

Christchurch & East Dorset Community Infrastructure Levy Viability Study

**Report Addendum:
Viability Update on Revised Affordable Housing Thresholds**

On behalf of **Christchurch and East Dorset District Councils**





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	Name	Position	Signature	Date
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For and on behalf of Peter Brett Associates LLP				

To be read in conjunction with the original CIL Viability Report East Dorset District Council and Christchurch Borough Council Community Infrastructure Levy Viability Testing (June 2013) as well as the CIL Report Addendum Viability Testing at 35% & 40% Affordable Housing C2 / C3 Uses (December 2014)

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1 Introduction

- 1.1.1 PBA has been instructed by Christchurch and East Dorset Council to review its CIL viability assessment of residential development in their areas in light of the recently published Ministerial Statement on revised affordable housing thresholds. As such this review is to be read in conjunction with the original CIL Viability Report *East Dorset District Council and Christchurch Borough Council Community Infrastructure Levy Viability Testing (June 2013)* as well as the CIL Report Addendum *Viability Testing at 35% & 40% Affordable Housing C2 / C3 Uses (December 2014)*.
- 1.1.2 The alteration of affordable housing thresholds is likely to have a notable impact on CIL viability, and the Councils wish to explore this impact more fully through this addendum. We have set out in this addendum a summary of the Ministerial Statement, as well as the revised Viability summary tables for both Christchurch and East Dorset.
- 1.1.3 We have included the full revised development appraisals as appendices to this addendum.

2 House of Commons Written Statement

2.1 House of Commons: Written Statement (HCWS50) – ‘Support for Small Scale Developers, Custom and Self-Builders’

2.1.1 The House of Commons: Written Statement (HCWS50), ‘Support for Small Scale Developers, Custom and Self-Builders’ (The Written Statement) sets out the measures the government is now implementing to support small scale developers by reducing what the government sees as disproportionate burdens on developer contributions.

2.1.2 As such the Written Statement introduces the following changes to national policy with regard to Section 106 planning obligations as follows:

- For sites of 10 units or less which have a maximum combined gross floor space of 1,000 sq m, affordable housing and tariff style contributions should not be sought (also applicable to residential annexes and extensions);
- Designated rural areas under S157 of the Housing Act 1985 – including National parks and Areas of Outstanding Natural Beauty – Authorities may choose to implement a lower threshold of 5 units or less, beneath which affordable housing and tariff style contributions should not be sought;
- In the above designated rural areas if a 5 unit threshold is implemented then payment of any affordable housing and tariff style contributions on developments of between 6 – 10 units should be sought as a cash payment only and be commuted until after the completion of units within the development;
- The above changes should not apply to Rural Exception Sites which should remain available to support the delivery of affordable homes;
- A financial credit equivalent to the existing gross floorspace of any vacant buildings brought back into lawful use or demolished for re-development should be deducted from the calculation of any affordable housing contributions sought from relevant development schemes (not applicable to vacant buildings which have been abandoned).

2.1.3 Of particular relevance to the CIL Viability work undertaken by PBA for Christchurch and East Dorset is the new requirement that tariff style contributions and affordable housing should not be sought for sites of 10 units or less. With this in mind PBA has re-run its development viability appraisals on the assumption that no affordable housing is required for these sites.

3 Updated Viability Appraisals

3.1 Introduction

- 3.1.1 We have set out in the following tables the revised viability position taking into account the new affordable housing requirements.
- 3.1.2 We have re-run the appraisals from the CIL Report Addendum *Viability Testing at 35% & 40% Affordable Housing C2/C3 Uses (December 2014)*, as these are the most up to date appraisals submitted as part of the Councils Evidence Base (and because these appraisals are the most reflective of currently policy in Christchurch and East Dorset).
- 3.1.3 For ease of reference we have set out both the viability table from the above mentioned December 2014 report addendum alongside the updated table reflecting the Ministerial Statement for each area.

Table 3-1 C&ED Viability Appraisal Summary Table (Report Addendum December 2014) 40% Affordable Housing

No of dwellings	Net site area ha	Density	Total Floor Space per sq.m	Chargeable Floor Space per sq.m	Residual land value before policy contributions		Benchmark		CIL Surplus		
			Floor Space	Floor Space	Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm	
East Dorset											
Houses -	1	0.03	35	90	54	£2,040,196	£648	£1,650,000	£524	£355,196	£188
Houses -	4	0.11	35	360	216	£1,933,944	£614	£1,650,000	£524	£248,944	£132
Houses -	5	0.14	35	450	270	£1,890,221	£600	£1,650,000	£524	£205,221	£109
Houses -	9	0.26	35	810	486	£1,858,555	£590	£1,650,000	£524	£173,555	£92
Houses -	15	0.43	35	1,350	810	£1,876,231	£596	£1,650,000	£524	£191,231	£101
Houses -	50	1.43	35	4,500	2,700	£2,331,589	£740	£1,650,000	£524	£646,589	£342
Houses -	100	2.86	35	9,000	5,400	£2,281,360	£724	£1,650,000	£524	£596,360	£316
Flats -	5	0.08	65	336	237	£2,331,676	£534	£1,650,000	£378	£616,676	£200
Flats -	15	0.23	65	1,007	711	£2,349,914	£538	£1,650,000	£378	£634,914	£206
Flats -	60	0.92	65	4,029	2,844	£2,209,038	£506	£1,650,000	£378	£494,038	£160
Christchurch											
Houses -	1	0.03	35	90	54	£2,040,196	£648	£1,650,000	£524	£355,196	£188
Houses -	4	0.11	35	360	216	£1,933,944	£614	£1,650,000	£524	£248,944	£132
Houses -	5	0.14	35	450	270	£1,890,221	£600	£1,650,000	£524	£205,221	£109
Houses -	9	0.26	35	810	486	£1,858,555	£590	£1,650,000	£524	£208,555	£110
Houses -	15	0.43	35	1,350	810	£1,876,231	£596	£1,650,000	£524	£191,231	£101
Houses -	50	1.43	35	4,500	2,700	£2,331,589	£740	£1,650,000	£524	£646,589	£342
Houses -	100	2.86	35	9,000	5,400	£2,281,360	£724	£1,650,000	£524	£596,360	£316
Flats -	5	0.08	65	336	237	£2,331,676	£534	£1,650,000	£378	£616,676	£200
Flats -	15	0.23	65	1,007	711	£2,349,914	£538	£1,650,000	£378	£634,914	£206
Flats -	60	0.92	65	4,029	2,844	£2,209,038	£506	£1,650,000	£378	£494,038	£160

Table 3-2 C&ED Viability Appraisal Summary Table No Affordable Housing on sites of 10 units or less and 40% Affordable Housing on remaining sites

No of dwellings	Net site area ha	Density	Total Floor Space per sq.m	Chargeable Floor Space per sq.m	Residual land value before policy contributions		Benchmark		CIL Surplus		
			Floor Space	Floor Space	Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm	
East Dorset											
Houses -	1	0.03	35	90	90	£3,739,881	£1,187	£1,650,000	£524	£2,054,881	£652
Houses -	4	0.11	35	360	360	£3,512,622	£1,115	£1,650,000	£524	£1,827,622	£580
Houses -	5	0.14	35	450	450	£3,465,757	£1,100	£1,650,000	£524	£1,780,757	£565
Houses -	9	0.26	35	810	810	£3,438,258	£1,092	£1,650,000	£524	£1,753,258	£557
Houses -	15	0.43	35	1,350	810	£1,876,231	£596	£1,650,000	£524	£191,231	£101
Houses -	50	1.43	35	4,500	2,700	£2,331,589	£740	£1,650,000	£524	£646,589	£342
Houses -	100	2.86	35	9,000	5,400	£2,281,360	£724	£1,650,000	£524	£596,360	£316
Flats -	5	0.08	65	336	395	£5,336,780	£1,223	£1,650,000	£378	£3,621,780	£705
Flats -	15	0.23	65	1,007	711	£2,349,914	£538	£1,650,000	£378	£634,914	£206
Flats -	60	0.92	65	4,029	2,844	£2,209,038	£506	£1,650,000	£378	£494,038	£160
Christchurch											
Houses -	1	0.03	35	90	90	£3,739,881	£1,187	£1,650,000	£524	£2,054,881	£652
Houses -	4	0.11	35	360	360	£3,512,622	£1,115	£1,650,000	£524	£1,827,622	£580
Houses -	5	0.14	35	450	450	£3,465,757	£1,100	£1,650,000	£524	£1,780,757	£565
Houses -	9	0.26	35	810	810	£3,438,258	£1,092	£1,650,000	£524	£1,788,258	£568
Houses -	15	0.43	35	1,350	810	£1,876,231	£596	£1,650,000	£524	£191,231	£101
Houses -	50	1.43	35	4,500	2,700	£2,331,589	£740	£1,650,000	£524	£646,589	£342
Houses -	100	2.86	35	9,000	5,400	£2,281,360	£724	£1,650,000	£524	£596,360	£316
Flats -	5	0.08	65	336	395	£5,336,780	£1,223	£1,650,000	£378	£3,621,780	£705
Flats -	15	0.23	65	1,007	711	£2,349,914	£538	£1,650,000	£378	£634,914	£206
Flats -	60	0.92	65	4,029	2,844	£2,209,038	£506	£1,650,000	£378	£494,038	£160

4 Viability Results

- 4.1.1 It is evident from the Summary Viability tables set out in Chapter 3 that the revisions to affordable housing requirements brought about by the November Ministerial Statement have a significant impact on the ability of schemes of 10 units and under to contribute to CIL. Indeed removing the requirement for affordable housing increases the CIL overage by up to c. £400 per sq m in some cases.
- 4.1.2 We have set out in the table overleaf a summary of the viability findings from Chapter 3 alongside the revised viability buffer percentages which the new CIL overage amounts have over and above the proposed CIL rate of £70 per sq m for residential use. We have only set out summaries of the schemes which have been impacted by the Ministerial Statement (i.e. those of 10 units or less). These are:
- 1 House
 - 4 Houses
 - 5 Houses
 - 9 Houses
 - 5 Flats

Table 4-1 Revised Viability Summary Table (Schemes of 10 units or less) Assuming Current Proposed CIL Rate of £70 sq m

Scheme	CIL Surplus Assuming Affordable Housing Requirement (PBA Addendum Report Dec 2014)	Revised CIL Surplus with No Affordable Housing Provision as per Ministerial Statement	Increase in CIL Surplus (£ per sq m)	Revised Viability Buffer above currently proposed £70 sq m CIL Charge (%)
	(Per Sq M)			
East Dorset				
1 House	£277	£652	£375	89%
4 Houses	£201	£580	£379	88%
5 Houses	£199	£565	£366	88%
9 Houses	£181	£557	£376	87%
5 Flats	£301	£705	£404	90%
Christchurch				
1 House	£277	£652	£375	89%
4 Houses	£201	£580	£379	88%
5 Houses	£199	£565	£366	88%
9 Houses	£181	£557	£376	87%
5 Flats	£301	£705	£404	90%

5 Viability Analysis & Conclusion

5.1.1 In order to understand the full extent of viability we have undertaken further analysis of Table 4-1 adopting different CIL charges of £70 sq m (as per the Draft Charging Schedule), £100 sq m and £150 sq m for sites of 10 units or less. The results of this analysis are set out in the tables below and overleaf.

Table 5-1 Christchurch and East Dorset £70 sq m CIL on all schemes

Christchurch and East Dorset • £70 per sqm CIL on all Schemes				
Scheme	Revised Overage	CIL	Remaining Overage	Buffer
1 House	£652	£70	£582	89%
4 Houses	£580	£70	£510	88%
5 Houses	£565	£70	£495	88%
9 Houses	£557	£70	£487	87%
15 Houses	£101	£70	£31	31%
50 Houses	£342	£70	£272	80%
100 Houses	£316	£70	£246	78%
5 Flats	£705	£70	£635	90%
15 Flats	£206	£70	£136	66%
60 Flats	£160	£70	£90	56%

Table 5-2 Christchurch and East Dorset £100 per sqm CIL on all schemes or less than 10 units / £70 sq m CIL on all other schemes

Christchurch and East Dorset				
<ul style="list-style-type: none"> £100 per sqm CIL on all schemes or less than 10 units £70 sq m CIL on all other schemes 				
Scheme	Revised Overage	CIL	Remaining Overage	Buffer
1 House	£652	£100	£552	85%
4 Houses	£580	£100	£480	83%
5 Houses	£565	£100	£465	82%
9 Houses	£557	£100	£457	82%
15 Houses	£101	£70	£31	31%
50 Houses	£342	£70	£272	80%
100 Houses	£316	£70	£246	78%
5 Flats	£705	£100	£605	86%
15 Flats	£206	£70	£136	66%
60 Flats	£160	£70	£90	56%

Table 5-3 Christchurch and East Dorset £150 per sqm CIL on all schemes or less than 10 units / £70 sq m CIL on all other schemes

Christchurch and East Dorset				
<ul style="list-style-type: none"> £150 per sqm CIL on all schemes or less than 10 units £70 sq m CIL on all other schemes 				
Scheme	Revised Overage	CIL	Remaining Overage	Buffer
1 House	£652	£150	£502	77%
4 Houses	£580	£150	£430	74%
5 Houses	£565	£150	£415	73%
9 Houses	£557	£150	£407	73%
15 Houses	£101	£70	£31	31%
50 Houses	£342	£70	£272	80%
100 Houses	£316	£70	£246	78%
5 Flats	£705	£150	£555	79%
15 Flats	£206	£70	£136	66%
60 Flats	£160	£70	£90	56%

5.1.2 Based on the findings of the viability testing undertaken in response to the Ministerial Statement of November 2014 on revised affordable housing thresholds, and with reference to the tables above, we would advise the Authorities of Christchurch and East Dorset that a

revised DCS CIL charge of £150 sq m on schemes of 10 units or less is viable, allows for an appropriate buffer and is in line with the CIL Regulations. We would recommend that the proposed CIL charge of £70 sq m on schemes of 11 units or more be retained.

Appendix A East Dorset Viability Appraisals (No affordable housing for schemes of 10 units or less)

ITEM

Net Site Area	<input type="text" value="0.11"/>	£3,512,622	per ha
Mix	<input type="text" value="1"/>		
Yield	<input type="text" value="4"/>	Private	Affordable
		2.40	1.60

1.0 Development Value

Value Zone			No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private Units		0	67	0	£3,488	<input type="text" value="£0"/>
		Apartment Houses	4	90	360	£3,052	<input type="text" value="£1,098,720"/>
			4		360		
1.2	Affordable unit		0	67	0	£1,334	<input type="text" value="£0"/>
		Apartment Houses	0	90	0	£1,334	<input type="text" value="£0"/>
			0		0		
			4	360		<input type="text" value="£1,098,720"/>	

2.0 Development Cost

2.1	Site Acquisition						
2.1.1	Site Value						<input type="text" value="£421,462"/>
					Less Purchaser Costs		4.75%
							<input type="text" value="£401,443"/>

2.3 Build Costs

		No. of units	Size sq.m	Cost per sq.m	Total Costs
2.3.1	Private units		0	£1,144	<input type="text" value="£0.00"/>
		Apartment Houses	4	£970	<input type="text" value="£349,200.00"/>
			4		
2.3.2	Affordable unit		0	£1,144	<input type="text" value="£0.00"/>
		Apartment Houses	0	£970	<input type="text" value="£0.00"/>
			0		
		4			<input type="text" value="£349,200"/>

2.4 Externals

2.4.1	Plot external		10%		<input type="text" value="£34,920"/>
2.4.2		0	£0	per ha	<input type="text" value="£0"/>
2.4.3	Energy		£3,000	per unit	<input type="text" value="£12,000"/>
2.4.4	Lifetime homes		£0	per unit	<input type="text" value="£0"/>
					<input type="text" value="£46,920"/>

2.5 Professional Fees

2.5.1	as percentage of build costs		<input type="text" value="8%"/>		<input type="text" value="£30,730"/>
					<input type="text" value="£30,730"/>

2.6 Contingency

2.6.1	Based upon percentage of construction costs		<input type="text" value="5%"/>		<input type="text" value="£17,460"/>
					<input type="text" value="£17,460"/>

2.7 Developer contributions

2.7.1	SANGS		<input type="text" value="£0"/>	per unit	<input type="text" value="£0"/>
2.7.2	S.106		<input type="text" value="£1,000"/>	per unit	<input type="text" value="£4,000"/>
2.7.3	CIL		<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
2.7.4	Landscape management		<input type="text" value="£0"/>	per unit	<input type="text" value="£0"/>
					<input type="text" value="£4,000"/>

2.8 Sale cost

2.8.1	Legals -		<input type="text" value="£500"/>		<input type="text" value="£2,000"/>
2.8.2	Sales agents fee -		<input type="text" value="1.25%"/>		<input type="text" value="£13,734"/>
2.8.3	Marketing cost -		<input type="text" value="£1,000"/>	per unit	<input type="text" value="£4,000"/>
					<input type="text" value="£19,734"/>

TOTAL DEVELOPMENT COSTS

£889,506

3.0 Developers' Profit

3.1	Calculated as a percentage of total development costs		Rate	<input type="text" value="20%"/>	<input type="text" value="£177,901"/>
					<input type="text" value="£177,901"/>

TOTAL PROJECT COSTS [EXCLUDING INTEREST]

£1,067,407

TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]

£31,313

4.00 Finance Costs

	APR	PCM	
	<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>	<input type="text" value="£31,313"/>

TOTAL PROJECT COSTS [INCLUDING INTEREST]

ITEM						
Net Site Area	<input type="text" value="0.14"/>					£3,465,757 per ha
Mix	<input type="text" value="1"/>					
Yield	<input type="text" value="5"/>	Private		Affordable		
		3.00		2.00		
1.0	Development Value					
Value Zone	2					
1.1	Private Units		No. of units	Size sq.m	Total sq.m	£psm
	Apartment		0	67	0	£3,488
	Houses		5	90	450	£3,052
			5		450	
						Total Value
						£0
						£1,373,400
1.2	Affordable unit		No. of units	Size sq.m		£psm
	Apartment		0	67	0	£1,334
	Houses		0	90	0	£1,334
			0		0	
						Total Value
						£0
						£0
			5		450	
						£1,373,400
2.0	Development Cost					
2.1	Site Acquisition					
2.1.1	Site Value					£525,314
						Less Purchaser Costs
						5.75%
						£495,108
2.3	Build Costs					
2.3.1	Private units		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		5	450	£970	£436,500.00
			5			
2.3.2	Affordable unit		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		0	0	£970	£0.00
			0			
			5			£436,500
2.4	Externals					
2.4.1	Plot external			10%		£43,650
2.4.2				£0 per ha		£0
2.4.3	Energy			£3,000 per unit		£15,000
2.4.4	Lifetime homes			£0 per unit		£0
						£58,650
2.5	Professional Fees					
2.5.1	as percentage of build costs			<input type="text" value="8%"/>		£38,412
						£38,412
2.6	Contingency					
2.6.1	Based upon percentage of construction costs			<input type="text" value="5%"/>		£21,825
						£21,825
2.7	Developer contributions					
2.7.1	SANGS			<input type="text" value="£0"/> per unit		£0
2.7.2	S.106			<input type="text" value="£1,000"/> per unit		£5,000
2.7.3	CIL			<input type="text" value="£0"/> per sq.m		£0
2.7.4	Landscape management			<input type="text" value="£0"/> per unit		£0
						£5,000
2.8	Sale cost					
2.8.1	Legals -			<input type="text" value="£500"/>		£2,500
2.8.2	Sales agents fee -			<input type="text" value="1.25%"/>		£17,168
2.8.3	Marketing cost -			<input type="text" value="£1,000"/> per unit		£5,000
						£24,668
						£1,110,368
3.0	Developers' Profit					
3.1	Calculated as a percentage of total development costs			Rate		
				<input type="text" value="20%"/>		£222,074
						£222,074
						£1,332,442
						£40,958
4.00	Finance Costs			APR	PCM	
				<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>	-£40,958
						TOTAL PROJECT COSTS [INCLUDING INTEREST]

ITEM						
Net Site Area	<input type="text" value="0.26"/>					£3,438,258 per ha
Mix	<input type="text" value="1"/>					
Yield	<input type="text" value="9"/>	Private		Affordable		
		5.40		3.60		
1.0	Development Value					
Value Zone	2					
1.1	Private Units		No. of units	Size sq.m	Total sq.m	£psm
	Apartment		0	67	0	£3,488
	Houses		9	90	810	£3,052
			9		810	
						Total Value
						£0
						£2,472,120
1.2	Affordable unit		No. of units	Size sq.m		£psm
	Apartment		0	67	0	£1,334
	Houses		0	90	0	£1,334
			0		0	
						Total Value
						£0
						£0
			9		810	
						£2,472,120
2.0	Development Cost					
2.1	Site Acquisition					
2.1.1	Site Value					£938,062
						Less Purchaser Costs
						5.75%
						£884,124
2.3	Build Costs					
2.3.1	Private units		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		9	810	£970	£785,700.00
			9			
2.3.2	Affordable unit		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		0	0	£970	£0.00
			0			
			9			£785,700
2.4	Externals					
2.4.1	Plot external			10%		£78,570
2.4.2				£0 per ha		£0
2.4.3	Energy			£3,000 per unit		£27,000
2.4.4	Lifetime homes			£0 per unit		£0
						£105,570
2.5	Professional Fees					
2.5.1	as percentage of build costs			<input type="text" value="8%"/>		£69,142
						£69,142
2.6	Contingency					
2.6.1	Based upon percentage of construction costs			<input type="text" value="5%"/>		£39,285
						£39,285
2.7	Developer contributions					
2.7.1	SANGS			<input type="text" value="£0"/> per unit		£0
2.7.2	S.106			<input type="text" value="£1,000"/> per unit		£9,000
2.7.3	CIL			<input type="text" value="£0"/> per sq.m		£0
2.7.4	Landscape management			<input type="text" value="£0"/> per unit		£0
						£9,000
2.8	Sale cost					
2.8.1	Legals -			<input type="text" value="£500"/>		£4,500
2.8.2	Sales agents fee -			<input type="text" value="1.25%"/>		£30,902
2.8.3	Marketing cost -			<input type="text" value="£1,000"/> per unit		£9,000
						£44,402
						£1,991,160
3.0	Developers' Profit					
3.1	Calculated as a percentage of total development costs			Rate		
				<input type="text" value="20%"/>		£398,232
						£398,232
						£2,389,392
						£82,728
4.00	Finance Costs			APR	PCM	
				<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>	-£82,728
						TOTAL PROJECT COSTS [INCLUDING INTEREST]

ITEM						
Net Site Area	0.08				£5,336,780	per ha
Mix	2					
Yield	5	Private		Affordable	3.00	2.00
1.0	Development Value					
Value Zone	2					
1.1	Private Units		No. of units	Size sq.m	Total sq.m	£psm
	Apartment Houses		5	67	336	£3,488
			0	90	0	£3,052
			5		336	
						Total Value
						£1,171,096
						£0
1.2	Affordable unit		No. of units	Size sq.m		£psm
	Apartment Houses		0	67	0	£1,334
			0	90	0	£1,334
			0		0	
						Total Value
						£0
						£0
			5		336	
						£1,171,096
2.0	Development Cost					
2.1	Site Acquisition					
2.1.1	Site Value					
						£430,994
				Less Purchaser Costs		4.75%
						£410,522
2.3	Build Costs					
2.3.1	Private units		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment Houses		5	79	£1,144	£451,880.00
			0	0	£970	£0.00
			5			
2.3.2	Affordable unit		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment Houses		0	79	£1,144	£0.00
			0	0	£970	£0.00
			0			
			5		395	
						£451,880
2.4	Externals					
2.4.1	Plot external					
				10%		£45,188
2.4.2	0					
				£0 per ha		£0
2.4.3	Energy					
				£3,000 per unit		£15,000
2.4.4	Lifetime homes					
				£0 per unit		£0
						£60,188
2.5	Professional Fees					
2.5.1	as percentage of build costs					
				8%		£39,765
						£39,765
2.6	Contingency					
2.6.1	Based upon percentage of construction costs					
				5%		£22,594
						£22,594
2.7	Developer contributions					
2.7.1	SANGS					
				£0 per unit		£0
2.7.2	S.106					
				£1,000 per unit		£5,000
2.7.3	CIL					
				£0 per sq.m		£0
2.7.4	Landscape management					
				£0 per unit		£0
						£5,000
2.8	Sale cost					
2.8.1	Legals -					
				£500		£2,500
2.8.2	Sales agents fee -					
				1.25%		£14,639
2.8.3	Marketing cost -					
				£1,000 per unit		£5,000
						£22,139
						£1,032,560
3.0	Developers' Profit					
3.1	Calculated as a percentage of total development costs					
				Rate		£206,512
				20%		£206,512
						£1,239,072
						-£67,976
4.00	Finance Costs					
				APR	PCM	
				7.00%	0.565%	-£35,280

Appendix B Christchurch Viability Appraisals (No affordable housing for schemes of 10 units or less)

ITEM						
Net Site Area	<input type="text" value="0.03"/>					£3,739,881 per ha
Mix	<input type="text" value="1"/>					
Yield	<input type="text" value="1"/>	Private	Affordable			
		0.60	0.40			
1.0	Development Value					
Value Zone	2					
1.1	Private Units		No. of units	Size sq.m	Total sq.m	£psm
	Apartment		0	67	0	£3,488
	Houses		1	90	90	£3,052
			1	90	90	
						Total Value
						£0
						£274,680
1.2	Affordable unit		No. of units	Size sq.m		£psm
	Apartment		0	67	0	£1,334
	Houses		0	90	0	£1,334
			0	0	0	
						Total Value
						£0
						£0
			1	90		£274,680
2.0	Development Cost					
2.1	Site Acquisition					
2.1.1	Site Value					£108,757
						Less Purchaser Costs
						1.75%
						£106,854
2.3	Build Costs					
2.3.1	Private units		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		1	90	£970	£87,300.00
			1			
2.3.2	Affordable unit		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		0	0	£970	£0.00
			0			
			1			£87,300
2.4	Externals					
2.4.1	Plot external			10%		£8,730
2.4.2				£0 per ha		£0
2.4.3	Energy			£3,000 per unit		£3,000
2.4.4	Lifetime homes			£0 per unit		£0
						£11,730
2.5	Professional Fees					
2.5.1	as percentage of build costs			<input type="text" value="8%"/>		£7,682
						£7,682
2.6	Contingency					
2.6.1	Based upon percentage of construction costs			<input type="text" value="5%"/>		£4,365
						£4,365
2.7	Developer contributions					
2.7.1	SANGS			<input type="text" value="£0"/> per unit		£0
2.7.2	S.106			<input type="text" value="£1,000"/> per unit		£1,000
2.7.3	CIL			<input type="text" value="£0"/> per sq.m		£0
2.7.4	Landscape management			<input type="text" value="£0"/> per unit		£0
						£1,000
2.8	Sale cost					
2.8.1	Legals -			<input type="text" value="£500"/>		£500
2.8.2	Sales agents fee -			<input type="text" value="1.25%"/>		£3,434
2.8.3	Marketing cost -			<input type="text" value="£1,000"/> per unit		£1,000
						£4,934
						£225,768
3.0	Developers' Profit					
3.1	Calculated as a percentage of total development costs			Rate		
				<input type="text" value="20%"/>		£45,154
						£45,154
						£270,921
						£3,759
4.00	Finance Costs			APR	PCM	
				<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>	-£3,759
						TOTAL PROJECT COSTS [INCLUDING INTEREST]

ITEM

Net Site Area	<input type="text" value="0.11"/>	£3,512,622	per ha
Mix	<input type="text" value="1"/>		
Yield	<input type="text" value="4"/>	Private	Affordable
		2.40	1.60



1.0 Value Zone		Development Value					
2							
1.1	Private Units			No. of units	Size sq.m	Total sq.m	£psm
	Apartment Houses			0	67	0	£3,488
				4	90	360	£3,052
				4		360	
							Total Value
							£0
							£1,098,720
1.2	Affordable unit			No. of units	Size sq.m		£psm
	Apartment Houses			0	67	0	£1,334
				0	90	0	£1,334
				0		0	
							Total Value
							£0
							£0
				4		360	
							£1,098,720
2.0 Development Cost							
2.1	Site Acquisition						
2.1.1	Site Value					£421,462	
				Less Purchaser Costs		4.75%	
						£401,443	
2.3 Build Costs							
2.3.1	Private units			No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment Houses			0	0	£1,144	£0.00
				4	360	£970	£349,200.00
				4			
2.3.2	Affordable unit			No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment Houses			0	0	£1,144	£0.00
				0	0	£970	£0.00
				0			
				4			£349,200
2.4 Externals							
2.4.1	Plot external				10%		£34,920
2.4.2					£0 per ha		£0
2.4.3	Energy				£3,000 per unit		£12,000
2.4.4	Lifetime homes				£0 per unit		£0
							£46,920
2.5 Professional Fees							
2.5.1	as percentage of build costs				8%		£30,730
							£30,730
2.6 Contingency							
2.6.1	Based upon percentage of construction costs				5%		£17,460
							£17,460
2.7 Developer contributions							
2.7.1	SANGS				£0 per unit		£0
2.7.2	S.106				£1,000 per unit		£4,000
2.7.3	CIL				£0 per sq.m		£0
2.7.4	Landscape management				£0 per unit		£0
							£4,000
2.8 Sale cost							
2.8.1	Legals -				£500		£2,000
2.8.2	Sales agents fee -				1.25%		£13,734
2.8.3	Marketing cost -				£1,000 per unit		£4,000
							£19,734
TOTAL DEVELOPMENT COSTS						£889,506	
3.0 Developers' Profit							
3.1	Calculated as a percentage of total development costs			Rate	20%		£177,901
							£177,901
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						£1,067,407	
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£31,313	
4.00 Finance Costs				APR	7.00%	PCM	0.565%
							-£31,313
TOTAL PROJECT COSTS [INCLUDING INTEREST]							

ITEM						
Net Site Area	<input type="text" value="0.14"/>					£3,465,757 per ha
Mix	<input type="text" value="1"/>					
Yield	<input type="text" value="5"/>	Private		Affordable		
		3.00		2.00		
1.0 Development Value						
Value Zone	2					
1.1	Private Units		No. of units	Size sq.m	Total sq.m	£psm
	Apartment		0	67	0	£3,488
	Houses		5	90	450	£3,052
			5		450	
						Total Value
						£0
						£1,373,400
1.2	Affordable unit		No. of units	Size sq.m		£psm
	Apartment		0	67	0	£1,334
	Houses		0	90	0	£1,334
			0		0	
						Total Value
						£0
						£0
			5		450	
						£1,373,400
2.0 Development Cost						
2.1	Site Acquisition					
2.1.1	Site Value					£525,314
				Less Purchaser Costs		5.75%
						£495,108
2.3 Build Costs						
2.3.1	Private units		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		5	450	£970	£436,500.00
			5			
2.3.2	Affordable unit		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		0	0	£970	£0.00
			0			
			5			£436,500
2.4 Externals						
2.4.1	Plot external			10%		£43,650
2.4.2		0		£0 per ha		£0
2.4.3	Energy			£3,000 per unit		£15,000
2.4.4	Lifetime homes			£0 per unit		£0
						£58,650
2.5 Professional Fees						
2.5.1	as percentage of build costs		<input type="text" value="8%"/>			£38,412
						£38,412
2.6 Contingency						
2.6.1	Based upon percentage of construction costs		<input type="text" value="5%"/>			£21,825
						£21,825
2.7 Developer contributions						
2.7.1	SANGS		<input type="text" value="£0"/>	per unit		£0
2.7.2	S.106		<input type="text" value="£1,000"/>	per unit		£5,000
2.7.3	CIL		<input type="text" value="£0"/>	per sq.m		£0
2.7.4	Landscape management		<input type="text" value="£0"/>	per unit		£0
						£5,000
2.8 Sale cost						
2.8.1	Legals -		<input type="text" value="£500"/>			£2,500
2.8.2	Sales agents fee -		<input type="text" value="1.25%"/>			£17,168
2.8.3	Marketing cost -		<input type="text" value="£1,000"/>	per unit		£5,000
						£24,668
						£1,110,368
3.0 Developers' Profit						
3.1	Calculated as a percentage of total development costs		Rate	<input type="text" value="20%"/>		£222,074
						£222,074
						£1,332,442
						£40,958
4.00 Finance Costs						
			APR	<input type="text" value="7.00%"/>	PCM	<input type="text" value="0.565%"/>
						-£40,958
						TOTAL PROJECT COSTS [INCLUDING INTEREST]

ITEM						
Net Site Area	<input type="text" value="0.26"/>					£3,438,258 per ha
Mix	<input type="text" value="1"/>					
Yield	<input type="text" value="9"/>	Private		Affordable		
		5.40		3.60		
1.0	Development Value					
Value Zone	2					
1.1	Private Units		No. of units	Size sq.m	Total sq.m	£psm
	Apartment		0	67	0	£3,488
	Houses		9	90	810	£3,052
			9		810	
						Total Value
						£0
						£2,472,120
1.2	Affordable unit		No. of units	Size sq.m		£psm
	Apartment		0	67	0	£1,334
	Houses		0	90	0	£1,334
			0		0	
						Total Value
						£0
						£0
			9		810	
						£2,472,120
2.0	Development Cost					
2.1	Site Acquisition					
2.1.1	Site Value					£938,062
						Less Purchaser Costs
						5.75%
						£884,124
2.3	Build Costs					
2.3.1	Private units		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		9	810	£970	£785,700.00
			9			
2.3.2	Affordable unit		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment		0	0	£1,144	£0.00
	Houses		0	0	£970	£0.00
			0			
			9			£785,700
2.4	Externals					
2.4.1	Plot external			10%		£78,570
2.4.2				£0 per ha		£0
2.4.3	Energy			£3,000 per unit		£27,000
2.4.4	Lifetime homes			£0 per unit		£0
						£105,570
2.5	Professional Fees					
2.5.1	as percentage of build costs			<input type="text" value="8%"/>		£69,142
						£69,142
2.6	Contingency					
2.6.1	Based upon percentage of construction costs			<input type="text" value="5%"/>		£39,285
						£39,285
2.7	Developer contributions					
2.7.1	SANGS			<input type="text" value="£0"/> per unit		£0
2.7.2	S.106			<input type="text" value="£1,000"/> per unit		£9,000
2.7.3	CIL			<input type="text" value="£0"/> per sq.m		£0
2.7.4	Landscape management			<input type="text" value="£0"/> per unit		£0
						£9,000
2.8	Sale cost					
2.8.1	Legals -			<input type="text" value="£500"/>		£4,500
2.8.2	Sales agents fee -			<input type="text" value="1.25%"/>		£30,902
2.8.3	Marketing cost -			<input type="text" value="£1,000"/> per unit		£9,000
						£44,402
						£1,991,160
3.0	Developers' Profit					
3.1	Calculated as a percentage of total development costs			Rate		
				<input type="text" value="20%"/>		£398,232
						£398,232
						£2,389,392
						£82,728
4.00	Finance Costs			APR	PCM	
				<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>	-£82,728
						TOTAL PROJECT COSTS [INCLUDING INTEREST]

ITEM						
Net Site Area	<input type="text" value="0.08"/>					£5,336,780 per ha
Mix	<input type="text" value="2"/>					
Yield	<input type="text" value="5"/>	Private		Affordable		
		3.00		2.00		
1.0	Development Value					
Value Zone	2					
1.1	Private Units		No. of units	Size sq.m	Total sq.m	£psm
	Apartment Houses		5	67	336	£3,488
			0	90	0	£3,052
			5		336	
						Total Value
						£1,171,096
						£0
1.2	Affordable unit		No. of units	Size sq.m		£psm
	Apartment Houses		0	67	0	£1,334
			0	90	0	£1,334
			0		0	
						Total Value
						£0
						£0
			5		336	
						£1,171,096
2.0	Development Cost					
2.1	Site Acquisition					
2.1.1	Site Value					£430,994
						Less Purchaser Costs
						4.75%
						£410,522
2.3	Build Costs					
2.3.1	Private units		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment Houses		5	79	£1,144	£451,880.00
			0	0	£970	£0.00
			5			
2.3.2	Affordable unit		No. of units	Size sq.m	Cost per sq.m	Total Costs
	Apartment Houses		0	79	£1,144	£0.00
			0	0	£970	£0.00
			0			
			5	395		£451,880
2.4	Externals					
2.4.1	Plot external			10%		£45,188
2.4.2				£0 per ha		£0
2.4.3	Energy			£3,000 per unit		£15,000
2.4.4	Lifetime homes			£0 per unit		£0
						£60,188
2.5	Professional Fees					
2.5.1	as percentage of build costs		<input type="text" value="8%"/>			£39,765
						£39,765
2.6	Contingency					
2.6.1	Based upon percentage of construction costs		<input type="text" value="5%"/>			£22,594
						£22,594
2.7	Developer contributions					
2.7.1	SANGS		<input type="text" value="£0"/>	per unit		£0
2.7.2	S.106		<input type="text" value="£1,000"/>	per unit		£5,000
2.7.3	CIL		<input type="text" value="£0"/>	per sq.m		£0
2.7.4	Landscape management		<input type="text" value="£0"/>	per unit		£0
						£5,000
2.8	Sale cost					
2.8.1	Legals -		<input type="text" value="£500"/>			£2,500
2.8.2	Sales agents fee -		<input type="text" value="1.25%"/>			£14,639
2.8.3	Marketing cost -		<input type="text" value="£1,000"/>	per unit		£5,000
						£22,139
						£1,032,560
3.0	Developers' Profit					
3.1	Calculated as a percentage of total development costs		Rate			£206,512
			<input type="text" value="20%"/>			
						£206,512
						£1,239,072
						-£67,976
4.00	Finance Costs		APR		PCM	
			<input type="text" value="7.00%"/>		<input type="text" value="0.565%"/>	-£35,280
						TOTAL PROJECT COSTS [INCLUDING INTEREST]