – Hayling Island resale properties (Completed April 2017)

Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
<b>Central Hayling Plain</b>											
4	Whitethorn Road	Central Hayling Plain	PO11 9LS	26/5/2017	D	F	£365,000	109	£3,349	£371,906	£3,412
Marine View	Marine Walk	Central Hayling Plain	PO11 9PQ	28/4/2017	D	F	£310,000	110	£2,818	£318,640	£2,897
Maple Court, 3a	Staunton Avenue	Central Hayling Plain	PO11 0EF	30/6/2017	F	L	£79,000	43	£1,837	£79,000	£1,837
Maple Court, 3a	Staunton Avenue	Central Hayling Plain	PO11 0EF	4/5/2017	F	L	£80,000	46	£1,739	£81,514	£1,772
22	Richmond Drive	Central Hayling Plain	PO11 0EP	24/5/2017	T	F	£302,500	90	£3,361	£308,224	£3,425
15	Sinah Lane	Central Hayling Plain	PO11 0EY	21/6/2017	D	F	£430,000	118	£3,644	£430,000	£3,644

Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
43	Beach Road	Central Hayling Plain	PO11 0JB	16/6/2017	D	F	£340,000	112	£3,036	£340,000	£3,036
57	Beach Road	Central Hayling Plain	PO11 0JB	24/5/2017	S	F	£423,000	192	£2,203	£431,003	£2,245
8	Dances Way	Central Hayling Plain	PO11 0JP	16/6/2017	D	F	£250,000	84	£2,976	£250,000	£2,976
23	Dances Way	Central Hayling Plain	PO11 0JP	30/5/2017	S	F	£300,000	78	£3,846	£305,676	£3,919
56	Saltmarsh Lane	Central Hayling Plain	PO11 0JT	2/6/2017	S	F	£294,000	85	£3,459	£294,000	£3,459
6	Woodlands Lane	Central Hayling Plain	PO11 0JU	30/5/2017	D	F	£387,500	120	£3,229	£394,832	£3,290
15	Havant Road	Central Hayling Plain	PO11 0PT	26/6/2017	D	F	£365,000	91	£4,011	£365,000	£4,011
Amberley	Copse Lane	Central Hayling Plain	PO11 0QA	19/6/2017	D	F	£305,000	74	£4,122	£305,000	£4,122
Average:										£305,343	£3,146
Eastoke											
20	Church Road	Eastoke	PO11 0NT	21/4/2017	S	F	£385,000	126	£3,056	£395,730	£3,141
5	Kings Road	Eastoke	PO11 0PD	16/6/2017	T	F	£243,000	76	£3,197	£243,000	£3,197
65	Kings Road	Eastoke	PO11 0PE	19/5/2017	S	F	£260,000	116	£2,241	£264,919	£2,284
208	Sea Front	Eastoke	PO11 9HR	13/4/2017	T	F	£360,000	110	£3,273	£370,033	£3,364

Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
42	Sea Front Estate	Eastoke	PO11 9JJ	28/6/2017	S	F	£195,000	50	£3,900	£195,000	£3,900
74	Rails Lane	Eastoke	PO11 9LP	16/6/2017	D	F	£273,000	111	£2,459	£273,000	£2,459
50	Bembridge Drive	Eastoke	PO11 9LU	27/6/2017	D	F	£320,000	68	£4,706	£320,000	£4,706
Foreland Court, 50	Rails Lane	Eastoke	PO11 9LW	31/5/2017	F	L	£170,000	72	£2,361	£173,217	£2,406
Lodge Berry Court, 24	St Hermans Road	Eastoke	PO11 9NA	4/5/2017	F	L	£213,000	57	£3,737	£217,030	£3,808
32c	Fishery Lane	Eastoke	PO11 9NR	5/5/2017	T	F	£295,000	99	£2,980	£300,582	£3,036
12	Blackthorn Road	Eastoke	PO11 9NY	26/6/2017	S	F	£261,500	83	£3,151	£261,500	£3,151
19a	Selsmore Avenue	Eastoke	PO11 9PB	28/6/2017	D	F	£392,500	144	£2,726	£392,500	£2,726
39	Sea View Road	Eastoke	PO11 9PD	9/6/2017	D	F	£299,995	68	£4,412	£299,995	£4,412
5a	Simmons Green	Eastoke	PO11 9PP	28/4/2017	D	F	£670,000	163	£4,110	£688,673	£4,225
27	Southwood Road	Eastoke	PO11 9PS	30/6/2017	D	F	£360,000	133	£2,707	£360,000	£2,707
53c	Southwood Road	Eastoke	PO11 9PT	21/4/2017	D	F	£430,000	177	£2,429	£441,984	£2,497
5	Eastoke Avenue	Eastoke	PO11 9QW	28/4/2017	D	F	£235,000	77	£3,052	£241,550	£3,137

Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
25	Silver Sands Gardens	Eastoke	PO11 9TJ	5/5/2017	T	F	£174,000	67	£2,597	£177,292	£2,646
4	South Road	Eastoke	PO11 9AE	8/6/2017	D	F	£500,000	175	£2,857	£500,000	£2,857
86a	Elm Close Estate	Eastoke	PO11 9AU	27/4/2017	S	F	£325,000	74	£4,392	£334,058	£4,514
25	St Margarets Road	Eastoke	PO11 9BP	21/4/2017	D	F	£215,000	84	£2,560	£220,992	£2,631
29	St Margarets Road	Eastoke	PO11 9BP	10/4/2017	D	F	£387,500	115	£3,370	£398,300	£3,463
7	Linden Grove	Eastoke	PO11 9DG	1/6/2017	T	F	£223,000	70	£3,186	£223,000	£3,186
60	Tournerbury Lane	Eastoke	PO11 9DJ	19/6/2017	S	F	£260,000	67	£3,881	£260,000	£3,881
29	Burwood Grove	Eastoke	PO11 9DS	23/5/2017	D	F	£220,000	129	£1,705	£224,163	£1,738
29	Eastwood Close	Eastoke	PO11 9DY	25/4/2017	T	F	£210,000	86	£2,442	£215,853	£2,510
76a	Elm Grove	Eastoke	PO11 9EH	9/6/2017	T	F	£155,000	95	£1,632	£155,000	£1,632
13	Palmerston Road	Eastoke	PO11 9ET	26/5/2017	S	F	£220,000	95	£2,316	£224,163	£2,360
5	Palmerston Road	Eastoke	PO11 9ET	10/5/2017	S	F	£238,000	96	£2,479	£242,503	£2,526
23	Chichester Avenue	Eastoke	PO11 9EZ	28/4/2017	D	F	£555,000	248	£2,238	£570,468	£2,300
Average:										£306,150	£3,047



Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
<b>North Hayling</b>											
10	Island Close	North Hayling	PO11 0NA	16/6/2017	D	F	£410,000	139	£2,950	£410,000	£2,950
17a	New Cut	North Hayling	PO11 0NB	2/6/2017	D	F	£395,000	110	£3,591	£395,000	£3,591
35	Northney Road	North Hayling	PO11 0ND	17/5/2017	S	F	£415,000	93	£4,462	£422,852	£4,547
4	Oyster Close	North Hayling	PO11 9FP	10/4/2017	D	F	£452,500	138	£3,279	£465,111	£3,370
<b>Average:</b>										<b>£423,241</b>	<b>£3,615</b>
<b>South Hayling</b>											
Elizabeth Court, 145	Southwood Road	South Hayling	PO11 9PY	19/5/2017	F	L	£130,000	39	£3,333	£132,460	£3,396
126a	Southwood Road	South Hayling	PO11 9QH	20/4/2017	S	F	£400,000	130	£3,077	£411,148	£3,163
81	Eastoke Avenue	South Hayling	PO11 9QP	13/4/2017	D	F	£200,000	80	£2,500	£205,574	£2,570
42a	Creek Road	South Hayling	PO11 9RD	11/4/2017	F	L	£128,000	58	£2,207	£131,567	£2,268
4	Sandy Beach Estate	South Hayling	PO11 9RG	27/4/2017	S	F	£220,000	69	£3,188	£226,131	£3,277
16	Bosmere Road	South Hayling	PO11 9SA	23/6/2017	D	F	£270,000	60	£4,500	£270,000	£4,500
6	Bosmere Road	South Hayling	PO11 9SA	7/4/2017	D	F	£289,000	87	£3,322	£297,055	£3,414
16	Pagham Gardens	South Hayling	PO11 9SS	12/4/2017	D	F	£274,000	66	£4,152	£281,636	£4,267

Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Anchor Court, 80	Southwood Road	South Hayling	PO11 9UR	30/6/2017	F	L	£220,000	65	£3,385	£220,000	£3,385
Anchor Court, 80	Southwood Road	South Hayling	PO11 9UR	28/4/2017	F	L	£125,000	40	£3,125	£128,484	£3,212
Average:										£230,406	£3,345
Stoke & North West Hayling											
40	Island Close	Stoke & North West Hayling	PO11 0NJ	30/6/2017	S	F	£327,500	100	£3,275	£327,500	£3,275
Average:										£327,500	£3,275
West Town Hayling Island											
Anne's Court, 11	Sea Front	West Town Hayling	PO11 0AJ	23/6/2017	F	L	£136,000	27	£5,037	£136,000	£5,037
Ward Court, 65	Sea Front	West Town Hayling	PO11 0AL	26/5/2017	F	L	£185,000	82	£2,256	£188,500	£2,299
268	Sea Front	West Town Hayling	PO11 0AY	5/5/2017	F	L	£150,000	55	£2,727	£152,838	£2,779
354	Sea Front	West Town Hayling	PO11 0BA	21/6/2017	F	L	£125,000	51	£2,451	£125,000	£2,451
354	Sea Front	West Town Hayling	PO11 0BA	16/6/2017	F	L	£120,000	50	£2,400	£120,000	£2,400
354	Sea Front	West Town Hayling	PO11 0BA	19/5/2017	F	L	£130,000	48	£2,708	£132,460	£2,760

Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
Exeter Court	Stamford Avenue	West Town Hayling	PO11 0BL	16/6/2017	F	L	£220,000	68	£3,235	£220,000	£3,235
18	St Helens Road	West Town Hayling	PO11 0BT	26/5/2017	D	F	£400,000	112	£3,571	£407,568	£3,639
12	Fernhurst Close	West Town Hayling	PO11 0DT	19/5/2017	D	F	£385,000	123	£3,130	£392,284	£3,189
51	Bacon Lane	West Town Hayling	PO11 0DW	24/5/2017	D	F	£573,000	170	£3,371	£583,842	£3,434
41	St Catherines Road	West Town Hayling	PO11 0HF	9/6/2017	D	F	£719,000	322	£2,233	£719,000	£2,233
47	Sinah Lane	West Town Hayling	PO11 0HJ	30/6/2017	S	F	£460,000	191	£2,408	£460,000	£2,408
12	North Shore Road	West Town Hayling	PO11 0HL	29/5/2017	D	F	£450,000	122	£3,689	£458,514	£3,758
28	North Shore Road	West Town Hayling	PO11 0HL	7/4/2017	D	F	£433,000	148	£2,926	£445,068	£3,007
9	Atherley Road	West Town Hayling	PO11 0JS	4/5/2017	S	F	£285,000	131	£2,176	£290,392	£2,217
12	Aubrey Close	West Town Hayling	PO11 0SU	26/5/2017	D	F	£370,000	121	£3,058	£377,001	£3,116
4	Bathurst Close	West Town Hayling	PO11 0UA	5/5/2017	D	F	£500,000	144	£3,472	£509,460	£3,538

Address		DSP Corresponding Research Area	Postcode	Deed Date	Property Type	Freehold / Leasehold	Sale Price	EPC Floor Area	Price per £/m <sup>2</sup>	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m <sup>2</sup> )
10	Rook Farm Way	West Town Hayling	PO11 9DF	23/6/2017	T	F	£245,000	71	£3,451	£245,000	£3,451
Average:										£331,274	£3,053

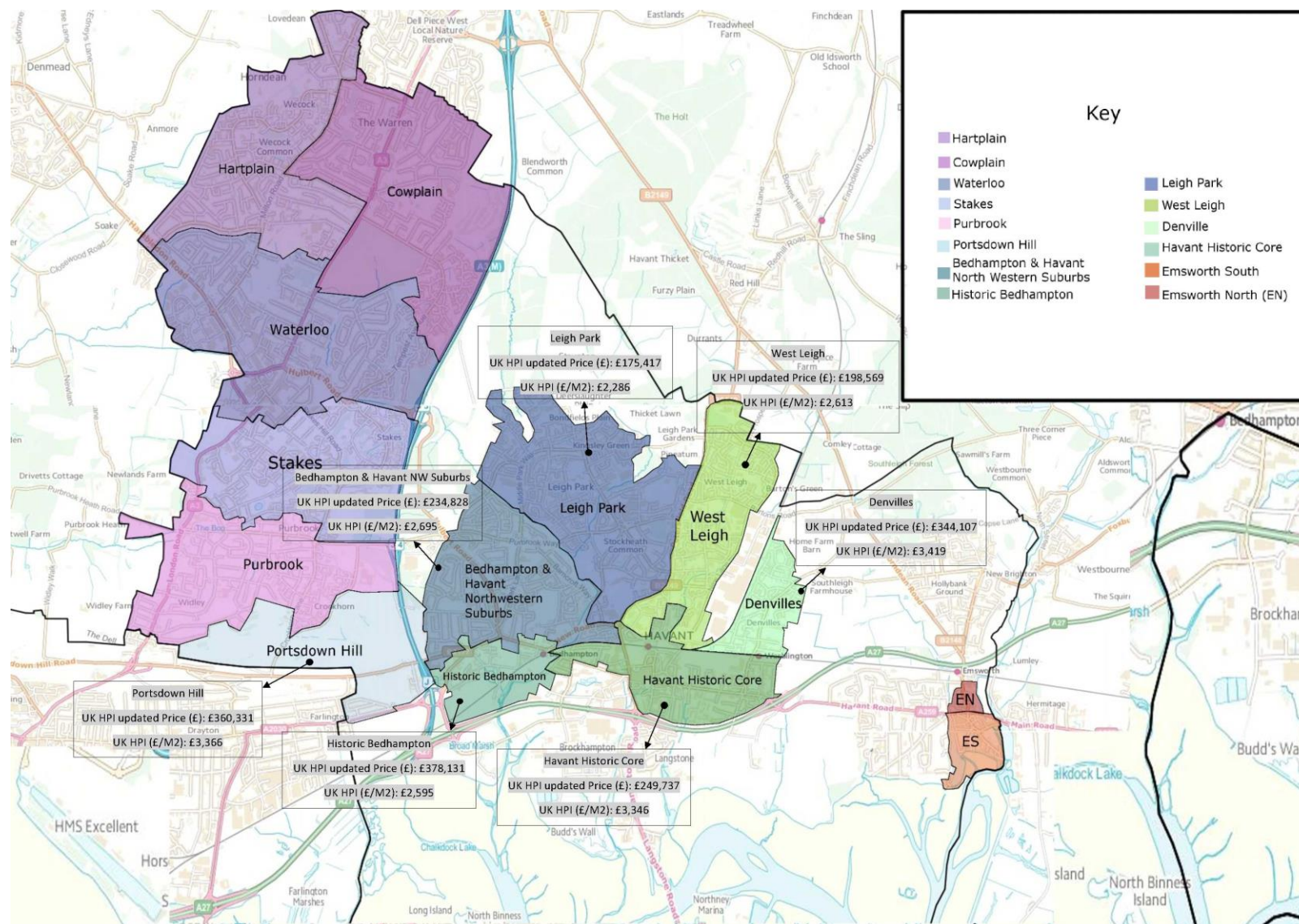
Table 1h – Land Registry Sold Prices Review Analysis – Resale properties (April – June 2017)

DSP Corresponding Research Area	Updated Values in Line with UK HPI (£)	Updated Values in Line with UK HPI (£/m2)
<b>North Hayling</b>	£423,241	£3,615
<b>Portsdown Hill*</b>	£360,331	£3,366
<b>Denvilles</b>	£344,107	£3,419
<b>West Town Hayling</b>	£331,274	£3,053
<b>Stoke and North West Hayling</b>	£327,500	£3,275
<b>Eastoke</b>	£306,150	£3,047
<b>Central Hayling Plain</b>	£305,343	£3,146
<b>Havant Historic Core</b>	£266,856	£3,246
<b>Bedhampton &amp; Havant</b>	£234,828	£2,695
<b>South Hayling</b>	£230,406	£3,345
<b>West Leigh*</b>	£198,569	£2,613
<b>Leigh Park</b>	£175,417	£2,286

- 3.11 Table 1h above shows the overall analysis of the above Land Registry new build data by the DSP research areas (see paragraph 3.3 above) and then sorted by the highest to lowest values within the Borough. These values have then been mapped to provide a visual representation of the values and how the different research areas compare with one another.

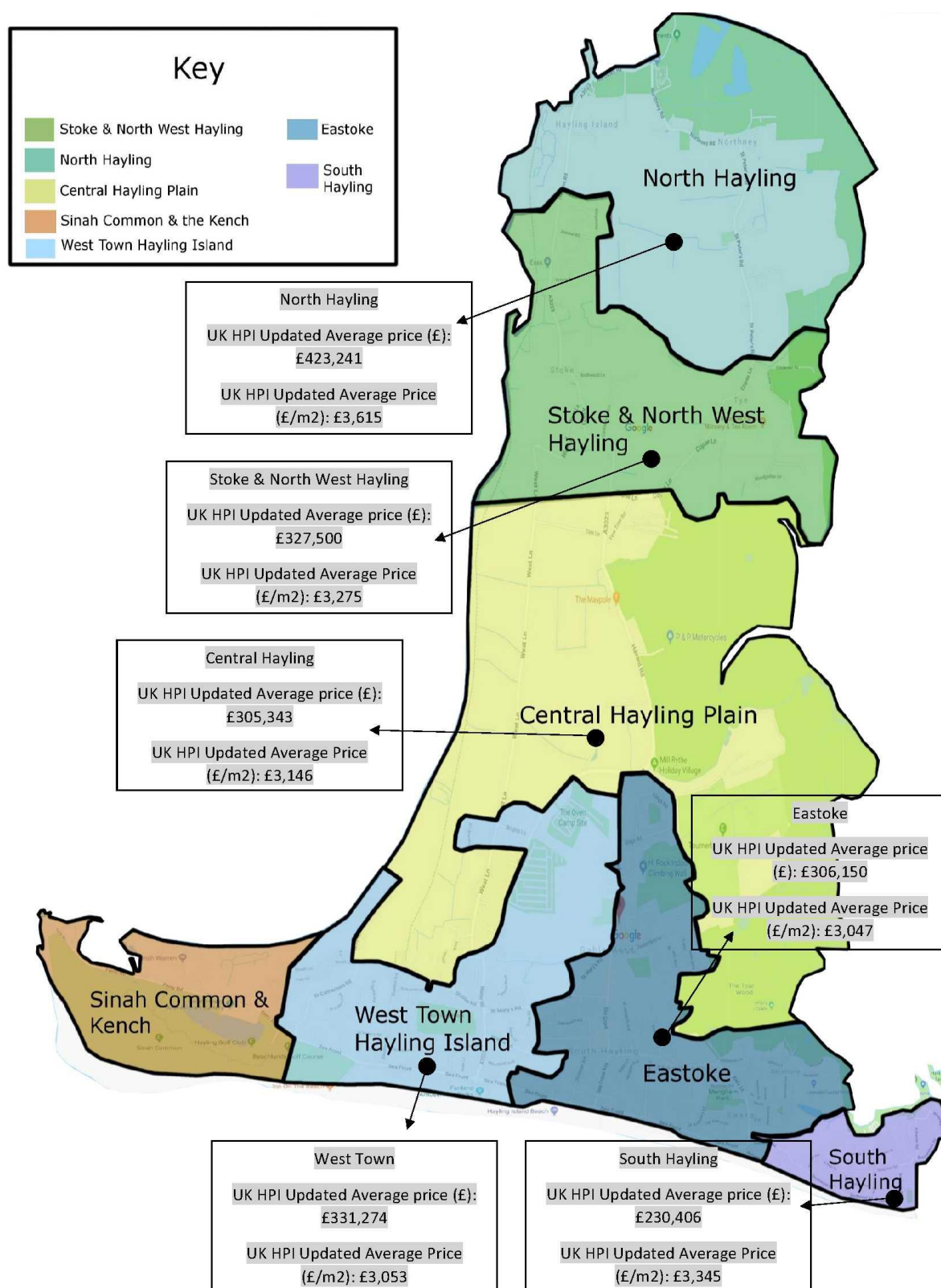
*See Figures 3a and 3b on the following page.*

Figure 3a – Land Registry Re-sale Property Mapped by DSP Research Areas (excluding Hayling Island).





*Figure 3b – Land Registry Re-sale Property Mapped by DSP Research Areas – Hayling Island only*



## Zoopla sourced average values data (area guides / statistics)

3.12 The source of the information - maps and tables in the following pages is: [www.zoopla.co.uk](http://www.zoopla.co.uk) – as at July 2017. The Zoopla sourced indicative “heat” maps below provide a further indication as to the variable strength of residential values in Havant Borough. These present a relative picture. The “cooler” colours (blues) indicate the general extent of lower values, relative to the “warmer” colours - through yellow to red – indicating house prices generally moving to or at higher levels.

Figure 4a – Zoopla Heat Map – Havant overall (including Hayling Island) – Overview





Figure 4b – Zoopla Heat Map – Havant Focus



- 3.13 The tables below provide a quick analysis of the Zoopla ‘Average Current Values Estimate’ data (July 2017) based on searching Havant Borough settlements. This data was not available for all settlements, and as expect particularly relating to flats when moving away from the main town areas, but provides an additional data source and adds to the background picture in considering house price variance as part of informing the build-up of our appraisal assumptions – range of values for high-level overview to inform CIL testing.

Table 2 - Zoopla current values estimates – sourced from area stats by settlement

Settlement	Houses		Flats		Overall Average	
	Average Price per sq.ft.	Average Price per sq.m.	Average Price per sq.ft.	Average Price per sq.m.	Average Price per sq.ft.	Average Price per sq.m.
Emsworth	£358	£3,852	£353	£3,798	£356	£3,825
Hayling Island	£294	£3,167	£266	£2,862	£280	£3,015
Portsdown Hill	£290	£3,117	£263	£2,830	£276	£2,973
Waterloo (Waterlooville)	£289	£3,110	£259	£2,787	£274	£2,948
Historic Bedhampton	£266	£2,862	n/a	n/a	£266	£2,862
Denvilles	£266	£2,862	n/a	n/a	£266	£2,862
Purbrook	£278	£2,995	£224	£2,410	£251	£2,703
Havant Historic Core	£268	£2,884	£222	£2,389	£245	£2,636
Hartplain	£248	£2,665	£218	£2,346	£233	£2,505
Cowplain	£248	£2,665	£218	£2,346	£233	£2,505
Stakes	n/a	n/a	n/a	n/a	n/a	n/a
Leigh Park	n/a	n/a	n/a	n/a	n/a	n/a
Bedhampton & Havant North Western Suburbs	n/a	n/a	n/a	n/a	n/a	n/a
West Leigh	n/a	n/a	n/a	n/a	n/a	n/a
<b>Average</b>	<b>£279</b>	<b>£3,001</b>	<b>£251</b>	<b>£2,701</b>	<b>£268</b>	<b>£2,883</b>

### Available New Build properties for sale – 2017

Source: DSP research – based on a range of web searching – including from [www.rightmove.co.uk](http://www.rightmove.co.uk) ; various house builders' & estate agents' websites; associated / follow-up enquiries as relevant.

- 3.14 The tables below provide information, so far as found through web-searching and enquiries, on new build properties for sale – as at March 2017, based on DSP Research Areas. The noted property sizes are as were supplied with the agent's / developer's details or, where those were not stated, as per DSP's estimates – e.g. from agents' or other floor plans / dimensions (*Note: estimated dwelling sizes are shown in italics; Agent's or others' quoted property size details in non-italics*).
- 3.15 The variations to the stated (i.e. advertised) 'price per m<sup>2</sup>' are adjustments considered by DSP in the context of thinking about the influence of changing markets, but most

importantly the 5% deduction level ('Price less 5%') is intended to recognise that there will usually be an adjustment between marketing and sale price.

Table 3a - Available new build property – as marketed at time of research (March 2017)

Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
<b>Hartplain</b>									
<b>Flats</b>									
Hartplain Avenue	2 Bed Flat	£159,995	n/a	n/a	n/a	n/a	n/a	n/a	Harris Parkes & Drake
<b>Average</b>		<b>£159,995</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	
<b>Houses</b>									
<b>No Properties</b>									
<b>Cowplain</b>									
<b>Houses</b>									
Copperview Mews	4 Bed Detached	£534,995	157	£3,408	£317	£3,237	£3,067	£3,748	Archbold Edwards
Copperview Mews	4 Bed Detached	£529,995	148	£3,581	£333	£3,402	£3,223	£3,939	Archbold Edwards
Copperview Mews	4 Bed Detached	£529,995	150	£3,533	£328	£3,357	£3,180	£3,887	Archbold Edwards
Copperview Mews	4 Bed Detached	£524,995	142	£3,697	£344	£3,512	£3,327	£4,067	Archbold Edwards
Copperview Mews	4 Bed Detached	£499,995	144	£3,472	£323	£3,299	£3,125	£3,819	Archbold Edwards
London Road	4 Bed Detached	£450,000	126	£3,571	£332	£3,393	£3,214	£3,929	Archbold Edwards
London Road	4 Bed Detached	£435,000	115	£3,789	£352	£3,600	£3,410	£4,168	Archbold Edwards
London Road	4 Bed Detached	£435,000	115	£3,789	£352	£3,600	£3,410	£4,168	Archbold Edwards
Arun Close	3 Bed Detached	£360,000	n/a	n/a	n/a	n/a	n/a	n/a	A.J. Eyre
<b>Average</b>		<b>£477,775</b>	<b>137</b>	<b>£3,605</b>	<b>£335</b>	<b>£3,425</b>	<b>£3,245</b>	<b>£3,966</b>	
<b>Flats</b>									
<b>No Properties</b>									
<b>Waterloo</b>									
<b>Houses</b>									
Old Park Farm	3 Bed Terrace	£289,000	104	£2,779	£258	£2,640	£2,501	£3,057	Taylor Wimpey
Old Park Farm	3 Bed Terrace	£287,500	104	£2,764	£257	£2,626	£2,488	£3,041	Taylor Wimpey
Old Park Farm	3 Bed Terrace	£285,000	109	£2,615	£243	£2,484	£2,353	£2,876	Taylor Wimpey
<b>Average</b>		<b>£287,167</b>	<b>106</b>	<b>£2,719</b>	<b>£253</b>	<b>£2,583</b>	<b>£2,447</b>	<b>£2,991</b>	

Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
<b>Flats</b>									
<b>No Properties</b>									
<b>Stakes</b>									
<b>Houses</b>									
Stakes Hill Road	4 Bed Detached	£695,000	197	£3,532	£328	£3,355	£3,178	£3,885	Hazle
London Road	4 Bed Detached	£479,950	123	£3,911	£363	£3,715	£3,520	£4,302	Redrow
<b>Average</b>		<b>£587,475</b>	<b>160</b>	<b>£3,721</b>	<b>£346</b>	<b>£3,535</b>	<b>£3,349</b>	<b>£4,093</b>	
<b>Flats</b>									
<b>No Properties</b>									
<b>Portsmouth Hill</b>									
<b>Houses</b>									
Bedhampton Hill	5 Bed Detached	£1,050,000	160	£6,558	£609	£6,230	£5,902	£7,213	David Wilson Homes
Bedhampton Hill	4 Bed Detached	£999,995	151	£6,643	£617	£6,311	£5,978	£7,307	David Wilson Homes
Bedhampton Hill	4 Bed Detached	£985,000	151	£6,543	£608	£6,216	£5,889	£7,197	David Wilson Homes
Bedhampton Hill	5 Bed Detached	£949,000	146	£6,519	£606	£6,193	£5,867	£7,171	David Wilson Homes
Bedhampton Hill	4 Bed Detached	£925,000	150	£6,153	£572	£5,845	£5,538	£6,768	David Wilson Homes
<b>Average</b>		<b>£981,799</b>	<b>151</b>	<b>£6,483</b>	<b>£603</b>	<b>£6,159</b>	<b>£5,835</b>	<b>£7,131</b>	
<b>Flats</b>									
<b>No Properties</b>									
<b>Bedhampton &amp; Havant NW Suburbs</b>									
<b>Houses</b>									
Portsmouth Hill Road	5 Bed Link Detached	£475,000	n/a	n/a	n/a	n/a	n/a	n/a	Linden Homes
Portsmouth Hill Road	3 Bed Semi	£320,000	104	£3,087	£287	£2,933	£2,778	£3,396	Linden Homes
portsdown Hill Road	3 Bed Terrace	£310,000	80	£3,853	£358	£3,660	£3,468	£4,238	Linden Homes
Bedhampton Road	2 Bed Flat	£174,995	n/a	n/a	n/a	n/a	n/a	n/a	Jeffries
<b>Average</b>		<b>£319,999</b>	<b>92</b>	<b>£3,470</b>	<b>£322</b>	<b>£3,296</b>	<b>£3,123</b>	<b>£3,817</b>	
<b>Leigh Park</b>									
<b>Flats</b>									
Greywell Road	2 Bed Flat	£125,000	62	£2,006	£186	£1,906	£1,806	£2,207	Chaplins

Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Greywell Road	2 Bed Flat	£120,000	56	£2,131	£198	£2,025	£1,918	£2,345	Chaplins
Greywell Road	2 Bed Flat	£115,000	56	£2,043	£190	£1,940	£1,838	£2,247	Chaplins
Greywell Road	1 Bed Flat	£99,950	n/a	n/a	n/a	n/a	n/a	n/a	Chaplins
Greywell Road	1 Bed Flat	£92,500	50	£1,854	£172	£1,761	£1,668	£2,039	Chaplins
Greywell Road	2 Bed Flat	£92,500	50	£1,869	£174	£1,775	£1,682	£2,056	Chaplins
Greywell Road	1 Bed Flat	£92,500	40	£2,307	£214	£2,191	£2,076	£2,537	Chaplins
Greywell Road	1 Bed Flat	£89,995	54	£1,670	£155	£1,586	£1,503	£1,837	Chaplins
Greywell Road	1 Bed Flat	£89,950	54	£1,669	£155	£1,585	£1,502	£1,836	Chaplins
<b>Average</b>		<b>£101,933</b>	<b>53</b>	<b>£1,944</b>	<b>£181</b>	<b>£1,846</b>	<b>£1,749</b>	<b>£2,138</b>	
<b>Houses</b>									
<b>No Properties</b>									
<b>Historic Bedhampton</b>									
<b>Houses</b>									
Ranelagh Road	3 Bed Detached	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jacobs Foreman
Ranelagh Road	3 Bed Detached	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jacobs Foreman
Meyrick Road	3 Bed Detached	£285,000	85	£3,353	£312	£3,185	£3,018	£3,688	Hazle & Co
Meyrick Road	3 Bed Detached	£285,000	84	£3,401	£316	£3,231	£3,061	£3,741	Hazle & Co
Ranelagh Road	3 Bed Detached	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jacobs Foreman
Ranelagh Road	3 Bed Detached	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jacobs Foreman
Ranelagh Road	2 bed Semi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jeffries
<b>Average</b>		<b>£285,000</b>	<b>84</b>	<b>£3,377</b>	<b>£314</b>	<b>£3,208</b>	<b>£3,039</b>	<b>£3,715</b>	
<b>Flats</b>									
<b>No Properties</b>									
<b>Stoke &amp; North West Hayling</b>									
<b>Houses</b>									
New Cut, Hayling Island	3 Bed Detached	£400,000	n/a	n/a	n/a	n/a	n/a	n/a	Morris Dibeon
<b>Average</b>		<b>£400,000</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	
<b>Flats</b>									
<b>No Properties</b>									
<b>West Town Hayling Island</b>									
<b>Houses</b>									

Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Station Road	4 Bed Detached	£410,000	98	£4,198	£390	£3,988	£3,778	£4,618	Barratt Homes
Station Road	4 Bed Detached	£399,000	98	£4,086	£380	£3,881	£3,677	£4,494	Barratt Homes
Station Road	3 Bed Semi	£335,000	76	£4,394	£408	£4,174	£3,955	£4,833	Barratt Homes
Station Road	3 Bed Terrace	£295,000	70	£4,220	£392	£4,009	£3,798	£4,642	Barratt Homes
<b>Average</b>		<b>£359,750</b>	<b>85</b>	<b>£4,225</b>	<b>£393</b>	<b>£4,013</b>	<b>£3,802</b>	<b>£4,647</b>	
<b>Flats</b>									
<b>No Properties</b>									
<b>Eastoke</b>									
<b>Houses</b>									
Bound Lane	4 Bed Detached	£625,000	150	£4,154	£386	£3,946	£3,739	£4,570	Henry Adams
Bound Lane	3 Bed Semi	£460,000	81	£5,676	£527	£5,392	£5,108	£6,243	Henry Adams
Bound Lane	3 Bed Semi	£440,000	n/a	n/a	n/a	n/a	n/a	n/a	Henry Adams
Windsurfing Place	3 Bed Terrace	£245,000	123	£1,995	£185	£1,895	£1,796	£2,195	Beals
<b>Average</b>		<b>£442,500</b>	<b>118</b>	<b>£3,942</b>	<b>£366</b>	<b>£3,745</b>	<b>£3,548</b>	<b>£4,336</b>	
<b>Flats</b>									
<b>No Properties</b>									

*Note: No available data for the following research areas at the time of data collection: Havant Historic Core, Purbrook, Denvilles, Emsworth North and South, West Leigh, North Hayling, Central Haying, Sinah Common Hayling Island and South Hayling.*

- 3.16 As the project progressed through to later draft / final stages, the above Rightmove Asking Price Analysis New Build data was updated in Autumn 2018. The purpose of this additional research exercise was to provide further background information on the emerging market values picture in the Borough.

Table 3a - Available new build property – as marketed at time of research (Autumn 2018)

Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
<b>Eastoke</b>									
<b>Houses</b>									
Eastoke Avenue	4 bed detached	£800,000	203	£3,941	£366	£3,744	£3,547	£4,335	Leaders
Austen Gardens	3 bed semi-detached	£399,950	106	£3,759	£349	£3,571	£3,383	£4,135	Henry Adams

Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Bound Lane	3 bed semi-detached	£399,950	106	£3,759	£349	£3,571	£3,383	£4,135	Henry Adams
Austen Gardens	3 bed semi-detached	£389,950	106	£3,665	£341	£3,482	£3,298	£4,031	Henry Adams
<b>Average</b>		<b>£497,463</b>	<b>131</b>	<b>£3,781</b>	<b>£351</b>	<b>£3,592</b>	<b>£3,403</b>	<b>£4,159</b>	
<b>Hartplain</b>									
<b>Houses</b>									
Woodcroft Lane	4 bed detached	£455,000	151	£3,021	£281	£2,870	£2,719	£3,323	Linden Homes
Woodcroft Lane	4 bed detached	£445,000	151	£2,955	£275	£2,807	£2,659	£3,250	Linden Homes
Woodcroft Lane	4 bed detached	£405,000	118	£3,426	£318	£3,255	£3,084	£3,769	Linden Homes
Forest Mead	3 bed detached	£375,000	85	£4,417	£410	£4,196	£3,975	£4,859	EweMove
Woodcroft Lane	3 bed terraced	£345,000	121	£2,854	£265	£2,711	£2,568	£3,139	Linden Homes
Woodcroft Lane	3 bed semi-detached	£335,000	92	£3,661	£340	£3,478	£3,295	£4,027	Linden Homes
Woodcroft Lane	3 bed terraced	£335,000	121	£2,771	£258	£2,632	£2,494	£3,048	Linden Homes
<b>Average</b>		<b>£385,000</b>	<b>120</b>	<b>£3,301</b>	<b>£307</b>	<b>£3,136</b>	<b>£2,971</b>	<b>£3,631</b>	
<b>Stakes</b>									
<b>Houses</b>									
Kentidge Way	4 bed detached	£514,950	122	£4,235	£394	£4,023	£3,811	£4,658	David Wilson Homes
Kentidge Way	4 bed detached	£509,950	122	£4,194	£390	£3,984	£3,774	£4,613	David Wilson Homes
Oak Vale	4 bed detached	£499,950	99	£5,030	£467	£4,778	£4,527	£5,533	Redrow
Oak Vale	4 bed detached	£484,950	106	£4,558	£424	£4,330	£4,102	£5,014	Redrow
Oak Vale	3 bed detached	£479,950	114	£4,206	£391	£3,996	£3,786	£4,627	Redrow
Oak Vale	4 bed detached	£479,950	110	£4,375	£407	£4,156	£3,938	£4,813	Redrow
Oak Vale	3 bed detached	£459,950	122	£3,782	£352	£3,593	£3,404	£4,161	Redrow
Kentidge Way	4 bed detached	£445,000	102	£4,376	£407	£4,157	£3,938	£4,813	Barratt Homes
Kentidge Way	3 bed detached	£390,000	119	£3,266	£304	£3,103	£2,940	£3,593	David Wilson Homes
Kentidge Way	3 bed detached	£385,000	119	£3,224	£300	£3,063	£2,902	£3,547	David Wilson Homes



Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Kentidge Way	3 bed terraced	£370,000	102	£3,613	£336	£3,433	£3,252	£3,975	David Wilson Homes
Kentidge Way	3 bed semi-detached	£340,000	102	£3,320	£309	£3,154	£2,988	£3,652	David Wilson Homes
Kentidge Way	3 bed semi-detached	£339,950	92	£3,703	£344	£3,518	£3,333	£4,073	David Wilson Homes
Kentidge Way	3 bed semi-detached	£299,950	115	£2,604	£242	£2,474	£2,343	£2,864	David Wilson Homes
Kentidge Way	2 bed semi-detached	£295,000	74	£4,008	£373	£3,808	£3,607	£4,409	David Wilson Homes
<b>Average</b>		<b>£419,637</b>	<b>108</b>	<b>£3,900</b>	<b>£362</b>	<b>£3,705</b>	<b>£3,510</b>	<b>£4,290</b>	
<b>Flats</b>									
Kentidge Way	2 bed flat	£235,000	68	£3,446	£320	£3,273	£3,101	£3,790	David Wilson Homes
Kentidge Way	2 bed flat	£220,000	68	£3,226	£300	£3,065	£2,903	£3,548	David Wilson Homes
<b>Average</b>		<b>£227,500</b>	<b>68</b>	<b>£3,336</b>	<b>£310</b>	<b>£3,169</b>	<b>£3,002</b>	<b>£3,669</b>	
<b>Purbrook</b>									
<b>Houses</b>									
Athens Way	3 bed semi-detached	£369,995	127	£2,911	£271	£2,766	£2,620	£3,202	David Wilson Homes
Serpentine Road	3 bed detached	£325,000	98	£3,327	£309	£3,160	£2,994	£3,659	Beals
<b>Average</b>		<b>£347,498</b>	<b>112</b>	<b>£3,119</b>	<b>£290</b>	<b>£2,963</b>	<b>£2,807</b>	<b>£3,431</b>	
<b>Leigh Park</b>									
<b>Flats</b>									
Leigh Road	2 bed flat	£197,500	57	£3,465	£322	£3,292	£3,118	£3,811	Savills
Leigh Road	2 bed flat	£187,500	57	£3,289	£306	£3,125	£2,961	£3,618	Savills
Leigh Road	1 bed flat	£160,000	47	£3,412	£317	£3,241	£3,070	£3,753	Savills
Leigh Road	1 bed flat	£145,000	38	£3,816	£355	£3,625	£3,434	£4,197	Savills
<b>Average</b>		<b>£172,500</b>	<b>50</b>	<b>£3,495</b>	<b>£325</b>	<b>£3,321</b>	<b>£3,146</b>	<b>£3,845</b>	
<b>Denvilles</b>									
<b>Houses</b>									
Horndean Road	4 bed detached	£609,995	165	£3,706	£344	£3,521	£3,335	£4,077	Bellway
Horndean Road	4 bed detached	£574,995	119	£4,816	£448	£4,575	£4,334	£5,297	Bellway
Horndean Road	4 bed detached	£564,995	119	£4,740	£441	£4,503	£4,266	£5,214	Bellway



Address	Description	Price	Size (m <sup>2</sup> )	Price per m <sup>2</sup>	Price per sq. ft.	Price Less 5%	Price Less 10%	Price Plus 10%	Agent
Horndean Road	4 bed detached	£479,995	124	£3,883	£361	£3,689	£3,495	£4,272	Bellway
Horndean Road	4 bed detached	£469,995	125	£3,775	£351	£3,586	£3,398	£4,153	Bellway
Horndean Road	3 bed detached	£399,995	93	£4,320	£401	£4,104	£3,888	£4,752	Bellway
Horndean Road	3 bed detached	£399,995	93	£4,320	£401	£4,104	£3,888	£4,752	Bellway
Horndean Road	2 bed semi-detached	£324,995	79	£4,140	£385	£3,933	£3,726	£4,554	Bellway
Horndean Road	3 bed terraced	£319,995	85	£3,769	£350	£3,581	£3,392	£4,146	Bellway
Horndean Road	2 bed terraced	£295,995	70	£4,259	£396	£4,046	£3,833	£4,685	Bellway
Horndean Road	2 bed terraced	£289,995	68	£4,265	£396	£4,051	£3,838	£4,691	Bellway
<b>Average</b>		<b>£430,086</b>	<b>103</b>	<b>£4,181</b>	<b>£389</b>	<b>£3,972</b>	<b>£3,763</b>	<b>£4,599</b>	

### Residential 'Value Levels' – collective assumption overview

- 3.17 Overall, for the purposes of this strategic overview of development viability Local Plan and CIL Viability, we decided to focus our appraisals around the following values range - represented by what we refer to as Values Levels (VLs) '1 - 7+' in accordance with the extensive research values analysis outlined above. See the following table below (note: table also included for ease of reference in Appendix I). Above all, this shows the scale of values as well as the variation of those values seen in different parts of the Borough. At the time of finalising the update assessment work in October/November 2017, we consider new build values in the Havant Borough to fall within the overall VL range of £2,750 - £4,500/m<sup>2</sup> – i.e. approximately £255 to £418/sq. ft. Typical new build values are, however, found around the middle>lower end of this key range, usually around VL3/4. For the assessment purpose, therefore, it is also appropriate to review viability across the whole range of values within the Borough

Table 4 – Havant Borough Council – Assumed Residential Value Levels

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, Hartplain		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
<b>Value House (£/m2)</b>	<b>£2,750</b>	<b>£3,000</b>	<b>£3,250</b>	<b>£3,500</b>	<b>£3,750</b>	<b>£4,000</b>	<b>£4,500</b>

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

3.18 As in all areas, values are always mixed to some extent - within particular localities and even within sites. The table above assumes the following dwelling gross internal floor areas (these are purely for the purpose of the above market dwelling price illustrations):

- 1-bed flat at 50 sq. m (543 sq. ft.)
- 2-bed flat at 70 sq. m (753 sq. ft.)
- 2-bed house at 79 sq. m (914 sq. ft.)
- 3-bed house at 100 sq. m (1076 sq. ft.)
- 4-bed house at 130 sq. m (1398 sq. ft.)

## 4.0 Sheltered Housing values - research (November 2017)

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4.1 Research was also carried out on new build sheltered housing through using property search engines 'Rightmove and 'Retirement Homesearch'. At the date of research there was only a limited number of new build sheltered housing for sale within the Havant Borough and as such we extended our research area to include some comparable adjoining areas as noted below:

- The Orchard House, Emsworth (McCarthy & Stone) – currently subject to planning.
- Savoy House, South Parade, Southsea (McCarthy & Stone) – 1-bed flats priced at £248,950 equating a £4,526/m<sup>2</sup> and 2-bed flats priced at £353,950 equating to £4,719/m<sup>2</sup>.
- Tudor Rose Court, South Parade, Southsea (McCarthy & Stone) – 1-bed flats priced at £233,950 equating a £4,253/m<sup>2</sup> and 2-bed flats priced at £328,950 equating to £4,386/m<sup>2</sup>.
- 38-44 Purbrook (McCarthy & Stone) – currently under construction. No price data currently available.
- Apsley Lodge, London Road, Waterloooville (Churchill Retirement) – 1-bed flats priced at £295,950 equating a £5,380/m<sup>2</sup> and 2-bed flats priced at £314,950 equating to £4,199/m<sup>2</sup>.
- Simmonds Lodge, Drayton - (Churchill Retirement) – 1-bed flats priced at £247,950 equating a £4,540/m<sup>2</sup> and 2-bed flats priced at £354,950 equating to £4,732/m<sup>2</sup>.

4.2 Taking into account the results of the above research which indicates a range of between £4,199 and £5,380/m<sup>2</sup>, alongside DSP's significant experience of carrying out site specific viability reviews on numerous sheltered housing schemes, the above has led us to test Sheltered Housing at the same overall values range of £4,000 - £4,750/m<sup>2</sup>. From both wider experience and research above, we would generally expect Sheltered Housing values to be representative of more towards the upper end of this overall range and this could even be found to be conservative. Information related to actual schemes within the area would be needed to verify these assumptions, which in the circumstances are considered reasonable for the purpose.

## 5.0 Commercial market information, rents and yields

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### 5.1 Example sources used:

- CoStar based on searches for retail (all types, including larger supermarkets and convenience stores), offices, industrial/warehousing, distribution warehousing together with hotel data where available. This information will comprise of both lease and sales comparables within the Borough. (www.costar.co.uk – subscription based Commercial Property Intelligence resource used and informed by a wide range of Agents and other property firms).
- Valuation Office Agency (VOA) Rating List
- Others – RICS market information; property advertised; web-based research
- Any available local soundings – indications / examples

### **RICS Commercial Property Market Survey Q3 2017**

### 5.2 Headline reads: *‘industrial sector remains strong while retail struggles’*

- *‘Rent expectations firm for industrial space, neutral across offices and marginally negative for retail*
- *Pick-up investment demand supporting modestly positive capital value expectations*
- *London continues to display more cautious sentiment relative to the national average’*

### 5.3 *‘The Q3 2017 RICS UK Commercial Property Market Survey results, on balance, show a slight improvement relative to the previous quarter. Indicators capturing both investor and occupier demand edged up during Q3, while near term capital value and rental growth expectations were somewhat more positive. That said, there is still a significant divergence while the backdrop for the retail sector remains more challenging.*

- 5.4 *At the national level, headline occupier demand held more or less steady, as a net balance of only +5% of respondents noted an increase over the quarter. That said, this does mark a modest improvement on the figure of -2% in Q2. When broken down, tenant demand increased strongly across industrial space (net balance +28%) and stabilised in the office sector, having fallen in Q2. Meanwhile, demand continued to fall for the second consecutive quarter in the retail sector, posting a reading of -16% (-15% previously). At the same time, availability of leasable space declined markedly in the industrial segment once again, and saw little change across both office and retail sectors.*
- 5.5 *Landlord incentives on offer to tenant in the office sector increased for fifth successive period during Q3. Retail inducements also picked up, marking the second quarter running in which they have done so. By way of contrast, incentives continued to decline in the industrial sector.*
- 5.6 *Given this, near term rent expectations point to firm growth in the industrial sector, and a broadly flat outturn for office rental values. In the retail segment, projections remain marginally negative at the headline level. Over the year ahead, rental expectations are positive for both prime and secondary industrial space. The same is true for prime offices and to a lesser extent prime retail space. The outlook for secondary retail were firmly negative, with rents still anticipated to decline over the coming twelve months.*
- 5.7 *With regards to the regional breakdown, near term all sector rent expectations are generally positive across most parts of the UK. London is again the exception, where negative projections in the office and retail sectors are cancelling out positive expectations for industrial rents. Over the next twelve months in the capital, it is the secondary retail and office portions of the market in particular which are weighing down the headline figure. That said, the rental outlook is now flat for prime retail and only marginally positive for prime offices.*
- 5.8 *In the investment market, headline demand series moved further into positive territory, with a net balance of +20% of respondents noting an increase in investment enquiries (+10% in Q2). Again, the industrial sector posted the strongest increase (in net balance terms). Following a flat reading in Q2, investment enquiries picked up in the office segment, but were little changed in the retail sector for a second consecutive*

*quarter. Meanwhile, interest from overseas buyers reportedly increased across all areas of the market during A3.*

- 5.9 *The supply of property for investment purposes declined in both the office and industrial segments, while holding steady in the retail sector. Alongside this, near term capital value expectations point to strong growth across industrial assets, a modest rise in office prices, and little change for values across the retail sector. On a twelve-month view, secondary retail is the only sub sector in which capital value expectations are negative at the national level.*
- 5.10 *When disaggregated, London continued to display more cautious expectations than virtually all other parts of the UK. While headline expectations are now relatively flat in the capital, this is largely due to positive projections in the industrial segment. By way of contrast, secondary retail and office values are anticipated to come under downward pressure over the year ahead. Prime locations may prove more resilient, but respondents still anticipate little in the way of positive momentum.*
- 5.11 *In terms of valuations, across the UK as a whole, a strong majority of contributors (65%) sense the market is fairly valued at present (unchanged from Q2). Central London continues to exhibit the highest proportion of respondents viewing the market to be overpriced to some extent (67%). Meanwhile, 37% of respondents from the South East are now of the opinion that values are stretched relative to fundamentals, a steady increase on 16% who were taking this view three quarters ago.*
- 5.12 *Finally, during Q3, although views remain mixed, the largest share of contributors nationally feel conditions are consistent with the middle stages of an upturn (30%). In Central London, 73% of respondents sense the market to be in some stage of a downturn.'*

### **RICS Commercial Property Market Survey Q3 2018**

- 5.13 *Headline reads: 'Brexit seen causing some hesitancy among tenants'*
- *'Growth in tenant demand confined to the industrial sector with Brexit affecting occupier decisions*
  - *Retail availability and inducements continue to rise noticeably*

- *Twelve month capital value expectations downgraded across secondary office markets'*
- 5.14 *'The Q3 2018 RICS UK Commercial Property Market Survey results point to a fairly subdued trend across the occupier market, with respondents citing Brexit uncertainty as weighing on occupier decisions to a certain extent. That said, structural changes continue to pose the most significant near term challenge for retailers, while on the flipside, conditions within the industrial segment continue to benefit from the shift towards online shopping.*
- 5.15 *At the headline level, occupier demand fell slightly for a second consecutive quarter, with the net balance coming in at -9% (compared to -8% previously). Nevertheless, this average reading is still concealing significant disparities between the three traditional sectors of the UK market. Indeed, demand for industrial space continued to increase, albeit at a moderated pace, thereby extending a run of uninterrupted growth going back to 2012. At the same time, interest from tenants in the office space remained little changed. At the other end of the spectrum, demand from businesses looking to take-up retail space continued to fall for a sixth quarter in succession.*
- 5.16 *At the same time, a net balance of +39% of respondents reported a further rise in retail availability over the quarter, prompting landlords to increase the value of incentive packages. Vacancy rates were more or less stable in the office sector, although the use of inducement packages did increase slightly. Conversely, both availability and incentives continued to decline in the industrial segment.*
- 5.17 *At the all-sector level, respondents left near term rental expectations unaltered, with the national reading remaining at -2%. As such, this points to virtually no change in headline rents over the coming three months. On a twelve month view, both prime and secondary industrial rents are envisaged posting solid growth, with expectations moderately positive for prime offices. On the same basis, secondary office rental projections are broadly flat. Expectations remain firmly negative for retail rental levels over the coming twelve months, both in terms of prime and secondary space.*
- 5.18 *Looking at the regional figures, the retail sector continues to exhibit negative rental projections across all parts of the UK, with respondents anticipating a downward trend in prime locations as well as for secondary. In London, secondary office rents are still expected to fall slightly, albeit the net balance of -11% was the least negative reading*



*since the beginning of 2016. The outlook is relatively flat for prime office rents in the capital, but more positive across all other UK regions. The industrial sector remains the outperformer in terms of rental growth expectations in all areas, although, in some cases, forecasts have been trimmed slightly.*

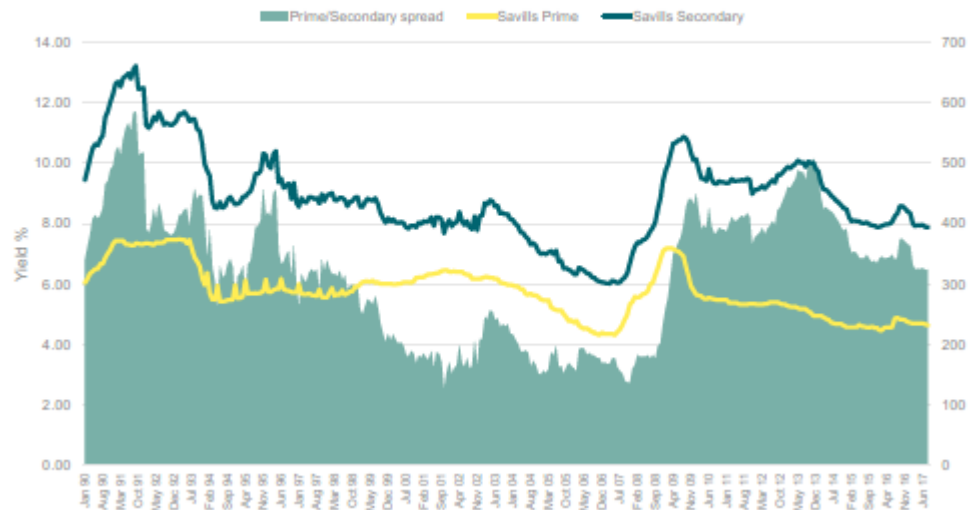
- 5.19 *In each quarter since the Brexit vote took place, survey participants have been asked if they have seen any evidence of firms looking to relocate at least some part of their business as a result. Throughout much of this time, the proportion reporting they had seen signs of this type of activity remained at around 15-18%. Interestingly, however, this picked up to 25% in the latest results. It remains to be seen whether or not this is truly indicative of there being a rise in firms implementing contingency plans to relocate, due to concerns about the potential outcome of the negotiation process.*
- 5.20 *On the investment side of the market, the survey's headline demand metric improved slightly, inching up to +4% from -3% in Q1. Investment enquiries rose most firmly in the industrial sector, with a net balance of +32% of contributors citing an increase (+28% in Q1). Demand for offices also picked up, although only marginally, following a flat trend in Q1. Investors continue to shy away from the retail sector however, with the enquiries net balance coming in at -33% (compared with -43% previously). Overseas investment demand remained largely unchanged overall, albeit a small increase was cited for industrial assets. Alongside this, the supply of property on the market for sale declined in all but the retail sector, where it continued to rise for a fifth consecutive quarter.*
- 5.21 *On the back of this, twelve month capital value expectations remain steeped in negative territory across the retail sector, with respondents foreseeing price declines for both prime and secondary assets. Relative to the previous results, expectations were pared slightly across the office sector. Indeed, while capital value projections remain modestly positive for prime offices, the outlook for secondary has turned slightly negative at the national level. Given the still supportive supply demand dynamic, prime and secondary industrial values are again seen posting solid gains over the year ahead.*
- 5.22 *From a regional perspective, prime offices are expected to chalk up solid capital value growth over the year ahead in virtually all parts of the UK. The outlook for secondary is more mixed, with respondents forecasting a flat to slightly negative trend in values for most areas. In London, capital value projections across the office market remain*

*slightly weaker than the regional averages. Both prime and secondary retail values are anticipated to come under downward pressure right across the UK, albeit projections are significantly weaker for the latter. At the other end of the scale, prime industrial values are seen rising firmly in all parts of the country. The outlook for secondary industrial prices now appears strongest in the Midlands and the south of England.'*

#### **Savills: Commercial Market in Minutes (October 2017)**

- 5.23 Headline reads: *'Rising risk-aversion continues to drive prime yield hardening'*
- 5.24 ***'Yields fall despite rising occupational risks*** - *The recent downward trend in prime yields across all sectors in the UK seems to suggest that the softening that took place last summer was an over-reaction to Brexit. However, what is going on in the world of "prime" and "secure" is maybe not the most accurate bellwether of how risks are changing. September 2017 saw the all sector prime yield remain stable at 4.65%, which is 31bps lower than a year ago.*
- 5.25 *Furthermore, this month saw the yield moving downwards for M25 offices, and more than half of the sub sectors are now expected to see downward pressure on their yields over the next few months. These trends seem vaguely counterintuitive in a world where we have to accept that occupational risks have risen as a result of Brexit (though how and when the moment of peak risk will come remain impossible to predict).*
- 5.26 *If the hardening in prime yields that we have seen over the last 12 months is a reflection of a 'flight to safety', then logically yields on riskier assets should be rising. However, only shopping centres have seen their prime yields rise this year, and that probably has more to do with the rise of internet shopping and American investors' perceptions of retail than Brexit. Nor are we seeing a measurable rise in secondary property yields, as the chart below shows. Perhaps a rise in secondary yields is not merited, if investors are already correctly pricing the higher occupational risk in secondary over prime.*
- 5.27 *Certainly, the spread between secondary and prime yields, at 324bps, is wider than the long-run average, and this should give investors and regulators a degree of comfort that investors have not convinced themselves that secondary is prime (something that was prevalent in the run-up to the Global Financial Crisis).'*

## Gap between prime and secondary yields shows a realistic pricing of occupational risk

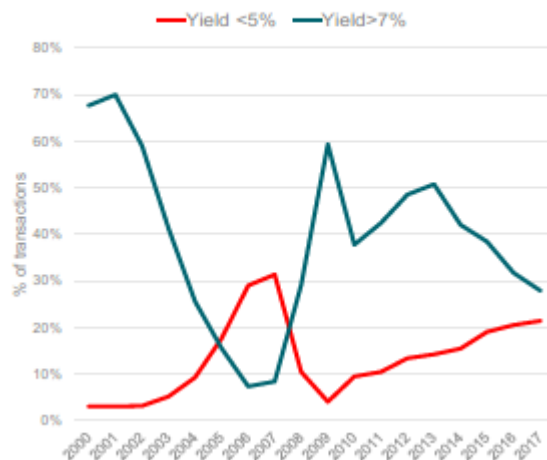


**Prime yields**

	Sep 16	Aug 17	Sep 17
West End Offices	3.50%	3.25%	3.25%
City Offices	4.25%	4.00%	4.00%
Offices M25	5.25%	5.25%↓	5.00%
Provincial Offices	5.25%	5.00%	5.00%
High Street Retail	4.25%	4.00%	4.00%
Shopping Centres	4.50%	4.50%	4.75%
Retail Warehouse (open A1)	5.25%	5.25%	5.25%↓
Retail Warehouse (restricted)	6.00%	5.50%	5.50%↓
Foodstores	5.50%	4.75%	4.75%↓
Industrial Distribution	5.00%	4.75%	4.75%↓
Industrial Multi-lets	5.00%	4.50%↓	4.50%↓
Leisure Parks	5.25%	5.00%↓	5.00%↓
Regional Hotels	5.50%	4.75%↓	4.75%↓

- 5.28 ***Risk-aversion leading to falling appetite for secondary assets*** - While secondary yields appear to be broadly pricing in flat or falling rents, it is important to note that the actual number of investment deals taking place is 6% down year-on-year. This means that if any sub-segment of the market is particularly quiet, then it can take a while for enough evidence to be gathered to justify an adjustment in our or any other valuation-based yield.
- 5.29 The global hunger for prime assets has meant that the secondary market in the UK has been comparatively quiet for several years (with a 27% year on year decline in the number of deals at 7% or above in 2017). Indeed, as Graph 2 shows, 2017 has seen almost as many deals at sub 5% yields as at 7% and above. In part, this is due to a steady reweighting of the yields of all types of property, but we also believe that it reflects a declining appetite for higher risk assets in the UK.

### Continuing fall in the proportion of deals at a yield of 7% or above



- 5.30 While some sectors are already seeing some re-pricing of secondary assets, this is by no means the story across the board. However, any re-pricing that does occur is likely to be short-lived, because the driver of the rise in yields will be more about an imbalance between the number of buyers and sellers rather than any intrinsic change to the risk profile of the secondary assets themselves.
- 5.31 There are also an increasing number of investors looking for opportunistic deals in the UK. However, as last summer showed, bargains will not last long, but the well-prepared investor could do well in the less competitive secondary space over the next 12 months.
- 5.32 **Statistics, savings and future interest rate rises** - The ONS has recently reviewed a variety of its sectoral accounts and one finding has been that household incomes have grown much more strongly than was previously thought. This certainly goes some way to explaining why retail sales have held up well during the recent periods of weaker consumer sentiment. In particular, the savings ratio (which was previously showing a record low of 2%) has been revived upwards to nearly 6%.
- 5.33 Not only do these revisions give us a better understanding of why consumers are spending and borrowing so strongly, it also supports a slightly more optimistic view of the likely impacts of future interest rate rises. This is particularly topical considering that Mark Carney has recently made his membership of the hawkish cohort clear, arguing that there is global pressure to raise rates.

- 5.34 *While we are less convinced of the economic rationale for a rise in the UK base rate than some are, we suspect that a 25bps increase is now likely before the end of the year. This will have a negligible impact on either spenders or savers, let alone on property yields. However, it is clear from the recent data revisions that households are less financially stressed than we previously thought, and this will be a good thing as and when rates start to rise properly.'*

**Savills: Commercial Market in Minutes (November 2018)**

- 5.35 *Headline reads: 'All eyes are now on the final quarter of 2018, as this quarter typically accounts for 30% or more of annual investment volumes'*
- 5.36 ***'Brexit hiatus ahead?'** Last month saw few changes to our prime yields, with the overall average creeping up 4bps due to the expected rise in retail warehouse yields.*
- 5.37 *As we have touched on in previous Market reports, we increasingly feel that pricing is becoming divorced from actual prospects, and we touch on why speculation about the demise of both London offices and UK retail might be overplayed below.*

	Oct 17	Sep 18	Oct 18
West End Offices	3.25%	3.25%	3.25%
City Offices	4.00%	4.00%	4.00%
Offices M25	5.00%	5.00%↑	5.00%↑
Provincial Offices	5.00%	4.75%	4.75%
High Street Retail	4.00%	4.50%↑	4.50%
Shopping Centres	4.75%	5.25%	5.25%
Retail Warehouse (open A1)	5.25%↓	5.50%↑	5.75%
Retail Warehouse (restricted)	5.50%↓	5.75%↑	6.00%
Foodstores	4.75%↓	4.50%	4.50%
Industrial Distribution	4.75%↓	4.25%	4.25%
Industrial Multi-lets	4.50%↓	4.00%	4.00%
Leisure Parks	5.00%↓	5.25%	5.25%↑
Regional Hotels	4.75%↓	4.25%	4.25%

TABLE 1 | Prime yields

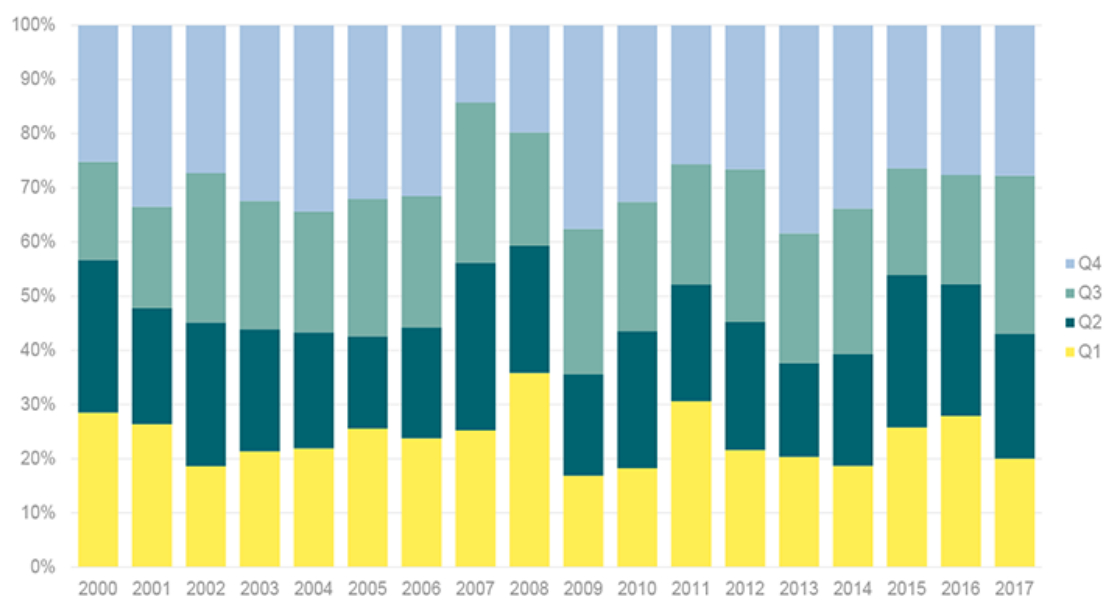
Source: Savills Research | Arrows indicate expected forward trend

- 5.38 *However, a more pressing issue for the UK investment market is the annual question that happens around this time of year of how strong the final quarter will be. Traditionally the fourth quarter of the year accounts for 30% or more of the annual activity, as investors (and agents) rush to complete deals by the year end. However, this year with March 30th 2019 very much at the forefront of many investor's minds, the question of whether it is worth delaying deals is coming up a lot.*
- 5.39 *For buyers, particularly those who do not have to hedge the currency, the reasons to wait and see look clear. There is little prospect of prices rising over the next six months (other than perhaps in London logistics), and a disorderly Brexit would undoubtedly*

*result in further falls in the Pound. Some investors might even be hoping for distressed selling (as was briefly seen in Q3 2016). Vendors might also be tempted to hold back open marketing of assets to avoid poor levels of interest or even low bids.*

5.40 *We think that some, but not all, of these arguments hold water. Distressed selling is probably the least likely scenario given the low LTVs that have been prevalent in the market since 2008, and the intentionally high cash balances that the retail funds have built up since 2016.*

5.41 *However, this year more than most, it may be worth not spending on Black Friday if you think a better deal will be available in the Spring sales!*

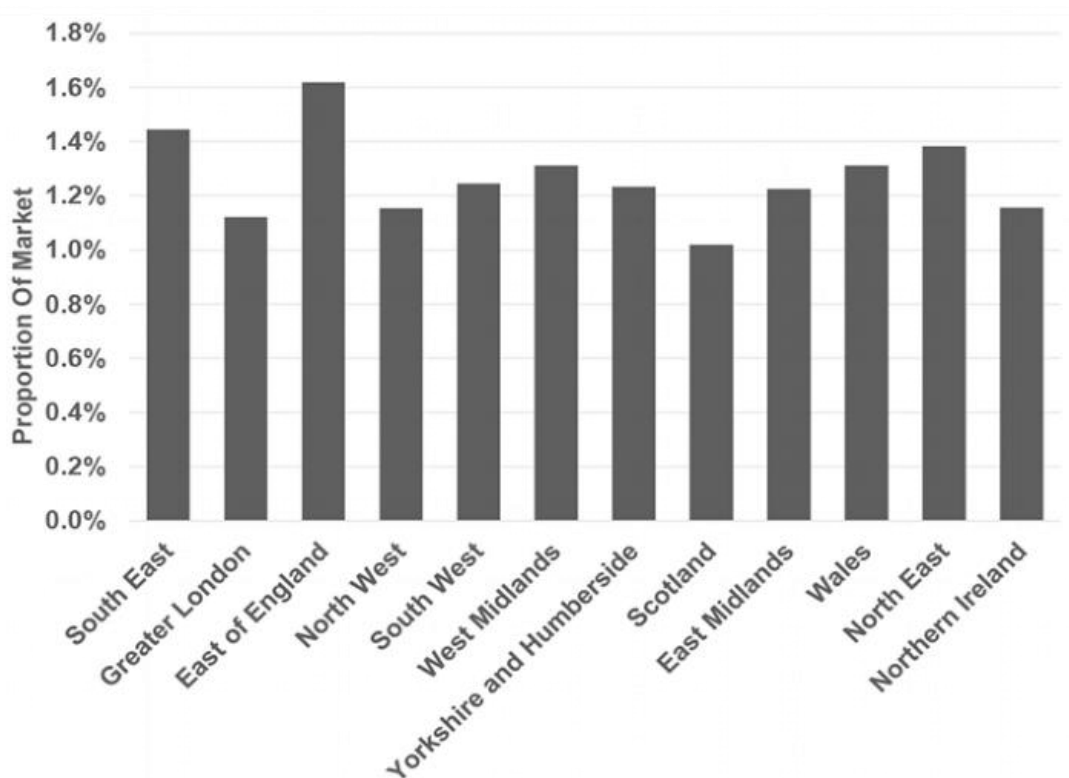


**GRAPH 1 | All eyes swing to final quarter investment volumes – could things be different this year?**

Source: Savills Research

5.42 *There are undoubtedly large scale cyclical and structural challenges to UK retail, but even at the apex of these challenges where retailers are failing or enacting CVAs, only 1.27% of the shops in the UK have been affected (and only 25% of those units will actually close). Indeed, as the recent results from the major listed owners of retail property show, occupancy rates remain high in the best schemes.*





GRAPH 3 | CVAs and administrations have affected relatively few stores

Source: Savills Research

- 5.43 *If you accept that there is good and bad retail, then you should expect the bad retail to be performing worse than the good. However, looking at the MSCI rental growth data it appears that rents on the best and worst schemes are falling in lockstep.*
- 5.44 *The negative noises that have been prevalent around both these sectors over the last 24 months should definitely present buying opportunities in 2019.'*

**Investment yields** (driving the capitalization of rents)

- 5.45 The table below provides the most up to date available extracts from the Knight Frank Yield Guide as at November 2017 (time of original research).

Table 5 – Knight Frank Yield Guide (November 2017)

Sector	Nov-17	Market Sentiment
<b>High Street Retail</b>		
Prime Shops	4.00%	Positive
Regional Cities	4.25%	Positive
Good Secondary	6%	Positive
Secondary Tertiary	10%+	Negative
<b>Shopping Centres</b>		
Regionally Dominant (£200+ psf Zone A)	4.25%	Negative
Dominant Prime	5.25%	Negative
Town Dominant	7.50%	Negative
Secondary	9.50%++	Negative
<b>Out of Town Retail</b>		
Open A1/Fashion Parks	4.5%+	Stable
Secondary Open A1 Parks	5.75%	Negative
Bulky Goods Parks	5.75%	Positive
Secondary Bulky Goods Parks	7.00%	Negative
Solus Open A1	4.75%	Stable
Solus Bulky (c.50,000 sq. ft. let to strong covenant)	5.75%	Stable
<b>Leisure</b>		
Leisure Parks	5%	Positive
<b>Specialist Sectors</b>		
Dept. Stores Prime (with fixed uplifts)	5.25%	Negative
Car Showrooms (20yrs with fixed uplifts & manufacturer covenant)	4.50%	Stable
Car Showrooms (20yrs with fixed uplifts & dealer covenant)	5%	Stable
Budget Hotels	4.50%	Stable
Student Accommodation (Prime London - direct let)	4.50%	Positive
Student Accommodation (Prime Regional - direct let)	5.50%	Positive
Student Accommodation (Prime London - 25yr lease Annual RPI)	4.00%	Positive
Student Accommodation (Prime Regional - 25yr lease Annual RPI)	4.50%	Positive
Healthcare (Elderly Care 30yrs indexed linked reviews)	4.50%	Stable
<b>Foodstores</b>		
Annual RPI increases	4.25%	Positive

Sector	Nov-17	Market Sentiment
Open market reviews	5.00%	Stable
<b>Warehouse &amp; Industrial Space</b>		
Prime Distribution/Warehousing (20yr income)	4.00%	Positive
Prime Distribution/Warehousing (15yr income)	4.25%	Positive
Secondary Distribution	5.25%	Positive
SE Estate (exc. London & Heathrow)	4.25%	Positive
Good Modern RoUK Estate	5.00%	Positive
Secondary Estates	6.00%	Positive
<b>Offices</b>		
Major Regional Cities	5.00%	Stable
Towns (SE)	5.00%	Positive
Business Parks (SE)	5.00%	Positive

Source: Knight Frank – with their notes:

- based on rack rented properties and disregards bond type transactions

-this yield guide is for indicative purposes only and was prepared on the 6th November 2017 by Knight Frank

- 5.46 The table below provides the most up to date available extracts from the Knight Frank Yield Guide as at November 2018 (time of updated research).

Table 6 – Knight Frank Yield Guide (November 2018)

Sector	Nov-18	Market Sentiment
<b>High Street Retail</b>		
Prime Shops	4.50%	Negative
Regional Cities	5.00%	Negative
Good Secondary	6.25%	Negative
Secondary Tertiary	10.00%++	Negative
<b>Shopping Centres</b>		
Regionally Dominant (£200+ psf Zone A)	5.00%	Negative
Dominant Prime	6.75%	Negative
Town Dominant	8.50%	Negative
Secondary	10.00%++	Negative
<b>Out of Town Retail</b>		
Open A1/Fashion Parks	5.25%	Negative
Secondary Open A1 Parks	6.25%	Negative
Bulky Goods Parks	5.75%+	Negative
Secondary Bulky Goods Parks	7.00%+	Negative
Solus Open A1	4.75%+	Negative
Solus Bulky (c.50,000 sq. ft. let to strong covenant)	5.00%+	Negative

Sector	Nov-18	Market Sentiment
<b>Leisure</b>		
Leisure Parks	5.00%	Negative
<b>Specialist Sectors</b>		
Dept. Stores Prime (with fixed uplifts)	7.00%	Negative
Car Showrooms (20yrs with fixed uplifts & manufacturer covenant)	4.50%	Stable
Car Showrooms (20yrs with fixed uplifts & dealer covenant)	4.50%	Stable
Budget Hotels	4.25%	Stable
Student Accommodation (Prime London - direct let)	4.25%	Positive
Student Accommodation (Prime Regional - direct let)	5.25%	Positive
Student Accommodation (Prime London - 25yr lease Annual RPI)	3.50%	Stable
Student Accommodation (Prime Regional - 25yr lease Annual RPI)	3.75%	Stable
Healthcare (Elderly Care 30yrs indexed linked reviews)	3.75%	Positive
<b>Foodstores</b>		
Annual RPI increases	4.25%	Stable
Open market reviews	5.00%	Stable
<b>Warehouse &amp; Industrial Space</b>		
Prime Distribution/Warehousing (20yr income)	4.00%	Positive
Prime Distribution/Warehousing (15yr income)	4.25%	Positive
Secondary Distribution	5.00%	Positive
SE Estate (exc. London & Heathrow)	4.00%	Positive
Good Modern RoUK Estate	4.50%	Positive
Secondary Estates	5.75%	Positive
<b>Offices</b>		
Major Regional Cities	4.75%	Stable
Towns (SE)	5.00%	Stable
Business Parks (SE)	5.00%	Stable

Source: Knight Frank – with their notes:

- based on rack rented properties and disregards bond type transactions

-this yield guide is for indicative purposes only and was prepared on 03 November 2018

## **Commercial Property Values Research**

5.47 The information as outlined in the following section is based on researching data as far as available reflecting property within the Havant Borough, covering the following types: -

- Shops / premises
- Retail Warehousing
- Supermarkets
- Offices
- Industrial Warehousing
- Student Accommodation
- Hotels
- Care Homes

5.48 DSP subscribes to commercial property data resource 'CoStar' and here we include relevant extracts, again as far as available for the Council's area. Summary reporting analysis for both lease and sales comparables is provided; combined with the full data extract to be found at the end of this Appendix. CoStar is a market leading commercial property intelligence resource used and informed by a wide range of Agents and other property firms, to provide commercial real estate information and analytics. CoStar conducts extensive, ongoing research to provide and maintain a comprehensive database of commercial and real estate information where subscribers are able to analyse, interpret and gain insight into commercial property values and availability, as well as general commercial market conditions.

### **Commercial Values Data - CoStar**

5.49 The CoStar sourced research below is based on available lease and sales comparables within Havant Borough covering retail (all types), offices and industrial/warehousing. We have included the analysis summary for both lease and sales comparables only here (see below) with the full data set provided at the rear of this Appendix.

5.50 Figures 5a – 5c below provide the CoStar lease and sales comparable summary analysis for retail, office and industrial uses generally, covering the Havant Borough submarket. Other commercial uses such as Student Accommodation, Hotels and Care Homes will be considered separately.

Figure 5a – CoStar Lease Comparables Analytics – Retail (generally) – Havant Submarket

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
<b>135</b>	<b>£12.33</b>	<b>£10.27</b>	<b>17</b>

#### SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	99	£4.71	£12.33	£15.14	£76.74
Achieved Rent Per SF	68	£0.57	£10.27	£14.09	£38.81
Net Effective Rent Per SF	19	£0.39	£6.60	£16.42	£32.80
Asking Rent Discount	40	-28.6%	14.3%	6.5%	50.0%
TI Allowance	-	-	-	-	-
Rent Free Months	26	0	6	4	36

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	112	1	17	12	71
Deal Size	135	145	2,108	987	35,145
Lease Deal in Years	84	0.1	1.1	0.8	10.5
Floor Number	126	GRND	GRND	GRND	MEZZ

Figure 5b – CoStar Lease Comparables Analytics – Offices – Havant Submarket

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
<b>186</b>	<b>£10.43</b>	<b>£11.60</b>	<b>20</b>

#### SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	110	£1.35	£10.43	£11.74	£36.49
Achieved Rent Per SF	110	£4.11	£11.60	£11.05	£27.50
Net Effective Rent Per SF	25	£3.69	£10.69	£10.84	£20.51
Asking Rent Discount	66	-53.4%	5.8%	0.0%	66.5%
TI Allowance	-	-	-	-	-
Rent Free Months	19	0	4	3	12

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	101	0	20	12	106
Deal Size	186	90	2,760	1,239	82,000
Lease Deal in Years	109	0.1	0.7	0.4	5.5
Floor Number	94	BSMT	GRND	GRND	3

Figure 5c – CoStar Lease Comparables Analytics – Industrial – Havant Submarket

Deals	Asking Rent Per SF	Achieved Rent Per SF	Avg. Months On Market
<b>170</b>	<b>£6.18</b>	<b>£5.78</b>	<b>13</b>

**SUMMARY STATISTICS**

Rent	Deals	Low	Average	Median	High
Asking Rent Per SF	106	£2.13	£6.18	£6.50	£114.00
Achieved Rent Per SF	76	£1.80	£5.78	£6.32	£15.85
Net Effective Rent Per SF	36	£3.25	£6.96	£7.99	£20.45
Asking Rent Discount	48	-84.3%	12.0%	0.0%	91.2%
TI Allowance	-	-	-	-	-
Rent Free Months	16	0	3	2	12

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	123	1	13	8	65
Deal Size	170	226	8,361	2,825	110,816
Lease Deal in Years	79	0.1	0.8	0.5	14.3
Floor Number	107	GRND	GRND	GRND	MEZZ

**Further commercial property values data sources - VOA Rating List**

- 5.51 In addition to the above we have also reviewed the VOA data contained in the tables below providing further analysis and summary of the rents for offices, retail warehouses, supermarkets and convenience stores. Note: the full data set has not been included due to the size.

Table 6: VOA Data Summary – Offices, Retail Warehousing, Supermarkets and Convenience Stores

Type	£/m2 Minimum Average Rental Indications	£/m2 1st Quartile Rental Indications	£/m2 Median Rental Indications	£/m2 3rd Quartile Rental Indications	£/m2 Maximum Average Rental Indications
Offices	£29.96	£70.25	£105.56	£138.89	£184.74
Retail Warehousing	£40.73	£177.93	£213.68	£224.79	£238.35
Supermarkets	£49.89	£49.91	£79.88	£154.38	£214.81
Convenience Stores	£64.96	£87.39	£99.03	£115.71	£149.91

### Further commercial property values data sources – Student Accommodation

- 5.52 As part of our extensive commercial scenario testing, we have also considered a Student Accommodation (Halls of Residence), as a relevant type of development with potential to come forward in the Havant Borough context.
- 5.53 In this case, combined with DSP experience, we have reviewed relevant information from the University's in reasonably close proximity to Havant, including the University of Portsmouth, University of Southampton and the University of Chichester websites – all information readily available and therefore not considered to be commercially sensitive. This data has been analysed on a per room basis, both for catered and self-catered products with and without ensuite facilities, as set out in Tables 7a – 7c below.

Table 7a: Student Accommodation Analysis – Price per Room Analysis – University of Portsmouth

University of Portsmouth Hall of Residence	Total No. Rooms	Catering	Room Type	Price per Week
Rees Hall, Southsea	267	Catered	Ensuite	£158.00
Langstone Student Village Qeqm Hall	330	Part-catered	Ensuite	£107.00
Langstone Student Village Langstone Flats	192	Self-catered	Ensuite	£108.00
Langstone Student Village Trust Hall	62	Self-catered	No Ensuite	£89.00
Bateson Hall	282	Self-catered	No Ensuite	£89.00
Harry Law Hall	286	Self-catered	Ensuite	£124.00
Greetham Street	746	Self-catered	Ensuite	£143.00
James Watson Hall	688	Self-catered	Ensuite	£128.00
Margaret Rule Hall	342	Self-catered	Ensuite	£133.00
Trafalgar Hall	288	Self-catered	Ensuite	£119.00
Catherine House	700	Self-catered	Ensuite	£132.00
<b>Overall Average:</b>				<b>£121</b>
<b>Average self-catered ensuite:</b>				<b>£127</b>



Table 7b: Student Accommodation Analysis – Price per Room Analysis – University of Southampton

University of Southampton Hall of Residence	Total No. Rooms	Catering	Room Type	Price per Week
Wessex Lane	1811	Self-Catered	Non-en suite cat 2	£105
		Self-Catered	En suite cat 1	£140
		Self-Catered	En suite cat 2	£150
		Self-Catered	Studio Flat cat 1	£184
		Part-Catered	Non-en suite cat 1	£136
		Part-Catered	Non-en suite cat 2	£146
		Part-Catered	Non-en suite cat 1	£178
Glen Eyre	2290	Self-Catered	Non-en suite cat 1	£105
		Self-Catered	Non-en suite cat 2	£126
		Self-Catered	Non-en suite cat 3	£140
		Self-Catered	En suite cat 1	£150
		Self-Catered	En suite cat 2	£164
		Self-Catered	Studio Flat cat 2	£193
Liberty Point	316	Self-Catered	En suite cat 2	£153
Highfield Hall	184	Part-Catered	Non-en suite cat 1	£151
		Part-Catered	Non-en suite cat 2	£173
		Self-Catered	Non-en suite cat 3	£184
Archers Road	417	Self-Catered	En suite cat 1	£126
Mayfower – new build	1104	Self-Catered	En suite cat 1	£150
		Self-Catered	En suite cat 2	£164
		Self-Catered	Studio flat cat 1	£184
		Self-Catered	Studio flat cat 2	£193
		Self-Catered	One bed flat	£231
City Gateway – new build	364	Self-Catered	En suite cat 1	£150
		Self-Catered	Studio flat cat 2	£193
		Self-Catered	1-bed flat	£231
		Self-Catered	2-bed flat	£299
Erasmus Park	381	Self-Catered	En suite cat 1	£133
Riverside Way – new build	139	Self-Catered	En suite cat 2	£159
		Self-Catered	Studio flat cat 2	£188
Overall Average:				£147
Average self-catered ensuite:				£149

Table 7c: Student Accommodation Analysis – Price per Room Analysis – University of Chichester

University of Chichester Hall of Residence	Total No. Rooms	Catering	Room Type	Price per Week
Duncton Hall	100	Catered	Ensuite	£165.34
Springfields	68	Catered	No Ensuite	£150.99
Ashling	40	Catered	No Ensuite	£160.16
Chilgrove Hall	124	Self-Catered	Ensuite	£139.09
Havenstoke Close	40	Self-Catered	No Ensuite	£115.64
Pinewood	53	Self-Catered	No Ensuite	£99.05
Stockbridge - new build	405	Self-Catered	Ensuite	£127.75
St Christophers	68	Self-Catered	No Ensuite	£117.95
Barbara Smith Halls	160	Catered	Ensuite	£165.34
Longbrook	160	Catered	No Ensuite	£150.99
<b>Overall Average:</b>				<b>£139</b>
<b>Average self-catered ensuite:</b>				<b>£133</b>

- 5.54 We noted that the majority of student accommodation appear to be all self-catered, and although most were older style blocks there were some new build or recently refurbished blocks. Although we have considered both sets of data in detail, the newer / refurbished Halls of Residence blocks are the most comparable to any potential new build student accommodation development. However due to the likely type of student accommodation potentially coming forward in a Havant context, we have considered the range of research as detailed above.
- 5.55 Following our extensive research and analysis as summarised above, we have assumed a range of values for student accommodation development of £110, £120 and £130 per week within our commercial appraisal modelling

### Further commercial property values data sources – Hotels

- 5.56 In addition to the above, we have also researched hotel sales and values comparables within the Havant Borough context but necessarily due to limited available data we have also expanded the research to the adjoining areas. All information we found readily available via publicly accessible online sources and therefore not considered to be commercially sensitive. This data has been analysed on a price per room basis as set out in Table 8 below.

Table 8 – Hotel comparable values research

Address	Freehold Price £	No. rooms	Price per room
Bishop's Table Hotel, 27 West Street , Farnham , GU9 7DR	£2,550,000	24	£106,250
The Hop Inn & Shamrock Bar, 6 West Cliff Road , Bournemouth , BH2 5EY	£1,950,000	12	£162,500
Basingstoke Country Hotel, Hampshire	£5,500,000	100	£55,000
Warbrook House, Hampshire	£6,000,000	74	£81,081
Southampton	£4,750,000	95	£50,000
Country House Hotel, New Forest	£3,000,000	38	£78,947
Hotel - Portsmouth	£3,000,000	119	£25,210
City Centre Hotel, Southampton	£2,500,000	72	£34,722
New Forest, Hampshire	£1,700,000	17	£100,000
Hampshire	£1,395,000	40	£34,875
Buriton, Hampshire	£850,000	17	£50,000
The Langstone Hotel, Hayling Island	£14,500,000	148	£97,973
<b>Overall Average:</b>			<b>£73,047</b>

- 5.57 Following our extensive research and analysis as summarised above, we have assumed the following range of values for hotel development of £3,000 to £4,000 (annual room rates) within our commercial appraisal modelling as outlined fully in Appendix I.

### Further commercial property values data sources – Care Homes

- 5.58 As described earlier, we have also researched Care Home sales and value comparables within the Havant Borough context but necessarily due to limited available data we have also expanded the research to the adjoining areas. All information we found readily available via publicly accessible online sources and therefore not considered to be commercially sensitive.

Table 9 – Care Homes comparable values research

Address	Freehold Price £	No. rooms	Notes
Hampshire	£5,650,000	54	Purpose Built
Hampshire	£3,900,000	45	Popular location, majority of rooms ensuite
Waterlooville	£2,300,000	26	Retirement sale. Planning permission for additional 19 rooms.
Hampshire	£1,400,000	17	Retirement sale
Hampshire	£1,000,000	12	Category: mental health
Winchester	£950,000	7	Retirement sale, closed former care home, suitable for a variety of uses STPP
Southampton	£850,000	9	High Specification, category: learning disabilities. Owners / staff accommodation
Hampshire	£795,000	15	Retirement sale, category: old age & dementia
Fareham	£785,000	10	Retirement Sale
Lindford, Hampshire	£700,000	20	Ensuite rooms. Former care home.
Hampshire	£695,000	15	Former care homes. Expired PP for 3 extra bedrooms. Scope for alternative uses STPP
Southampton	£595,000	20	Retirement sale
Hampshire	£499,000	14	Grade II listed. PP for additional 7 rooms.
Totton, Southampton	£1,200,000	23	
Wickham, Hampshire	£968,000	11	Potential to redevelop to residential STPP
Botley Road, Southampton	£13,000,000	60	Sale & leaseback. Yield 6.8%. CoStar sourced.

5.59 Following our extensive research and analysis as summarised above, we have assumed the following range of values for care home development of £200 to £300/m<sup>2</sup> within our commercial appraisal modelling as outlined fully in Appendix I.

## 6.0 Stakeholder Consultation

6.1 As part of the information gathering process, DSP invited a number of local stakeholders to help contribute by providing local residential / commercial market indications / experiences and values information. This was in order to both invite engagement and to help inform our study assumptions, alongside our own research, with further experience and judgements. It was conducted by way of a survey / pro-forma (containing some suggested assumptions) supplied by email by DSP for comment. The covering email contained a short introduction about the project, and also explained the type of information we required as well as assuring participants that any information they may provide would be kept in confidence, respecting commercial sensitivities throughout the whole process.

6.2 The list of stakeholders contacted was as below: -

Table 10a: Stakeholder Consultation List

A G Design Ltd	Kirkwells Town Planning & Sustainable Development Consultants
Adams Hendry Consulting Ltd	Lambert Smith Hampton
ADP Architects Ltd	Land and Partners Limited
Alliance Planning	Lilley Architecture
Architectural Planning	Living Space Design
Ashville Asset Management	Luken Beck Ltd
Barratt David Wilson Homes Ltd	M2 Architecture
BH Architecture Ltd	Marlow
Bidwells	Martin Critchell Architects
Blake Laphorn	Martin Ralph Chartered Surveyors
Blue Sky Planning Ltd	McCarthy and Stone
Boyer Planning Ltd	MF Designs Ltd
Bryan Jezeph Consultancy Ltd	Morgan Carey Architects
Carter Planning	Nash & Partners Ltd
Chandler Hawkins	PDP Architecture LLP
Chris Flint Associates Ltd	Peacock & Smith
CMA Planning Ltd	Pearsons
Councillor M Carpenter	Persimmon Homes
Derek Treagus Associates	Peter Galloway Partnership
DK Planning Services Ltd	Pickup Town Planning
DM Designs	PL Architects
Douglas Briggs Partnership	Planning Development Management Ltd
Drivers Jonas Chartered Surveyors	Planning Potential Ltd

Dwell Designs	Planning Solutions Ltd
Edward Caush Associates	Planware Ltd
Fasset Ltd	PMG
Firstplan	Portsmouth City Council
Fusion Online Limited	Portsmouth Water
Genesis Town Planning	Principal Design Ltd - Paul White
Gladman Developments	Pro Vision Planning and Design
Glanville	Pure Town Planning Ltd
Graham Ash Architects Ltd	PWP Architects
Gregory Gray Associates	Quod (Tim Rainbird)
Hampshire County Council	Rapleys LLP
Harrington Design and Bloomfield	Reside Developments Ltd
Harris Lamb Property Consultancy	Robert Tutton
Hayling Island Builders Ltd	Roger Clark (Architectural Services)
HBF	RPS Planning & Development Ltd
Helyer Davies Architects	Savills
Henry Adams Planning Ltd	SCP Designs
Holman Reading Partnership	Simpson Hilder Associates
HSB Planning & Design	Southern Planning Practice
Hunt Family Trust	Southern Water Services Limited
Ian Judd and Partners LLP	SSA Planning Ltd
Ian Murray	Strutt & Parker LLP
Ian Wallace	Tanner Tilley
IJ Murray Associates Ltd	Technically Awair Ltd
Island Design	Terence O' Rourke Ltd
Jane Mottershead Design Ltd	The McAndrew Martin Partnership
JBC Ltd	The Planning Bureau
Jeffrey Douglas Chartered Architects	The Planning Service - John Jay
JLL	The Project Support Practice
John Groom Chartered Architect	Thorns Young Ltd
John Inkster Limited	Turley Associates
Jones Lang LaSalle	Turley Associates
Kalotec	Vail Williams
Kanavan & Wingfield	West Waddy ADP
Ken Ross RIBA & Associates	White Young Green

6.3 Other stakeholders contacted as part of the information gathering process included the following locally active Affordable Housing Providers:

Table 10b: Affordable Housing Provider Consultation List

First Wessex
Radian
The Hyde Group
Sanctuary Housing
Latimer Homes
Places for People Homes
Portsmouth Rotary Housing Association Ltd
BCHA
Consultant Project Manager
Stonewater
Wayfarer
Guinness Hermitage
Hanover Housing
Aster Group

- 6.4 The response rate overall was limited. However, this is not unusual for this type of process in DSP's wide experience of undertaking strategic level viability testing. There are a range of sensitivities and aspects involved, which were acknowledged by DSP throughout the process.
- 6.5 However, any information / comments that were provided as a result of this consultation helped to inform and check / support our assumptions but due to commercial sensitivity and confidentiality they are not listed here.



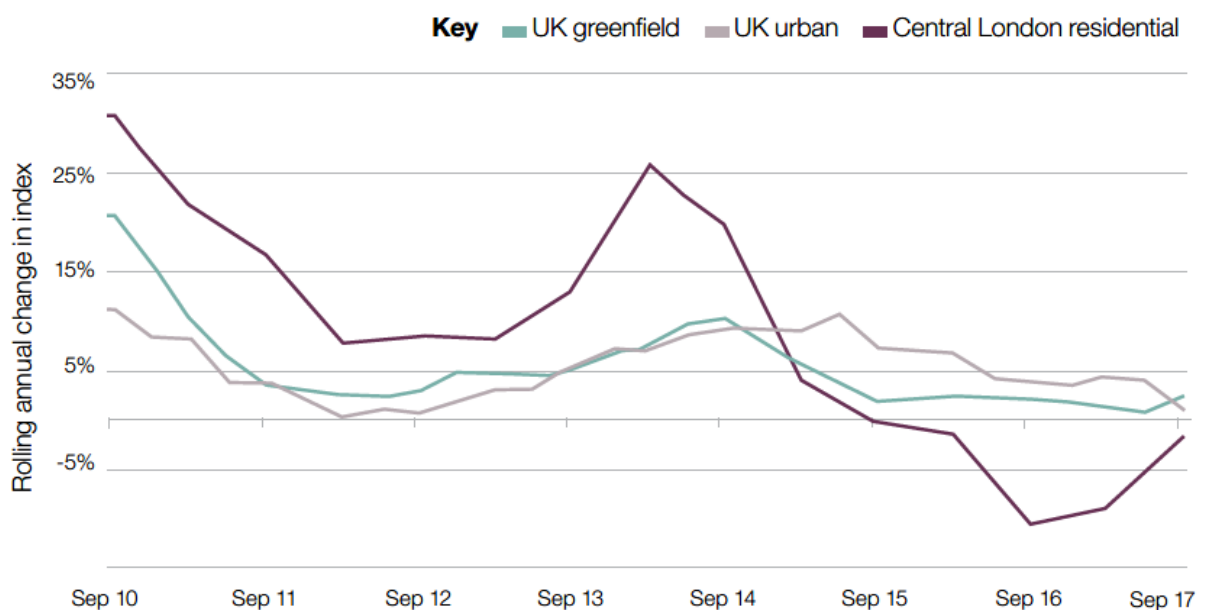
## 7.0 Land Values Context

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### General context - Savills Market in Minutes: UK Residential Development Land - October 2017

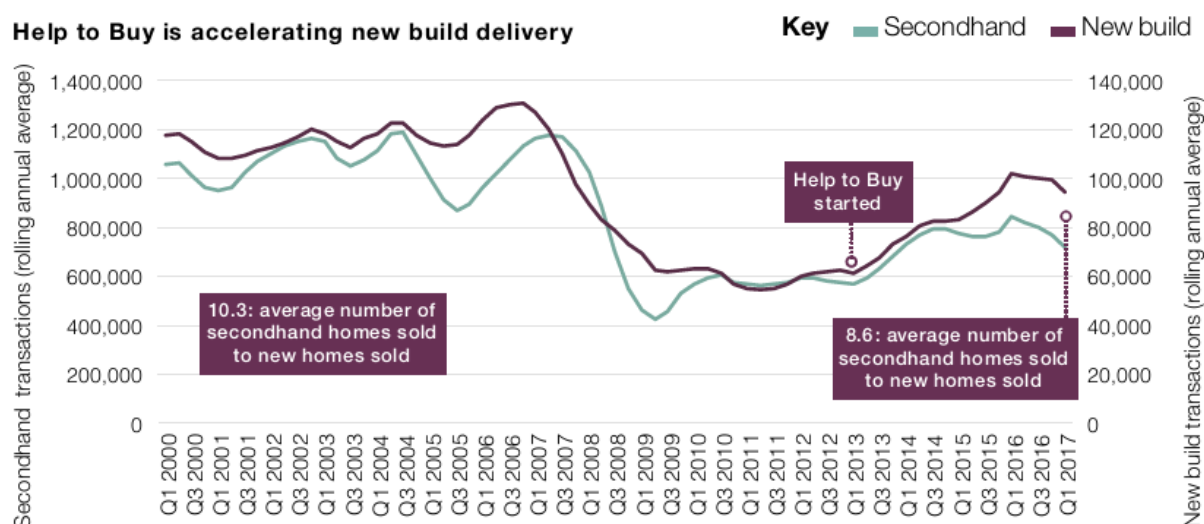
- 7.1 Summary reads: *'Housebuilders expand into new territories to make the most of regional growth, while £10 billion of additional funding for Help to Buy is expected to increase confidence in buying land to feed into the pipeline'*
- 7.2 *'Housebuilders are expanding into new regions and territories. This is enabling them to diversify their operational market and make the most of house price growth in the Midlands and north of the country.'*
- 7.3 *In the last quarter, greenfield land values grew 1.1% - as much as they had in the year to June 2017. This brings annual growth to 2.2% for urban sites, land value increased 0.7% in the quarter, 4.7% in the last year.*
- 7.4 *An additional £10bn will be invested into the Help to Buy Equity Loan scheme. This is a positive step to support housebuilding in England.*
- 7.5 *In Central London, the values in land for residential development continue to fall- by 2% in the last six months. Drops in residential land values reflect falling house prices in the prime markets, particularly in higher value, central and western areas of Central London.*
- 7.6 *Office land values in Central London also continue to fall – by 1.7% in the last six months. Rising build costs coupled with occupational risk and more difficult access to finance have all been factors.'*
- 7.7 **'Opening for new Business** - Housebuilders continue to expand and have opened, or plan to open, offices in new regions. These include national housebuilders such as Barratt, Persimmon, Crest Nicholson and Miller, as well as regional concerns such as Wain Homes in the Bristol area and Story Homes in the Manchester area.

- 7.8 *Some are reopening offices in areas they left following the global financial crisis, while others are branching into new territory to diversify and mitigate against regional fluctuations in prices and demand.*
- 7.9 *Rising completions have facilitated this expansion. According to their annual reports, completions by Redrow and Linden (Galliford Try) are up more than 10% on last year (year ending June 2017). Meanwhile, medium-sized housebuilders are buying more land and building more homes. House price growth in the Midlands and north of England has also made these areas more viable to build in.'*
- 7.10 **'Growth in greenfield value** - On a UK-wide basis, greenfield development land values increased by 1.1% in the third quarter, bringing annual growth to 2.2% this is as much as values had grown in the year to June 2017. Meanwhile, urban development land values increased by 0.7% in Q3 2017 with annual growth of 4.7%.'



- 7.11 **'Treasury Commits £10bn extra or loan scheme** - Despite uncertainty over the future of the Help to Buy Equity Loan, the Treasury has said there will be a further £10 billion to ensure that it is fully funded until 2021.
- 7.12 *So far, £6.7 billion has been loaned using the scheme, which originally had a budget of £3.8 billion and has been extended several times. Since Help to Buy London was introduced, the value of loans issued have increased - £2.5 billion was loaned in the year to June 2017 compared with £1.7 billion the previous year.*

- 7.13 *The additional funding will mean that there is more than £15 billion of equity loan available to use between now and 2021. We expect this commitment to translate into increased confidence in buying land to feed into pipeline.'*



### Savills Market in Minutes: UK Residential Development Land – Q3 2018

- 7.14 Headline reads: *'Market adjusts to lower land value in London'*
- 7.15 Summary reads (extract): **'Financial Support** – *There is more support for housing associations, allowing them to make longer-term plans, more finance for SMEs and more borrowing capacity for councils allowing them to invest more in land and develop more homes.'*
- 7.16 **'An increasingly crowded land market** - *Over the last year, the land market has become more crowded, with recent government funding announcements further opening up the market to housing associations, SMEs and local authorities.*
- 7.17 *In September, Theresa May announced £2 billion of additional funding for affordable housing from 2022, providing the HA sector with confidence to invest in longer-term development projects. The announcement builds on the Strategic Partnership programme and supports land-led development instead of Section 106 acquisition.*
- 7.18 *The government is encouraging HAs to be ambitious in 'taking on and leading major developments'.*

- 7.19 *Homes England launched a partnership with Barclays Bank to provide £1 billion of development finance to small and medium- sized housebuilders.*
- 7.20 *By enabling greater access to finance, the Housing Delivery Fund aims to increase the number of new homes delivered by SMEs and the pace of delivery.*
- 7.21 *Across parts of the country, we are seeing smaller and medium-sized housebuilders bidding on more sites, particularly those of fewer than 100 units. With better access to finance, we expect their presence in the land market to increase.*
- 7.22 *The recent announcement by the PM of the lifting of the housing revenue account borrowing cap could remove a major constraint on council development. This could offer greater scope for local authorities to increase their building programmes, invest in larger sites and lead to more opportunities for partnerships and joint ventures. With local authorities able to set their own borrowing limits, Savills estimates that councils could build at least 15,000 homes a year (in the long term, subject to capacity) and will need land to do so.'*

#### **Knight Frank: Residential Development Land Index Q3 2017**

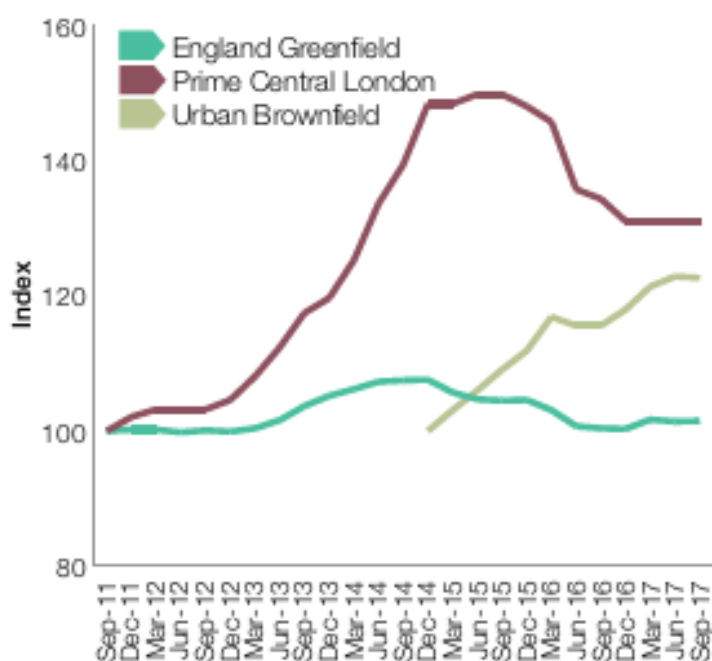
- 7.23 *Headline reads: 'Development land values remain steady in Q3'*
- 7.24 *'The average value of English greenfield development land was unchanged in Q3, as was the value of prime Central London development land. Urban brownfield site values slipped slightly over the quarter, but on an annual basis are still outperforming.*

#### **Key Facts: -**

- *Greenfield land prices were unchanged in Q3, taking the annual rise in prices to 1.1%, the biggest rise in more than two years*
- *There was no change in average prime Central London, land prices in Q3, with a 2.5% annual decline, the most modest fall in prices since Q3 2015*
- *Urban brownfield sites slipped on average by 0.2%, taking the annual change in values to 6.1%.*

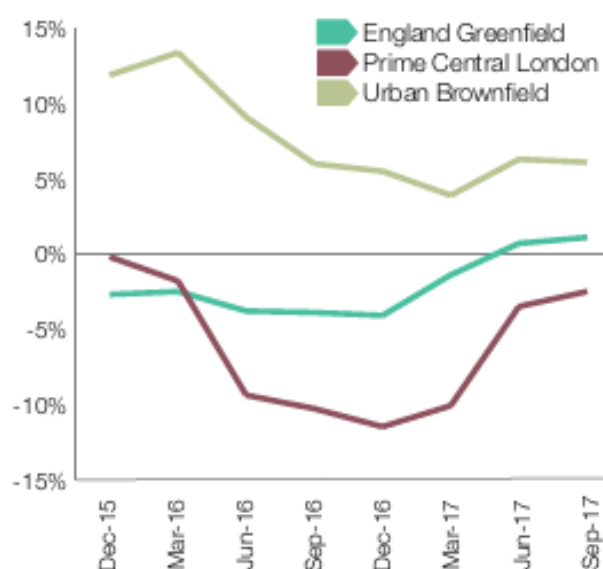
- 7.25 *'English greenfield land values were up 1.1% year-on-year in Q3, the second consecutive quarter they have been in positive territory after two years of modest declines in pricing. There is now a steadier supply of greenfield development land in many parts of the market. This is likely to keep pricing level overall in the coming year, although there is potential for outperformance in some areas where sites are over-ready and have access to good infrastructure.'*
- 7.26 *In urban area, the continued price growth in the urban brownfield land index reflects continued demand in these markets (which can also be seen in growth in house prices). While this sustained demand will likely continue to underpin pricing, average land values remained broadly flat in Q3, suggesting that pricing in some urban markets may have found its equilibrium.'*
- 7.27 *In prime Central London, the decline in development land values shows continued signs of abating, with values down just 2.5% on the year, compared to a 10.3% decline seen in Q3 last year.'*
- 7.28 *In general, the prime central London land market is showing signs of stabilising after a period of deflation and this trend is expected to continue over the next 12 months. Ian Morris, Joint Head of Residential Development, said: "The liquidity in the land market is low as sentiment is nervous however for the brave there is value to be found. Deals are price sensitive and risk needs to be appropriately analysed and understood". There are challenges for developers trying to secure debt and equity funding, and development economics must also account for the fact that there is, so far, little sign of any significant softening in construction costs. The weaker pound is boosting import prices, while the lack of resource in the labour market is also a key consideration for developers currently active in the market.'*

## Residential development land prices



7.29 *'This is market for the experienced who know and understand how to extract value in uncertain times. That said, we believe there is opportunity for investors who will be building out into a market, which, over the next few years, looks to be extremely limited in respect of new supply,' Mr Marris added.*

## Annual change in average land values



### England Greenfield Development Land Index

Date	Index	12-month % change	6-month % change	3-month % change
Sep-15	104.48	-2.8%	-1.1%	-0.2%
Dec-15	104.64	-2.7%	-0.1%	0.2%
Mar-16	103.08	-2.5%	-1.3%	-1.5%
Jun-16	100.75	-3.8%	-3.7%	-2.3%
Sep-16	100.36	-3.9%	-2.6%	-0.4%
Dec-16	100.31	-4.1%	-0.4%	0.0%
Mar-17	101.69	-1.4%	1.3%	1.4%
Jun-17	101.42	0.7%	1.1%	-0.3%
Sep-17	101.46	1.1%	-0.2%	0.0%

### Knight Frank: Residential Development Land Index Q4 2018

7.30 Headline reads: *'Rising costs and uncertainty curb land value growth'*

7.31 *'Increasing build costs, patchy house price growth and increased economic uncertainty are, to different degrees, weighing on land values in urban brownfield, greenfield and Prime central London locations.'*

Key Facts Q4 2018: -

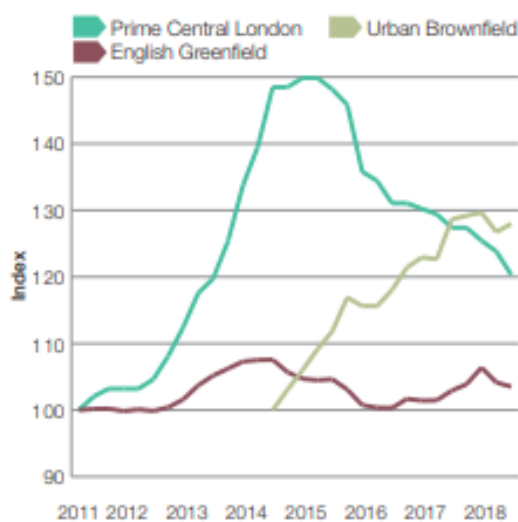
- Average greenfield development land prices declined 0.6% in Q4, taking the annual growth to 0.6%
- Urban brownfield development land prices returned to growth, climbing 1.0% during the quarter. The annual change was -0.5%

7.32 *Average greenfield development land prices declined 0.6% in Q4 2018, down from 2.6% growth in Q3, paring annual growth to 0.6%. Labour costs continue to edge up and the relatively weak pound has made imported building materials more costly for housebuilders.*

7.33 *Anecdotally, site visitor numbers remain robust, though customers are taking longer to commit to purchases, particularly in the south of England. In the resale market during the first nine months of this year, when compared with 2016, the average time taken from listing a home to sale agreed in the East of England, the South East and London climbed more than 30%, according to Rightmove data. By contrast, the time taken from listing to sale agreed over the same period declined by 5.6% in the East Midlands, 11.4% in the West Midlands and 9.9% in the North West.*

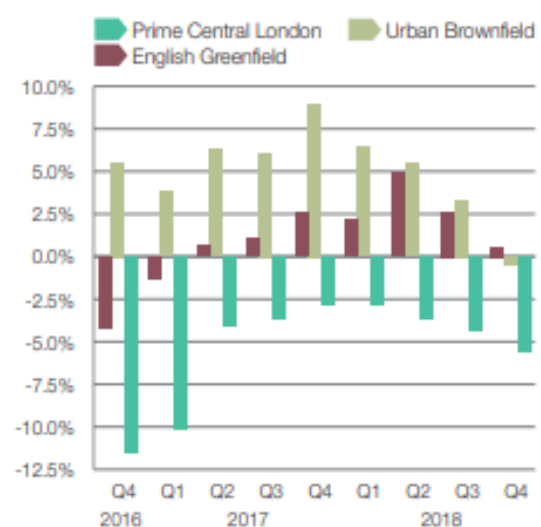
- 7.34 *These risks, alongside economic uncertainty over Britain's impending departure from the European Union, have prompted developers to increase their margins, which is suppressing growth in greenfield land values.*
- 7.35 *Urban brownfield land values declined by 0.5% during 2018, also for the reasons outlined above. That's the first annual decline since Knight Frank began tracking Urban Brownfield land values in Q4 2015. Values edged up 1.0% during the quarter, however, following a 2.3% decline in Q3, led by gains in Birmingham City Centre sites.*
- 7.36 *Sites of all types are transacting, though volumes remain low. The central London land market is also susceptible to negative sentiment relating to Brexit and land owners are in many cases choosing to wait for more clarity before choosing to sell.'*

**FIGURE 1**  
**Residential development land prices**  
Rebased 100 = Sep 2011 (Urban Brownfield = Dec 2014)



Source: Knight Frank Research

**FIGURE 2**  
**Annual change in average land values**



Source: Knight Frank Research



## RESIDENTIAL DEVELOPMENT LAND INDEX Q4 2018

### England Greenfield Development Land Index

Date	Index	12-month % change	6-month % change	3-month % change
Sep-17	101.46	1.1%	-0.2%	0.0%
Dec-17	102.92	2.6%	1.5%	1.4%
Mar-18	103.88	2.2%	2.4%	0.9%
Jun-18	106.07	4.6%	3.1%	2.1%
Sep-18	104.14	2.6%	0.3%	-2.1%
Dec-18	103.51	0.6%	-2.7%	-0.6%

Source: Knight Frank Research

The Knight Frank Residential Development Land Index is designed purely to give a snapshot of broad trends in the development land market, and should only be used as such. It is derived from valuations of a basket of more than 70 residential development sites around the country.

### Benchmark Land Values

7.37 Land value in any given situation should reflect specific viability influencing factors, such as:

- the existing use scenario;
- planning potential and status / risk (as an indication and depending on circumstances, planning risk factors may equate to a reduction from a “with planning” land value by as much as 75%);
- development potential – scale, type, etc. (usually subject to planning) and;
- development constraints – including site conditions and necessary works, costs and obligations (including known abnormal factors);
- development plan policies

7.38 It follows that the planning policies and obligations will have a bearing on land value; as has been recognised by examiners and Planning Inspectors.

7.39 In order to consider the likely viability of local plan policies in relation to any development scheme relevant to the Local Plan, the outturn results of the development appraisals (the RLVs viewed in £/ha terms) need to be somehow measured against a comparative level of land value. This is a key part of the context for reviewing the strength of the results as those changes across the range of

assumptions on sales values (GDVs) and crucially including the effect of local plan policies (including affordable housing), and other sensitivity tests.

- 7.40 This comparison process is, as with much of strategic level viability assessment, not an exact science. It involves judgements and the well-established acknowledgements that, as with other appraisal aspects, land values will in practice vary from scheme to scheme as well as being dependent to some extent on timing in relation to market conditions and other wider influences such as Government policy. The levels of land values selected for this comparison context are often known as ‘benchmark’ land values, ‘viability tests’ (as referred to in our results tables – Appendices IIa to IIc) or similar. They are not fixed in terms of creating definite cut-offs or steps in viability, but in our experience, they serve well in terms of adding a layer of filtering to the results, to help enable the review of those; they help to highlight the tone of the RLV results and therefore the changing strength of relationship between the values (GDVs) and development costs as the appraisal inputs (assumptions) change.
- 7.41 As suitable (appropriate and robust) context for a high-level review of this nature, DSP’s practice is to compare the wide range of appraisal RLV results with a variety of potential land value comparisons in this way. This allows us to consider a wide range of potential scenarios and outcomes and the viability trends across those.
- 7.42 The land value comparison levels are not fixed or even guides for use on scheme specifics; they are purely for this assessment purpose. In our experience, sites will come forward at alternative figures – including in some cases beneath the levels assumed for this purpose. We have considered land values in a way that supports an appropriately “buffered” type view.
- 7.43 The revised NPPF was published in July 2018 alongside updated Planning Practice Guidance (PPG) (in particular in relation to viability both at plan making and decision taking stages of the planning process). This latest PPG on viability makes it clear that benchmark land values (BLVs) should be based on the Existing Use Value (EUV) plus approach and states:-

*‘A benchmark land values should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive,*

*in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus (EUV+)...*

*Benchmark land value should:*

- Be based upon existing use value*
- Allow for a premium to landowners (including equity resulting from those building their own homes)*
- Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- Be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*

*In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.*

*Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results;*

*valuation office agency data; public sector estate/property teams' locally held evidence...*

*The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.*

*Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).'*

- 7.44 In order to inform the BLVs for use here, we have reviewed existing evidence, previous viability studies, site specific viability assessments and in particular have had regard to published Government sources of land values for policy application<sup>1</sup>. The Government data provides industrial, office, residential and agricultural land value estimates for the local sub-region but not all areas are covered. This includes data for Havant in relation to residential land estimates. Not all areas are covered and as is the case in most LA areas. Therefore where data is insufficient we have made use of our own experience and judgement in order to utilise a 'best fit' from the available data. The benchmarks indicated within the appendices are therefore informed by this data and other source as described above.
- 7.45 The residential land value estimates in particular require adjustment for the purposes of strategic viability testing due to the fact that a different assumptions basis is used in our study compared to the truncated valuation model used for the residential land

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<sup>1</sup> MHCLG: Land value estimates for policy appraisal 2017 (May 2018)

value estimate. This (and other) viability assessments, assume all development costs are accounted for as inputs to the RLV appraisal, rather than those being reflected within a much higher, “serviced” i.e. “ready to develop” level of land value. The MHCLG truncated valuation model provides a much higher level of land value as it assumes all land and planning related costs are discharged, assumes that there is a nil affordable housing requirement (whereas in practice the affordable housing requirement can impact land value by around 50% on a 0.5 ha site with 40% AH) with no CIL or other planning obligations allowance. That level of land value would also assume that full planning consent is in place, whereas the risk associated with obtaining planning consent can equate to as much as a 75% deduction when adjusting a consented site value to an unconsented land value starting point. Lower quartile build costs and a 17% developer’s profit (compared to the assumed median build costs and 20% developer’s profit used in this study) are additional assumptions that lead to a view of land value well above that used for comparison (benchmark purposes) in viability assessments such as this. So, the assessment approach (as relates to all land values) assumes all deductions from the GDV are covered by the development costs assumptions applied within the appraisals. In our view this would lead to a significantly reduced residential land value benchmark when taking into account all of those factors.

- 7.46 The figure that we consider representing the minimum land value likely to incentivise release for development under any circumstances in the local context is around £250,000/ha, based on gross site area with lower and upper ends at £100,000 and £500,000/ha. In our experience of dealing with site specific viability, greenfield land values tend to be assumed at minimum option agreements levels. These are typically around £100,000 and not exceeding £150,000 per gross acre (i.e. approx. £250,000 to a maximum of £370,000 per gross hectare). Land values at those levels are likely to be relevant to development on greenfield land (e.g. agricultural land or in cases of enhancement to amenity land value).
- 7.47 At this level, it could be relevant for consideration as the lowest base point for enhancement to greenfield land values (with agricultural land reported by the VOA and a range of other sources to be valued at circa £20,000 - £25,000/ha in existing use). The HCA issued a transparent assumptions document which referred to guide parameters of an uplift of 10 to 20 times agricultural land value. This sort of level of land value could also be relevant to a range of less attractive locations or land for

improvement. This is not to say that land value expectations in such scenarios would not go beyond these levels either – they could well do in a range of circumstances.

- 7.48 The EUV+ BLVs used within the study therefore range between £100,000/ha - £250,000/ha for greenfield land (including a significant uplift from existing agricultural values) to approximately £2.2m for residential land in existing use.
- 7.49 Matters such as realistic site selection for the particular proposals, allied to realistic land owner expectations on site value, will continue to be vitally important. Even moving away from a ‘market value’ led approach, site value needs to be proportionate to realistic development scope and site constraints, ensuring that headroom for supporting necessary planning obligations is not overly squeezed beneath the levels that should be achieved.
- 7.50 The RICS Guidance<sup>2</sup> (pre-dating the new NPPF and PPG) refers to site value in the following *‘Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan... The residual land value (ignoring any planning obligations and assuming planning permission is in place) and current use value represent the parameters within which to assess the level of any planning obligations’*.
- 7.51 The Local Housing Delivery Group report<sup>3</sup> chaired by Sir John Harman (again pre-dating the new NPPF and PPG), notes that: *‘Consideration of an appropriate Threshold Land Value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful ‘sense check’ on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input to a model.*

*We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values’.*

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<sup>2</sup> Financial viability in planning – RICS Guidance note (August 2012)

<sup>3</sup> Local Housing Delivery Group – Viability Testing Local Plans (June 2012)

- 7.52 The revisions to the Viability PPG and the new NPPF (in July 2018), as described above, now very clearly advise that land value should be based on the value of the existing use plus an appropriate level of premium or uplift to incentivise release of the land for development from its existing use.
- 7.53 Any overbid level of land value (i.e. incentive or uplifted level of land value) would be dependent on a ready market for the existing or other use that could be continued or considered as an alternative to pursuing the redevelopment option being assumed. The influences of existing / alternative uses on site value need to be carefully considered. At a time of a low demand through depressed commercial property market circumstances, for example, we would not expect to see inappropriate levels of benchmarks or land price expectations being set for opportunities created from those sites. Just as other scheme specifics and appropriate appraisal inputs vary, so will landowner expectation.
- 7.54 In summary, reference to the land value benchmarks range as outlined within the report and shown within the Appendices II results summary tables footnotes (range overall £100,000 to £2,217,000/ha) have been formulated with reference to the principles outlined above and are considered appropriate.

**DSP Havant Borough Council Local Plan and CIL Viability Assessment**  
**Appendix III ends (v7)**

**Extracts sourced from CoStar follow this**