



Development Management Plan (Regulation 19 Stage) Viability Report

January 2018

Updated May 2018

<u>List of updates between Reg 19 Publication version and Submission</u>	
<u>Paragraph 3.46 and 3.47</u>	<u>Updated to refer to draft national policy issued for consultation between Jan 2018 and submission.</u>
<u>Paragraph 3.51</u>	<u>Updated to reflect Submission DMP Policy DES6 to seek 10% equivalent contribution from small sites reflecting findings of the Viability Assessments and worked examples.</u>
<u>Paragraph 4.5 and 4.6</u>	<u>Updated to reflect Submission DMP Policy DES6 to seek 10% equivalent contribution from small sites reflecting findings of the Viability Assessments and worked examples, equivalent to approximately £180/sqm.</u>
<u>Annex 3</u>	<u>Title of site allocation appraisal EMR2/3 Land West of Copyhold Works and former Copyhold Works corrected. (Publication version had erroneously titled it ERM1 – Hillsbrow)</u>

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1. Introduction and Background

- 1.1. The Council has prepared its (Regulation 19, publication) Development Management Plan, which includes the site allocations and detailed policies needed to deliver the [2014 Reigate and Banstead Core Strategy](#). Over the remaining years to the end of the Core Strategy (CS) and **Development Management Plan (DMP)** period in 2027, new dwellings are expected to be built on a variety of sites. These include sites that already have planning permission, such as the North West sector of Horley / Westvale development; other sites with planning permission; sites in towns and on edge-of-town to be allocated for development by the DMP; and other unidentified urban “windfall” developments. Both of these Plans are Local Plans (effectively Part 1 “strategic” and Part 2 “detailed”), and together with [Surrey Waste and Minerals Development Plan Documents](#), constitute the borough’s Development Plan.
- 1.2. Before the Council can adopt the DMP, the Plan must pass through several tests for Local Plans, as set out in the [National Planning Policy Framework \(NPPF\)](#) 2012 (paragraph 182). An independent government inspector examining the submitted DMP must find that amongst other requirements, the plan is “**effective**”, i.e. that it is “**deliverable**” over its period. In order to be “deliverable”, 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.
- 1.3. To this end, the Council has assessed the sites proposed for allocation by the DMP, and the key types of sites that it anticipates will deliver the majority of the new housing in the borough. The purpose of this Report is to summarise the strategic-level assessment of development viability of development across the borough for the period of the DMP, to 2027.
- 1.4. The viability assessment of the draft Development Management Plan is based on the methodology of previous development viability studies undertaken by the Council to test the viability of development. The most recent of these was the Reigate and Banstead [Community Infrastructure Levy Revised Viability Report, March 2015](#) which was prepared to inform the Community Infrastructure Levy (CIL) draft Charging Schedule, and resulted in the adoption in April 2016 of the CIL for the borough. It considered the viability of proposed CIL rates, alongside the adopted Core Strategy policies. The adopted CIL rates have been included in this viability assessment of the DMP.
- 1.5. This Assessment also takes account of the viability work and conclusions of the [DMP Housing Standards Justification, June 2016](#). The Housing Standards Justification report considered the impact on viability of introducing in the

borough a policy requiring compliance with nationally prescribed space standards, amongst other policy standards. Although various policy requirements, including the Core Strategy policies, have already been tested, they need to be tested again together to consider their cumulative impact.

- 1.6. The [CIL Viability Assessment Report, June 2012](#) considered suitable rates for the Community infrastructure Levy preliminary draft charging schedule. The ["Local Development Framework: Affordable Housing Viability Assessment 2011/12 Update" March 2012](#), was prepared for Reigate and Banstead Borough Council by Dixon Searle LLP to review and update the Council's evidence on affordable housing viability for the Core Strategy.
- 1.7. As a strategic level assessment of the viability of the Development Management Plan, it is important to note that the site development appraisals undertaken to inform this Study are not formal "Red Book" valuations and should not be relied upon as such. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report for such purposes.

2. National Policy and Guidance

- 2.1. This section considers current national planning policy and guidance relating to viability testing of Local Plans.

A. National Planning Policy

- 2.2. As summarised in Section 1, Local Plans must be “deliverable” in order to be “effective”. National policy ([NPPF](#)) specifies that 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 NPPF (paragraph 173) states that to ensure viability of planned developments, the *costs of any requirements* likely to be applied to development, such as affordable housing, standards, and infrastructure contributions, should *when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer* to enable the development to be deliverable.
- 2.3. National policy requires that local planning authorities set out their standards, including for affordable housing, in their Local Plan. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, guidance and policies. 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.

B. National Planning Guidance

- 2.4. The national [online Planning Practice Guidance \(PPG\)](#) includes a helpful section regarding considering viability in plan making. Understanding Local Plan viability is critical to the overall assessment of deliverability.
- 2.5. Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable; site typologies may be used to determine viability at policy level. Assessment of samples of sites may be helpful to support evidence and more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies. ([Reference ID: 10-006-20140306](#)).
- 2.6. Guidance advises that cumulative cost of national and local standards, local policies and the Community Infrastructure Levy, should be considered alongside the likely cost of section 106 planning obligations and section 278

agreements for highways works. Considered together, they should not cause development types or strategic sites to be unviable. ([Reference ID: 10-007-20140306](#))

- 2.7. Evidence should be proportionate to ensure plans are underpinned by a broad understanding of viability. Greater detail may be necessary in areas of known marginal viability, or where the evidence suggests that viability might be an issue – for example in relation to policies for strategic sites which require high infrastructure investment.
- 2.8. The assessments underpinning and summarised in this Report have taken into account the policy costs of complying with Core Strategy and DMP (draft Regulation 19) policies, including crucially the Council's proposed new affordable housing policy, which is often a key cost to developers. This is a "Policy-on" approach. If necessary, emerging draft policies may be adjusted to improve development viability.
- 2.9. The NPPG advises that assessment of land or site value is central to the consideration of viability ([Reference ID:10-023-20140306](#)). In all cases, land or site value should reflect policy requirements and planning obligations and any Community Infrastructure Charge. This is essential in order that the costs of gaining planning permission (which will result in an uplift of the land value) have been taken into account in the sales price, and potential development land for sale is not therefore overvalued. Whilst the NPPF (Paragraph 173) defines "viability", there is no statutory formula or guidance on how to establish the land value needed to assess viability.
- 2.10. Various organisations have published professional guidance and reports to facilitate local plan viability assessment. These include the Royal Institute of Chartered Surveyors (RICS) "[Financial Viability in Planning](#)" (August 2012), the Homes and Communities Agency (HCA) and the Local Housing Delivery Group (Harman Report). Although some of this guidance is contradictory or ambiguous, the Council has considered in particular the advice in the Harman Report (June 2012), with reference to the RICS Guidance for calculating Threshold (Benchmark) Land Values. Further detail is provided in Section 3.

C. Other Guidance

- 2.11. The broad methodology for this strategic-level assessment has been based on the [Harman Report "Viability testing Local Plans: Advice for planning practitioners"](#), June 2012. The assessment methodology followed the steps set out in this guidance. The advice in the Harman report comes from the Home Builders Federation, the Local Government Association, house builders and

local government representatives.

- 2.12. This viability work has also been constructively reviewed by a “critical friend”, Aspinal Verdi, a firm of chartered surveyors and planners employed by the Council to provide professional guidance on the draft DMP viability assessment work. In September 2017 they provided comments on the Council’s draft input assumptions, policy costs and type of sites to test. These have been taken into account in the viability assessments. Comments on theoretical appraisals and further comments on some of the inputs were provided in December 2017. Where these have not been addressed in these appraisals (due to the DMP Regulation 19 timescale), they can be addressed where necessary in updated viability appraisals and report carried out prior to submission of the DMP for independent examination.
- 2.13. Additionally, a local agent has provided a high-level sense check of the Threshold Land Values used and found the approach to be reasonable.

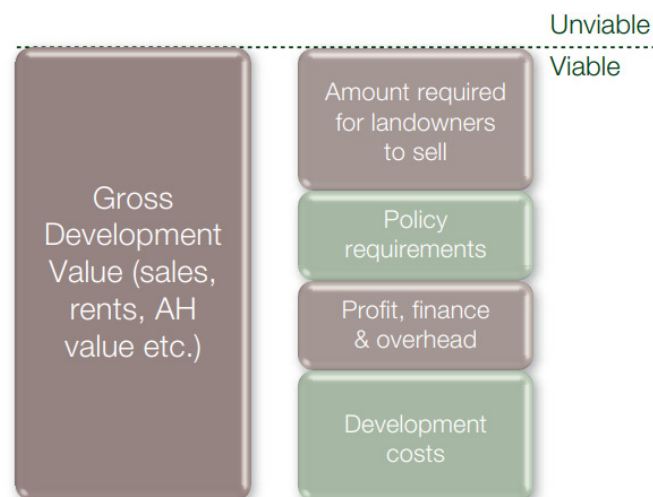
3. Assessment Methodology

A. Appraisal methodologies

- 3.1. The viability testing of the Development Management Plan involved high level testing of a range of theoretical development schemes types and site allocation sites using the residual land valuation methodology. The key elements of the **residual land valuation method** are set out in Figure 1.

Figure 1 Principles of a Local Plan site viability assessment

Source: Harman Report, June 2012, Viability Testing Local Plans – Advice for Planning Practitioners



- 3.2. Specifically, this methodology deducts the costs of the development (including developer's profit and policy compliance) from the Gross Development Value (GDV) to derive a "residual land value". The resulting residual land value (the amount theoretically remaining to pay for the land) is then compared against a Threshold (Benchmark) Land Value, i.e. the amount required for a typical willing landowner to sell land for development.
- 3.3. The resulting surplus or shortfall will determine whether a Local Plan theoretical or allocation development site is viable or not. A development is typically deemed to be viable if the residual land value is equal to or higher than the Threshold (Benchmark) Land Value. This is the methodology recommended by the 2012 Harman Report for testing the viability of plan policies.
- 3.4. Although the RICS 2012 Guidance Report does not specify a prescriptive tool or financial model, it does recognise that it is accepted practice to use a residual valuation model as the appraisal framework. It also emphasises the importance of using market evidence as the best indicator of the behaviour of

willing buyers and sellers in the market.

- 3.5. As set out in Section 2.6, in assessing the viability of the proposed Local Plan (DMP) for the borough, we are not required to test every site that may be developed in the plan period. National guidance ([NPPG Reference ID:10-006-20140306](#)) advises that “site typologies” may be used to determine viability at policy level. For key areas, particularly areas of known marginal viability, and for key strategic sites which require high infrastructure investment, and on which the plan relies, greater detail may be necessary than for the theoretical typologies used to test the viability of policies.
- 3.6. This viability testing used a simple residual land valuation method for all the theoretical scheme type listed in Figure 3 and for the smaller (under 100 dwellings) site allocation schemes. The Homes and Communities Agency (HCA)’s Development Appraisal Tool (DAT) was used to assess the larger sites proposed for allocation. This discounted cash flow model was adopted for the larger site allocations to ensure that the phasing of delivery of these larger sites is reflected in the timing of payments / incomes and finance that would be spread over a longer over a longer period. Site ERM5 allocated for 95 dwellings was tested using both tools due to its residential capacity.
- 3.7. Whilst property markets are inherently cyclical and appraisals of this nature are to an extent sensitive to inputs, the variables used in the study are underpinned by local research or by following industry standards. The results can therefore be considered a reasonable and realistic assessment of the viability characteristics of development in Reigate and Banstead.

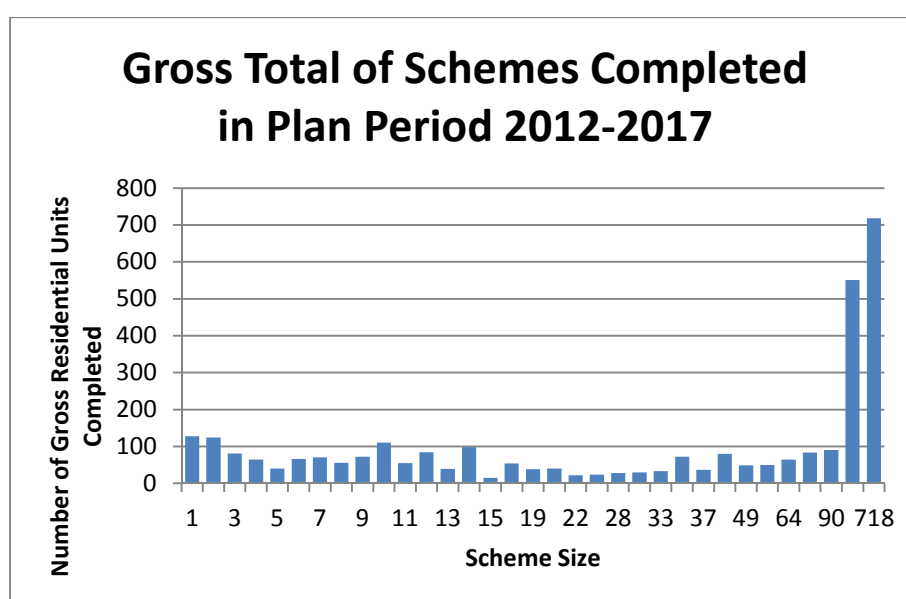
B. Consideration of types of sites for testing

- 3.8. The viability appraisals that inform this Report have focused on residential use, as crucial to delivering the DMP, along with a strategic employment allocation site which is crucial to delivering the DMP’s employment needs. National policy guidance ([Reference ID: 10-006-20140306](#)) advises that “*assessing the viability plans does not require individual testing of every site or assurance that individual sites are viable*”. Site typologies may be used to determine viability at policy level. In accordance with the national guidance, a range of theoretical scheme typologies (set out in Figure 3 below) have therefore been selected for testing. These are in various locations across the borough, and are of different site sizes, types, size, and density of housing, reflecting their locations and size.
- 3.9. The theoretical schemes were derived with reference to both past and future anticipated development patterns. With regards to housing delivery patterns in

the recent past, analysis was undertaken of new dwellings built in the borough over the last 5 years, since the start of the Core Strategy plan period (2012). This shows a fairly even variety of development site sizes, with the largest sites reflecting North East (The Acres) and North West (Westvale) Horley urban extension developments. Delivery of the approved Westvale development is anticipated to continue through the remainder of the CS plan period to 2027.

Figure 2: Number of dwellings completed in the borough by scheme size (2012 – 2017)

Source: RBBC analysis



3.10. With regards future housing delivery, the sites in the [Council's Strategic Housing Land Availability Assessment \(SHLAA\) 2014 and 2016 update and the draft Housing and Employment Land Availability Assessment \(HELAA\) and Brownfield Land Register \(BLR\) site lists](#) were considered. These reflect the range of developments anticipated (though the SHLAA and HELAA assessment processes) to come forward in the area to the end of the plan period in 2027, and includes those important to the delivery of the DMP (as they have informed the DMP Housing Trajectory; DMP Annex 7). These theoretical sites were cross-checked against historic housing delivery trends within the borough from housing completions data since 2012, which informs the [annual Housing Monitor](#).

3.11. Each theoretical scheme type was tested at the "Value Level Point" area in which it is likely to be found. For example, dense small flatted developments were appropriate to test at town centre Value Level Point (VL1) but not at VL2b (greenfield sustainable urban extensions), as they are most unlikely to be developed there. Likewise, a scheme of 15 houses was not tests at VL1, as it is not a type of scheme likely to be developed in such a location.

- 3.12. The Value Levels were derived from previous Council viability studies, from the Council's [2012 Affordable Housing Viability Study](#) undertaken for the Council by Dixon Searle, for the revised (Proposed Submission) Core Strategy; and from the [Community Infrastructure Levy Viability Report, March 2015](#). The 2012 Study included six Value Levels into which geographical areas and / or "levels of specification" (such as "upper end values", "typical values" were divided. The 2015 Viability Study simplified these into four Value Levels, with 2 and 3 being the lower and higher end sales values of the same geographic areas.
- 3.13. This DMP Viability Assessment utilises the same three geographic Value Levels (for sales values) with an additional Value Level (2b: Sustainable Urban Extensions) included for Threshold Land Values for the greenfield urban extension sites. The four Value Levels are as set out in Figure 4 ("Threshold Land Values").

Figure 3: Theoretical residential typologies tested and densities tested

Source: RBBC

Number of units	Value Level Area 1 Redhill and Horley town centres	Value Level Area 2b Redhill and Horley (excluding town centres), Merstham, Earlswood, Woodhatch	Value Level Area 3 Banstead, Chipstead, Tadworth, Kingswood, Reigate
1 house	N/A	30	30
3 house	N/A	30	30
7 house	N/A	30	30
10 house	N/A	35	35
11 house	N/A	35	35
14 house	N/A	35	35
15 house	N/A	35	35
25 house	N/A	35	35
25 mixed	N/A	40	40
50 mixed	N/A	40	40
7 flats	125	80	80
10 flats	125	90	90
11 flats	125	90	90
15 flats	125	90	90
20 flats	NA	90	90
20 flats (town centre density)	125	N/A	N/A
50 flats (town centre density)	150	N/A	N/A

C. Inputs and assumptions

- 3.14. A useful start point for the assumptions and inputs for this high-level Local Plan viability assessment was a review of previous local Council viability studies produced by (or on behalf of) the Council. This has helped to establish the inputs and assumptions for these DMP appraisals. As markets and values are fluid, analysis in older studies has been revised by and supplemented with up to date information where available.
- 3.15. As undertaken only two years ago, the starting point for considering the inputs and assumptions (other than the DMP policy requirements and the CIL rates) were those that informed the 2016 CIL Revised Viability Report. Those inputs and assumptions were scrutinised at the time by [Aspinal Verdi](#), by the development industry (including Savills for Housebuilder Consortium/Quad for Berkeley), and by an independent Inspector at the examination of the CIL Draft Charging Schedule in 2015. These assumptions are set out in the [Community Infrastructure levy \(CIL\) Revised Viability Assessment Report and Appendices \(March 2015\)](#).
- 3.16. Inputs to the viability appraisals (listed in Figure 4) include all the development costs recommended by national planning guidance (Paragraph: 013 Reference ID: 10-013-20140306) for area-wide viability assessments. These are stated as including:
- build costs based on appropriate data, for example that of the Building Cost Information Service (BICS);
 - known abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or historic costs associated with brownfield, phased or complex sites;
 - infrastructure costs, which might include roads, sustainable drainage systems, and other green infrastructure, connection to utilities and decentralised energy, and provision of social and cultural infrastructure;
 - the potential cumulative costs of emerging policy requirements and standards, emerging planning obligations policy and Community Infrastructure Levy charges;
 - general finance costs including those incurred through loans; and
 - professional, project management, sales and legal costs
- 3.17. The key considerations set out in Appendix B of the Harman Report were also considered. These are:
- Net developable area versus gross site area (approximately 50% but can be as low as 30% on large sites), so that housing density is based on fully serviced land value per net developable area;
 - Strategic infrastructure and utility costs

- The impact of cashflow;
- Costs of promoting schemes and associated fees;
- Return on development and overheads: Assumption will need to be made about the average level of developer overhead and profit (before interest and tax). The level of overhead will differ according to the size of the developer, the nature and scale of the development and the extent of services which a developer provides in-house, and are typically 5% - 10% of Gross Development Value, with only the very largest housing developers operating near the lower end of the scale.
- A 'normal' level of developers' profit margin can be determined from market evidence of land transactions, and should have regard to the banks' requirement for existence of an adequate profit margin in order to lend, proportionate to the project risks and the level of capital to be employed.
Project risk is a function of the strength of the housing market within the given area, the size of the scheme and the extent of any abnormal and unpredictable costs

3.18. As summarised at Paragraph 1.1, the DMP includes a variety of sites to deliver the remainder of the Core Strategy housing requirement to 2027 (the end date of the plan period of both CS and the DMP). As set out in the DMP Housing Trajectory (DMP Annex 7), housing delivery in the first 5 years of the DMP (2017 to 2022) is anticipated to be predominantly on sites with existing planning permission, urban areas including town centres (including a few urban site allocations). The majority of urban sites allocations and all of the Sustainable Urban Extensions are anticipated to be delivered in the second 5- year period (2022-2027). North West Horley development (which has permission and has already started on site) and windfall sites are anticipated to continue delivering housing throughout the years 2017-2027.

3.19. The 2012 Harman Report (page 26) recommends that the assumptions made vary differ over the short, medium and long term. For the first five years of the plan, the assumption of current costs, values and other inputs is suitable. This is due to the national policy requirement (NPPF, paragraph 47, footnote 11) for Local Plans to identify "deliverable" sites for the first five year period:

"Sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable."

3.20. The use of current costs and values for the first five years avoids introducing additional potentially misplaced assumptions about change over years 1-5. The assumptions made therefore reflect the economic realities at the time the plan is prepared and adopted, and provide greater certainty for planners, developers and communities.

- 3.21. For sites coming forward after the first five years of the plan, the Harman Report suggests that a more flexible approach is taken, recognising the impact of economic and policy changes over time. National policy requires planning authorities to ensure that for sites coming forward after the first five years of the plan there should be a reasonable prospect that the sites are available and could be viably developed at the point envisaged. Some assumptions of likely future costs and values have therefore had to be made. The Harman report provides further advice on predicting changes to key assumptions over the longer plan period.
- 3.22. As recommended by national policy (NPPF para 174), evidence supporting the assessment of Local Plan viability should be proportionate, and should use only appropriate available evidence. National guidance ([PPG Reference ID: 10-005-20140306](#)) expands on this to advise that greater detail may be necessary in areas of known marginal viability or where the evidence suggests that viability might be an issue, for example in relation to policies for strategic sites which require high infrastructure investment. This includes assessment of affordable housing and local standards requirements, as well as infrastructure needed to support planned development and to make it acceptable.

Figure 4: Viability Appraisal Inputs and Assumptions

Source : RBBC research supplemented by Aspinal Verdi advice

Assumption	Detail	Source
Open Market Sales Values (£/m2) average for all property sizes by location Detail of sales values by property size / type is provided in the Market Assessment at Annex 2	Value Level 1 Area Redhill and Horley Town Centre £4,000	Based on Land Registry new build sales achieved 2016 and 2017Q1 Further detail, including calculations is provided in Annex 2: Market Analysis
	Value Level 2 Area (equal to VL 2 & 3 in 2015 CIL Viability Study) Redhill and Horley (excluding town centres), Merstham, Earlswood, Woodhatch, and greenfield Sustainable Urban Extensions £4,500	
	Value Level 3 (equal to VL4 in 2015 CIL Viability Study) Banstead, Chipstead, Tadworth, Kingswood, Reigate £5,000	
Densities	1 - 7 house schemes = 30dph	See Figure 3 above

Assumption	Detail		Source
	10 – 25 house schemes = 35dph		<p>Historic housing completions from the annual Housing Monitor 2017, except for sustainable urban extension, for which lower densities have been assumed, reflecting their location between the existing built-up towns and open countryside.</p> <p>The annual Housing Monitor 2017 includes details of recent completions. A conservative approach has been taken to densities, based on historic housing completions in the borough.</p> <p>The densities used reflect the variation of densities in different parts of the borough, for example the higher densities historically delivered in the town centres, as well as effect of scheme size, the character of the surrounding area, the size and shape of the site, and other local plan policies, including housing mix requirements.</p>
	Schemes of 25 and 50 mixed houses and flats = 40		
	Schemes of 15 and 20 flats = 90dph		
	Town Centre schemes of 20 and 50 flats = 125dph		
	<p>Urban extension schemes = 24dph (net developable area) This takes account of the likely design requirements and need for a sensitive transition to surrounding countryside.</p> <p>Retirement Housing scheme of 30 flats at 80dph</p>		
Unit sizes	Value Levels 1 and 2	Value Level 3	<p>Based on average floorspace data from new build completions (2011-2016, as reported in RBBC Housing Standards Justification, June 2016) except for property sizes where a relative high % of completions were below the nationally prescribed space standards to be introduced by DMP Policy DES4 (i.e. 2- and 3-bedroom houses)</p>
	1-bed flat = 50m ²	1-bed flat = 58m ²	
	2-bed flat = 70 m ²	2-bed flat = 75 m ²	
	3-bed flat = 85m ²	3-bed flat = 100m ²	
	3-bed house = 95m ²	3-bed house = 100 m ²	
	4-bed house = 135 m ²	4-bed house = 155 m ²	
	5-bed house = 170 m ²	5-bed house = 230 m ²	
	Retirement / sheltered housing : (split half 1-bed and half 2-bed) 1 bed: 60 m ²		

Assumption	Detail			Source
	2 bed: 80 m ²			
Build Costs	Type	£/m ²	Externals works(and opening-up costs for greenfield urban extension sites)	BCIS Online Costs (Median rebased for Reigate and Banstead borough) 2017. Costs do not include externals, which are quoted separately.
	Housing scheme under 10 units	1,472	10%	Urban extensions to include both houses and flats (so build cost is a combination of both).
	Housing scheme 10 or more units	1,280	10%	An additional per plot allowance of £10,000 (additional to the 12.5% allowance for landscaping, etc.) is also factored into urban extensions
	Urban Extensions	1,280	12.5% (+£10,000 per plot)	Opening up cost works such as utilities, land preparation, sustainable urban drainage systems (SuDS) and spine roads.
	Flatted schemes (1-5 storey) under 50 units	1,430	10%	Varies according to the type and characteristics of each site.
	Flatted schemes (1-5 storey) over 50 units	1,498	10%	Opening up costs vary but generally increase as schemes get bigger up to a point, after which the developer will benefit from economies of scale in opening costs per property.
	Retirement / sheltered housing	1,605		
	Assisted living / Extra care housing	1,701		
	Offices (air conditioned; 3-5 storey)	2,460		
	Shops (generally)	1,916		
Site preparation costs (demolition / clearance)	£50,00 per hectare			
Abnormals	Urban extension schemes up to 150 units : £20,000 per net developable hectare			
	Urban extension schemes between 151 - 300 units : £25,000 per net developable hectare			
Timescales: Pre-construction period	6 months			
Build Rate	1 house = 12 months 10 flats = 12 months 25 dwellings (mixed) = 16 months 30 retirement flats =			

Assumption	Detail		Source
	50 dwellings (mixed) = 27 months		
	Flats: 6 units / month		
Sales rate (units / month)	Development type	Sales period post construction (in months)	
	2 houses	2	
	8 houses	4	
	12 houses	6	
	8 flats	4	
	12 flats	4	
	25 dwellings (mixed)	6	
	50 dwellings (mixed)	17	
	50 flats (TC)	5 months	
	75 flats	12	
	100 houses	18	
Contingency	7.5% for Urban Extension Sites schemes over 100 units (5% for smaller developments)		
Sales Costs & Fees	<ul style="list-style-type: none">Legal Fees assumed at 0.5 of GDV on market dwellings;Agents' fees assumed to be 1.50% of GDV;Surveyors fees assumed at 1%Marketing costs for market dwellings (e.g. show home, brochures, etc) assumed to be a further 1.5%		
Stamp Duty Land Tax	As per prevailing rate set by HMRC		Stamp Duty Land Tax is payable by a developer when acquiring development land.
Professional fees	10% of build costs		
Finance (Borrowing) costs	6.5%		This typical rate accounts for cost of borrowing
Sales fee, including marketing	Urban schemes and smaller urban extensions	Agency fees = 1.25% £500 per unit marketing allowance; £1,000 per unit legal costs.	The GDV of open market housing units must reflect the additional sales cost assumptions relating to the disposing of the completed residential units. This includes legal, agents and marketing fees.
	Urban extensions over 100 units	Agency fees = 1.25%, Marketing costs = 0.75%; £1,000 per unit legal costs.	
Profit	Assumed at 17.5% of open market sales GDV		Based on development appraisals submitted to the Council for Development Management purposes. The lower profit from affordable housing reflects the lower risks to the
	Assumed at 6% of affordable housing GDV		

Assumption	Detail		Source
			private developer
Affordable Housing	Urban schemes of 11 (gross) units or more tested at 30% on-site		
	Greenfield urban extension sites tested at 30%; 35%; and 40%		
	All urban schemes of 1 - 10 (gross) units excluding replacement dwellings tested with no AH contribution		
	DMP Policy DES6 requires financial contribution equivalent to 210% provision from these sites		
	Tenure Mix : 60% rented and 40% other affordable housing tenures. Where the affordable dwellings are provided on site, 10% of all dwellings on the site should be affordable home ownership products		
Affordable Housing Transfer Values	Affordable Rented housing = 55% of open market value (OMV) and Intermediate / Shared ownership housing = 70% of OMV		Based on viability assessments submitted with planning applications (including rents which RPs could achieve locally) and advice from RBBC's Housing Services.
Site-specific S106 and S278 Financial Contribution assumption (per unit)	Greenfield urban extensions at £10,000 per dwelling		
	All other sites = £500 / Zero		
Community Infrastructure Levy (CIL)	CIL residential zone 1: Redhill and Horley Town Centres	Zero	The CIL rates used are those effective from 1 April 2016 (without Index-linking).
	Lower value market areas		
	CIL residential zone 2: Banstead, Nork, Epsom Downs, Preston, Tadworth, Chipstead, Burgh Heath, Kingswood, Reigate	£140/ sqm	The viability of these CIL rates alongside the Core Strategy policy costs was tested at the CIL Examination in late 2015 (summarised in CIL Revised Viability Assessment, March 2015, and CIL Examiners' Report December 2015).
	CIL residential zone 3 : Redhill excluding town centre, South Earlswood, Salfords, Horley)	£80/sqm	
			Further commentary is provided in Section 3e) below

Assumption	Detail		Source
	CIL residential zone 4: Locations outside of existing urban areas; includes Sustainable Urban Extensions (SUEs)	£200/sqm	
Threshold (Benchmark) Land Values	VL1 (Redhill and Horley town centre) £4,464,000 / net developable hectare		Section 3k) below provides detail of how these were calculated
	VL2a Redhill and Horley (excluding town centres), Merstham, Earlswood, Woodhatch) £4,387,500/ net developable hectare		
	VL2b greenfield Sustainable Urban Extensions £1,040,000 / net developable hectare		
	VL3 Banstead, Chipstead, Tadworth, Kingswood, Reigate £5,184,000 / net developable hectare		
Site-Specific HOR9 : Horley Strategic Business Park			Source
Site area (gross)	31 ha		
Town park	5ha		
Development Mix			Site allocation
	B1a Office (with some B1b and B1c)	205,000sqm (85% gross to net)	
	A1 convenience	1,000sqm (75% gross to net)	
	A3 food and drink	1,000 (75% gross to net)	
	Gym (mid-market)	2,000sqm (100% gross to net)	
	Crèche	1,500sqm (100% gross to net)	
	Hotel (mid-scale)	3,510sqm (65% gross to net)	
Construction costs	Grade A air-conditioned offices (2-5 storey)	£2,460/sqm	BCIS Online Costs (Median rebased for Reigate and Banstead borough) 2017 For gym/crèche/retail, the BCIS for mixed
	Gym	£1,115/sqm	
	Crèche	£1,115/sqm	
	Retail (convenience)	£1,115/sqm	
	Hotel	£2,363/sqm	

Assumption	Detail		Source
			commercial developments has been adopted.
External works	Opening up costs (e.g. servicing, utilities, flood mitigation, major site infrastructure and roads)	5% of build costs	
	Other (inc. landscaping, town park, public realm works and car parking (inc. multi-storey))	10% of build costs	
	Access spur road from the M23 J9a roundabout	£20m	Assume wholly funded by developer; however, grant subsidy may be available through LEP
Abnormals	£150,000/ha		
Professional fees	10% of build costs		
Fees	16,054,117		
Contingency	7.5%		
Letting costs	10% of annual rental income		
Land purchase/asset disposal costs	Agents fees = 1% Legal fees = 0.75% Stamp Duty Land Tax at prevailing rate set by HMRC		
Finance costs	Interest	6.5% on debit 2.5% on credit	
	Arrangement fee	1% of loan value (i.e. development costs)	
Planning obligations / S106 Costs	£17,500,000 (payments/in kind works in five tranches through the development including £10m up front)		
Existing Land Value	£35,000/ha, equalised across the whole site		
Office Valuation	Office rents	£350/sqm	
	Office yields	5.25%	
	Rent-free period	10 months	
	Rental take-up / annum	15,000-20,000sqm / annum	
Retail valuation	Retail rents	£225/sqm (A1 retail) £180/sqm (A3)	
	Retail yields	6.75%	
	Rent free period	12 months	
Leisure valuation (crèche/gym)	Rent	£130/sqm	
	Leisure yields	6.50%	
	Rent free period	12 months	
Hotel valuation	Hotel rents	£5,250 per room	
	Hotel yield	5.5%	
	Rent free period	6 months	

a) Sales Values

3.23. Open market sales values were derived from Land Registry records of all market new build sales in the borough between 2016 and 2017 Q2. This period

was selected for analysis so that it did not include those new dwellings that informed the 2015 CIL Viability Study. The sales values were grouped by Value Level Area (1, 2 and 3), and by number of bedrooms in each dwelling (1-bed flat, 2-bed flat, 2-bed house, 3-bed house, etc.), and the floorspace (in sqm) was added from data provided in the planning application. The mean average sales value was then calculated for each size and type of dwelling.

- 3.24. The mean average sales value per sqm for each property size / type was compared to the overall mean average value per sqm (an average of all property sizes) to ensure the overall average for each Value Point was a reasonable reflection. With the exception of the highest value areas of the borough, flats generally had slightly higher sales values / sqm than larger houses.
- 3.25. These averaged observed sales values were rounded down for each Value Point Area to provide a cautious input to the development appraisal. The actual Land Registry sales records show that many properties exceeded these averages, some by a considerably amount. The mean average open market sales value for all property sizes in Value Level area 1 (Redhill and Horley town centres) over that period was £4,000; for Value Level area 2 (Redhill and Horley excluding their town centres, Merstham, Earlswood, Woodhatch, and Salfords) is £4,500; and for Value Level area 3 (Banstead, Chipstead, Tadworth, Kingswood, Reigate) is £5,000).the average sales value
- 3.26. This Land Registry data provides data of what the market has paid for different new-build dwellings. This was supplemented by information from Zoopla website (sales between September 2016 and September 2017). For Redhill and Horley, the average residential sales value for all property types was £4,226 and £3,943 respectively. For Banstead and Reigate, these figures were £4,972 and £5,168 respectively. The Zoopla data is considered to endorse the calculated mean average sales values from the Land Registry data. Details of calculated mean average sales values from Land Registry data by property size, and Zoopla data by town are provided in Annex 2 “Market Analysis”. The appraisals did not include an allowance for ground rents on flatted schemes. Local ground rents are typically £250 – 350 per flat, depending on size of the flat, capitalised at 5% yield as an investment. Inclusion of ground rents in the appraisals (particularly prevalent in Value Level 1 Town Centre schemes) would result in improvement top the viability of such development schemes.

b) Gross / Net site area and site density

- 3.27. Residential density assumptions (dwellings per net hectare) have been based on Council's monitoring data of residential developments completed in the borough. Densities of completed developments vary widely across the borough,

reflecting the character of the surrounding area; the size and shape of the site; the type, size and mix of dwellings on the site; and the accessibility of the site.

- 3.28. Recorded densities vary from less than 40dph predominantly in Banstead and North East and North West Horley sector urban extensions, to over 100dph in Redhill and Horley town centres. For example, monitoring data shows that sites within Horley and Redhill town centre have tended to be developed at much higher densities than elsewhere in the borough, which reflects the smaller size of the dwellings, which are predominantly flats. Densities for sustainable urban extensions densities are assumed at 24dph, based on North East and North West Horley sectors. This takes account of the likely design requirements, and need for a sensitive transition to surrounding countryside.
- 3.29. As referred to above, residential development densities are also dependent on, and interrelated with dwelling mix and size. DPM Policies DES4 “Housing Mix” and DES5 “Delivering High Quality Homes”, which introduces a requirement to comply with nationally prescribed space standards for the borough, have therefore been considered to ensure that the housing density is appropriate for each Value Level area of the borough.

c) Developer Profit

- 3.30. A developer's profit is the “competitive return” that a private developer would expect to achieve. A developers' profit of 17.5% on GDV for open market dwelling sales, and 6% on affordable dwellings was assumed. These have been based on examples of development appraisals submitted to the Council for Development Management purposes. The lower profit from affordable housing reflects the lower risks to the private developer providing affordable housing on a nil grant basis.

d) Development costs: Construction Costs and Contingencies

- 3.31. Residential build costs are based on actual tender prices for new build developments sampled over a 15 year period from the Build Cost Information Service (BICS), published by the Royal Institution of Chartered Surveyors (RICS). The median BICS on-line costs for different development uses and types, rebased for Reigate and Banstead were used. For HOR9 (Strategic Business Park Allocation), a profit of 15% on GDV for the commercial property was adopted.
- 3.32. Whilst BICS-online costs for residential developments vary with type of housing, e.g. detached, terraced, number of storeys in flatted blocks, they do specifically vary with scheme size (although the number of storeys of flatted developments often relates to scheme size). However, many small

developments are not able to achieve the economies of scale of larger developments, so their construction costs may be higher. [BICS "Housing development : the economics of small sites - the effect of project size on the cost of housing construction", August 2015](#), recognises this, and reports that in South East England "the build cost expressed in pounds per square metre (£/m²) for all residential-only schemes of up to 10 units is on average 14% higher. The appraisals therefore use BICS build costs uplifted by 14% for flatted developments of 10 or less flats.

- 3.33. The BICS construction costs do not include costs of external works, fees, finance, VAT, costs, which have been considered separately. External works within the site curtilage include costs such as gardens, landscaping, car parking spaces, and minor access roads. An additional allowance of between 7.5% and 12.5% (for flatted schemes under 50 units and sustainable urban extension schemes respectively) has therefore been added to each scheme-type to account for these external works.
- 3.34. An allowance for contingencies has been added to reflect the risk of unknown additional expenses arising during the development projects. This varies from 5% to 7.5% for small and larger developments respectively.

e) Development costs: Community Infrastructure Levy rates

- 3.35. The CIL rates that have been used in the viability testing are those adopted on 1 April 2016, which have not been inflated in line with BICS All In Tender Price Index. Indexing represents the additional cost to the developer between April 2016 and present set out in Figure 5, and may vary (upwards or downwards) each subsequent year. Charging Zones are shown on a map in the [RBBC CIL Charging Schedule 2016](#).
- 3.36. Use of the slightly higher indexed CIL rates (as set out in Figure 5) would have a minor negative impact on viability compared to the rates used in the appraisals undertaken for Value Levels 2 and 3. However, this minor negative viability impact would be more than off-set by the omission from the appraisals of the CIL social housing exemption for Value Level 2 (a and b) and Value Level 3, as well as the assumption made in these appraisals of not deducting CIL for existing floorspace on the site to be demolished (as set out in paragraphs 3.37 – 3.39). None of these issues affect Value Level 1 (town centre developments) as these have a zero CIL rate. These CIL indexed rates will be used should viability appraisals be updated prior to submission of the DMP for independent examination.

Figure 5: Community Infrastructure Levy (CIL) rates

Source: Aspinal Verdi's plan Viability Review, December 2017

Development type and location	CIL Charge (£/sqm) April 2016	Index Linked CIL to December 2017
Residential (Use Class C3) located within Charging Zone 1 (Redhill and Horley town centres)	Nil	Nil
Residential (Use Class C3) located within Charging Zone 2 (Banstead, Reigate, Kingswood, Chipstead, Hooley, Wlton on the Hill, Lower Kingswood)	140	152
Residential (Use Class C3) located within Charging Zone 3 (Redhill, Earlswood, Salfords, and Horley excluding town centre)	80	87
Residential (Use Class C3) located within Charging Zone 4 (North West sector Horley urban extension)	180	196
Residential (Use Class C3) located within Charging Zone 5 (rest of the borough, outside of urban areas)	200	218
Retail development wholly or predominantly of convenience goods	120	131
All other development throughout the borough	Nil	Nil

3.37. The Community Infrastructure Levy (CIL) Regulations indicate that CIL is payable on the net increase in floorspace on a particular site. However, the CIL rates effective across the borough from April 2016 have been applied to the whole (Net Internal Area) gross floorspace, without discounting existing floorspace which is subtracted for the purposes of CIL calculations (CIL being charged only on Net floorspace increase).

3.38. The Council's records (April 2016 to April 2017) show that an average of 76% of the total floorspace on brownfield new-build residential developments is CIL-liable floorspace. The Council has therefore taken a cautious approach to impact of CIL on viability of brownfield sites, as most urban sites in the borough that come forward for development contain at least a small amount of existing floorspace which reduces the amount of CIL payable. This reflects the likelihood of some urban redevelopment sites including buildings that have been vacant for over three years, or having been demolished. All appraisals assume a cleared site for simplicity and consistency and make no allowance for existing floorspace. This is also relevant in terms of the national Vacant Building Credit which will reduce the cost burden of affordable housing.

3.39. Additionally, no discount has been applied for exemptions from CIL payment for social housing dwellings, nor for self-build exemption. The CIL-exemption for

new build affordable housing dwellings is likely to produce notable improvements to viability of schemes over 10 dwellings which provide on-site affordable housing, although not in town centres, where the CIL rate is zero.

f) Development costs: Site specific S106 / S278 Costs

- 3.40. The additional cost to urban extension development schemes of providing site-specific infrastructure, including highways improvements, outside of the CIL, was accepted at the CIL examination as begin approximately £10,000 per dwelling. This figure has been used in the urban extension site allocation scheme appraisals.

g) Development costs: Policy Requirements

- 3.41. Each Development Management Plan Policy has been reviewed to consider whether it would have an impact on viability. Any links to Core Strategy policies which also have an impact on viability are highlighted. A summary review is presented at Figure 6 below.

Figure 6: Proposed Submission DMP (Regulation 19) Policy Review

Proposed Submission (Regulation 19) Development Plan Document (DMP) Policy And Core Strategy Policy.	Cost Implication?	Type of Cost
Theme 1 : Growing a Prosperous Economy		
EMP1 : Principal Employment Areas	No	
EMP2 : Local Employment Areas	No	
EMP3 : Employment development outside of Employment Areas	No	
EMP4 : Safeguarding Employment land and premises	No	
EMP5 : Secure local skills and training opportunities	No	
RET1 : Development in town centre frontages	Indirect	Depending on the viability of uses suitable for a shopping area, promoting commercial uses at ground-floor level may have a negative impact on viability.
RET2 : Development within identified retail frontages and local centres	Indirect	Policy to restrict certain uses and promote others can influence viability, dependent on whether the uses promoted are viable.

		When promoted as part of mixed-use schemes, retail floorspace often has a negative impact on viability.
RET3 : Development in Local Centres	No	Depends on the viability of the ground-floor uses proposed.
RET4 : Development in smaller centres and isolated shops	No	Viable development can be delivered if existing use is shown to be unviable.
RET5 : Development of town centre uses outside town and local centres	No	
RET6 : Retail warehousing	No	
Theme 2 : Building self-reliant communities		
DES1 : Design of new development Also see Policy CS10 Sustainable Development	Potentially	The expectation for high-quality design may increase construction costs
DES2 : Residential garden land development	No	
DES3 : Residential Areas of Special Character	No	
DES4 : Housing mix	Yes	Different sizes of units are more viable than others. For instance, 1- bed flats typically have a higher value per sqm than 3-bed units. Requiring a certain housing mix can have an impact on development viability. Also, market demand is typically stronger for certain types of units, helping to drive up values.
DES5: Delivering High Quality Homes	Indirect	RBBC's Housing Standards Justification, June 2016 compared the proposed nationally prescribed space standards to approved developments (2012 – 2017) in the borough, and confirms that the size dwellings have been met by most approved developments and so will not require a significant change.
DES6: Affordable Housing	Yes	To replace current Core Strategy Policy CS15 See details in policy commentary below
DES7: Specialist Accommodation	Yes	Different cost of providing elderly people's housing, with larger communal areas, but larger, higher value flats Category 2: flats £925/unit Category 2: houses £520/unit Category 3: flats £7,750/unit

		Category 3: houses £10,200/unit
DES8 : Construction Management	No	
DES9 : Pollution and Contaminated Land	Yes	Mitigation may increase costs and decrease viability.
DES10 : Control of advertisements and shopfront design	No	
OSR1 : Urban Open Space	No	
ORS2 : Open space in new development	Yes	Open space is a cost to the developer which does not generate a return. Requirements for children's play areas and sport facilities are a development cost. These standards are the same as in the Borough plan 2005, and as such, will have been factored into external works costs
OSR3 : Outdoor sport and recreation	No	
TAP1 : Access, Parking and Servicing	Yes	Car and Cycle parking will be a cost to any proposed scheme. Such standards were included in the Borough plan 2005, and as such, will have been factored into external works costs The encouraged infrastructure advances would be a cost to a development.
TAP 2: Airport car parking	No	
CCF1 : Climate change mitigation	Potentially	Likely to be a small additional cost. Included as per testing of CS Policy CS11 in 2015 1-bed, 2-bed flat, 2 –bed terrace = £6/dwelling 3-bed semi and 4-bed detached = £9/dwelling
CCF2 : Flood risk	Yes	Where flood mitigation required
NHE1 : Landscape protection	No	
NHE2 : Protecting and enhancing biodiversity and Areas of Geological Importance	No	
NHE3 : Protecting trees and woodland areas	Potentially	Compensatory provision of trees is an additional cost This cost is part of the external works / landscaping allowance
NHE4 : Green / Blue	Potentially	Inclusion of green

Infrastructure		infrastructure may be an additional cost when considered against more traditional forms of development
NHE5 : Development within the Green Belt	No	
NHE6 : Reuse and adaptation of buildings in the Green Belt and the rural surrounds of Horley	No	
NEH7: Rural Surrounds of Horley	No	
NHE8 : Horse keeping and equestrian development	No	
NHE9 : Heritage Assets	Potentially	Preservation of historic features as part of a development may add additional cost to a development proposal
Theme 3 : Place Shaping		
GTT1 : Gypsy, Traveller and Travelling Showpeople accommodation (also Policy CS16 Traveller Accommodation)	Yes As well as 4 specific site allocations (G3, G3 G9 and G12); as part of sustainable urban extension site allocations for development schemes providing over 70 dwellings: <u>Site Allocation</u> ERM1: 1 pitch ERM2/3: 3 pitches ERM5: 1 pitch SSW2: 3 pitches SSW9: 1 pitch NWH1: 1 pitch SEH4: 1 pitch	Assume (0.06ha) per pitch, to be provided as serviced land, with turning space for vehicles, storage, and all utilities provided. The cost to developer is assumed to be difference between the profit that would be made from bricks and mortar development of that land (capable of accommodating a detached house) compared to profit from the private sale of a serviced pitch. See details in policy commentary below.
CEM 1 :Cemetery and crematorium provision	No	
INF1: Infrastructure (also Policy CS12 infrastructure Delivery)	Yes	Accounted for in CIL rates (as per Reg 123 Infrastructure List, and in allowance of £10,000 per dwelling for SUE sites for S106 planning obligation and S278 Highways Agreements.
INF2: Community Facilities	Indirect	Policy to restrict certain uses and promote others can influence viability, dependent on whether the uses promoted are viable.
INF3: Electronic Communications Networks	Potentially	Connection to high speed broadband will have an impact on viability as this will be an additional cost to any scheme. This is typically considered to be picked up in

		externals. This cost is part of the external works
MSL1: Phasing of urban extensions	No	
MSL2: Safeguarding land for development beyond the plan period	No	

3.42. Where a DMP or Core Strategy policy has a quantifiable cost on development, these have been included in the viability appraisal testing. Other policies are more likely to have indirect impact, have been noted, as it is not always possible to include these in the viability appraisals.

3.43. It is nationally recognised that the development plan policies which generally have the greatest impact on development viability is the requirement for developers to provide a proportion of new dwellings as affordable housing. The Proposed Submission DMP includes new Policy DES6 “Affordable Housing” (proposed to replace Core Strategy Policy CS5). This and other key DMP policies with development costs implications are considered below.

Policy DES6: Affordable Housing

3.44. Given the current planning definition of affordable housing (set out in the NPPF), most affordable housing is currently owned by registered housing providers, who sell or rent affordable housing to those in housing need. However, a large proportion of all new affordable housing dwellings are built by private house-builders sell them to private Registered Providers or to Councils to provide for households in housing need.

3.45. The appraisals therefore assume that affordable housing will provide a sales value to a private developer of less than market values. The “transfer” rates used in these theoretical appraisals are **55%** of open market value (OMV) for **Affordable Rented housing** and **70%** of OMV for **Intermediate / Shared ownership housing**, based on local experience of viability assessments submitted with planning applications (including rents which RPs could achieve locally), and advice from RBBC’s Housing Services on local “transfer values”.

3.46. It is acknowledged that the Government is proposing (through a revision to the NPPF, March 2018 ~~the Housing White Paper “Fixing or broken housing market” 2017~~) to widen the planning definition of affordable housing to include low cost market housing such as affordable home ownership products (including *discount market sales* and *starter homes* at no more than 80% of OMV), and *affordable private rented housing / discount market rented housing*. ~~These low cost discount market rented housing market products~~ (currently explicitly excluded from the planning definitions of Affordable Housing) will not have to

be owned by a registered private housing provider or council, and will not all need to be secured in perpetuity. For example, it is proposed that starter homes may be sold or rented into the open market from 15 years after purchase, with a proposal to be able to withdraw the 20% or more discount on *affordable private rented housing / discount market rented housing*, subject to a S106 planning obligation “claw-back” arrangement.

3.47. The NPPF is also proposed to be amended to require major developments (that provide 10 or more homes or where the site has an area of 0.5ha) to ensure that at least 10% of all homes are available for affordable home ownership. A few exceptions to this are proposed, including where Build to Rent homes are provided, or in developments of 100% affordable housing—ongoing uncertainty regarding national planning affordable housing policy, has changed over the last few years. For example in 2016 there was a proposal for 20% of all homes on certain qualifying sites to be starter homes; in 2017 this proposal was amended to propose a requirement that 10% to be affordable homes ownership products (which include starter homes). The draft revised NPPF (paragraph 209) specifies that where plans are submitted on or before a date six months after publication of the final NPPF, policies in the previous Framework will apply for the purposes of examining plans, and the examination will take no account of the new Framework. The cost of complying with DES6 has therefore been based on the policy as included in the Regulation 19 DMP. It is likely that the requirement to provide 10% as low cost market housing for sale (the most recent proposals; Feb 2017), as well the proposed requirement to accept discount market rented housing when offered, will reduce the financial cost to private house-builders of providing affordable housing.

3.48. National Planning Policy Guidance ([Reference ID: 10-025-20140306](#)) advises that Local Plan policies should reflect the desirability of re-using brownfield land, and the fact that brownfield land is often more expensive to develop. “Particular consideration should also be given to Local Plan policiesas well as in setting the Community Infrastructure Levy, to promote the viability of brownfield sites across the local area.”

3.49. The Core Strategy Examiner found that “*on the available evidence a borough-wide figure of 30% affordable housing is appropriate.*” She advised that “*before the next review the Council should consider undertaking a more wide-ranging viability study to establish whether there is justification for setting targets which reflect, in particular, the broad cost differential between brownfield and greenfield sites.*”

3.50. This advice has been reflected in the Council’s lower CIL rates for existing urban areas, and in the lower affordable housing proportion for urban sites (30%) in DMP Affordable Housing Policy DES6 compared to those for

greenfield sites (35%) outside of urban areas, as justified in the 2015 CIL Viability Study and this Viability Assessment.

- 3.51. Policy DES6 also includes a financial contribution broadly equivalent to 10% affordable housing provision from developments of 10 or fewer dwellings (gross). As requested, Aspinal Verdi has provided constructive feedback on a draft methodology for calculating the future affordable housing contribution for small sites and for the exceptional payment in-lieu of on-site provision. As the financial contribution is yet to be confirmed, no affordable housing contribution was included as a policy development cost for sites of less than 11 dwellings. Instead, the appraisals for these small sites calculated a residual “equivalent affordable housing charge” in £/sqm, informed by the “surplus” available over a reasonable developer profit following deduction of the Residual Land Value from the Threshold (Benchmark) Land Value. These “surplus” figures (in £/sqm) are set out in Figure 11 in Section 4A “Findings and Conclusions: Viability of Theoretical Housing sites”.

Policy DES4 Housing Mix

- 3.52. The housing unit mix tested in these high level appraisals was based on analysis of the mix of flat and house sizes of new-build dwellings completed in the borough between 2012 and 2017. RBBC’s research has confirmed that the mix required by Policy DES4 (unless viability or technical feasibility would prohibit this mix) has been met by most approved developments during this period.
- 3.53. As shown in Figures 7 and 8, the only significant variation from the historic pattern of delivery of dwelling-size mix is the Policy DES4 requirement for at least 10% of dwellings on town centre developments of 20 or more dwellings to be large (3- and 4-bedroom). As small and / or restricted town centre sites are unlikely to be suitable for houses, these developments will not be compelled to include houses, and 3-bedroom flats.

Figure 7: Summary of Housing Mix Policy Requirement (DES6)

Source: Proposed Submission Development Management Plan

	All developments	Developments no more than 20 dwellings	Developments over 20 dwellings	Developments of at least 20 dwellings
Outside of town and local centres		At least 20% small (1+2) bedroom units	At least 30% small (1+2) bedroom units and 30% large (3+4) bedroom units	

In town and local centres	At least 50% small (1+2) bedroom units			Over 10% large (3+4) bedroom units
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3.54. This compares to the completed new build dwellings in the borough 2012 – 2017.

Figure 8: Housing mix delivered (2012-2017) since start of Core Strategy plan period

Source: RBBC development monitoring

Area * (excluding NW Horley Sector development)	Total No. of Dwellings (excluding Horley NW)	1- and 2- bed (small) dwellings	3- and 4-bed (large) dwellings
Town Centre + Local Centre	868	96%	4%
Outside of Town Centre + Local Centre	2,295 (2,363 including NW Horley)	51.40%	48.70%
	3,163 (3,231 with NW Horley)		

Policy GTT1 : Gypsy, Traveller and Travelling Showpeople accommodation

3.55. The cost of £150,000 per serviced pitch for private sale has been derived from the asking prices of serviced plots for sale of serviced traveller pitches from internet searches (e.g. Devils Lane, Liphook, East Hampshire), and from specialist guidance¹ (Traveller pitch provision studies on the cost of providing serviced pitches). The number of pitches required by Policy GTT1 on sustainable urban extension sites is listed in Figure 6.

h) Development costs: Site acquisition costs and professional fees

3.56. Assumptions have been made regarding allowances for the cost of fees, most of which vary dependent on the size and complexity of the development. These include Agents' fees (1.5% of GDV), Legal Fees (0.5%) for market dwellings, and Marketing Costs (including show home, brochures, etc) of a further 1.5%

i) Development costs: Finance Costs

The costs of financing a development, including finance arrangement fees,

¹ Jo Richardson and Janie Codona MBE (2016) "[Managing and delivering Gypsy and Traveller sites: negotiating conflict](#)"

have been applied to the debt level that could be expected during the development (depended on its size, phasing and delivery period). These have been modelled using a typical interest rate based on average cash flows.

j) Development costs: Delivery Timeframe and Sales Rates

- 3.57. The assumptions on build out / delivery rates for the larger urban extension schemes have been based on the delivery of housing at North East and North West Horley sector developments. Although these are larger than any allocation sites in the DMP, they provide a recent local record of delivery rates. The rates used are summarised in Figure 9 below.

Figure 9: Sales Rates Assumed
Source: Local Market Analysis (Annex 2)

Type of housing development	Sales period (months)
3 House	2.5
15 Houses	5
25 Houses	8
7 Flats	7
11 Flats	2.8
15 Flats	3.8
20 Mixed	8
50 Flats	12.5
Retirement Flats	20

k) Threshold (Benchmark) Land Values

- 3.58. The Threshold (Benchmark) Land Value represents the land value at which a typical willing landowner is likely to release land for to the market for development. It is crucial that Threshold Land Values are set at a suitable level which would realistically provide “competitive returns to a willing landowner and willing developer to enable the development to be deliverable” in accordance with national policy (NPPF paragraph 173), therefore representing a sufficient premium to encourage landowners to sell.
- 3.59. For the range of theoretical sites, Threshold Land Values for the four Value Levels of the borough (including different TLVs for greenfield urban extensions compared to urban sites), were determined based on a review of the **median** Land Registry “land sale prices” (£/ha) of land recently sold for development

(checked against submitted planning applications), viability evidence of sites currently on the market, and submitted viability appraisal by applicants for planning permission. Use of median sales prices ensured that any unusually high or low sales values were excluded. Details of the data which informed these Threshold Land Values is provided in Annex 2 “Local Market Analysis”.

- 3.60. These values were triangulated with three other data sources as “checks”. The first was the Threshold Land Values for brownfield sites tested through the 2015 Community Infrastructure Levy independent examination, increased by the same percentage as the calculated increase in residential sales values from Land Registry records over the same period (2016 and 2017Q1). This reflects that changes in house prices are to a degree correlated with changes in land values. These calculations are provided in Annex 2.
- 3.61. Two other sources which report on changes in the value of development land value over time were considered and compared. These are Savills’ quarterly (October 2017) [“Market in Minutes: UK residential development land”](#), and DCLG (December 2015) [“Land value estimates for policy appraisal”](#), which includes post-permission residential land value estimates for each local planning authority area in the country (assuming nil affordable housing provision). These Threshold Land Value calculation checks are provided in Annex 2.
- 3.62. The Threshold Land Values (presented in Figure 4) used for the appraisals undertaken were sense-checked by a local agent, who found the approach to uplifting the 2015 values to be a reasonable approach, provided build and other costs were also uplifted.
- 3.63. The approach taken reflects the approach recommended by the RICS “Financial Viability in Planning” Report 2012, which (at paragraphs 3.3.3-3.3.4) defines “site value” (including Threshold Land Value benchmark) as equating with the market value having had regard to development plan policies and all other material planning considerations and disregarding that which is contrary to the development plan.
- 3.64. The Threshold (Benchmark) Land Value used for urban site allocation schemes was calculated in a different way, based on the Harman Report’s advice (page 29). This is because, unlike the hypothetical testing, the existing use of these allocation sites is known. The approach taken for these sites is therefore based on a “premium” or “uplift” over calculated **current use values**. Establishing the existing use value (EUV) of land and selecting a suitable Threshold (Benchmark) Land Value at which a typical landowner is prepared to sell land for development involves a complex mix of factors. There are a wide range of site specific variables which affect land sales, including the position of the

landowner and whether they are interested in a quick profit or a long term family investment. However, for a strategic viability study such as this, a practical approach is required.

- 3.65. A 20% premium / uplift was determined as a suitable local assumption over current use values with reference to a reasonable assumption of incentive for a landowner to release developer profit. These Threshold (Benchmark) Land Values used for assessing urban allocation site are set out in Annex 2.
- 3.66. For greenfield urban extension site allocations, an uplift of approximately 30 times against typical agricultural land values in the borough/South East is considered to provide the “life changing event” which would motivate a range of landowners to release their land for development.
- 3.67. Office rental values were ascertained from asking rents for local offices across the borough, and sense-checked against published studies. Different assumptions on sales values and rents were made for the mixed-use town centre office site allocations compared to for the strategic site allocation HOR9. A list of recent local asking rents for commercial land is provided in Annex 2.
- 3.68. Retail values were ascertained from asking rents for similar retail properties across the borough. A list of recent local asking rents for commercial land is provided in Annex 2.

4. Findings and Conclusions

A. Viability of theoretical housing sites

- 4.1. National policy reinforces that in order to be appropriate, Local Plan policies and standards, when considered cumulatively, should not put implementation of the plan at serious risk, including throughout the economic cycle.
- 4.2. A wide range of theoretical residential development scenarios were selected for testing. As described in Section 3B), these were based on planned (and anticipated) developments over the next 10 years identified in the 2016 SHLAA and draft 2017 HELAA, and checked against planning approvals in the borough to reflect the full wide range of schemes that are likely to be proposed in the borough. These theoretical schemes were tested using standard residual appraisal methodology. Due to their limited size, each development is expected to be delivered over a short timescale, and no phasing is therefore required.

Figure 10: Results of theoretical residential appraisals

Source: RBBC

Theoretical site typology	Viable? Deficit / Surplus (£)		
	V1	V2a	V3
Zero % Affordable Housing up to and including 10 units; 30% Affordable Housing over 10 units	Redhill and Horley town centres	Redhill and Horley (excluding town centres), Merstham, Earlswood, Woodhatch	Banstead, Chipstead, Tadworth, Kingswood, Reigate
1 house	N/A	Viable	Viable
3 house	N/A	Unviable -116,232	Viable
7 house	N/A	Viable	Viable
10 house	N/A	Viable	Viable
11 house	N/A	Viable	Viable
14 house	N/A	Viable	Viable
15 house	N/A	Viable	Viable
25 house	N/A	Viable	Viable
25 mixed	N/A	Viable	Viable
50 mixed	N/A	Unviable -1,059,341	Viable
7 flats	Viable	Viable	Viable
10 flats	Viable	Viable	Viable
11 flats	Unviable -182,781	Viable	Viable
15 flats	Unviable	Unviable	Viable

	-326,542	-50,701	
20 flats	N/A	Viable	Viable
20 flats (town centre density)	-59,079	N/A	N/A
50 flats (town centre density)	-195,889	N/A	N/A
Retirement flats (30)	N/A	Viable	Viable

- 4.3. As summarised in Figure 10, all theoretical residential development schemes are viable at Value Level 3, and the vast majority are viable at Value Level 2a, with the DMP policy costs and the assumptions outlined in Section 3. Schemes of 7 and 10 flats at Value Level 1 could support affordable housing financial contributions of £142/sqm and £192/sqm respectively. Whilst the flatted town centre schemes with on-site affordable housing provision are unviable, the Core Strategy (CS) examination specifically considered the impact of the CS Affordable Housing policy in the lower value areas of the borough, such as Redhill and Horley town centres.
- 4.4. The CS Inspector agreed that “there is considerable force to the Council’s argument that it would be very difficult to develop an area-based sliding scale approach to affordable housing targets.” The CS Inspector was satisfied that flexibility is built into the Core Strategy Affordable Housing Policy CS15, as it allows for the proportion to be negotiated on a case by case basis taking viability into account. The DMP Affordable Housing Policy DES6, proposed to replace Core Strategy Policy CS15, also includes such flexibility for a reduced level of affordable housing provision on sites in Regeneration Areas.
- 4.5. As described at paragraph 3.51, the theoretical residential schemes of 10 or fewer dwellings were tested without any affordable housing contribution. The “surplus” value over a reasonable developer profit following deduction of the Residual Land Value from the Threshold (Benchmark) Land Value (in £/sqm) are set out in Figure 11. Given the range of viability of schemes, ~~£180~~£250/sqm is considered a reasonable contribution, viable for most schemes in all areas other than the lower value town centre regeneration areas.
- 4.6. A financial contribution figure for small sites (to be equivalent to approximately ~~21~~210% provision), informed by these appraisals and by the DMP Regulation 19 consultation, ~~has will been~~ included in the updated DMP Viability Report and Affordable Housing Policy Evidence Report to be submitted with the DMP for independent examination. This will subsequently be incorporated into a new Affordable Housing SPD (to replace the current Affordable Housing SPD 2014), to be produced following adoption of the DMP.

Figure 11: Affordable Housing Financial Contribution (£/sqm) viable for development schemes under 11 dwellings

Source: RBBC viability appraisals

Scheme size / type	£/sqm		
	Value Level 1	Value Level 2a	Value Level 3
7 flats	£142	£117	£292
10 flats	£192	£250	£424
1 house	N/A	£378	£640
3 houses	N/A	Unviable - £116,232	£248
7 houses	N/A	£257	£508
10 houses	N/A	£410	£674

- 4.7. Schemes of stand-alone retirement / sheltered flats have been tested as theoretical schemes at in Value Levels 2a and 3, whilst retirement housing has also been tested as part of some of the site allocation schemes. A representative selection of the summary appraisals of the theoretical sites tested is provided at Annex 3.
- 4.8. As site allocation sites will deliver the majority of non-residential land uses, such as offices and retail, these land uses have not been tested within the theoretical site appraisals. A representative selection of the mixed-use and office site allocation schemes was subject to viability testing, and is reported in Section 4B) below. Other types of development, such as hotel use, which are not key to delivery of the DMP, have not been tested, although site allocation scheme HOR9 does include a mixture of these uses, which have therefore been tested as part of this allocation.

B. Viability of Allocation Sites

- 4.9. In addition to the theoretical site developments, a representative selection of DMP residential site allocation schemes was subject to viability testing. This included a range of residential schemes varying in size and location across the borough. A selection of mixed-use development site allocation schemes to be allocated for residential with retail and / or offices was also tested.
- 4.10. The urban allocation sites were tested using the same standard residual valuation methodology as the theoretical residential development sites, although with different Threshold Land Value (TLC) assumption, as outlined in Section 3k).
- 4.11. Some of the larger sustainable urban extension site allocations include elderly

people's **retirement housing** within the C3 Use Class, in order to meet future needs for this type of specialist housing over the plan period. These have been included in the sustainable urban extension site allocations testing as relevant.

- 4.12. DMP Policy DES6 will require retirement housing to make a financial contribution to affordable housing in the borough, as it is unlikely to be suitable or practical with regards to on-going management to include on-site affordable provision. Retirement housing has therefore been assessed with no on-site affordable housing requirement. As with most of the small residential sites, retirement housing was found to be viable, with an excess viable over the reasonable developer profit, once the residual land value has been deducted from the Threshold Land Value. For retirement housing, these figures were £184/sqm and £457/sqm for Value Levels 2 and 3 respectively. £150/sqm would therefore be a reasonable contribution from retirement flats.
- 4.13. Sales and rental values for retirement housing were derived from viability appraisals from recent planning applications, and sales rates from recently completed development. Local sales values for 1- and 2-bedroom retirement flats generally been higher than the equivalent for standard residential flats. The retirement flats sizes generally have larger floorspaces than standard residential uses, although the non-saleable communal areas are also larger (approximately 32% compared to approximately 17%), which impacts on viability. Retirement housing also generally takes longer to sell than standard housing, which impacts on financing.
- 4.14. The Council's critical friend advised (September 2017) that the viability of mixed-use development schemes, should be subject to viability testing due to the requirement of DMP Policies RET1 "Development within identified retail frontages and local centres" and RET2 "Town Centre frontages" to include retail and other town centre uses at ground floor level within Primary shopping areas. We were advised that the inclusion of retail floorspace in mixed-use schemes (residential with retail and other town centre uses) may have a negative impact on development, as inclusion of retail often does. The mixed-use town centre site allocation schemes, primarily involving residential with retail, community uses and / or office were subject to viability testing.
- 4.15. As summarised in Figure 12 below, almost all of the brownfield urban site allocations for residential use are viable. Only the allocated development schemes on Gloucester Road Car Park, in Redhill Town Centre and the Former Chequers Hotel in Horley are unviable. Being an allocation for approximately 60 dwellings, and/ or offices, the lack of viability of the Gloucester Road Car Park scheme is not unexpected in a lower value regeneration area such as Redhill, and may well be overcome with adjustments to the size-mix of the flats or the mix, type or level of affordable housing provided on-site.

Figure 12: Results of urban site allocation appraisals

Source: RBBC

Tested as Residential-Only Site Allocations		Notes
RTC6 Gloucester Road Car Park, Redhill	Unviable -665,119	Redhill Town Centre Residential-only scheme option (alternative allocation for offices)
RTC5 Former Longmead Centre, Holland Close, Redhill	Viable	Redhill Town Centre
RED1 Quarryside Business park, Thornton Side, Redhill	Viable	(Urban Area not town centre) Tested here without the optional community uses included (subject to demand) in the site allocation
RED4 Church of the Epiphany, Merstham	Viable	Redhill Urban Area (not town centre) Costs with relocating church may also impact upon viability. Regeneration area.
RED2 Bellway House, Station Rd, Merstham	Viable	Redhill Urban Area (not town centre)
RED5 Former Merstham Library site	Viable	Urban Area Residential-only scheme option (also tested with community use provision)
RED6 Former Oakley Centre, Redhill	Viable	Redhill Urban Area (note town centre) Within Redhill Regeneration Area. The refused pp included no affordable housing due to lack of viability (refused for other reasons).
HOR3 Horley Police Station	Viable	Town Centre
HOR8 Former Chequers Hotel, Bonehurst Road, Horley	Unviable -401,061	Urban Area (not town centre) Listed building possibly affects viability.
HOR10 59-61 Brighton Road, Horley	Viable	Urban Area (not town centre)

Mixed use Site Allocations		
BAN3 Banstead Community Centre	Viable	Banstead urban Area (not village centre) Community Centre and parking allocated for residential (approximately 15 dwellings) and retention or replacement of community use
RTC2 16-46 Cromwell Road, Redhill	Viable	Redhill Town Centre Currently ground floor retail with residential above, allocated for retention of similar retail/leisure /commercial at ground floor with a residential above (a net increase of 14 dwellings)
RTC4 Colebrook, Noke Drive,	Viable	Redhill Town Centre Allocation of current community services and

Redhill		garden centre site for residential (approximately 110 dwellings) including potentially older people's housing, <u>and</u> community uses, potentially adult social care
RED5 Former Merstham Library site	Unviable -£308,575	Redhill Urban Area Merstham Library recently relocated to Portland Drive Community Hub (2017). The former library site is allocated for up to 10 dwellings and relevant community use
RED8 Reading Arch Road / Brighton Road North, Redhill	Viable	Redhill Urban Area Industrial units and open storage land and car sales showroom allocated for approximately 150 dwellings and approximately 4,000sqm bulky goods retail floorspace
HOR1 High Street Car Park, Horley	Viable	Horley Town Centre Current surface car park allocated for 40 dwellings and 1,000sqm ground floor retail / leisure

4.16. The five Opportunity Sites included in the DPM, are not site allocation policies, as the availability of the land for development is currently unclear. These five sites were not tested, as whilst these are developments encouraged by the DMP policies as desirable, they are not key to the implementation of the DMP and the delivery of the Core Strategy.

4.17. The smaller (under 100 dwellings) sustainable urban extension schemes were tested using the same standard residual valuation methodology as the theoretical residential development sites and the small urban sites (at Value Level 2b Threshold Land Values). As site allocation ERM5 is proposed for 95 dwellings, very close to our 100 dwelling threshold for testing using the HCA's Development Appraisal Tool (DAT), it was also tested using the DAT methodology (see Figure 13 below) and was found to be viable.

4.18. The new Policy DES6 "Affordable Housing" was tested on these sites at 30%, 35% and 40% on-site provision. The results are presented in Figure 13 below. All sites are viable with up to 35% affordable housing provided on-site. However, site ERM5, Oakley Farm is not viable with 40% affordable housing provision. In order to ensure that the new Affordable Housing policy is not pushing developments to the margin of viability ([PPG Reference ID:10-008-20140306](#)), therefore risking the delivery of development, a more moderate requirement has been included in DMP Policy DES6 for sustainable urban extensions.

Figure 13: Results of small urban extension site allocation appraisals tested (using standard residual appraisals) with varying affordable housing policy requirements

Source: RBBC

Small Sustainable Urban Extension site allocation policy	Affordable housing 30%	Affordable housing 35%	Affordable housing 40%
ERM4a - 164 Bletchingley Road, Merstham	Viable	Viable	Viable
ERM4b - Land south of Bletchingley Road, Merstham	Viable	Viable	Viable
ERM5 - Oakley Farm, off Bletchingley Road	Viable	Viable	-312,621
NWH1- Land at Meath Green, Horley	Viable	Viable	Viable
NWH2 - Land at Bonehurst Road, Horley	Viable	Viable	Viable
SEH4 - Land off The Close and Haroldslea Drive, Horley	Viable	Viable	Viable
SSW6 – Land west of Castle Drive, Reigate	Viable	Viable	Viable
SSW7 – Hartswood Nursery	Viable	Viable	Viable

4.19. The larger urban extension sites (over 100 dwellings, except for ERM5 at 95 dwellings) were tested using The Homes and Communities Agency's Development Appraisal Tool (DAT). Using this tool has enabled development phasing and the finance and additional costs and income streams to be incorporated as factors within the development viability appraisals.

4.20. As shown in Figure 14 below, of these larger urban extension schemes, only SSW2 Sandcross Lane, Woodhatch is marginally unviable with 35% on-site affordable housing provision. This site allocation includes allocation of part of the site for a new small GPs surgery. Both the logistics of delivery of a new small practice and the appeal of this site to GPs practices is being considered by the commissioning bodies for primary health care in the area.

4.21. The summary appraisals of the allocation sites tested are provided at Annex 4.

Figure 14: Results of large urban extension site allocation appraisals tested (using Development Appraisal Tool) with different affordable housing policy requirements

Source: RBBC

Larger Sustainable Urban Extension site allocation policy	Affordable housing 30%	Affordable housing 35%	Affordable housing 40%
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ERM1 - Land at Hillsbrow	Viable	Viable	-292,220
ERM2_3 - Land to west of Copyhold Works & Former Copyhold Works <i>NOTE: Land for primary school to be provided as CIL contribution in kind</i>	Viable	Viable	-1,195,742
ERM5 - Oakley Farm, off Bletchingly Road	Viable	Viable	Viable
SSW2 - Land at Sandcross Lane	Viable	-292,070	-1,597,246
SSW9 - Land at Dovers Farm	Viable	Viable	Viable

HOR9			
HOR9 Horley Strategic Business Park	Viable		

4.20. Allocation site HOR9 Horley Strategic Employment site scheme, was also tested using the DAT, with adjustments made to enable commercial floorspace to be fully tested. This 31ha site is proposed for allocation by the DMP for a strategic business park, with supporting uses, including convenience retail, food and drink uses, a gym, children's crèche, and a hotel for the office workers and visitors, as well as town park. The site would be accessed from a new spur road access from M23 J9a in the south of the site. The site allocation scheme was found to be viable, with the appraisal yielding a surplus of £16.16m over and above the agricultural existing use value of £35,000/ha. The appraisal suggests the equivalent of £17.2m could be paid for the land, equivalent to £556,000/ha, which is more than 15 times the existing use value, and is considered to represent a suitable uplift and the "life changing event" that an agricultural landowner might be expected to require to incentivise them to release their site. The summary appraisal is provided at Annex 4.

C. Conclusions

4.21. The results of the viability testing of a broad range of theoretical schemes expected to come forward for development as well as site allocations, show that the vast majority of the sites tested through this strategic-level plan testing are viable. This demonstrates that the Proposed Submission Development Management Plan (DMP) is deliverable in terms of viability.

4.22. As summarised in paragraph 3.18, the DMP is reliant on a wide variety of sites, town centre, urban and urban extensions to deliver the housing and other uses that it promotes by 2027. This reliance on a broad mix of sites will assist with delivery of the DMP. The variety of small and medium sized sites that are planned and anticipated to deliver the plan (the largest residential site

allocation being 260 dwellings), means that the strategy is not over-dependent on any particular site, meaning it is flexible should any particular single site not be deliverable for any reason.

- 4.23. The variety of theoretical and specific site allocations undertaken demonstrate that the cost of complying with the policy requirements within the Reigate and Banstead Proposed Submission Development Management Plan (January 2018) and the Core Strategy policies, alongside planning and highways agreements, and Community Infrastructure Levy costs where relevant, would not unduly burden the delivery of residential and non-residential development across the borough through the DMP plan period to 2027. As specified in the NPPF (paragraph 173) and the PPG ([Reference ID:10-023-20140306](#)), development costs, including the cost of complying with development plan policies will be expected to have been taken into account in the sales value of land for development.
- 4.24. A few of the theoretical residential development schemes were shown to be unviable, as their residual values are below their Threshold (Benchmark) land values. These were all in the lower value areas of the borough. However, it may be that some development sites of these types in these locations may still be deliverable, for example if the sale price of the specific site is lower than that used in this theoretical viability testing.
- 4.25. As specified in DMP Policy DES6 Affordable Housing, affordable; housing provision and contributions will be negotiated, taking into account the specifics of the site, including other regeneration aims. This flexible approach will help to ensure that suitable development schemes can be delivered, including on site with more marginal viability in lower value areas. This policy flexibility to assist with delivery of suitable developments is also written into DMP Policy INF1 Infrastructure. Should the viability of a specific development proposal be questionable, it will be for the decision-maker to balance the weight to give each consideration, including policy compliance, necessary impact mitigation, and acceptable level of developer profit.

Annex 1: Glossary

Affordable housing

Definition source: NPPF 2012 Annex 2) National changes have been proposed, but not yet implemented.

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.

Allocated site

Land identified for a particular use and quantum in a Local Plan.

Brownfield land / site (often referred to as Previously Developed Land)

Definition source: NPPF 2012 Annex 2)

Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or has been occupied by agricultural or forestry buildings; land

that has been developed for minerals extraction or waste disposal by landfill purposes where provision for restoration has been made through development control procedures; land in built-up areas such as private residential gardens, parks, recreation grounds and allotments; and land that was previously-developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time.

Community Infrastructure Levy

A levy allowing local authorities to raise funds from owners or developers of land undertaking new building projects in their area.

Development Plan

Defined in section 38 of the Planning and Compulsory Purchase Act 2004, including adopted Local Plans.

Local Plan

The Plan for the future development of the local area, prepared by the local planning authority in consultation with the community. In law this is described as the Development Plan Documents adopted under the Planning and Compulsory Purchase Act 2004. Current Core Strategies or other planning policies, which under the regulations would be considered to be Development Plan Documents, form part of the Local Plan. This includes old policies which have been saved under the 2004 Act.

Planning Obligations

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal, or to prescribe the specifics of the development. These may be legal agreements between a planning authority and a developer, or undertakings offered unilaterally by a developer to ensure that specific works are carried out, payments made or the type of development specified.

Residual land value

The amount remaining once the gross development cost of a scheme is deducted from its gross development value and an appropriate developer return has been deducted.

Supplementary planning documents

Documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design to help applicants make successful applications or aid infrastructure delivery, but should not be used to add unnecessarily to the financial burdens on development.

Supplementary planning documents are capable of being a material consideration

in planning decisions but are not part of the development plan.

Town centre

Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

Threshold Land Value (also referred to as **Benchmark Land Value**)

Represents the value (before payment of taxes such as capital gains tax) at which a typical willing landowner is likely to release land for development.

Use Classes

The legal framework which determines what a particular property may be used for by its lawful occupants. These "classes" are contained within the text of [Town and Country Planning \(Use Classes\) Order 1987](#) (Statutory Instrument 1987 No. 764). The 'Classes' of potential uses are divided into groups. Not every use of building is assigned a Class under this legislation. Examples of these include theatres, scrap yards, petrol stations, nightclubs, and casinos, and these are known as *sui generis* uses.

Annex 2: Local Market Analysis

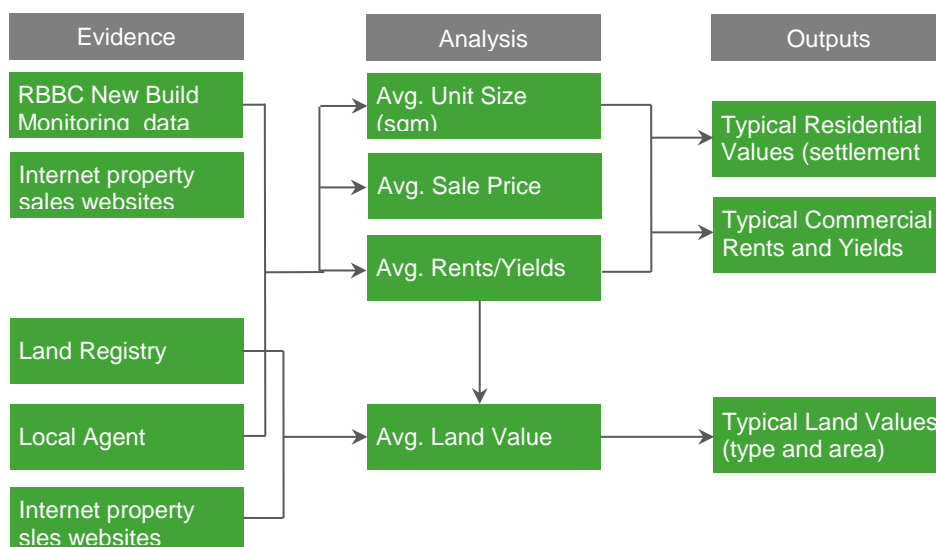
This Market Analysis provides a summary of the residential development context and market conditions within Reigate and Banstead borough. This is a selection of the key data and analysis that has informed the assessment of the viability of the Development Management Plan as a whole, including particularly the new affordable housing policy. The “cost impact” of these policies has been considered alongside the Council’s CIL rates adopted in April 2016.

A comprehensive approach has been used to identify appropriate market information for open market sales values and for threshold (benchmark) land values. Analysis has included comparison of a number of data sources including Land Registry sales data, property and land sales websites such as Zoopla and Mouseprice (for residential), and the Council’s planning permission and completions monitoring data.

This Annex sets out:

1. Analysis of residential sales values across the borough
2. Analysis of residential sales value (absolute and £/sqm) changes over time
3. Threshold (Benchmark) Land Values
4. Non-residential use values

Figure 1: Local housing market research process



1. Analysis of residential sales values across the borough

Residential

In common with much of Surrey county, the borough has a strong residential market, characterised by high levels of demand and generally high sales values. Data from Land Registry indicates that the mean house price in Reigate & Banstead borough in September 2017 was £422,105, compared to an average for South East England of £324,076 and an average for England of £225,045.

This compares to an average for the borough of £415,996 in September 2017.

Figure 2: Mean house price for the borough by dwelling type, all sales (September 2017)

Source : Land Registry

Dwelling Type	Mean Price (Sept 2016)
Detached	£745,144
Semi-detached	£311,300
Terraced	£278,200
Flat/Maisonette	£200,900

The generally high open market sales values in the borough do however vary according to property size and type and location.

Analysis of recent open market new-build sales reported by the Land Registry (in 2016 and 2017 Q1) in the borough and developments currently on the market has been carried out. This updates the sales values data which informed the 2015 CIL Viability Study.

The market website Zoopla provides a database of residential sales information which has provided average sales price in a particular location over a given timeframe.

Figure 3: Average Open Market Sales Values by area in the borough

Source: Zoopla, December 2017

Area	Average Sales Price (2017)
Kingswood	£1,242,980
Chipstead	£504,020
Banstead	£381,050

Walton on the Hill	£374,040
Reigate	£405,080
Merstham	£275,290
Redhill	£266,920
Salfords	£259,050
Horley	£269,510

The [Zoopla website](#) also provides a choropleth / “heat mapping” function which visually demonstrates the comparative variation in sales values across the borough.

The map indicates:

- A high value band the north of the borough covering parts of Chipstead, Coulsdon, Kingswood and into Tadworth and Walton on the Hill
- A high value area just south of the M25 in the Reigate Hill area
- A pocket of lower value just south of Reigate town centre in Woodhatch
- A pocket of low value in the Tattenhams and Preston area as well as parts of Banstead
- A belt of lower value stretching from south from Merstham and incorporating Redhill, the A23 corridor (Earlswood and Salfords) and also Horley

Whilst the website “heat map” map provides an indication of value differentiation across the borough, it is based on absolute property sales values rather than sales values per square metre, and is not limited to new-build houses or open market housing, but includes sales of second hand stock and affordable dwellings.

The average sales value per sqm for all residential properties (new build and second hand market and affordable housing sales) for the borough as a whole (from Zoopla all sales, September 2016 to September 2017) is **£4,577psqm.**

The Figures below provide a picture of residential sales values across the borough. This data includes all residential sales, including new build and second hand market, and affordable housing sales.

Figure 4: Average sales price paid / m² (all sales; new build and 2nd hand)

Source: Zoopla website (quoted in price/sqft and converted),
September 2016 - September 2017

Reigate (£/m ²)	
Detached (4.2 beds)	£5,562
Semi (3.3 bed)	£5,131
Terraced (2.9 beds)	£5,152
Flats (1.9 beds)	£4,829

Average overall	£5,168
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Figure 5: Average sales price / m² in Banstead

Source: Zoopla website quoted in price/sqft and converted), August 2016-August 2017

Banstead (£/m²)	
Detached (4 beds)	£5,099
Semi (3.3 bed)	£4,969
Terraced (3 beds)	£4,862
Flats (2 beds)	£4,059
Average overall	£4,972

Figure 6: Average sales price / m² in Redhill

Source: Zoopla website quoted in price/sqft and converted), August 2016-August 2017

Redhill (£/m²)	
Detached (3.9beds)	£4,366
Semi (3.2 bed)	£4,301
Terraced (2.9 beds)	£4,139
Flats (1.7 beds)	£4,096
Average overall	£4,226

Figure 7: Average sales price / m² in Horley

Source: Zoopla website quoted in price/sqft and converted), August 2016-August 2017

Horley (£/m²)	
Detached (3.8 beds)	£3,999
Semi (3 bed)	£3,880
Terraced (2.7 beds)	£4,032
Flats (1.7 beds)	£3,859
Average overall	£3,943

The time taken to sell residential properties is an indication of the strength of the sales market in that area. Figure 8 provides an indication of how this varies across the borough, and for different type dwellings.

Figure 8: Average selling time for residential properties (time on market)

Source: [home.co.uk](https://www.home.co.uk) data, January 2018

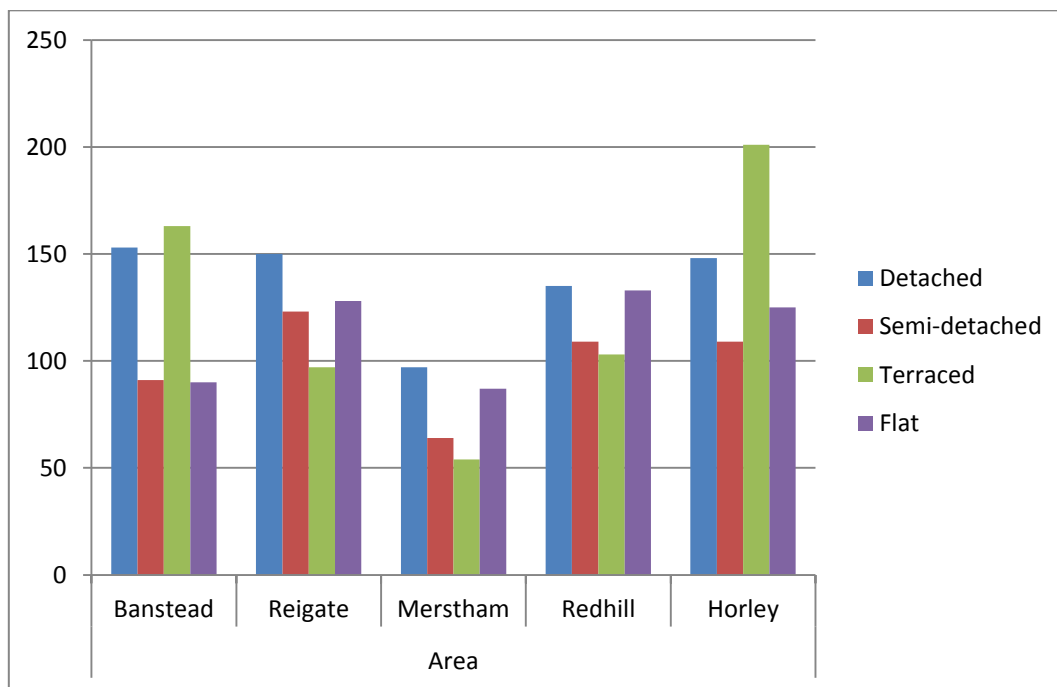


Figure 9: Summary of open market sales values by Property Size and Value Level, 2016-17 Q1

Source: Land Registry

	Value Level 1	Value Level 2	Value Level 3
	Redhill and Horley (town centre)* <i>2-bed flats sold for more than 1-bed flats, but at lower value per sqm. The only 2-bed flat sale in Redhill TC was significantly higher and with higher value/sqm (£4,481/sqm compared to £3,655 for all 2-bed flats sold in in Horley TC). Mostly conversions office to resi.</i>	Redhill and Horley (excluding town centres), Merstham, Earlswood, Woodhatch, Salfords <i>except for Horley North East and West sector, which as very large developments, has not been considered (would require relating plans for each individual house / flat to a property address)</i>	Banstead, Chipstead, Tadworth, Kingswood, Reigate
1 bed flat	£203,111	£270,098	£261,833
value / sqm	£4,145	£6,474	£4,761
2 bed flat	£235,958	£262,445	£289,542
value / sqm	£4,062	£4,203	£4,642
2 bed house	none sold 2016 and 2017 Q1	£292,269	£579,112
value / sqm		£3,582	£5,739
3 bed house	none sold 2016 and 2017 Q1	£388,317	£527,836
value / sqm		£4,628	£5,374
4 bed house	none sold 2016 and 2017 Q1	£616,250	£653,247
value / sqm		£4,340	£5,066
5 bed house	none sold 2016 and 2017 Q1	£805,417	none sold 2016 and 2017 Q1*
value / sqm		£4,088	
Calculated Average value £/sqm for all property sizes	£4,104	£4,553	£5,116
Mean Average for all property sizes	£4,000	£4,500	£5,000

The sales values used in the 2018 viability appraisals are shown in Figure 9 above. These were calculated from the open market sales values for the borough recorded by the Land Registry data on all new-build open market dwellings (affordable dwellings were excluded). The calculated averages were rounded down.

Full details of residential sales included are provided in Figure 10 below.

Figure 10: Open Market Sales Values for new build dwellings (January 2016-March 2017)

Source: Land Registry

Price paid	deed_date	Value Area (1-4)	town	postcode	prop erty_type	sqm	No. Bed-rooms	sao n	paon	street
207500	25/11/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 1	OAKFIELD COURT	CONSORT WAY
190000	31/03/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 2	OAKFIELD COURT	CONSORT WAY
212000	01/12/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 3	OAKFIELD COURT	CONSORT WAY
190000	30/03/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 4	OAKFIELD COURT	CONSORT WAY
225000	26/09/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 5	OAKFIELD COURT	CONSORT WAY
227500	10/06/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 6	OAKFIELD COURT	CONSORT WAY
231500	06/07/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 7	OAKFIELD COURT	CONSORT WAY
195000	21/04/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 8	OAKFIELD COURT	CONSORT WAY
238000	31/03/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 9	OAKFIELD COURT	CONSORT WAY

200000	15/07/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 10	OAKFIELD COURT	CONSORT WAY
238000	14/07/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 11	OAKFIELD COURT	CONSORT WAY
232500	24/06/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 12	OAKFIELD COURT	CONSORT WAY
230000	31/03/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 13	OAKFIELD COURT	CONSORT WAY
200000	04/08/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 14	OAKFIELD COURT	CONSORT WAY
247500	02/08/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 15	OAKFIELD COURT	CONSORT WAY
200000	30/03/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 16	OAKFIELD COURT	CONSORT WAY
210000	10/10/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 17	OAKFIELD COURT	CONSORT WAY
213000	13/07/2016	1	HORLEY	RH6 7AF	F	49	1	FLA T 18	OAKFIELD COURT	CONSORT WAY
250000	20/07/2016	1	HORLEY	RH6 7AF	F	62	2	FLA T 19	OAKFIELD COURT	CONSORT WAY
345000	04/04/2017	1	REDHILL	RH1 1TZ	F			22.0 0	QUEENSGA TE	HIGH STREET
177000	23/03/2016	1	HORLEY	RH6 7AB	F			FLA T 6	100	VICTORIA ROAD
200000	08/07/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 1	BEULAH COURT, 15 - 19	ALBERT ROAD

210000	27/05/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 2	BEULAH COURT, 15 - 19	ALBERT ROAD
215000	11/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 3	BEULAH COURT, 15 - 19	ALBERT ROAD
217000	22/02/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 4	BEULAH COURT, 15 - 19	ALBERT ROAD
210000	29/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 5	BEULAH COURT, 15 - 19	ALBERT ROAD
212500	01/07/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 6	BEULAH COURT, 15 - 19	ALBERT ROAD
220000	24/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 7	BEULAH COURT, 15 - 19	ALBERT ROAD
228000	25/02/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 8	BEULAH COURT, 15 - 19	ALBERT ROAD
219950	22/07/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 15	BEULAH COURT, 15 - 19	ALBERT ROAD
150000	20/09/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 9	BEULAH COURT, 15 - 19	ALBERT ROAD

210000	31/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 16	BEULAH COURT, 15 - 19	ALBERT ROAD
215000	10/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 17	BEULAH COURT, 15 - 19	ALBERT ROAD
215000	31/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 18	BEULAH COURT, 15 - 19	ALBERT ROAD
175000	08/04/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 14	BEULAH COURT, 15 - 19	ALBERT ROAD
215000	19/08/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 10	BEULAH COURT, 15 - 19	ALBERT ROAD
200000	08/07/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 11	BEULAH COURT, 15 - 19	ALBERT ROAD
219500	31/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 12	BEULAH COURT, 15 - 19	ALBERT ROAD
220000	02/06/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 13	BEULAH COURT, 15 - 19	ALBERT ROAD
162000	18/03/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 20	BEULAH COURT, 15 - 19	ALBERT ROAD

155000	11/03/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 21	BEULAH COURT, 15 - 19	ALBERT ROAD
167000	21/04/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 22	BEULAH COURT, 15 - 19	ALBERT ROAD
167500	18/05/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 23	BEULAH COURT, 15 - 19	ALBERT ROAD
175000	21/03/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 29	BEULAH COURT, 15 - 19	ALBERT ROAD
192000	11/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 30	BEULAH COURT, 15 - 19	ALBERT ROAD
210000	11/03/2016	2/3	HORLEY	RH6 7GX	F	62	2	FLA T 31	BEULAH COURT, 15 - 19	ALBERT ROAD
176000	20/05/2016	2/3	HORLEY	RH6 7GX	F	49	1	FLA T 32	BEULAH COURT, 15 - 19	ALBERT ROAD
345000	20/01/2016	2/3	REDHILL	RH1 5EY	D				1A	BEECHWO OD VILLAS
257000	02/09/2016	2/3	REIGATE	RH2 7JB	F	47	2	FLA T 6	PARK VIEW, 105	BELL STREET
250000	01/09/2016	2/3	REIGATE	RH2 7JB	F	37	1	FLA T 5	PARK VIEW, 105	BELL STREET
262500	25/10/2016	2/3	REIGATE	RH2 7JB	F	33	1	FLA T 4	PARK VIEW, 105	BELL STREET

257500	07/03/2017	2/3	REIGATE	RH2 7JB	F	34	1	FLA T 3	PARK VIEW, 105	BELL STREET
240000	30/08/2016	2/3	REIGATE	RH2 7JB	F	30	1	FLA T 2	PARK VIEW, 105	BELL STREET
310000	30/08/2016	2/3	REIGATE	RH2 7JB	F	31	1	FLA T 1	PARK VIEW, 105	BELL STREET
300000	31/08/2016	2/3	REIGATE	RH2 7JB	F	33	1	FLA T 8	PARK VIEW, 105	BELL STREET
252500	08/09/2016	2/3	REIGATE	RH2 7JB	F	47	2	FLA T 7	PARK VIEW, 105	BELL STREET
267500	30/08/2016	2/3	REIGATE	RH2 7JB	F	48	2	FLA T 16	PARK VIEW, 105	BELL STREET
263000	26/08/2016	2/3	REIGATE	RH2 7JB	F	37	1	FLA T 15	PARK VIEW, 105	BELL STREET
252500	31/08/2016	2/3	REIGATE	RH2 7JB	F	34	1	FLA T 13	PARK VIEW, 105	BELL STREET
280000	30/08/2016	2/3	REIGATE	RH2 7JB	F	31	1	FLA T 11	PARK VIEW, 105	BELL STREET
305000	02/09/2016	2/3	REIGATE	RH2 7JB	F	33	1	FLA T 10	PARK VIEW, 105	BELL STREET
250000	08/09/2016	2/3	REIGATE	RH2 7JB	F	62	2	FLA T 9	PARK VIEW, 105	BELL STREET
272500	05/09/2016	2/3	REIGATE	RH2 7JB	F	48	2	FLA T 24	PARK VIEW, 105	BELL STREET
272500	26/08/2016	2/3	REIGATE	RH2 7JB	F	37	2	FLA T 23	PARK VIEW, 105	BELL STREET
350000	30/08/2016	2/3	REIGATE	RH2 7JB	F	35	1	FLA T 22	PARK VIEW, 105	BELL STREET

254000	08/09/2016	2/3	REIGATE	RH2 7JB	F	34	1	FLA T 21	PARK VIEW, 105	BELL STREET
272500	08/09/2016	2/3	REIGATE	RH2 7JB	F	31	1	FLA T 20	PARK VIEW, 105	BELL STREET
290000	08/09/2016	2/3	REIGATE	RH2 7JB	F	31	1	FLA T 19	PARK VIEW, 105	BELL STREET
312500	31/08/2016	2/3	REIGATE	RH2 7JB	F	33	1	FLA T 18	PARK VIEW, 105	BELL STREET
252500	30/11/2016	2/3	REIGATE	RH2 7JB	F	62	1	FLA T 17	PARK VIEW, 105	BELL STREET
267000	10/03/2016	2/3	REDHILL	RH1 6DL	F			FLA T 16	NICHE PLACE, 6	BROOK ROAD
579995	26/02/2016	2/3	HORLEY	RH6 9HN	D				15	BROOKFIEL D DRIVE
244995	29/01/2016	2/3	HORLEY	RH6 9HN	D				17	BROOKFIEL D DRIVE
354995	24/03/2016	2/3	HORLEY	RH6 9FT	D				2	CHALKFIEL D ROAD
542995	24/03/2016	2/3	HORLEY	RH6 9FT	D				4	CHALKFIEL D ROAD
584995	24/03/2016	2/3	HORLEY	RH6 9FT	D				6	CHALKFIEL D ROAD
589995	26/02/2016	2/3	HORLEY	RH6 9FT	D				12	CHALKFIEL D ROAD
328250	13/01/2017	2/3	HORLEY	RH6 8RG	S	76	3		293	COURT LODGE ROAD
325000	17/02/2017	2/3	HORLEY	RH6 8RG	S	76	3		295	COURT LODGE ROAD

290150	18/01/2017	2/3	HORLEY	RH6 8RG	S	74	2		297	COURT LODGE ROAD
290000	12/01/2017	2/3	HORLEY	RH6 8RG	S	74	2		299	COURT LODGE ROAD
292000	21/12/2016	2/3	HORLEY	RH6 8RG	T	74	2		301	COURT LODGE ROAD
280000	20/12/2016	2/3	HORLEY	RH6 8RG	T	74	2		303	COURT LODGE ROAD
295000	25/01/2017	2/3	HORLEY	RH6 8RG	T	74	3		305	COURT LODGE ROAD
330000	22/12/2016	2/3	REDHILL	RH1 2QE	F				9	CYGNETS CLOSE
330000	22/12/2016	2/3	REDHILL	RH1 2QE	F				11	CYGNETS CLOSE
657500	10/02/2017	2/3	REDHILL	RH1 2QE	D	100	4		12	CYGNETS CLOSE
725000	21/12/2016	2/3	REDHILL	RH1 2QE	D				13	CYGNETS CLOSE
495000	27/01/2017	2/3	REDHILL	RH1 2QE	S	85	3		14	CYGNETS CLOSE
499950	09/12/2016	2/3	REDHILL	RH1 2QE	S	85	3		16	CYGNETS CLOSE
409950	03/03/2017	2/3	HORLEY	RH6 8GT	D				5	DAY CLOSE
310000	31/03/2016	2/3	REDHILL	RH1 6AX	F			FLA T 2	EAST COURT, 9A	DORAN DRIVE

310000	24/03/2016	2/3	REDHILL	RH1 6AX	F			FLA T 2	WEST COURT, 8A	DORAN DRIVE
360000	09/03/2016	2/3	REDHILL	RH1 6AX	F			FLA T 3	WEST COURT, 8A	DORAN DRIVE
1620000	04/03/2016	2/3	REIGATE	RH2 7HG	D				COURTWOOD, 7	FURZEFIELD ROAD
200000	05/01/2016	2/3	REDHILL	RH1 6ET	F	65	1	FLA T 1	ARTILLERY COURT, 2	HOOLEY LANE
300000	08/01/2016	2/3	REDHILL	RH1 6ET	F	39	1	FLA T 10	ARTILLERY COURT, 2	HOOLEY LANE
245000	27/05/2016	2/3	REDHILL	RH1 6ET	F	47	2	FLA T 11	ARTILLERY COURT, 2	HOOLEY LANE
310000	13/05/2016	2/3	REDHILL	RH1 6ET	F	40	1	FLA T 2	ARTILLERY COURT, 2	HOOLEY LANE
175000	06/01/2016	2/3	REDHILL	RH1 6ET	F	75	2	FLA T 3	ARTILLERY COURT, 2	HOOLEY LANE
300000	01/03/2016	2/3	REDHILL	RH1 6ET	F	45	1	FLA T 4	ARTILLERY COURT, 2	HOOLEY LANE
190000	08/01/2016	2/3	REDHILL	RH1 6ET	F	70	1	FLA T 5	ARTILLERY COURT, 2	HOOLEY LANE
290000	25/01/2016	2/3	REDHILL	RH1 6ET	F	40	1	FLA T 6	ARTILLERY COURT, 2	HOOLEY LANE
240000	08/03/2016	2/3	REDHILL	RH1 6ET	F	73	2	FLA T 7	ARTILLERY COURT, 2	HOOLEY LANE
220000	15/01/2016	2/3	REDHILL	RH1 6ET	F	41	1	FLA T 8	ARTILLERY COURT, 2	HOOLEY LANE
250000	03/06/2016	2/3	REDHILL	RH1 6ET	F	44	1	FLA T 9	ARTILLERY COURT, 2	HOOLEY LANE

605000	30/06/2016	2/3	HORLEY	RH6 9FH	D					9	LANGWOOD DRIVE
385000	15/04/2016	2/3	HORLEY	RH6 9FH	S					25	LANGWOOD DRIVE
395000	31/03/2016	2/3	HORLEY	RH6 9FH	S					27	LANGWOOD DRIVE
600000	20/04/2016	2/3	HORLEY	RH6 9FH	D					29	LANGWOOD DRIVE
450000	23/05/2016	2/3	HORLEY	RH6 9FH	D					40	LANGWOOD DRIVE
525000	29/04/2016	2/3	HORLEY	RH6 9FH	D					42	LANGWOOD DRIVE
440000	13/02/2017	2/3	REIGATE	RH2 7AB	F	72	2	FLA T 1	LINDEN COURT		LESBOURNE ROAD
425000	03/02/2017	2/3	REIGATE	RH2 7AB	F	85	2	FLA T 10	LINDEN COURT		LESBOURNE ROAD
280000	31/01/2017	2/3	REIGATE	RH2 7AB	F	84	3	FLA T 11	LINDEN COURT		LESBOURNE ROAD
545000	10/02/2017	2/3	REIGATE	RH2 7AB	F	56	1	FLA T 12	LINDEN COURT		LESBOURNE ROAD
395000	10/02/2017	2/3	REIGATE	RH2 7AB	F	55	1	FLA T 13	LINDEN COURT		LESBOURNE ROAD
275000	08/02/2017	2/3	REIGATE	RH2 7AB	F	45	1	FLA T 14	LINDEN COURT		LESBOURNE ROAD
360000	07/02/2017	2/3	REIGATE	RH2 7AB	F	86	2	FLA T 16	LINDEN COURT		LESBOURNE ROAD
275000	10/02/2017	2/3	REIGATE	RH2 7AB	F	79	2	FLA T 17	LINDEN COURT		LESBOURNE ROAD

350000	10/02/2017	2/3	REIGATE	RH2 7AB	F	62	2	FLA T 18	LINDEN COURT	LESBOURN E ROAD
465000	10/02/2017	2/3	REIGATE	RH2 7AB	F	76	2	FLA T 19	LINDEN COURT	LESBOURN E ROAD
265000	10/02/2017	2/3	REIGATE	RH2 7AB	F	45	1	FLA T 2	LINDEN COURT	LESBOURN E ROAD
450000	31/03/2017	2/3	REIGATE	RH2 7AB	F	70	2	FLA T 20	LINDEN COURT	LESBOURN E ROAD
350000	16/02/2017	2/3	REIGATE	RH2 7AB	F	43	1	FLA T 21	LINDEN COURT	LESBOURN E ROAD
310000	31/01/2017	2/3	REIGATE	RH2 7AB	F	44	1	FLA T 22	LINDEN COURT	LESBOURN E ROAD
265000	31/01/2017	2/3	REIGATE	RH2 7AB	F	47	1	FLA T 23	LINDEN COURT	LESBOURN E ROAD
360000	31/01/2017	2/3	REIGATE	RH2 7AB	F	78	2	FLA T 25	LINDEN COURT	LESBOURN E ROAD
315000	27/01/2017	2/3	REIGATE	RH2 7AB	F	49	1	FLA T 26	LINDEN COURT	LESBOURN E ROAD
270000	31/01/2017	2/3	REIGATE	RH2 7AB	F	48	1	FLA T 27	LINDEN COURT	LESBOURN E ROAD
275000	12/01/2017	2/3	REIGATE	RH2 7AB	F	107	3	FLA T 29	LINDEN COURT	LESBOURN E ROAD
415000	10/02/2017	2/3	REIGATE	RH2 7AB	F	76	2	FLA T 3	LINDEN COURT	LESBOURN E ROAD
400000	31/01/2017	2/3	REIGATE	RH2 7AB	F	75	2	FLA T 30	LINDEN COURT	LESBOURN E ROAD
375000	31/01/2017	2/3	REIGATE	RH2 7AB	F	64	2	FLA T 31	LINDEN COURT	LESBOURN E ROAD

376000	31/01/2017	2/3	REIGATE	RH2 7AB	F	63	2	FLA T 32	LINDEN COURT	LESBOURN E ROAD
310000	31/01/2017	2/3	REIGATE	RH2 7AB	F	77	2	FLA T 33	LINDEN COURT	LESBOURN E ROAD
260000	31/01/2017	2/3	REIGATE	RH2 7AB	F	98	2	FLA T 34	LINDEN COURT	LESBOURN E ROAD
260000	31/01/2017	2/3	REIGATE	RH2 7AB	F	71	2	FLA T 35	LINDEN COURT	LESBOURN E ROAD
375000	31/01/2017	2/3	REIGATE	RH2 7AB	F	69	1	FLA T 36	LINDEN COURT	LESBOURN E ROAD
525000	31/01/2017	2/3	REIGATE	RH2 7AB	F	48	1	FLA T 37	LINDEN COURT	LESBOURN E ROAD
260000	01/02/2017	2/3	REIGATE	RH2 7AB	F	72	2	FLA T 5	LINDEN COURT	LESBOURN E ROAD
380000	10/02/2017	2/3	REIGATE	RH2 7AB	F	80	2	FLA T 6	LINDEN COURT	LESBOURN E ROAD
425000	10/02/2017	2/3	REIGATE	RH2 7AB	F	85	2	FLA T 7	LINDEN COURT	LESBOURN E ROAD
285000	10/02/2017	2/3	REIGATE	RH2 7AB	F	43	1	FLA T 8	LINDEN COURT	LESBOURN E ROAD
285000	27/01/2017	2/3	REIGATE	RH2 7AB	F	75	2	FLA T 9	LINDEN COURT	LESBOURN E ROAD
594995	15/03/2016	2/3	HORLEY	RH6 9FL	D				3	LITTLE MEADOW
350250	08/03/2017	2/3	HORLEY	RH6 8GD	D	86	3		1	LITTLEFIEL D CLOSE
305000	22/03/2017	2/3	HORLEY	RH6 8GD	T	73	2		2	LITTLEFIEL D CLOSE

291000	20/04/2017	2/3	HORLEY	RH6 8GD	T	73	2		3	LITTLEFIELD CLOSE
290000	24/02/2017	2/3	HORLEY	RH6 8GD	T	73	2		4	LITTLEFIELD CLOSE
300000	14/02/2017	2/3	HORLEY	RH6 8GD	T	73	2		5	LITTLEFIELD CLOSE
350000	31/03/2017	2/3	HORLEY	RH6 8GD	T	90	3		6	LITTLEFIELD CLOSE
340000	28/02/2017	2/3	HORLEY	RH6 8GD	T	90	3		7	LITTLEFIELD CLOSE
345000	16/02/2017	2/3	HORLEY	RH6 8GD	T	90	3		8	LITTLEFIELD CLOSE
320000	15/02/2017	2/3	HORLEY	RH6 8GD	T	90	3		9	LITTLEFIELD CLOSE
335000	07/04/2017	2/3	HORLEY	RH6 8GD	T	80	3		10	LITTLEFIELD CLOSE
331250	17/02/2017	2/3	HORLEY	RH6 8GD	T	80	3		11	LITTLEFIELD CLOSE
335000	13/02/2017	2/3	HORLEY	RH6 8GD	T	80	3		12	LITTLEFIELD CLOSE
285000	14/10/2016	2/3	REIGATE	RH2 9AR	F	50	2	FLA T 1	TRINITY HOUSE, 55	LONDON ROAD
123000	27/10/2016	2/3	REIGATE	RH2 9AR	F	50	2	FLA T 10	TRINITY HOUSE, 55	LONDON ROAD
154000	27/10/2016	2/3	REIGATE	RH2 9AR	F	50	2	FLA T 11	TRINITY HOUSE, 55	LONDON ROAD
123000	27/10/2016	2/3	REIGATE	RH2 9AR	F	50	2	FLA T 12	TRINITY HOUSE, 55	LONDON ROAD

123000	27/10/2016	2/3	REIGATE	RH2 9AR	F	51	2	FLA T 13	TRINITY HOUSE, 55	LONDON ROAD
123000	27/10/2016	2/3	REIGATE	RH2 9AR	F	51	2	FLA T 14	TRINITY HOUSE, 55	LONDON ROAD
123000	27/10/2016	2/3	REIGATE	RH2 9AR	F	46	2	FLA T 15	TRINITY HOUSE, 55	LONDON ROAD
154000	27/10/2016	2/3	REIGATE	RH2 9AR	F	46	2	FLA T 16	TRINITY HOUSE, 55	LONDON ROAD
154000	27/10/2016	2/3	REIGATE	RH2 9AR	F	50	2	FLA T 17	TRINITY HOUSE, 55	LONDON ROAD
123000	27/10/2016	2/3	REIGATE	RH2 9AR	F	50	2	FLA T 18	TRINITY HOUSE, 55	LONDON ROAD
399950	16/09/2016	2/3	REIGATE	RH2 9AR	F	49	2	FLA T 2	TRINITY HOUSE, 55	LONDON ROAD
290000	10/11/2016	2/3	REIGATE	RH2 9AR	F	49	2	FLA T 3	TRINITY HOUSE, 55	LONDON ROAD
295000	30/09/2016	2/3	REIGATE	RH2 9AR	F	77.8	3	FLA T 4	TRINITY HOUSE, 55	LONDON ROAD
250000	17/10/2016	2/3	REIGATE	RH2 9AR	F	77.8	3	FLA T 5	TRINITY HOUSE, 55	LONDON ROAD
285000	25/10/2016	2/3	REIGATE	RH2 9AR	F	65	3	FLA T 6	TRINITY HOUSE, 55	LONDON ROAD
285000	12/09/2016	2/3	REIGATE	RH2 9AR	F	65	3	FLA T 9	TRINITY HOUSE, 55	LONDON ROAD
327500	26/02/2016	2/3	REDHILL	RH1 6PA	F			FLA T 1	WIND WOOD, 33	MILL STREET
330000	24/03/2016	2/3	REDHILL	RH1 6PA	F			FLA T 2	WIND WOOD, 33	MILL STREET

335000	23/03/2016	2/3	REDHILL	RH1 6PA	F			FLA T 3	WIND WOOD, 33	MILL STREET
335000	10/06/2016	2/3	REDHILL	RH1 6PA	F			FLA T 4	WIND WOOD, 33	MILL STREET
220000	18/03/2016	2/3	REDHILL	RH1 6PA	F			FLA T 5	WIND WOOD, 33	MILL STREET
220000	04/03/2016	2/3	REDHILL	RH1 6PA	F			FLA T 6	WIND WOOD, 33	MILL STREET
330000	01/04/2016	2/3	REDHILL	RH1 6PA	F			FLA T 7	WIND WOOD, 33	MILL STREET
249995	12/01/2016	2/3	REDHILL	RH1 2ET	F			FLA T 5	REGAL HOUSE, 2	MONSON ROAD
795000	19/01/2017	2/3	HORLEY	RH6 7BY	D	197	5		39	OAKWOOD ROAD
810000	20/12/2016	2/3	HORLEY	RH6 7BY	D	197	5		41	OAKWOOD ROAD
785000	31/10/2016	2/3	HORLEY	RH6 7BY	D	197	5		43	OAKWOOD ROAD
810000	03/03/2017	2/3	HORLEY	RH6 7BY	D	197	5		37A	OAKWOOD ROAD
832500	27/01/2017	2/3	HORLEY	RH6 7BY	D	197	5		41A	OAKWOOD ROAD
800000	21/10/2016	2/3	HORLEY	RH6 7BY	D	197	5		43A	OAKWOOD ROAD
775000	10/03/2016	2/3	REIGATE	RH2 8BU	S				1	SOMERS GATE
874000	31/03/2016	2/3	REIGATE	RH2 8BU	S				2	SOMERS GATE, DROVERS GREEN

										ROAD
470000	19/12/2016	2/3	REDHILL	RH1 2GG	S			3.00	HERON COTTAGES	THE FRENCHES
375950	31/03/2016	2/3	HORLEY	RH6 9FZ	D				2	THOMAS WATERS WAY
375995	30/03/2016	2/3	HORLEY	RH6 9FZ	D				3	THOMAS WATERS WAY
683000	21/06/2016	2/3	HORLEY	RH6 9FZ	D				25	THOMAS WATERS WAY
750000	12/10/2016	2/3	HORLEY	RH6 9FZ	D				26	THOMAS WATERS WAY
680000	06/05/2016	2/3	HORLEY	RH6 9FZ	D				27	THOMAS WATERS WAY
544950	20/12/2016	2/3	HORLEY	RH6 9FZ	D				28	THOMAS WATERS WAY
544950	13/02/2017	2/3	HORLEY	RH6 9FZ	D				29	THOMAS WATERS WAY
544950	13/12/2016	2/3	HORLEY	RH6 9FZ	D				30	THOMAS WATERS WAY
494950	09/12/2016	2/3	HORLEY	RH6 9FZ	D				31	THOMAS WATERS WAY

489995	02/12/2016	2/3	HORLEY	RH6 9FZ	D				32	THOMAS WATERS WAY
489995	29/11/2016	2/3	HORLEY	RH6 9FZ	D				33	THOMAS WATERS WAY
544950	23/11/2016	2/3	HORLEY	RH6 9FZ	D				34	THOMAS WATERS WAY
544950	24/11/2016	2/3	HORLEY	RH6 9FZ	D				35	THOMAS WATERS WAY
379950	27/10/2016	2/3	HORLEY	RH6 9FZ	T				36	THOMAS WATERS WAY
375950	31/10/2016	2/3	HORLEY	RH6 9FZ	S				37	THOMAS WATERS WAY
385950	21/10/2016	2/3	HORLEY	RH6 9FZ	T				38	THOMAS WATERS WAY
375950	07/10/2016	2/3	HORLEY	RH6 9FZ	S				39	THOMAS WATERS WAY
375950	30/09/2016	2/3	HORLEY	RH6 9FZ	S				40	THOMAS WATERS WAY
375950	30/09/2016	2/3	HORLEY	RH6 9FZ	S				41	THOMAS WATERS WAY
489995	31/08/2016	2/3	HORLEY	RH6 9FZ	D				42	THOMAS WATERS WAY

489995	31/08/2016	2/3	HORLEY	RH6 9FZ	D					43	THOMAS WATERS WAY
415950	31/08/2016	2/3	HORLEY	RH6 9FZ	D					44	THOMAS WATERS WAY
539950	19/12/2016	2/3	HORLEY	RH6 9FZ	D					45	THOMAS WATERS WAY
539950	29/09/2016	2/3	HORLEY	RH6 9FZ	D					46	THOMAS WATERS WAY
475000	09/08/2016	2/3	HORLEY	RH6 9FZ	D					47	THOMAS WATERS WAY
489995	29/07/2016	2/3	HORLEY	RH6 9FZ	D					48	THOMAS WATERS WAY
689995	05/08/2016	2/3	HORLEY	RH6 9FZ	D					49	THOMAS WATERS WAY
689995	03/11/2016	2/3	HORLEY	RH6 9FZ	D					50	THOMAS WATERS WAY
399950	16/02/2017	2/3	HORLEY	RH6 8NS	D					2	WESTVALE ROAD
409950	16/02/2017	2/3	HORLEY	RH6 8NS	D					8	WESTVALE ROAD
409950	16/02/2017	2/3	HORLEY	RH6 8NS	D					10	WESTVALE ROAD
620000	24/03/2016	2/3	HORLEY	RH6 9TN	D					24	WHITTAKER DRIVE

649950	23/03/2016	2/3	HORLEY	RH6 9TN	D				90	WHITTAKER DRIVE
354995	20/05/2016	2/3	HORLEY	RH6 9RQ	S				3	WILLIAMSO N ROAD
329995	27/05/2016	2/3	HORLEY	RH6 9RQ	S				5	WILLIAMSO N ROAD
544995	29/04/2016	2/3	HORLEY	RH6 9RQ	D				7	WILLIAMSO N ROAD
584995	29/04/2016	2/3	HORLEY	RH6 9RQ	D				9	WILLIAMSO N ROAD

2. Analysis of residential sales values over time

In order to ensure policies are robust across the plan period, through an economic cycle, it is useful to consider longer-terms market trends. The following average sales values achieved across the borough have been collated from various RBBC Viability reports over the years. This data shows the movement in the residential market in the borough over recent years.

The Adams Integra Affordable Housing Viability Update 2009 applied a series of discrete Value Points to reflect the sales values of new residential development schemes in the borough. Open market sales values varied from a minimum in the borough of **£2,369/sqm** to an exceptional maximum of **£5,907/sqm** and an **average of £3,500/sqm**.

Figure 11: Average Residential Sales Values 2009

Source: Adams Integra for RBBC, 2009, "Affordable Housing Study"

Unit Type	Value Point 1	Value Point 1 £/sqm	Value Point 2	Value Point 2 £/sqm	Value Point 3	Value Point 3 £/sqm	Value Point 4	Value Point 4 £/sqm
1 bed flat	£102,000	£2,000	£145,000	£2,843	£185,000	£3,627	£230,000	£4,510
2 bed flat	£132,000	£2,000	£185,000	£2,803	£240,000	£3,636	£300,000	£4,545
2 bed house	£152,000	£2,000	£210,000	£2,763	£275,000	£3,618	£340,000	£4,474
3 bed house	£172,000	£2,000	£240,000	£2,791	£315,000	£3,663	£390,000	£4,535
4 bed house	£202,000	£2,000	£285,000	£2,822	£370,000	£3,663	£455,000	£4,505

Figure 12: Average Residential Sales Values 2012

Source: Dixon Searle for RBBC, March 2012, "Affordable Housing Viability Assessment 2011/ 12 Update"

	Value Level 1	Value Level 2	Value Level 3	Value Level 4
	Beneath typical current new build values – principally a sensitivity test level.	Typical new build values in Hooley, Merstham, Redhill, Horley.		Typical new build values in Reigate, Tadworth, Banstead, Chipstead, Kingswood, Walton On The Hill.
Commentary on Value Level	In the main representing market falling from current lower end new builds.	Typical mid-range new build values and Lower end new build values increasing with rising market / higher values falling back.		Typical mid-range new build values and Lower end new build values increasing with rising market / higher values falling back.
1-bed flat (45 sq m)	99,000	117,000	135,000	153,000
2-bed flat (60 sq m)	132,000	156,000	180,000	204,000
2-bed house (75 sq m)	165,000	195,000	225,000	255,000
3-bed house (95 sq m)	209,000	247,000	285,000	323,000
4-bed house (125 sq m)	275,000	325,000	375,000	425,000
Average dwelling	£2,200/ sqm	£2,600/sqm	£3,000/sqm	£3,400/sqm

Figure 13: Average Residential Sales Values 2015

Source: RBBC "Community Infrastructure Levy: Revised Viability Assessment Report"

	Value Level 1	Value Level 2	Value Level 3
	Redhill and Horley (town centre)	Redhill, Horley, Merstham, Earlswood, Woodhatch, Salfords (lower)	Redhill, Horley, Merstham, Earlswood, Woodhatch, Salfords (higher)
1 bed flat	£165,000	£170,000	£180,000
2 bed flat	£231,000	£238,000	£252,000
2 bed house	£280,500	£289,000	£306,000
3 bed house	£330,000	£340,000	£360,000
4 bed house	£445,500	£459,000	£486,000
5 bed house	£561,000	£578,000	£612,000
Average dwelling (i.e a 3-bed house / 100sqm)	£3,300	£3,400	£3,600

Figure 14: 2016 and 2017Q1 open market new-build residential sales data increase since the 2015
RBBC CIL Viability Study
Source : Land Registry

	Value Level 1	Value Level 2	Value Level 3	% increase since 2015 for VL1	% increase since 2015 for VL2/3
	Redhill and Horley (town centre)*	Redhill and Horley (excluding town centres), Merstham, Earlswood, Woodhatch, Salfords	Banstead, Chipstead, Tadworth, Kingswood, Reigate		
1 bed flat	£203,111	£270,098	£261,833	23%	59%
value / sqm	£4,145	£6,474	£4,761		
2 bed flat	£235,958	£262,445	£289,542	2%	10%
value / sqm	£4,062	£4,203	£4,642		
2 bed house	none sold 2016 and 2017 Q1	£292,269	£579,112		1%
value / sqm		£3,582	£5,739		
3 bed house	none sold 2016 and 2017 Q1	£388,317	£527,836		14%
value / sqm		£4,628	£5,374		
4 bed house	none sold 2016 and	£616,250	£653,247		34%

	2017 Q1				
value / sqm		£4,340	£5,066		
5 bed house	none sold 2016 and 2017 Q1	£805,417	none sold 2016 and 2017 Q1*		39%
value / sqm		£4,088			
Average value sq/m (based on a 3-bed house / 100sqm)	none sold 2016/17.. Therefore use 2016 average of £3,300/sqm	£3,883	£5,278		14%
Average value sq/m (based on all new build sales)	£4,104	£4,553	£5,116	24%	30%

*NOTE:

2-bed flats sold for more than 1-bed flats, but at lower value per sqm.

The only 2-bed flat sale in Redhill TC was significantly higher and with higher value/sqm (£4,481/sqm compared to £3,655 for all 2-bed flats sold in in Horley TC).

** except for Horley North East and West sector, which as very large developments, is very time-consuming to relate plans for each individual house / flat to a property address.

3. Threshold Land Values across the borough

For all residential theoretical scheme appraisals, and sustainable urban extension scheme appraisals, the following **Threshold / Benchmark Land Values** were used, calculated as set out in **Figure 15** below :

Figure15: Calculation of Threshold (Benchmark) Land Values uplift from 2015

Source : RBBC analysis from Land Registry data

Residential Threshold (Benchmark) Land Values				
Value Points / Level	2015 CIL Viability Study Table 13 (and Appendix 1)	2017 (based on proportionate change in sales values since the 2015 Study)	2017 Calculated from Land Sales Values (Land Registry)	2017 Appraisals
VL1 Redhill and Horley town centre	£3.15m (Value Points 1 and 2) And for high density / mixed use development (most appropriate for VL1 town centres) (market Value evidence £3.9m - £5.5m) : £3.6m (Value Points 1 and 2)	24% increase (£756,000) = £4,464,000	£5,599,949	£4,464,000
VL2 a : (equal to VL 2 & 3 in 2015 CIL Viability Study) Redhill and Horley (excluding town centres), Merstham, Earlswood,	£3.15m (Value Points 1 and 2) £3.6m (Value Point 3) Para 4.83 of 2015 RBBC CIL	2a : 30% increase of £3,375,000 (mid-point) = £4,3875,000		£4,3875,000

Woodhatch VP 2b : Greenfield Sustainable Urban Extensions	<i>Viability Study :</i> <i>The urban extensions schemes and Horley North West sector strategic site are subject to the greenfield benchmark. This benchmark effectively assumes an un-serviced site and typically on existing agricultural land but allows for a substantial landowner premium. For all sites, the benchmark is assumed to be a £800,000 per net developable hectare.</i> <i>This represents an uplift of approximately 30 times against typical agricultural land values in the borough/South East and therefore is considered to provide the “life changing event” which would motivate a landowner to release their land.</i>	2b: SUExs £1,040,000 per net developable hectare	£4,386,815	£1,040,000 per net developable hectare
VL3 (equal to VL4 in 2015 CIL Viability Study) Banstead, Chipstead, Tadworth, Kingswood, Reigate	£4.05m (Value Point 4)	28% increase £5,184,000	£4,900,000	£5,184,000
Retirement Housing	Threshold Land Values for retirement housing (tested as stand alone schemes at Value Levels 2a and 3. Retirement housing was also tested as part of some of the sustainable urban extension schemes at Value Level 2b. Based on advice from a (May 2013, updated February 2016) briefing paper by the Three Dragons for the Retirement Housing Group “ Community Infrastructure Levy and Sheltered / Extra Care Developments. ”			

	<p>This notes that in low to medium value areas it is very difficult for retirement housing to compete with mainstream housing development.</p> <p>RBBC's 2015 CIL Viability Study found CIL specialist retirement housing sufficiently viable to absorb the CIL rate appropriate to the zone in which development takes place.</p>
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Figure16: Land sales data (for residential development), December 2017

Source: Land Registry and RBBC analysis

Site	£/Ha	Notes
Area 1: Redhill and Horley TC		
Knowles House	£3,969,686	Vacant offices
39 High Street Horley	£15,267,857	Vacant offices
Beulah Court	£1,270,000	Vacant offices
Former Liquid & Envy	£8,594,635	Former night club, with permission for residential re-development Based on £2,275,000 sales price Oct 2013
Crown House	£15,357,143	This has only just been completed and does not yet have planning permission
Newman House	£4,104,477	
Site next to Newman House	£4,605,263	Former car park, now has planning permission for residential with retail
Average (mean)	£7,595,580	If Saxley Court is excluded
<i>Saxley Court</i>	<i>£24,382,521</i>	<i>Vacant offices, with pp for residential redevelopment – outlying value for area in area</i>
Average (mean)	£9,693,948	If Saxley Court is included
Average (median)	£5,599,949	

Area 2: Redhill and Horley (not TC), Merstham, Earlswood, Woodhatch and SUEs		
Chichester Caravans, Salfords	£3,117,021	Has permission for residential planning permission
1 Brook Road, Merstham	£2,450,000	For Sale
22 Beaumonts Salfords	£5,600,000	For Sale
Duxhurst Farm	£5,000,000	For Sale (barn conversion)
Meath Green Lane	£1,100,000	
Parochial Hall, Earlswood	£3,998,223	
30 Balcombe Road, Horley	£5,514,705	
Hockley Industrial Estate	£3,409,090	
Average (mean)	£3,773,630	
<i>St Johns Court</i>	<i>£14,278,752</i>	<i>Offices outlying value for area in area</i>
<i>Furness House</i>	<i>£16,613,419</i>	<i>Offices outlying value for area in area</i>
<i>Forum House</i>	<i>£20,615,950</i>	<i>Offices - outlying value for area in area</i>
Average (mean)	£7,427,015	<i>If St Johns Court, Furness House, and Forum House are included</i>
Average (median)	£4,386,815	
Area 3: Banstead, Chipstead, Tadworth, Kingswood, Reigate		
52 Park Lane	£8,342,105	
Labharis, Tumblewood Road	£4,900,000	
163a Warren Road	£6,917,475	
Cannon House, Hurst Drive	£4,980,000	
Flores House, Copthill	£4,062,500	
Average (mean)	£5,840,416	
Average (median)	£4,900,000	

Figure 17 below compares 2009 Valuation Office Agency (VOA) Property Market Report development land value data, updated by RBBC the national index reported in Savills' "Market in Minutes: UK residential development land" from 2009 to 2017 (45.1%). Within this period, between 2015 and 2017, growth in land values for development for small sites (less than 5 houses) was 12.5%. DCLG's report on is based on small site, of 1ha in area (35 two storey 2, 3 and 4-bedroom houses. The net developable area is assumed to be 80%, and the profit is 15% of GDV for market housing.

Figure 17: Comparison of various sources of development land value

Source: DCLG, Savills, Land Registry data and RBBC analysis

	Small Sites (per ha) <5 Units	Bulk Land (per ha)	Sites for flats (per ha)
CIL Viability Study 2015 Threshold Land Values Source: VOA (July 2009) "Property Market Report"	£3,500,000	£3,230,000	£2,850,000
Source: DCLG (February 2015) "Land Value Estimates for Policy Appraisal" NOTE: DCLG's Land Value Estimates are based on a 1ha site with nil affordable housing provision (therefore overestimating of market value; as assumes that policy compliance comes out of market value paid for the land)	£4,771,000		
Source: DCLG (December 2015) "Land Value Estimates for Policy Appraisal"	£5,240,000		
RBBC analysis : Using VOA (July 2009) "Property Market Report" updated by Savills' Market in Minutes: UK residential development land" national index change over period 2009 - 2017 (equivalent to a 45.1% increase Q3 2009 – Q3 2017) NOTE: VOA data (July 2009) uses mid-point growth of urban and greenfield, based on affordable housing being provided	£5,078,500	£4,622,130	£4,135,350
RBBC analysis : Using VOA (July 2009) "Property Market	£5,877,872		

Report" updated by DCLG Reigate index change over period 2014 - 2017 (equivalent to a 23.2% increase Q3 2009 – Q3 2017)			
RBBC analysis : Using VOA (July 2009) "Property Market Report" updated by Savills' Market in Minutes: UK residential development land" index change over the period 2015 - 2017 (equivalent to a 12./5% increase Q3 2009 – Q3 2017)	£5,895,000		

Figure 18: Average land for Sale for various uses

Source: Land Registry

PP made before/ after sale	Retail (per sqm)		Industrial (per ha)		Office (per sqm)		Residential (per ha)		Back Garden (per ha)	
	Before	After	Before	After	Before	After	Before	After	Before	After
SM7									£7,055,825	
KT20						£3,895	£4,980,000	£2,200,000	£4,062,500	
CR5										
RH1			£3,117,021		£816	£1,944				
RH2		£2,176			£1,956	£3,369		£8,342,105		£13,529,412
RH6					£2,040	£1,943		£533,871		
Average		£2,176	£3,117,021		£1,604	£2,788	£4,980,000	£3,691,992	£5,559,163	£13,529,412

NOTE: No sales data available for Leisure, nor for Greenfield.

Figure 19: Land marketed for sale for residential use

Source: Zoopla, Rightmove and other website searches

Address	Post code	Size (Ha)	Price	Price/ Ha	Details
Plot 8 Lakers Rise, Banstead	SM7	0.04	£110,000	£2,750,000	Land designated as Green Belt
The Avenue Tadworth	KT20	0.2	£400,000	£2,000,000	Does not have planning permission. PP was refused for redevelopment of the wider site to form four dwellings as it involved the loss of the locally listed building and was considered overbearing.
1 Brook Road, Merstham	RH1	0.02	£49,000	£2,450,000	Previous planning permission refused
22 Beaumonts Salfords	RH1	0.05	£280,000	£5,600,000	Planning permission has been submitted for 3/4-bed house
(plot 1) Heath Drive, Walton on the Hill	KT20	0.08	£800,000	£10,000,000	Planning permission for a five- bed home 17/01407/S73
(plot 2) Heath Drive, Walton on the Hill	KT20	0.08	£800,000	£10,000,000	Planning permission for a five-bed home 17/01407/S73
Hollis Row, Earlswood	RH1	0.01	£150,000	£15,000,000	Outline Planning permission granted for one small house

Figure 20: Properties marketed for sale (for redevelopment)

Source: Zoopla, Rightmove and other website searches

Address	Post code	Details	Price	Size (sqm)	Price/ sqm	Size (Ha)	Price/ Ha
High Street Merstham	RH1	Triple fronted retail unit with 2 residential flats above. Includes rear yard, parking area and garage	1,000,000	228	4,386	0.3	3,333,333

		block of 6 garages. Potential to develop/ extend (subject to planning)					
Bramley School, Chequers Lane, Tadworth	KT20	Former school	2,000,000	808	2,475	0.7	2,857,143
Brighton Road, Hooley	CR5	Retail unit with residential flat potential for redevelopment plus planning permission for bungalow in the rear garden	380,000			0.03	12,666,667
Duxhurst Farm	RH1	Agricultural barn sold with potential for planning conversion	300,000	473	634	0.06	5,000,000
Banstead Plot	SM7		54,000			0.04	1,350,000

Figure 21: Mean average Asking prices in Reigate & Banstead borough

Source: Zoopla (Sept 2017)

Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Houses	£195,000 (1)	£395,567 (21)	£571,400 (76)	£761,765 (51)	£942,000 (10)
Flats	£220,075 (18)	£323,795 (69)	£391,238 (4)	-	-
All	£218,755 (19)	£340,542 (90)	£562,392 (80)	£761,765 (51)	£942,000 (10)
Average: £517,495					

Figure 22: Residential Sales Rates in Reigate & Banstead Borough 2013 to 2017

Source: RBBC analysis

Scheme	No. Units Sold	Average no. sales per month
North West Sector	28	5.6
Large Schemes (mix of unit types/ sizes)		
Inholms – Thomas Waters Way, Horley	33	2.2
Court Lodge, Horley	18	3.6
Woodlands Close, Merstham	10	3.3
121 Smallfield Road, Horley	24	2.2
Merland Rise Recreation Ground, Tadworth	39	3.5
Average		3 dwellings per month
Back Garden Development		
Juniper Place, Reigate Road	11	1.8
Acer Close, Nork Way	10	3.3
Mimosa Close, Fir Tree Road	11	1.4
Elder Close, Fir Tree Road	8	2.7
Anmer Close, Epsom Lane North	9	1.5
Average		2 dwellings per month
Flats		
Oaks House 12 Brighton Road, Banstead	8	0.9
Crown House, Chequers Lane, Tadworth	9	0.9
Artillery Court, Redhill	9	1.8
39-41 Station Road, Redhill	2	1.0
Foxwell House, Priory Road	5	0.7
Schemes <10 units		1 dwelling per month
Queensgate, Redhill	14	4.7
Linnell Court, Reigate	14	3.5
Trinity House, Reigate	16	5.3
Liberty House, Reigate	21	5.3
Beulah Court, Horley	26	3.3
Schemes >10		4 dwellings per month

4. Non-residential use values

Office (B1a)

Evidence on commercial rental values is less comprehensive than for residential developments within the borough. This is largely due to the fact that the borough is not considered a significant location for commercial activity and thus does not feature within regular agents/consultants reports.

Advice from a local agent on the local office market in the borough was that over recent years (since 2015) office rents have increased and yields have decreased. This is driven in part by a limited supply of quality office units, being compounded by a continuing loss of office buildings to other uses (particularly due to permitted development rights for changes of use to residential). Highest office rents are found around the Gatwick area in the south of the borough. There is less of a demand for small second-hand office units in the borough's town centres, although Reigate's office market is stronger than Redhill's.

Asking rents for offices were collected from websites (including Estates Gazette, GumTree, and Prime Location), as listed in the Table below. Most of these offices, particularly in Horley were small town centre offices.

Figure 23: Office rents achieved, December 2017

Source: Estates Gazette, GumTree, Prime Location, and other websites

Name	£/sqft	£/sqm	Notes	Total Office floorspace (sqft)	Total Office floorspace (sqm)	Price Sold
RedCentral	£26.50	£285.24	Grade A	£2,505	£233	
Aquila House	£21.00	£226.04		£2,419	£225	
Raven House	£22.50	£242.19	Not TC	£7,830	£727	
Betchworth House	£23.50	£252.95		£8,446	£785	
Regent House	£26.50	£285.24	Grade A Recently refurbished. TC Full building	£28,490	£2,647	
Kingsgate	£23.50	£252.95	Grade A	£6,323	£587	
Prospero	£32.50	£349.83	Grade A	£52,202	£4,850	2,300,000
Warwick House	£15.00	£161.46		£14,590	£1,355	5,180,000
Gatton Place	£19.01	£204.62		£3,364	£313	
St Pauls House (61-63)	£28.75	£309.46	Grade A (recently refurbished)	£50,000	£4,645	25,000,000

London Road)						
Median	£23.50	£252.95				

Figure 24: Asking rents for offices by area

Source: Estates Gazette, GumTree, Prime Location and other websites

Town	Asking Rent £/sqft pa	Asking Rent £/sqm pa
Redhill		
RedCentral	£26.50	£285.24
Aquila House	£21.00	£226.04
Raven House	£22.50	£242.19
Betchworth House	£23.50	£252.95
Regent House	£26.50	£285.24
Kingsgate	£23.50	£252.95
Prospero	£32.50	£349.83
Warwick House	£15.00	£161.46
Gatton Place	£19.01	£204.62
St Pauls House (61-63 London Road)	£28.75	£309.46
Median	£23.50	£252.95
Reigate		
Hamilton House, 87-89 Bell Street	£43.56	£468.88
High Street Reigate	£6.68	£71.93
High Street Reigate	£17.76	£191.21
Church Street Reigate	£29.50	£317.53
High Street Reigate	£39.99	£430.46
High Street Reigate	£43.16	£464.56
West Street	£20.00	£215.28
Chapter House	£24.44	£263.09
Bancroft Place	£24.00	£258.33
Skinner House	£12.78	£137.56
Median	£24.22	£260.71
Horley		
6 Gatwick House, Peaks Brook Lane, RH6	£15	£161.40
Meadowcroft House, 182 Balcombe Rd	£10	£107.60
Smallmead, RH6	£10.32	£111
Unit 3c, Povey Cross Rd, RH6	£20	£215.20
Bluebird House, Povey Cross Rd, RH6	£14.11	£151.80
Median	£13.14	£141.38
Banstead		
Lamborn Place	£15.14	£162.94
Castle House	£2.29	£24.68
35a Nork Way	£15.31	£164.75

High Street	£15.20	£163.66
Median	£15.17	£163.30

Figure 25: Average asking rents for offices by area

Source: Estates Gazette, GumTree, Prime Location and other websites

Area	Median asking Rent £/sqft / pa	Median asking Rent £/m / pa
Banstead	£15.17	£163.30
Redhill	£23.50	£252.95
Reigate	£24.22	£260.71
Horley	£13.14	£141.38

These compare to prime rents of **£26.50 / sqft (£285.25/sqm)** achieved in the Gatwick / Crawley area, as reported in the reported in [Knight Frank M25 Offices Research Report Q3 2017](#). The [2017 Knight Frank Office Report](#) notes that occupiers securing Prospero, located at 73 London Road, Redhill are amongst those paying record rents to secure the right product. The guide price for this is £32.50/sqft /year (**£349.83/sqm/year**). This reflects the local market advice on demand for quality modern office stock.

Retail

Advice from a local agent on the local retail market in the borough was that the town centre retail market in the borough is fairly weak. This corresponds with the advice on retail values provided by the Council's "critical friend" for this DMP Viability work, that inclusion of ground floor retail units in a town centre residential scheme often has a negative impact on scheme viability. The market for retail warehousing, however, has increased in recent years (since 2015), particularly in Redhill, where it is a few pounds per sqm higher than in 2015. Industrial land values in the borough are higher than in 2015, and increasing.

The following asking rents are for small / medium sized town centre retail units.

Figure 26: Average Town Centre Retail asking rents by area, December 2017

Source: Estates Gazette, GumTree, Prime Location and other websites

Area	Median Asking Rent £/sqft	Median Asking Rent £/m
Banstead	£15.17	£163.30
Redhill	£23.50	£252.95
Reigate	£24.22	£260.71
Horley	£13.14	£141.38

Annex 3: Theoretical Viability Appraisals

7 Flats Value Point 1

Input Variables			
Total Saleable Floorspace	450 sqm		
Total Build Floorspace	518 sqm		
Allowance for communal/common parts	15.0% on flats		
Total on-site affordable housing req'tment	0%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,000 per sqm		
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,472 per sqm		
Build Cost Flats	£1,430 per sqm		
Water efficiency cost (1-2 bed)	£6 per unit		
Water efficiency cost (3-4 bed)	£9 per unit		
Accessibility Category 2 (flats)	£925 per unit		
Accessibility Category 2 (houses)	£520 per unit		
Accessibility Category 3 (flats)	£7,750 per unit		
Accessibility Category 3 (houses)	£10,200 per unit		
Allowance for external works and landscaping	10.0%		
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare		
Developers Profit	17.5% on GDV		
Developers Profit on Affordable Element	6% on Affordable GDV		
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£500 per unit		
Community Infrastructure Levy	£0 per sqm		
Acquisition Costs and Fees	4.76%		
Interest Rate (debts)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5% on principal loan amount		
Pre-Construction Period	6 months		
Principal Construction Period	12 months		
Post Construction Period	7 months		
Total Scheme Length	25 months		
Agents Fees	1.5% on Open Market GDV		
Marketing Costs	1.5% on Open Market GDV		
Legal Fees	0.5% on Open Market GDV		
Benchmark Land Value	£4,464,000 per net developable hectare		
Benchmark Value of Site	£267,840		
Land Area	0.06 hectares		
Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	450 sqm	£4,000	£1,800,000
Affordable Product - Rent	0 sqm	£3,200	£0
Affordable Product - Intermediate	0 sqm	£2,200	£0
Affordable Product - Intermediate	0 sqm	£2,800	£0
Total Gross Development Value			£1,800,000
Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	0 sqm	£1,472	£0
External Works	518 sqm	£1,430	(£740,025)
Sustainability: Water efficiency (DESG 1(a))	12 months	10.0%	(£74,003)
Accessibility: Adaptable/Wheelchair (DESG 2)			(£42)
Contingency		5.0%	(£325)
Subtotal Construction Costs			(£855,744)
Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£27,000)
Agents Fees (Open Market)		0.50%	(£9,000)
Professional and Technical Fees		1.50%	(£27,000)
Planning Application Fees		10.0%	(£61,403)
Site preparation	0.06 ha	£50,000	(£3,000)
Community Infrastructure Levy		£0	£0
Residual Site-Specific s106 Contributions	7	£500	(£3,500)
Subtotal Other Costs			(£153,598)
Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	15.5 months	6.5%	(£85,534)
Subtotal Finance Costs		1.5%	(£16,423)
Gross Development Costs			(£1,111,299)
Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£315,000)
Profit on AH		6%	£0
Total Development Profit			(£315,000)
Subtotal			£373,701
Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£267,840	(£267,840)
Finance on Land	25 months	4.76%	(£12,756)
Finance on Land		6.5%	(£19,669)
Total Land Acquisition Costs			(£300,265)
Surplus/deficit			£73,436
Equivalent Affordable Housing Charge (£ per sqm)			VIABLE £142
Other			
Blended Profit on Cost			22.3%
Blended Profit on GDV			17.5%
Loan to Value Ratio			70.6%

Scheme Size Scheme Type Value Area Density	7 Flats only 1 - Redhill and Horley Town Centres 125 dsh									
	Market	7	0	0	Intermediate	0	Unit Size (sqm)	Number of Units	Rent/Intermediate	0.0%
	1 bed flat	2	0	0	0	0	50	2	Starter Homes	0.0%
	2 bed flat	5	0	0	0	0	70	5	Market	100.0%
	2 bed house	0	0	0	0	0	75	0		
	3 bed flat	0	0	0	0	0	85	0	Of which rent	N/A
	3 bed house	0	0	0	0	0	95	0	Of which intermediate	N/A
	4 bed house	0	0	0	0	0	135	0		
	5 bed house	0	0	0	0	0	170	0		
		7	0	0	0	0		7	OK	
Floor area										
Market	Starter Homes	Rent	Intermediate							
1 bed flat	100	0	0	0						
2 bed flat	350	0	0	0						
2 bed house	0	0	0	0						
3 bed flat	0	0	0	0						
3 bed house	0	0	0	0						
4 bed house	0	0	0	0						
5 bed house	0	0	0	0						
Total saleable floorspace										450
Total Floor Area (inc. communal on flats)										518
Value (total)										
Market	Starter Homes	Rent	Intermediate				Starter Homes unit prices			
1 bed flat	£400,000	£0	£0	£0			£160,000			
2 bed flat	£1,400,000	£0	£0	£0			£224,000			
2 bed house	£0	£0	£0	£0			£240,000			
3 bed flat	£0	£0	£0	£0			£250,000			
3 bed house	£0	£0	£0	£0			£250,000			
4 bed house	£0	£0	£0	£0			£250,000			
5 bed house	£0	£0	£0	£0			£250,000			
										£1,800,000

Mix Policy Requirements		1 small unit(s)		POLICY COMPLIANT
DESS 1(b)(i)		N/A		N/A
DESS 1(b)(ii)				
Tenure Policy Requirements		POLICY COMPLIANT		*Note: National policy req't
"Affordable Home Ownership"				
Affordable Housing (overall)		POLICY COMPLIANT		
Affordable/Social Rent		N/A		*tenure mix requirements only triggered at 50 units plus
Accessibility Policy Requirements		Houses	Flats	
DES6 2(a)		0	1	
DES6 2(b)		0	0	
Development Period		6 months		
Time to start on site		12 months		
Construction period		7 months		
Post construction sales period				
Planning Fees Calculator		£2,695		
		£2,695		

10 Flats Value Point 1

Input Variables

Total Saleable Floorspace	620 sqm
Total Build Floorspace	713 sqm
Allowance for communal/common parts	15.0% on flats
Total on-site affordable housing requirement	0%
Target Percentage Affordable Rent	40%
Target Percentage Intermediate Product	60%
Open Market Sales Value	£4,000 per sqm
Sales Value Discount - Affordable Rent	45%
Sales Value Discount - Intermediate	30%
Sales Value Discount - Starter Homes	20%
Sales Value Cap - Starter Homes	£250,000
Build Cost Houses	£1,472 per sqm
Build Cost Flats	£1,430 per sqm
Water efficiency cost (1-2 bed)	£5 per unit
Water efficiency cost (3-4 bed)	£9 per unit
Accessibility Category 2 (flats)	£925 per unit
Accessibility Category 2 (houses)	£520 per unit
Accessibility Category 3 (flats)	£7,750 per unit
Accessibility Category 3 (houses)	£10,200 per unit
Allowance for external works and landscaping	10.0%
Allowance for Contingencies	5.0%
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare
Developers Profit	17.5% on GDV
Developers Profit on Affordable Element	6% on Affordable GDV
Design, Technical and Other Professional/Consultants Fees	10%
Site-specific s106 contributions	£500 per unit
Community Infrastructure Levy	£0 per sqm
Acquisition Costs and Fees	4.76%
Interest Rate (debts)	6.5%
Interest Rate (credits)	0.5%
Finance Arrangement and Exit Fees	1.5% on principal loan amount
Pre-Construction Period	6 months
Principal Construction Period	12 months
Post Construction Period	3 months
Total Scheme Length	21 months
Agents Fees	1.5% on Open Market GDV
Marketing Costs	1.5% on Open Market GDV
Legal Fees	0.5% on Open Market GDV
Benchmark Land Value	£4,464,000 per net developable hectare
Benchmark Value of Site	£357,120
Land Area	0.08 hectares

Development Value

Market Product	Total Area/Units	Rate	
Starter Homes	620 sqm	£4,000	£2,480,000
Affordable Product - Rent	0 sqm	£3,200	£0
Affordable Product - Intermediate	0 sqm	£2,200	£0
Affordable Product - Starter Homes	0 sqm	£2,800	£0
Total Gross Development Value			£2,480,000

Construction Costs

Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	0 sqm	£1,472	£0
External Works	713 sqm	£1,430	(£1,019,590)
Sustainability: Water efficiency (DE56 1(g))		10.0%	(£101,959)
Accessibility: Adaptable/Wheelchair (DE56 2)			(£1,850)
Contingency		5.0%	(£56,173)
Subtotal Construction Costs			(£1,179,632)

Other Costs

Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£37,200)
Agents Fees (Open Market)		0.50%	(£12,400)
Professional and Technical Fees		1.50%	(£37,200)
Planning Application Fees		10.0%	(£112,155)
Site preparation	0.08 ha	£50,000	(£4,000)
Community Infrastructure Levy		£0	£0
Residual Site-Specific s106 Contributions	10	£500	(£5,000)
Subtotal Other Costs			(£211,805)

Finance

Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	13.25 months	6.5%	(£100,196)
Subtotal Finance Costs		1.5%	(£22,374)
			(£122,571)

Gross Development Costs

			(£1,514,008)
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Development Profit

Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£434,000)
Profit on AH		6%	£0
Total Development Profit			(£434,000)

Subtotal

			£531,992
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Land Acquisition

Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£357,120	(£357,120)
Finance on Land	20.5 months	4.76%	(£17,008)
Subtotal Land Acquisition Costs		6.5%	(£21,247)
			(£395,375)

Surplus/deficit

			£136,617
--	--	--	----------

Equivalent Affordable Housing Charge (£ per sqm)

			VA59LE
			£192

Other

Blended Profit on Cost		22.7%
Blended Profit on GDV		17.5%
Loan to Value Ratio		69.4%

Scheme Size

Scheme Type
Value Area
Density

1 bed flat	
2 bed flat	
2 bed house	
3 bed flat	
3 bed house	
4 bed house	
5 bed house	

Floor area

Market				
1 bed flat	200			
2 bed flat	420			
2 bed house	0			
3 bed flat	0			
3 bed house	0			
4 bed house	0			
5 bed house	0			
Total saleable floorspace				620
Total Floor Area (inc. communal on flats)				713

Value (total)

Market						
1 bed flat	£800,000		£0	£0	£0	£160,000
2 bed flat	£1,680,000		£0	£0	£0	£224,000
2 bed house	£0		£0	£0	£0	£240,000
3 bed flat	£0		£0	£0	£0	£250,000
3 bed house	£0		£0	£0	£0	£250,000
4 bed house	£0		£0	£0	£0	£250,000
5 bed house	£0		£0	£0	£0	£250,000
						£2,480,000

Mix Policy Requirements

20% DES5 1(b)i)	2 small unit(s)	POLICY COMPLIANT
30% DES5 1(b)ii)	N/A	N/A

Tenure Policy Requirements

"Affordable Home Ownership"	NOT POLICY COMPLIANT	*Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT	
Affordable/Social Rent	N/A	*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements

20% DE56 2(a)	Houses	Flats	
5% DE56 2(b)	0	2	
	0	0	

Development Period

Time to start on site	6 months
Construction period	12 months
Post construction sales period	2.5 months

Planning Fees Calculator

£3,850
£3,850

Output Variables			Scheme Size	15
Total Saleable Floorspace	910 sqm		Scheme Type	Flats only
Total Build Floorspace	1,047 sqm		Value Area	1 - Redhill and Horley Town Centres
Allowance for communal/common parts	15.0% on flats		Density	125 dph
Total on-site affordable housing requirement	30%			
Target Percentage Affordable Rent	40%			
Target Percentage Intermediate Product	60%			
Open Market Sales Value	£4,000 per sqm		Market	10 Starter 0 Rent 5 Intermediate
Sales Value Discount - Affordable Rent	45%		1 bed flat	4 0 2 1
Sales Value Discount - Intermediate	30%		2 bed flat	6 0 1 1
Sales Value Discount - Starter Homes	20%		2 bed house	0 0 0 0
Sales Value Cap - Starter Homes	£250,000		3 bed flat	0 0 0 0
Build Cost Houses	£1,472 per sqm		3 bed house	0 0 0 0
Build Cost Flats	£1,430 per sqm		4 bed house	0 0 0 0
Water efficiency cost (1-2 bed)	£8 per unit		5 bed house	0 0 0 0
Water efficiency cost (3-4 bed)	£9 per unit			10 0 5 2
Accessibility Category 2 (flats)	£925 per unit			
Accessibility Category 2 (houses)	£520 per unit			
Accessibility Category 3 (flats)	£7,750 per unit		Floor area	15
Accessibility Category 3 (houses)	£10,200 per unit		Market	Starter Homes Rent Intermediate
Allowance for external works and landscaping	10.0%		1 bed flat	200 0 100 50
Allowance for Contingencies	5.0%		2 bed flat	420 0 70 70
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare		2 bed house	0 0 0 0
Developers Profit	17.5% on GDV		3 bed flat	0 0 0 0
Developers Profit on Affordable Element	6% on Affordable GDV		3 bed house	0 0 0 0
Design, Technical and Other Professional/Consultants Fees	10%		4 bed house	0 0 0 0
Site-specific s106 contributions	£500 per unit		5 bed house	0 0 0 0
Community Infrastructure Levy	£0 per sqm		Total saleable floorspace	910
Acquisition Costs and Fees	5.76%		Total Floor Area (inc. communal on flats)	1047
Interest Rate (debts)	6.5%			
Interest Rate (credits)	0.5%			
Finance Arrangement and Exit Fees	1.5% on principal loan amount		Value (total)	
Pre-Construction Period	6 months		Market	Starter Homes Rent Intermediate Starter Homes unit prices
Principal Construction Period	12 months		1 bed flat	£800,000 £0 £220,000 £140,000 £160,000
Post Construction Period	4 months		2 bed flat	£1,680,000 £0 £154,000 £196,000 £224,000
Agents Fees	1.5% on Open Market GDV		2 bed house	£0 £0 £0 £0 £240,000
Marketing Costs	1.5% on Open Market GDV		3 bed flat	£0 £0 £0 £0 £250,000
Legal Fees	0.5% on Open Market GDV		3 bed house	£0 £0 £0 £0 £250,000
Benchmark Land Value	£4,464,000 per net developable hectare		4 bed house	£0 £0 £0 £0 £250,000
Benchmark Value of Site	£535,680		5 bed house	£0 £0 £0 £0 £250,000
Land Area	0.12 hectares			£3,190,000
			Mix Policy Requirements	20% DES5 1(j)i) 30% DES5 1(b)ii) 3 small unit(s) N/A POLICY COMPLIANT N/A
Development Value	Total Area/Units Rate		Tenure Policy Requirements	"Affordable Home Ownership" POLICY COMPLIANT "Note: National policy req't
Market Product	620 sqm £4,000	£2,480,000	Affordable Housing (overall)	POLICY COMPLIANT
Starter Homes	0 sqm £3,200	£0	Affordable/Social Rent	N/A "tenure mix requirements only triggered at 50 units plus
Affordable Product - Rent	170 sqm £2,200	£374,000		
Affordable Product - Intermediate	120 sqm £2,800	£336,000		
Total Gross Development Value		£3,190,000		
Construction Costs	Total Area/Units Rate		Accessability Policy Requirements	Houses Flats
Basic Construction (Houses)	0 sqm £1,472	£0	20% DES6 2(a) 5% DES6 2(b)	0 3 0 0
Basic Construction (Flats)	1,047 sqm £1,430	(£1,496,495)		
External Works		(£149,650)		
Sustainability: Water efficiency (DES6 1(g))		(£90)		
Accessibility: Adaptable/Wheelchair (DES6 2)		(£2,775)		
Contingency	5.0%	(£82,450)		
Subtotal Construction Costs		(£1,731,460)	Development Period	Time to start on site 6 months Construction period 12 months Post construction sales period 3.8 months
Other Costs			Planning Fees Calculator	£5,775 £5,775
Marketing (Open Market)	Rate 1.50%	(£37,200)		
Legal Fees (Open Market)	0.50%	(£37,200)		
Agents Fees (Open Market)	1.50%	(£37,200)		
Professional and Technical Fees	10.0%	(£164,614)		
Planning Application Fees		(£5,775)		
Site preparation	0.12 ha £50,000	(£6,000)		
Community Infrastructure Levy		£0		
Residual Site-Specific s106 Contributions	15	£500		
Subtotal Other Costs		(£270,689)		
Finance	Units Rate			
Interest on Construction and Other Costs	13.9 months 6.5%	(£151,507)		
Arrangement and Exit Fees	1.5%	(£32,305)		
Subtotal Finance Costs		(£183,812)		
Gross Development Costs		(£2,185,961)		
Development Profit	Total Area/Units Rate			
Profit on Market and Affordable Home Ownership Products	17.5%	(£434,000)		
Profit on AH	6%	(£42,600)		
Total Development Profit		(£476,600)		
Subtotal		£527,439		
Land Acquisition	Units Rate			
Benchmark Purchase Price	1	£535,680		
Acquisition Costs and Fees		(£30,869)		
Finance on Land	21.8 months 6.5%	(£34,334)		
Total Land Acquisition Costs		(£60,883)		
Surplus/deficit		(£73,444)		
Equivalent Affordable Housing Charge (£ per sqm)		N/A		
Other				
Blended Profit on Cost		14.5%		
Blended Profit on GDV		12.6%		
Loan to Value Ratio		78.5%		

10 Houses Value Point 2a

Input Variables				Scheme Size			
Total Saleable Floorspace				10			
Total Build Floorspace				Houses only			
Allowance for communal/common parts				2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch			
Total on-site affordable housing req'tment				Value Area			
Target Percentage Affordable Rent				Density			
Target Percentage Intermediate Product				35 dph			
Open Market Sales Value				Market			
Sales Value Discount - Affordable Rent				10			
Sales Value Discount - Intermediate				0			
Sales Value Discount - Starter Homes				Starter			
Sales Value Cap - Starter Homes				Rent			
Build Cost Houses				Intermediate			
Build Cost Flats				Unit Size (sqm)			
Water efficiency cost (1-2 bed)				Number of Units			
Water efficiency cost (3-4 bed)				Rent/Intermediate			
Accessibility Category 2 (flats)				Starter Homes			
Accessibility Category 2 (houses)				Market			
Accessibility Category 3 (flats)				Of which rent			
Accessibility Category 3 (houses)				Of which intermediate			
Allowance for external works and landscaping				OK			
Allowance for Contingencies							
Cost of site prep (including demolition, grading, etc.)							
Developers Profit							
Developers Profit on Affordable Element							
Design, Technical and Other Professional/Consultants Fees							
Site-specific s106 contributions							
Community Infrastructure Levy							
Acquisition Costs and Fees							
Interest Rate (debts)							
Interest Rate (credits)							
Finance Arrangement and Exit Fees							
Pre-Construction Period							
Principal Construction Period							
Post Construction Period							
Total Scheme Length							
Agents Fees							
Marketing Costs							
Legal Fees							
Benchmark Land Value							
Benchmark Value of Site							
Land Area							

11 Houses Value Point 2a

Input Variables			
Total Saleable Floorspace	1,205	sqm	
Total Build Floorspace	1,205	sqm	
Allowance for communal/common parts	15.0%	on flats	
Total on-site affordable housing req'ment	30%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,500	per sqm	
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,280	per sqm	
Build Cost Flats	£1,430	per sqm	
Water efficiency cost (1-2 bed)	£6	per unit	
Water efficiency cost (3-4 bed)	£9	per unit	
Accessibility Category 2 (flats)	£925	per unit	
Accessibility Category 2 (houses)	£520	per unit	
Accessibility Category 3 (flats)	£7,750	per unit	
Accessibility Category 3 (houses)	£10,200	per unit	
Allowance for external works and landscaping	10.0%		
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£50,000	per hectare	
Developers Profit	17.5%	on GDV	
Developers Profit on Affordable Element	6%	on Affordable GDV	
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£500	per unit	
Community Infrastructure Levvy	£80	per sqm	
Acquisition Costs and Fees	5.78%		
Interest Rate (debits)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5%	on principal loan amount	
Pre-Construction Period	6	months	
Principal Construction Period	12	months	
Post Construction Period	4	months	
Total Scheme Length	22	months	
Agents Fees	1.5%	on Open Market GDV	
Marketing Costs	1.5%	on Open Market GDV	
Legal Fees	0.5%	on Open Market GDV	
Benchmark Land Value	£4,387,500	per net developable hectare	
Benchmark Value of Site	£1,360,125		
Land Area	0.31	hectares	

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	960 sqm	£4,500	£4,320,000
Affordable Product - Rent	0 sqm	£3,600	£0
Affordable Product - Intermediate	170 sqm	£2,475	£420,750
	75 sqm	£3,150	£236,250
Total Gross Development Value			£4,977,000

Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	1,205 sqm	£1,280	(£1,542,400)
External Works	0 sqm	£1,430	£0
Sustainability: Water efficiency (DES6 1(g))		10.0%	(£154,240)
Accessibility: Adaptable/Wheelchair (DES6 2)		(£93)	
Contingency		5.0%	(£1,040)
			(£84,889)
Subtotal Construction Costs			(£1,782,662)
Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£64,800)
Agents Fees (Open Market)		0.50%	(£21,600)
Professional and Technical Fees		1.50%	(£64,800)
Planning Application Fees		10.0%	(£169,664)
Site preparation	0.31 ha	£50,000	(£15,500)
Community Infrastructure Levvy		£80	(£76,800)
Residual Site-Specific s106 Contributions	11	£500	(£5,500)
Subtotal Other Costs			(£422,899)
Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	13.85 months	6.5%	(£166,277)
		1.5%	(£35,578)
Subtotal Finance Costs			(£201,855)
Gross Development Costs			(£2,407,416)

Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£756,000)
		6%	(£39,420)
Total Development Profit			(£795,420)

Subtotal			
			£1,774,164
Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£1,360,125	(£1,360,125)
Finance on Land		6.76%	(£78,377)
	21.7 months	6.5%	(£86,754)
Total Land Acquisition Costs			(£1,525,256)

Surplus/deficit			£248,908
Equivalent Affordable Housing Charge (£ per sqm)			N/A
Other			
Blended Profit on Cost			26.6%
Blended Profit on GDV			21.0%
Loan to Value Ratio			64.6%

Scheme Size	11
Scheme Type	Houses only
Value Area	2 - Redhill and Horley (excluding town centres), Mersham, Salfords, Earlswood and Woodhatch
Density	35 dph

1 bed flat 2 bed flat 2 bed house 3 bed flat 3 bed house 4 bed house 5 bed house	Market	8	0	Rent	3	Intermediate	Unit Size (sqm)	Number of Units	Rent/Intermediate	27.3%
		0	0	0	0	0	50	0	Starter Homes	0.0%
		0	0	0	0	0	70	0	Market	72.7%
		0	0	0	1	1	75	2		
		0	0	0	0	0	85	0	Of which rent	66.7%
		3	0	0	1	0	96	4	Of which intermediate	33.3%
		5	0	0	0	0	135	5		
		0	0	0	0	0	170	0		
		8	0	2	3	1		11	OK	

Floor area		Market	Starter Homes	Rent	Intermediate	
1 bed flat		0	0	0	0	
2 bed flat		0	0	0	0	
2 bed house		0	0	75	75	
3 bed flat		0	0	0	0	
3 bed house		285	0	95	0	
4 bed house		675	0	0	0	
5 bed house		0	0	0	0	
Total saleable floorspace						1205
Total Floor Area (inc. communal on flats)						1205

Value (total)		Market	Starter Homes	Rent	Intermediate	Starter Homes unit prices
1 bed flat		£0	£0	£0	£0	£180,000
2 bed flat		£0	£0	£0	£0	£250,000
2 bed house		£0	£0	£185,625	£236,250	£250,000
3 bed flat		£0	£0	£0	£0	£250,000
3 bed house		£1,282,500	£0	£235,125	£0	£250,000
4 bed house		£3,037,500	£0	£0	£0	£250,000
5 bed house		£0	£0	£0	£0	£250,000
						£4,977,000

Mix Policy Requirements			2 small unit(s)	POLICY COMPLIANT
20% DES5 1(b)i)			N/A	N/A
30% 30% DES5 1(b)ii)				

Tenure Policy Requirements			POLICY COMPLIANT	*Note: National policy req't
"Affordable Home Ownership"			POLICY COMPLIANT	
Affordable Housing (overall)			POLICY COMPLIANT	
Affordable/Social Rent			N/A	*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements		Houses	Flats	
20% DES6 2(a)		2	0	
5% DES6 2(b)		0	0	

Development Period		6 months
Time to start on site		12 months
Construction period		3.7 months
Post construction sales period		

Planning Fees Calculator		£4,235
		£4,235

15 Houses Value Point 2a

Input Variables		
Total Saleable Floorspace	1,585 sqm	
Total Build Floorspace	1,585 sqm	
Allowance for communal/common parts	15.0% on flats	
Total on-site affordable housing req'ment	30%	
Target Percentage Affordable Rent	40%	
Target Percentage Intermediate Product	60%	
Open Market Sales Value	£4,500 per sqm	
Sales Value Discount - Affordable Rent	45%	
Sales Value Discount - Intermediate	30%	
Sales Value Discount - Starter Homes	20%	
Sales Value Cap - Starter Homes	£250,000	
Build Cost Houses	£1,280 per sqm	
Build Cost Flats	£1,430 per sqm	
Water efficiency cost (1-2 bed)	£6 per unit	
Water efficiency cost (3-4 bed)	£9 per unit	
Accessibility Category 2 (flats)	£925 per unit	
Accessibility Category 2 (houses)	£520 per unit	
Accessibility Category 3 (flats)	£7,750 per unit	
Accessibility Category 3 (houses)	£10,200 per unit	
Allowance for external works and landscaping	10.0%	
Allowance for Contingencies	5.0%	
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare	
Developers Profit	17.5% on GDV	
Developers Profit on Affordable Element	6% on Affordable GDV	
Design, Technical and Other Professional/Consultants Fees	10%	
Site-specific s106 contributions	£500 per unit	
Community Infrastructure Levvy	£80 per sqm	
Acquisition Costs and Fees	5.78%	
Interest Rate (debits)	6.5%	
Interest Rate (credits)	0.5%	
Finance Arrangement and Exit Fees	1.5% on principal loan amount	
Pre-Construction Period	6 months	
Principal Construction Period	12 months	
Post Construction Period	5 months	
Total Scheme Length	23 months	
Agents Fees	1.5% on Open Market GDV	
Marketing Costs	1.5% on Open Market GDV	
Legal Fees	0.5% on Open Market GDV	
Benchmark Land Value	£4,387,500 per net developable hectare	
Benchmark Value of Site	£1,886,625	
Land Area	0.43 hectares	

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	1,190 sqm	£4,500	£5,355,000
Affordable Product - Rent	245 sqm	£2,475	£606,375
Affordable Product - Intermediate	150 sqm	£3,150	£472,500
Total Gross Development Value			£6,433,875

Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	1,585 sqm	£1,280	(£2,028,800)
External Works	0 sqm	£1,430	£0
Sustainability: Water efficiency (DES6 1(g))		10.0%	(£202,880)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£123)
Contingency		5.0%	(£111,668)
Subtotal Construction Costs			(£2,345,031)
Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£80,325)
Agents Fees (Open Market)		0.50%	(£26,775)
Professional and Technical Fees		1.50%	(£80,325)
Planning Application Fees		10.0%	(£223,168)
Site preparation	0.43 ha	£50,000	(£5,775)
Community Infrastructure Levvy		£80	(£95,200)
Residual Site-Specific s106 Contributions	15	£500	(£7,500)
Subtotal Other Costs			(£540,568)

Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	14.5 months	6.5%	(£228,149)
		1.5%	(£46,706)
Subtotal Finance Costs			(£274,855)

Gross Development Costs		(£3,160,454)
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Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£937,125)
		6%	(£64,733)
Total Development Profit			(£1,001,858)
Subtotal			£2,271,563

Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£1,886,625	(£1,886,625)
Finance on Land	23 months	5.76%	(£108,717)
		6.5%	(£127,989)
Total Land Acquisition Costs			(£2,123,331)

Surplus/deficit		£148,232
Equivalent Affordable Housing Charge (£ per sqm)		VIABLE
		N/A

Other		
Blended Profit on Cost		21.8%
Blended Profit on GDV		17.9%
Loan to Value Ratio		66.6%

Scheme Size		15									
Scheme Type		Houses only									
Value Area		2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch									
Density		35 dph									
		10	0	5							
Market		Starter	Rent	Intermediate	Unit Size (sqm)	Number of Units	Rent/Intermediate	33.3%			
1 bed flat		0	0	0	50	0	Starter Homes	0.0%			
2 bed flat		0	0	0	70	0	Market	66.7%			
2 bed house		0	0	2	75	4					
3 bed flat		0	0	0	85	0	Of which rent	60.0%			
3 bed house		4	0	1	95	5	Of which intermediate	40.0%			
4 bed house		6	0	0	135	6					
5 bed house		0	0	0	170	0					
		10	0	3	2	15	OK				
				5							
				15							
Floor area											
Market		Starter Homes	Rent	Intermediate							
1 bed flat		0	0	0	0						
2 bed flat		0	0	0	0						
2 bed house		0	0	150	150						
3 bed flat		0	0	0	0						
3 bed house		380	0	95	0						
4 bed house		810	0	0	0						
5 bed house		0	0	0	0						
Total saleable floorspace					1585						
Total Floor Area (inc. communal on flats)					1585						
Value (total)											
Market		Starter Homes	Rent	Intermediate	Starter Homes unit prices						
1 bed flat		£0	£0	£0	£0	£180,000					
2 bed flat		£0	£0	£0	£0	£250,000					
2 bed house		£0	£0	£371,250	£472,500	£250,000					
3 bed flat		£0	£0	£0	£0	£250,000					
3 bed house		£1,710,000	£0	£235,125	£0	£250,000					
4 bed house		£3,645,000	£0	£0	£0	£250,000					
5 bed house		£0	£0	£0	£0	£250,000					
		£6,433,875									

Mix Policy Requirements			3 small unit(s)		POLICY COMPLIANT
20% DES5 1(b)i)			N/A		N/A
30% 30% DES5 1(b)ii)					
Tenure Policy Requirements					
"Affordable Home Ownership"	POLICY COMPLIANT				*Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT				
Affordable/Social Rent	N/A				*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements		Houses	Flats	
20% DES6 2(a)		3	0	
5% DES6 2(b)		0	0	

Development Period		6 months
Time to start on site		12 months
Construction period		5 months
Post construction sales period		

Planning Fees Calculator		£5,775
		£5,775

50 Mixed Value Point 2a

Input Variables

Total Saleable Floorspace	4,920 sqm
Total Build Floorspace	5,055 sqm
Allowance for communal/common parts	15.0% on flats
Total on-site affordable housing requirement	30%
Target Percentage Affordable Rent	40%
Target Percentage Intermediate Product	60%
Open Market Sales Value	£4,500 per sqm
Sales Value Discount - Affordable Rent	45%
Sales Value Discount - Intermediate	30%
Sales Value Discount - Starter Homes	20%
Sales Value Cap - Starter Homes	£250,000
Build Cost Houses	£1,280 per sqm
Build Cost Flats	£1,430 per sqm
Water efficiency cost (1-2 bed)	£5 per unit
Water efficiency cost (3-4 bed)	£3 per unit
Accessibility Category 2 (flats)	£925 per unit
Accessibility Category 2 (houses)	£520 per unit
Accessibility Category 3 (flats)	£7,750 per unit
Accessibility Category 3 (houses)	£10,200 per unit
Allowance for external works and landscaping	10.0%
Allowance for Contingencies	5.0%
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare
Developers Profit	17.5% on GDV
Developers Profit on Affordable Element	6% on Affordable GDV
Design, Technical and Other Professional/Consultants Fees	10%
Site-specific s106 contributions	£500 per unit
Community Infrastructure Levy	£80 per sqm
Acquisition Costs and Fees	5.76%
Interest Rate (debts)	6.5%
Interest Rate (credits)	0.5%
Finance Arrangement and Exit Fees	1.5% on principal loan amount
Pre-Construction Period	6 months
Principal Construction Period	27 months
Post Construction Period	17 months
Total Scheme Length	49 months
Agents Fees	1.5% on Open Market GDV
Marketing Costs	1.5% on Open Market GDV
Legal Fees	0.5% on Open Market GDV
Benchmark Land Value	£4,387,500 per net developable hectare
Benchmark Value of Site	£5,484,375
Land Area	1.25 hectares

Development Value	Total Area/Units	Rate	
Market Product	3,925 sqm	£4,500	£17,662,500
Starter Homes	0 sqm	£3,600	£0
Affordable Product - Rent	605 sqm	£2,475	£1,497,375
Affordable Product - Intermediate	390 sqm	£3,150	£1,228,500
Total Gross Development Value			£20,388,375

Construction Costs	Total Area/Units	Rate	
Basic Construction (Houses)	4,020 sqm	£1,280	(£5,145,600)
Basic Construction (Flats)	1,035 sqm	£1,430	(£1,480,050)
External Works		10.0%	(£662,565)
Sustainability: Water efficiency (DES6 1(g))			(£387)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£34,565)
Contingency		5.0%	(£366,158)
Subtotal Construction Costs			(£7,689,325)

Other Costs		Rate	
Marketing (Open Market)		1.50%	(£264,938)
Legal Fees (Open Market)		0.50%	(£88,313)
Agents Fees (Open Market)		1.50%	(£264,938)
Professional and Technical Fees		10.0%	(£728,822)
Planning Application Fees			(£19,250)
Site preparation	1.25 ha	£50,000	(£62,500)
Community Infrastructure Levy		£80	(£324,800)
Residual Site-Specific s106 Contributions	50	£500	(£25,000)
Subtotal Other Costs			(£1,778,559)

Finance	Units	Rate	
Interest on Construction and Other Costs	34.85 months	6.5%	(£1,900,029)
Arrangement and Exit Fees		1.5%	(£170,519)
Subtotal Finance Costs			(£2,070,548)

Gross Development Costs			(£11,538,432)
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Development Profit	Total Area/Units	Rate	
Profit on Market and Affordable Home Ownership Products		17.5%	(£3,090,938)
Profit on AH		6%	(£163,553)
Total Development Profit			(£3,254,490)

Subtotal			£5,595,453
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Land Acquisition	Units	Rate	
Benchmark Purchase Price	1	£5,484,375	(£5,484,375)
Acquisition Costs and Fees		5.76%	(£316,037)
Finance on Land	49.2 months	6.5%	(£854,382)
Total Land Acquisition Costs			(£6,654,794)

Surplus/deficit			(£1,059,341)
Equivalent Affordable Housing Charge (£ per sqm)			N/A

Other			
Blended Profit on Cost			12.1%
Blended Profit on GDV			10.8%
Loan to Value Ratio			75.0%

Scheme Size	50
Scheme Type	Mixed
Value Area	2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch
Density	40 dph

	Market	35	0	15							
		Starter		Rent		Intermediate		Unit Size (sqm)	Number of Units	Rent/Intermediate	30.0%
1 bed flat		0		0		2		50	4	Starter Homes	0.0%
2 bed flat		4		0		4		70	10	Market	70.0%
2 bed house		2		0		3		75	7		
3 bed flat		0		0		0		85	0	Of which rent	60.0%
3 bed house		14		0		0		95	14	Of which intermediate	40.0%
4 bed house		11		0		0		135	11		
5 bed house		4		0		0		170	4		
		35		0		9		6	50	OK	
				15							
						50					

Floor area	Market	Starter Homes	Rent	Intermediate	
1 bed flat		0	0	100	100
2 bed flat		280	0	280	140
2 bed house		150	0	225	150
3 bed flat		0	0	0	0
3 bed house		1330	0	0	0
4 bed house		1485	0	0	0
5 bed house		680	0	0	0
Total saleable floorspace					4920
Total Floor Area (inc. communal on flats)					5055

Value (total)	Market	Starter Homes	Rent	Intermediate	Starter Homes unit prices
1 bed flat		£0	£0	£247,500	£315,000
2 bed flat		£1,260,000	£0	£693,000	£441,000
2 bed house		£675,000	£0	£556,875	£472,500
3 bed flat		£0	£0	£0	£0
3 bed house		£5,985,000	£0	£0	£0
4 bed house		£6,682,500	£0	£0	£0
5 bed house		£3,060,000	£0	£0	£0
					£20,388,375

Mix Policy Requirements		
20% DES5 1(b)(i)	N/A	N/A
30% 30% DES5 1(b)(i)	mail unit(s) and 15 large unit(s)	POLICY COMPLIANT

Tenure Policy Requirements		
*Affordable Home Ownership	POLICY COMPLIANT	*Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT	
Affordable/Social Rent	POLICY COMPLIANT	*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements	Houses	Flats
20% DES6 2(a)	7	3
5% DES6 2(b)	2	1

Development Period		
Time to start on site	6 months	
Construction period	27 months	
Post construction sales period	16.7 months	

Planning Fees Calculator		
	£19,250	
	£19,250	

15 Flats Value Point 2a

Input Variables

Total Saleable Floorspace	910 sqm
Total Build Floorspace	1,047 sqm
Allowance for communal/common parts	15.0% on flats
Total on-site affordable housing req'ment	30%
Target Percentage Affordable Rent	40%
Target Percentage Intermediate Product	60%
Open Market Sales Value	£4,500 per sqm
Sales Value Discount - Affordable Rent	45%
Sales Value Discount - Intermediate	30%
Sales Value Discount - Starter Homes	20%
Sales Value Cap - Starter Homes	£250,000
Build Cost Houses	£1,472 per sqm
Build Cost Flats	£1,430 per sqm
Water efficiency cost (1-2 bed)	£6 per unit
Water efficiency cost (3-4 bed)	£9 per unit
Accessibility Category 2 (flats)	£925 per unit
Accessibility Category 2 (houses)	£520 per unit
Accessibility Category 3 (flats)	£7,750 per unit
Accessibility Category 3 (houses)	£10,200 per unit
Allowance for external works and landscaping	10.0%
Allowance for Contingencies	5.0%
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare
Developers Profit	17.5% on GDV
Developers Profit on Affordable Element	6% on Affordable GDV
Design, Technical and Other Professional/Consultants Fees	10%
Site-specific s106 contributions	£500 per unit
Community Infrastructure Levvy	£80 per sqm
Acquisition Costs and Fees	5.78%
Interest Rate (debits)	6.5%
Interest Rate (credits)	0.5%
Finance Arrangement and Exit Fees	1.5% on principal loan amount
Pre-Construction Period	6 months
Principal Construction Period	12 months
Post Construction Period	4 months
Total Scheme Length	22 months
Agents Fees	1.5% on Open Market GDV
Marketing Costs	1.5% on Open Market GDV
Legal Fees	0.5% on Open Market GDV
Benchmark Land Value	£4,387,500 per net developable hectare
Benchmark Value of Site	£745,875
Land Area	0.17 hectares

Development Value

Total Area/Units	Rate	
Market Product	620 sqm	£4,500
Starter Homes	0 sqm	£3,600
Affordable Product - Rent	170 sqm	£2,475
Affordable Product - Intermediate	120 sqm	£3,150
Total Gross Development Value		£3,588,750

Construction Costs

Total Area/Units	Rate	
Basic Construction (Houses)	0 sqm	£1,472
Basic Construction (Flats)	1,047 sqm	£1,430
External Works		10.0%
Sustainability: Water efficiency (DES6 1(g))		(£149,650)
Accessibility: Adaptable/Wheelchair (DES6 2)		(£90)
Contingency		5.0%
		(£82,450)
Subtotal Construction Costs		(£1,731,460)
Other Costs		
Marketing (Open Market)		1.50%
Legal Fees (Open Market)		0.50%
Agents Fees (Open Market)		1.50%
Professional and Technical Fees		10.0%
Planning Application Fees		(£164,614)
Site preparation	0.17 ha	£50,000
Community Infrastructure Levvy		£80
Residual Site-Specific s106 Contributions	15	£500
Subtotal Other Costs		(£344,559)
Finance		
Interest on Construction and Other Costs	13.9 months	6.5%
Arrangement and Exit Fees		1.5%
Subtotal Finance Costs		(£190,594)
Gross Development Costs		(£2,266,613)

Development Profit

Total Area/Units	Rate	
Profit on Market and Affordable Home Ownership Products		17.5%
Profit on AH		6%
Total Development Profit		(£536,175)

Subtotal

		£785,962
--	--	-----------------

Land Acquisition

Units	Rate	
Benchmark Purchase Price	1	£745,875
Acquisition Costs and Fees		5.76%
Finance on Land	21.8 months	6.5%
Total Land Acquisition Costs		(£836,663)

Surplus/deficit

	(£50,701)
--	------------------

Equivalent Affordable Housing Charge (£ per sqm)

	N/A
--	------------

Other

Blended Profit on Cost	15.6%
Blended Profit on GDV	13.5%
Loan to Value Ratio	75.5%

Scheme Size

Scheme Type

Value Area

Density

1 bed flat

2 bed flat

2 bed house

3 bed flat

3 bed house

4 bed house

5 bed house

Floor area

1 bed flat

2 bed flat

2 bed house

3 bed flat

3 bed house

4 bed house

5 bed house

Value (total)

1 bed flat

2 bed flat

2 bed house

3 bed flat

3 bed house

4 bed house

5 bed house

Mix Policy Requirements

20% DES5 1)(b)(i)

30% DES5 1)(b)(i)

Tenure Policy Requirements

'Affordable Home Ownership'

Affordable Housing (overall)

Affordable/Social Rent

Accessibility Policy Requirements

20% DES6 2)(a)

5% DES6 2)(b)

Development Period

Time to start on site

Construction period

Post construction sales period

Planning Fees Calculator

£5,775

£5,775

15

Flats only

2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch

90 dph

Market

Starter

Rent

Intermediate

Unit Size (sqm)

Number of Units

Rent/Intermediate

33.3%

Starter Homes

0.0%

Market

66.7%

Of which rent

60.0%

Of which intermediate

40.0%

OK

Market

Starter Homes

Rent

Intermediate

Starter Homes unit prices

£180,000

£250,000

£250,000

£250,000

£250,000

£250,000

£250,000

£250,000

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30 Retirement Flats Value Point 2a

Input Variables		
Total Saleable Floorspace	1,830 sqm	
Total Build Floorspace	2,379 sqm	
Allowance for communal/common parts	30.0% on flats	
Total on-site affordable housing requirement	30%	
Target Percentage Affordable Rent	40%	
Target Percentage Intermediate Product	60%	
Open Market Sales Value	£5,850 per sqm	
Sales Value Discount - Affordable Rent	45%	
Sales Value Discount - Intermediate	30%	
Sales Value Discount - Starter Homes	20%	
Sales Value Cap - Starter Homes	£250,000	
Build Cost Houses	£1,472 per sqm	
Build Cost Retirement Flats	£1,605 per sqm	
Water efficiency cost (1-2 bed)	£8 per unit	
Water efficiency cost (3-4 bed)	£9 per unit	
Accessibility Category 2 (flats)	£925 per unit	
Accessibility Category 2 (houses)	£520 per unit	
Accessibility Category 3 (flats)	£7,750 per unit	
Accessibility Category 3 (houses)	£10,200 per unit	
Allowance for external works and landscaping	10.0%	
Allowance for Contingencies	5.0%	
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare	
Developers Profit	20.0% on GDV	
Developers Profit on Affordable Element	6% on Affordable GDV	
Design, Technical and Other Professional/Consultants Fees	10%	
Site-specific s106 contributions	£500 per unit	
Community Infrastructure Levy	£80 per sqm	
Acquisition Costs and Fees	5.76%	
Interest Rate (debts)	6.5%	
Interest Rate (credits)	0.5%	
Finance Arrangement and Exit Fees	1.5% on principal loan amount	
Pre-Construction Period	8 months	
Principal Construction Period	12 months	
Post Construction Period	20 months	
Total Scheme Length	38 months	
Agents Fees	1.5% on Open Market GDV	
Marketing Costs	3.0% on Open Market GDV	
Legal Fees	0.5% on Open Market GDV	
Benchmark Land Value	£4,387,500 per net developable hectare	
Benchmark Value of Site	£1,447,875	
Land Area	0.33 hectares	

Scheme Size Scheme Type Value Area Density	30 Flats only 2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch			
	90 dph			
	Market	30	0	0
1 bed flat	18	0	0	0
2 bed flat	12	0	0	0
2 bed house	0	0	0	0
3 bed flat	0	0	0	0
3 bed house	0	0	0	0
4 bed house	0	0	0	0
5 bed house	0	0	0	0
	30	0	0	0
			0	30
Floor area	Market	Starter Homes	Rent	Intermediate
1 bed flat	990	0	0	0
2 bed flat	840	0	0	0
2 bed house	0	0	0	0
3 bed flat	0	0	0	0
3 bed house	0	0	0	0
4 bed house	0	0	0	0
5 bed house	0	0	0	0
Total saleable floorspace				1830
Total Floor Area (inc. communal on flats)				2379
Value (total)	Market	Starter Homes	Rent	Intermediate
1 bed flat	£5,791,500	£0	£0	£0
2 bed flat	£4,914,000	£0	£0	£0
2 bed house	£0	£0	£0	£0
3 bed flat	£0	£0	£0	£0
3 bed house	£0	£0	£0	£0
4 bed house	£0	£0	£0	£0
5 bed house	£0	£0	£0	£0
				£10,705,500

Development Value			Total Area/Units	Rate	
Market Product	1,830 sqm	£5,850			£10,705,500
Starter Homes	0 sqm	£4,680			£0
Affordable Product - Rent	0 sqm	£3,218			£0
Affordable Product - Intermediate	0 sqm	£4,095			£0
Total Gross Development Value					£10,705,500
Construction Costs			Total Area/Units	Rate	
Basic Construction (Houses)	0 sqm	£1,472			£0
Basic Construction (Flats)	2,379 sqm	£1,605			(£3,818,295)
External Works		10.0%			(£381,830)
Sustainability: Water efficiency (DES6 1(g))					(£180)
Accessibility: Adaptable/Wheelchair (DES6 2)					(£21,050)
Contingency		5.0%			(£211,068)
Subtotal Construction Costs					(£4,432,422)
Other Costs				Rate	
Marketing (Open Market)		3.00%			(£321,165)
Legal Fees (Open Market)		0.50%			(£53,528)
Agents Fees (Open Market)		1.50%			(£160,583)
Professional and Technical Fees		10.0%			(£420,012)
Planning Application Fees					(£11,550)
Site preparation	0.33 ha	£50,000			(£16,500)
Community Infrastructure Levy		£90			(£190,320)
Residual Site-Specific s106 Contributions	30	£500			(£15,000)
Empty property costs					(£92,800)
Subtotal Other Costs					(£1,281,457)
Finance			Units	Rate	
Interest on Construction and Other Costs	22 months	6.5%			(£999,280)
Arrangement and Exit Fees		1.5%			(£26,197)
Subtotal Finance Costs					(£795,477)
Gross Development Costs					(£6,509,357)
Development Profit			Total Area/Units	Rate	
Profit on Market and Affordable Home Ownership Products		20.0%			(£2,141,100)
Profit on AH		6%			£0
Total Development Profit					(£2,141,100)
Subtotal					£2,055,043
Land Acquisition			Units	Rate	
Benchmark Purchase Price	1	£1,447,875			(£1,447,875)
Acquisition Costs and Fees		5.76%			(£83,434)
Finance on Land	38 months	6.5%			(£168,076)
Total Land Acquisition Costs					(£1,700,285)
Surplus/deficit					£354,758
Equivalent Affordable Housing Charge (£ per sqm)					£194
Other					
Blended Profit on Cost					26.1%
Blended Profit on GDV					20.0%
Loan to Value Ratio					69.5%

Mix Policy Requirements		N/A	N/A
20% DES5 1(b)i)			
30% 30% DES5 1(b)ii)	9 small unit(s) and 9 large unit(s)		POLICY COMPLIANT
Tenure Policy Requirements			
"Affordable Home Ownership"	NOT POLICY COMPLIANT		"Note: National policy reqt"
Affordable Housing (overall)	NOT POLICY COMPLIANT		
Affordable/Social/ Rent	N/A		"tenure mix requirements only triggered at 50 units plus
Accessibility Policy Requirements		Houses	Flats
20% DES6 2(a)		0	6
5% DES6 2(b)		0	2
Development Period		6 months	
Time to start on site		12 months	
Construction period		20 months	
Post construction sales period			
Planning Fees Calculator		£11,550	
		£11,550	Service charge
			Council tax
			Ground rent
			£195.00
			£100.00
			£25.00
			£320.00
Unsold Units		30	
1	28.5	29	£9,280
2	27.0	27	£8,640
3	25.5	26	£8,320
4	24.0	24	£7,680
5	22.5	23	£7,360
6	21.0	21	£6,720
7	19.5	20	£6,400
8	18.0	18	£5,760
9	16.5	17	£5,440
10	15.0	15	£4,800
11	13.5	14	£4,480
12	12.0	12	£3,840
13	10.5	11	£3,520
14	9.0	9	£2,880
15	7.5	8	£2,560
16	6.0	6	£1,920
17	4.5	5	£1,600
18	3.0	3	£960
19	1.5	2	£640
20	0.0	0	£0
21	-1.5	0	£0
22	-3.0	0	£0
23	-4.5	0	£0
24	-6.0	0	£0
25	-7.5	0	£0
26	-9.0	0	£0
27	-10.5	0	£0
28	-12.0	0	£0
29	-13.5	0	£0
30	-15.0	0	£0
			£92,800

Input Variables

Total Saleable Floorspace	1,335 sqm
Total Build Floorspace	1,335 sqm
Allowance for communal/common parts	15.0% on flats
Total on-site affordable housing requirement	30%
Target Percentage Affordable Rent	40%
Target Percentage Intermediate Product	60%
Open Market Sales Value	£5,000 per sqm
Sales Value Discount - Affordable Rent	45%
Sales Value Discount - Intermediate	30%
Sales Value Discount - Starter Homes	20%
Sales Value Cap - Starter Homes	£250,000
Build Cost Houses	£1,280 per sqm
Build Cost Flats	£1,430 per sqm
Water efficiency cost (1-2 bed)	£6 per unit
Water efficiency cost (3-4 bed)	£9 per unit
Accessibility Category 2 (flats)	£925 per unit
Accessibility Category 2 (houses)	£520 per unit
Accessibility Category 3 (flats)	£7,750 per unit
Accessibility Category 3 (houses)	£10,200 per unit
Allowance for external works and landscaping	10.0%
Allowance for Contingencies	5.0%
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare
Developers Profit	17.5% on GDV
Developers Profit on Affordable Element	6% on Affordable GDV
Design, Technical and Other Professional/Consultants Fees	10%
Site-specific s106 contributions	£500 per unit
Community Infrastructure Levy	£140 per sqm
Acquisition Costs and Fees	5.76%
Interest Rate (debts)	6.5%
Interest Rate (credits)	0.5%
Finance Arrangement and Exit Fees	1.5% on principal loan amount
Pre-Construction Period	6 months
Principal Construction Period	12 months
Post Construction Period	4 months
Total Scheme Length	22 months
Agents Fees	1.5% on Open Market GDV
Marketing Costs	1.5% on Open Market GDV
Legal Fees	0.5% on Open Market GDV
Benchmark Land Value	£5,184,000 per net developable hectare
Benchmark Value of Site	£1,607,040
Land Area	0.31 hectares

Development Value

Total Area/Units	Rate	
Market Product	1,075 sqm	£5,000
Starter Homes	0 sqm	£4,000
Affordable Product - Rent	180 sqm	£2,750
Affordable Product - Intermediate	80 sqm	£3,500
Total Gross Development Value		£6,150,000

Construction Costs

Total Area/Units	Rate	
Basic Construction (Houses)	1,335 sqm	£1,280
Basic Construction (Flats)	0 sqm	£1,430
External Works		10.0%
Sustainability: Water efficiency (DES6 1(g))		(£93)
Accessibility: Adaptable/Wheelchair (DES6 2)		(£1,040)
Contingency		(£94,041)
Subtotal Construction Costs		(£1,974,854)

Other Costs

	Rate	
Marketing (Open Market)	1.50%	(£80,625)
Legal Fees (Open Market)	0.50%	(£26,875)
Agents Fees (Open Market)	1.50%	(£80,625)
Professional and Technical Fees	10.0%	(£187,968)
Planning Application Fees		(£4,235)
Site preparation	0.31 ha	£50,000
Community Infrastructure Levy		£140
Residual Site-Specific s106 Contributions	11	£500
Subtotal Other Costs		(£551,828)

Finance

	Units	Rate	
Interest on Construction and Other Costs	13.85 months	6.5%	(£190,487)
Arrangement and Exit Fees		1.5%	(£40,758)
Subtotal Finance Costs			(£231,244)

Gross Development Costs

			(£2,757,926)
--	--	--	---------------------

Development Profit

Total Area/Units	Rate	
Profit on Market and Affordable Home Ownership Products	17.5%	(£940,625)
Profit on AH	6%	(£46,500)
Total Development Profit		(£987,125)

Subtotal

			£2,404,949
--	--	--	-------------------

Land Acquisition

	Units	Rate	
Benchmark Purchase Price	1	£1,607,040	(£1,607,040)
Acquisition Costs and Fees		5.76%	(£92,606)
Finance on Land	21.7 months	6.5%	(£102,503)
Total Land Acquisition Costs			(£1,802,149)

Surplus/deficit

			£602,800
--	--	--	-----------------

Equivalent Affordable Housing Charge (£ per sqm)

			N/A
--	--	--	------------

Other

Blended Profit on Cost		34.9%
Blended Profit on GDV		25.9%
Loan to Value Ratio		60.3%

Scheme Size

Scheme Type
Value Area
Density

1 bed flat
2 bed flat
2 bed house
3 bed flat
3 bed house
4 bed house
5 bed house

Floor area

1 bed flat
2 bed flat
2 bed house
3 bed flat
3 bed house
4 bed house
5 bed house

Value (total)

1 bed flat
2 bed flat
2 bed house
3 bed flat
3 bed house
4 bed house
5 bed house

Mix Policy Requirements

20% DES5 1(b)i)
30% 30% DES5 1(b)i)

Tenure Policy Requirements

"Affordable Home Ownership"
Affordable Housing (overall)
Affordable/Social Rent

Accessibility Policy Requirements

20% DES6 2(a)
5% DES6 2(b)

Development Period

Time to start on site
Construction period
Post construction sales period

Planning Fees Calculator

£4,235
£4,235

11

Houses only
3 - Banstead, Chipstead, Epsom Downs, Tadworth, Kingswood, Reigate
35 dph

Market

8

0

3

Intermediate

Unit Size (sqm)

Number of Units

Rent/Intermediate

27.3%

Starter Homes

Market

Of which rent

Of which intermediate

Market

Starter Homes

Rent

Intermediate

Starter Homes unit prices

£6,150,000

2 small unit(s)

POLICY COMPLIANT

POLICY COMPLIANT

POLICY COMPLIANT

*Note: National policy req't

*tenure mix requirements only triggered at 50 units plus

Houses

Flats

2

0

0

6 months

12 months

3.7 months

Input Variables

Total Saleable Floorspace	2,965 sqm
Total Build Floorspace	3,029 sqm
Allowance for communal/common parts	15.0% on flats
Total on-site affordable housing req'tment	30%
Target Percentage Affordable Rent	40%
Target Percentage Intermediate Product	60%
Open Market Sales Value	£5,000 per sqm
Sales Value Discount - Affordable Rent	45%
Sales Value Discount - Intermediate	30%
Sales Value Discount - Starter Homes	20%
Sales Value Cap - Starter Homes	£250,000
Build Cost Houses	£1,280 per sqm
Build Cost Flats	£1,430 per sqm
Water efficiency cost (1-2 bed)	£6 per unit
Water efficiency cost (3-4 bed)	£9 per unit
Accessibility Category 2 (flats)	£925 per unit
Accessibility Category 2 (houses)	£520 per unit
Accessibility Category 3 (flats)	£7,750 per unit
Accessibility Category 3 (houses)	£10,200 per unit
Allowance for external works and landscaping	10.0%
Allowance for Contingencies	5.0%
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare
Developers Profit	17.5% on GDV
Developers Profit on Affordable Element	6% on Affordable GDV
Design, Technical and Other Professional/Consultants Fees	10%
Site-specific s106 contributions	£500 per unit
Community Infrastructure Levy	£140 per sqm
Acquisition Costs and Fees	5.76%
Interest Rate (debts)	6.5%
Interest Rate (credits)	0.5%
Finance Arrangement and Exit Fees	1.5% on principal loan amount
Pre-Construction Period	6 months
Principal Construction Period	16 months
Post Construction Period	8 months
Total Scheme Length	30 months
Agents Fees	1.5% on Open Market GDV
Marketing Costs	1.5% on Open Market GDV
Legal Fees	0.5% on Open Market GDV
Benchmark Land Value	£5,184,000 per net developable hectare
Benchmark Value of Site	£3,265,920
Land Area	0.63 hectares

Development Value

Total Area/Units	Rate	
Market Product	2,350 sqm	£5,000
Starter Homes	0 sqm	£4,000
Affordable Product - Rent	410 sqm	£2,750
Affordable Product - Intermediate	205 sqm	£3,500
Total Gross Development Value		£13,595,000

Construction Costs

Total Area/Units	Rate	
Basic Construction (Houses)	2,540 sqm	£1,280
Basic Construction (Flats)	489 sqm	£1,430
External Works		10.0%
Sustainability: Water efficiency (DES6 1(g))		(£198)
Accessibility: Adaptable/Wheelchair (DES6 2)		(£13,205)
Contingency		(£217,926)
Subtotal Construction Costs		(£4,576,453)
Other Costs		
Marketing (Open Market)		1.50%
Legal Fees (Open Market)		0.50%
Agents Fees (Open Market)		1.50%
Professional and Technical Fees		10.0%
Planning Application Fees		(£3,625)
Site preparation	0.63 ha	£50,000
Community Infrastructure Levy		£140
Residual Site-Specific s106 Contributions	25	£500
Subtotal Other Costs		(£1,237,312)
Finance		
Interest on Construction and Other Costs	20 months	6.5%
Arrangement and Exit Fees		1.5%
Subtotal Finance Costs		(£740,231)
Gross Development Costs		(£6,553,997)

Development Profit

Total Area/Units	Rate	
Profit on Market and Affordable Home Ownership Products	17.5%	(£2,056,250)
Profit on AH	6%	(£110,700)
Total Development Profit		(£2,166,950)

Subtotal

		£4,874,053
--	--	-------------------

Land Acquisition

Units	Rate	
Benchmark Purchase Price	1	£3,265,920
Acquisition Costs and Fees		5.76%
Finance on Land	30 months	6.5%
Total Land Acquisition Costs		(£3,749,594)

Surplus/deficit

	£1,125,459
Equivalent Affordable Housing Charge (£ per sqm)	N/A

Other

Blended Profit on Cost	32.0%
Blended Profit on GDV	24.2%
Loan to Value Ratio	63.1%

Scheme Size
Scheme Type
Value Area
Density

	25
	Mixed
	3 - Banstead, Chipstead, Epsom Downs, Tadworth, Kingswood, Reigate
	40 dph
	17
	0
	8
	Market
	Starter
	Rent
	Intermediate
1 bed flat	0
2 bed flat	2
2 bed house	0
3 bed flat	0
3 bed house	5
4 bed house	8
5 bed house	2
	17
	0
	5
	3
	8
	25

Floor area

	Market	Starter Homes	Rent	Intermediate	
1 bed flat	0	0	0	50	
2 bed flat	150	0	150	75	
2 bed house	0	0	160	80	
3 bed flat	0	0	0	0	
3 bed house	500	0	100	0	
4 bed house	1240	0	0	0	
5 bed house	460	0	0	0	
Total saleable floorspace				2965	
Total Floor Area (inc. communal on flats)				3029	

Value (total)

	Market	Starter Homes	Rent	Intermediate	Starter Homes unit prices
1 bed flat	£0	£0	£0	£175,000	£200,000
2 bed flat	£750,000	£0	£0	£412,500	£262,500
2 bed house	£0	£0	£0	£440,000	£250,000
3 bed flat	£0	£0	£0	£0	£250,000
3 bed house	£2,500,000	£0	£0	£275,000	£0
4 bed house	£6,200,000	£0	£0	£0	£250,000
5 bed house	£2,300,000	£0	£0	£0	£250,000
				£13,595,000	

Mix Policy Requirements

20% DES5 1(b)(i)	N/A	N/A
30% 30% DES5 1(b)(ii)	8 small unit(s) and 8 large unit(s)	POLICY COMPLIANT

Tenure Policy Requirements

"Affordable Home Ownership"	POLICY COMPLIANT	*Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT	
Affordable/Social Rent	N/A	*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements

20% DES6 2(a)	Houses	Flats
5% DES6 2(b)	4	1
	1	0

Development Period

Time to start on site	6 months
Construction period	16 months
Post construction sales period	8 months

Planning Fees Calculator

	£9,625
	£9,625

11Flats Value Point 3

Input Variables

Total Saleable Floorspace	700 sqm
Total Build Floorspace	805 sqm
Allowance for communal/common parts	15.0% on flats
Total on-site affordable housing requirement	30%
Target Percentage Affordable Rent	40%
Target Percentage Intermediate Product	60%
Open Market Sales Value	£5,000 per sqm
Sales Value Discount - Affordable Rent	45%
Sales Value Discount - Intermediate	30%
Sales Value Discount - Starter Homes	20%
Sales Value Cap - Starter Homes	£250,000
Build Cost Houses	£1,472 per sqm
Build Cost Flats	£1,430 per sqm
Water efficiency cost (1-2 bed)	£5 per unit
Water efficiency cost (3-4 bed)	£9 per unit
Accessibility Category 2 (flats)	£925 per unit
Accessibility Category 2 (houses)	£520 per unit
Accessibility Category 3 (flats)	£7,750 per unit
Accessibility Category 3 (houses)	£10,200 per unit
Allowance for external works and landscaping	10.0%
Allowance for Contingencies	5.0%
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare
Developers Profit	17.5% on GDV
Developers Profit on Affordable Element	6% on Affordable GDV
Design, Technical and Other Professional/Consultants Fees	10%
Site-specific s106 contributions	£500 per unit
Community Infrastructure Levy	£140 per sqm
Acquisition Costs and Fees	5.76%
Interest Rate (debts)	6.5%
Interest Rate (credits)	0.5%
Finance Arrangement and Exit Fees	1.5% on principal loan amount
Pre-Construction Period	6 months
Principal Construction Period	12 months
Post Construction Period	3 months
Total Scheme Length	21 months
Agents Fees	1.5% on Open Market GDV
Marketing Costs	1.5% on Open Market GDV
Legal Fees	0.5% on Open Market GDV
Benchmark Land Value	£5,184,000 per net developable hectare
Benchmark Value of Site	£622,080
Land Area	0.12 hectares

Development Value

Market Product	Total Area/Units	Rate	
Starter Homes	0 sqm	£4,000	£0
Affordable Product - Rent	125 sqm	£2,750	£343,750
Affordable Product - Intermediate	50 sqm	£3,500	£175,000
Total Gross Development Value			£3,143,750

Construction Costs

Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	0 sqm	£1,472	£0
External Works	805 sqm	£1,430	(£1,151,150)
Sustainability: Water efficiency (DES6 1(g))		10.0%	(£115,115)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£66)
Contingency		5.0%	(£1,850)
Subtotal Construction Costs			(£63,409)

Other Costs

Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£38,375)
Agents Fees (Open Market)		0.50%	(£13,125)
Professional and Technical Fees		1.50%	(£38,375)
Planning Application Fees		10.0%	(£126,627)
Site preparation	0.12 ha	£50,000	(£6,000)
Community Infrastructure Levy		£140	(£88,200)
Residual Site-Specific s106 Contributions	11	£500	(£5,500)
Subtotal Other Costs			(£322,437)

Finance

Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	13.4 months	6.5%	(£120,502)
Subtotal Finance Costs		1.5%	(£26,616)

Gross Development Costs

			(£1,801,146)
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Development Profit

Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£459,375)
Total Development Profit		6%	(£31,125)

Subtotal

			(£490,500)
--	--	--	-------------------

Land Acquisition

Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£622,080	(£622,080)
Finance on Land		5.76%	(£35,847)
Total Land Acquisition Costs	20.8 months	6.5%	(£37,942)

Surplus/deficit			(£695,869)
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Equivalent Affordable Housing Charge (£ per sqm)

			£156,235
--	--	--	-----------------

Other

Blended Profit on Cost			N/A
Blended Profit on GDV			
Loan to Value Ratio			

Scheme Size

Scheme Type

Value Area

Density

1 bed flat	
2 bed flat	
2 bed house	
3 bed flat	
3 bed house	
4 bed house	
5 bed house	

Floor area

1 bed flat	
2 bed flat	
2 bed house	
3 bed flat	
3 bed house	
4 bed house	
5 bed house	

Value (total)

1 bed flat	
2 bed flat	
2 bed house	
3 bed flat	
3 bed house	
4 bed house	
5 bed house	

Mix Policy Requirements

20% DES5 1(b)i)	
30% DES5 1(b)ii)	

Tenure Policy Requirements

"Affordable Home Ownership"	
Affordable Housing (overall)	
Affordable/Social Rent	

Accessibility Policy Requirements

20% DES6 2(a)	
5% DES6 2(b)	

Development Period

Time to start on site	
Construction period	
Post construction sales period	

Planning Fees Calculator

11

Flats only

3 - Banstead, Chipstead, Epsom Downs, Tadworth, Kingswood, Reigate

90 dbh

Market

8

Starter

0

Rent

3

Intermediate

1

Unit Size (sqm)

Number of Units

Rent/Intermediate

27.3%

Starter Homes

0.0%

Market

72.7%

Of which rent

66.7%

Of which intermediate

33.3%

OK

Market

150

Starter Homes

0

Rent

50

Intermediate

50

Starter Homes unit prices

Market

£750,000

Starter Homes

£0

Rent

£137,500

Intermediate

£175,000

£200,000

Market

£1,875,000

Starter Homes

£0

Rent

£206,250

Intermediate

£0

£250,000

Market

£0

Starter Homes

£0

Rent

£0

Intermediate

£0

£250,000

Market

£0

Starter Homes

£0

Rent

£0

Intermediate

£0

£250,000

Market

£0

Starter Homes

£0

Rent

£0

Intermediate

£0

£250,000

Market

£0

Starter Homes

£0

Rent

£0

Intermediate

£0

£250,000

£3,143,750

Mix Policy Requirements

20% DES5 1(b)i)	
30% DES5 1(b)ii)	

Tenure Policy Requirements

"Affordable Home Ownership"	
Affordable Housing (overall)	
Affordable/Social Rent	

Accessibility Policy Requirements

20% DES6 2(a)	
5% DES6 2(b)	

Development Period

Time to start on site	
Construction period	
Post construction sales period	

Planning Fees Calculator

2 small unit(s)

N/A

POLICY COMPLIANT

N/A

POLICY COMPLIANT

POLICY COMPLIANT

N/A

*Note: National policy req't

*tenure mix requirements only triggered at 50 units plus

Houses

Flats

0

0

6 months

12 months

2.8 months

Planning Fees Calculator

30 Retirement Flats Value Point 3

Loan to Value Ratio	65.8%
	£92,800

Annex 4: Site Allocation Appraisal summaries

RTCS

Input Variables			
Total Saleable Floorspace	1,240 sqm		
Total Build Floorspace	1,426 sqm		
Allowance for communal/common parts	15.0% on flats		
Total on-site affordable housing requirement	30%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,000 per sqm		
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,472 per sqm		
Build Cost Flats	£1,430 per sqm		
Water efficiency cost (1-2 bed)	£9 per unit		
Water efficiency cost (3-4 bed)	£9 per unit		
Accessibility Category 2 (flats)	£925 per unit		
Accessibility Category 2 (houses)	£520 per unit		
Accessibility Category 3 (flats)	£7,750 per unit		
Accessibility Category 3 (houses)	£10,200 per unit		
Allowance for external works and landscaping	10.0%		
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare		
Developers Profit	17.5% on GDV		
Developers Profit on Affordable Element	6% on Affordable GDV		
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£500 per unit		
Community Infrastructure Levy	£0 per sqm		
Acquisition Costs and Fees	5.76%		
Interest Rate (debits)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5% on principal loan amount		
Pre-Construction Period	6 months		
Principal Construction Period	12 months		
Post Construction Period	5 months		
Total Scheme Length	23 months		
Agents Fees	1.5% on Open Market GDV		
Marketing Costs	1.5% on Open Market GDV		
Legal Fees	0.5% on Open Market GDV		
Existing Use Value	£500,000		
Uplift	20%		
Benchmark Value of Site	£600,000 hectares		
Land Area	0.22		

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	860 sqm	£4,000	£3,440,000
Affordable Product - Rent	0 sqm	£3,200	£0
Affordable Product - Intermediate	260 sqm	£2,200	£572,000
Affordable Product - Intermediate	120 sqm	£2,800	£336,000
Total Gross Development Value			£4,348,000

Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	0 sqm	£1,472	£0
External Works	1,426 sqm	£1,430	(£2,039,190)
Sustainability: Water efficiency (DES6 1(g))		10.0%	(£203,918)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£120)
Contingency		5.0%	(£11,450)
Subtotal Construction Costs			(£2,367,401)

Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£51,600)
Agents Fees (Open Market)		0.50%	(£17,200)
Professional and Technical Fees		1.50%	(£51,600)
Planning Application Fees		10.0%	(£224,310)
Site preparation	0.22 ha	(£7,700)	
Community Infrastructure Levy		£50,000	(£11,000)
Residual Site-Specific s106 Contributions		£0	
Subtotal Other Costs			(£373,410)

Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	14.5 months	6.5%	(£216,701)
Subtotal Finance Costs			(£44,363)
Gross Development Costs			(£3,001,875)

Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£602,000)
Total Development Profit			(£54,480)
Subtotal			(£656,480)

Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£600,000	(£600,000)
Finance on Land	23 months	5.76%	(£34,575)
Total Land Acquisition Costs			(£640,704)
Surplus/deficit			(£675,279)

Equivalent Affordable Housing Charge (£ per sqm)		£14,366
		VARIABLE
		N/A

Other		
Blended Profit on Cost		18.2%
Blended Profit on GDV		15.4%
Loan to Value Ratio		77.3%

Scheme Size	20									
Scheme Type	Flats only									
Value Area	1 - Redhill and Horley Town Centres									
Density	90.91 dph									
	14	0		6						
	Market	Starter	Rent	Intermediate		Unit Size (sqm)	Number of Units	Rent/Intermediate		30.0%
1 bed flat	6			1	1	50	8	Starter Homes		0.0%
2 bed flat	8			3	1	70	12	Market		70.0%
2 bed house						75	0			
3 bed flat						85	0	Of which rent		66.7%
3 bed house						95	0	Of which intermediate		33.3%
4 bed house						135	0			
5 bed house						170	0			
	14	0		4	2		20	OK		
				6	20					

Floor area	Market	Starter Homes	Rent	Intermediate	
1 bed flat	300	0	50	50	
2 bed flat	560	0	210	70	
2 bed house	0	0	0	0	
3 bed flat	0	0	0	0	
3 bed house	0	0	0	0	
4 bed house	0	0	0	0	
5 bed house	0	0	0	0	
Total saleable floorspace					1240
Total Floor Area (inc. communal on flats)					1426

Value (total)		Market	Starter Homes	Rent	Intermediate	Starter Homes unit prices
1 bed flat	£1,200,000	£0	£110,000	£140,000	£160,000	
2 bed flat	£2,240,000	£0	£462,000	£196,000	£224,000	
2 bed house	£0	£0	£0	£0	£240,000	
3 bed flat	£0	£0	£0	£0	£250,000	
3 bed house	£0	£0	£0	£0	£250,000	
4 bed house	£0	£0	£0	£0	£250,000	
5 bed house	£0	£0	£0	£0	£250,000	
					£4,348,000	

Mix Policy Requirements		N/A	N/A
20% DES5 1(b)(i)		6 small unit(s) and 6 large unit(s)	POLICY COMPLIANT
30% DES5 1(b)(ii)			
30% DES5 1(b)(iii)			

Tenure Policy Requirements			
"Affordable Home Ownership"	POLICY COMPLIANT		"Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT		
Affordable/Social Rent	N/A		"tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements		Houses	Flats
20% DES6 2(a)		0	4
5% DES6 2(b)		0	1

Development Period		6 months
Time to start on site		12 months
Construction period		5 months
Post construction sales period		

Planning Fees Calculator		£7,700
		£7,700

RED4

Input Variables			
Total Saleable Floorspace	1,030 sqm		
Total Build Floorspace	1,030 sqm		
Allowance for communal/common parts	15.0% on flats		
Total on-site affordable housing requirement	0%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,500 per sqm		
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,280 per sqm		
Build Cost Flats	£1,430 per sqm		
Water efficiency cost (1-2 bed)	£5 per unit		
Water efficiency cost (3-4 bed)	£9 per unit		
Accessibility Category 2 (flats)	£925 per unit		
Accessibility Category 2 (houses)	£520 per unit		
Accessibility Category 3 (flats)	£7,750 per unit		
Accessibility Category 3 (houses)	£10,200 per unit		
Allowance for external works and landscaping	10.0%	Increased for SUEs	
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare	Increased for SUEs	
Developers Profit	17.5% on GDV		
Developers Profit on Affordable Element	6% on Affordable GDV		
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£500 per unit	Increased for SUEs	
Community Infrastructure Levy	£80 per sqm	Fixed at £200/sqm for SUEs	
Acquisition Costs and Fees	5.76%		
Interest Rate (debts)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5% on principal loan amount		
Pre-Construction Period	6 months		
Principal Construction Period	12 months		
Post Construction Period	3 months		
Total Scheme Length	21 months		
Agents Fees	1.5% on Open Market GDV		
Marketing Costs	1.5% on Open Market GDV		
Legal Fees	0.5% on Open Market GDV		
Benchmark Land Value	£4,387,500 per net developable hectare		
Benchmark Value of Site	£1,447,875		
Land Area	0.33 hectares		

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	1,030 sqm	£4,500	£4,635,000
Affordable Product - Rent	0 sqm	£3,600	£0
Affordable Product - Intermediate	0 sqm	£2,475	£0
Total Gross Development Value	0 sqm	£3,150	£0
			£4,635,000

Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	1,030 sqm	£1,280	(£1,318,400)
External Works	0 sqm	£1,430	£0
Sustainability: Water efficiency (DES6 1(g))		10.0%	(£131,840)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£90)
Contingency		5.0%	(£1,040)
Subtotal Construction Costs			(£2,726,999)

Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£69,525)
Agents Fees (Open Market)		0.50%	(£23,175)
Professional and Technical Fees		1.50%	(£69,525)
Planning Application Fees		10.0%	(£145,024)
Site preparation	0.33 ha	£50,000	(£16,500)
Community Infrastructure Levy		£80	(£82,400)
Residual Site-Specific s106 Contributions	10	£500	(£5,000)
Subtotal Other Costs			(£414,999)

Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	13.5 months	6.5%	(£142,350)
Subtotal Finance Costs		1.5%	(£31,219)
			(£173,570)

Gross Development Costs			(£2,112,507)
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Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£811,125)
		6%	£0
Total Development Profit			(£811,125)
Subtotal			£1,711,368

Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£1,447,875	(£1,447,875)
Finance on Land	21 months	5.76%	(£3,434)
		6.5%	(£89,205)
Total Land Acquisition Costs			(£1,620,514)

Surplus/deficit		£90,854	
Equivalent Affordable Housing Charge (£ per sqm)		VARIABLE	£88

Other		
Blended Profit on Cost		21.7%
Blended Profit on GDV		17.5%
Loan to Value Ratio		64.0%

Scheme Size	10
Scheme Type	Houses only
Value Area	2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch
Density	30.3 dph

	Market	10	0	0	0	Unit Size (sqm)	Number of Units	Rent/Intermediate	0.0%
1 bed flat		0	Starter	Rent	Intermediate	50	0	Starter Homes	0.0%
2 bed flat		0				70	0	Market	100.0%
2 bed house		0				75	0		
3 bed flat						85	0	Of which rent	N/A
3 bed house		8				95	8	Of which intermediate	N/A
4 bed house		2				135	2		
5 bed house						170	0		
		10	0	0	0		10	OK	
				0	10				

Market	Starter Homes		Rent		Intermediate		Starter Homes unit prices
	1 bed flat	2 bed flat	2 bed house	3 bed flat	3 bed house	4 bed house	
1 bed flat	0	0	0	0	0	0	£180,000
2 bed flat	0	0	0	0	0	0	£250,000
2 bed house	0	0	0	0	0	0	£250,000
3 bed flat	0	0	0	0	0	0	£250,000
3 bed house	760	0	0	0	0	0	£250,000
4 bed house	270	0	0	0	0	0	£250,000
5 bed house	0	0	0	0	0	0	£250,000
Total saleable floorspace							1030
Total Floor Area (inc. communal on flats)							1030

Market	Starter Homes		Rent		Intermediate		Starter Homes unit prices
	1 bed flat	2 bed flat	2 bed house	3 bed flat	3 bed house	4 bed house	
1 bed flat	£0	£0	£0	£0	£0	£0	£180,000
2 bed flat	£0	£0	£0	£0	£0	£0	£250,000
2 bed house	£0	£0	£0	£0	£0	£0	£250,000
3 bed flat	£0	£0	£0	£0	£0	£0	£250,000
3 bed house	£3,420,000	£0	£0	£0	£0	£0	£250,000
4 bed house	£1,215,000	£0	£0	£0	£0	£0	£250,000
5 bed house	£0	£0	£0	£0	£0	£0	£250,000
							£4,635,000

Mix Policy Requirements		
20% DES5 1(b)i)	2 small unit(s)	NOT POLICY COMPLIANT
30% 30% DES5 1(b)ii)	N/A	N/A

Tenure Policy Requirements		
"Affordable Home Ownership"	NOT POLICY COMPLIANT	*Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT	
Affordable/Social Rent	N/A	*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements		
20% DES6 2(a)	Houses	Flats
5% DES6 2(b)	2	0
	0	0

Development Period		
Time to start on site	6 months	
Construction period	12 months	
Post construction sales period	3 months	

Planning Fees Calculator		
	£3,850	
	£3,850	

RED2

Input Variables			
Total Saleable Floorspace	2,035 sqm		
Total Build Floorspace	2,340 sqm		
Allowance for communal/common parts	15.0% on flats		
Total on-site affordable housing requirement	30%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,500 per sqm		
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,472 per sqm		
Build Cost Flats	£1,430 per sqm		
Water efficiency cost (1-2 bed)	£9 per unit		
Water efficiency cost (3-4 bed)	£9 per unit		
Accessibility Category 2 (flats)	£925 per unit		
Accessibility Category 2 (houses)	£520 per unit		
Accessibility Category 3 (flats)	£7,750 per unit		
Accessibility Category 3 (houses)	£10,200 per unit		
Allowance for external works and landscaping	10.0%	Increased for SUEs	
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare	Increased for SUEs	
Developers Profit	17.5% on GDV		
Developers Profit on Affordable Element	6% on Affordable GDV		
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£500 per unit	Increased for SUEs	
Community Infrastructure Levy	£80 per sqm	Fixed at £200/sqm for SUEs	
Acquisition Costs and Fees	5.76%		
Interest Rate (debits)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5% on principal loan amount		
Pre-Construction Period	6 months		
Principal Construction Period	12 months		
Post Construction Period	10 months		
Total Scheme Length	28 months		
Agents Fees	1.5% on Open Market GDV		
Marketing Costs	1.5% on Open Market GDV		
Legal Fees	0.5% on Open Market GDV		
Benchmark Land Value	£4,387,500 per net developable hectare		
Benchmark Value of Site	£877,500		
Land Area	0.20 hectares		

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	1,420 sqm	£4,500	£6,390,000
Affordable Product - Rent	0 sqm	£3,600	£0
Affordable Product - Intermediate	410 sqm	£2,475	£1,014,750
Affordable Product - Intermediate	205 sqm	£3,150	£645,750
Total Gross Development Value			£8,050,500

Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	0 sqm	£1,472	£0
External Works	2,340 sqm	£1,430	(£3,346,656)
Sustainability: Water efficiency (DES6 1(g))		10.0%	(£126)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£12,490)
Contingency		5.0%	(£184,891)
Subtotal Construction Costs			(£3,878,521)

Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£95,850)
Agents Fees (Open Market)		0.50%	(£31,950)
Professional and Technical Fees		1.50%	(£95,850)
Planning Application Fees		10.0%	(£368,121)
Site preparation	0.20 ha	£50,000	(£11,550)
Community Infrastructure Levy		£90	(£10,000)
Residual Site-Specific s106 Contributions	30	£500	(£15,000)
Subtotal Other Costs			(£766,341)

Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	17 months	6.5%	(£433,435)
Subtotal Finance Costs		1.5%	(£76,174)
			(£509,609)

Gross Development Costs			(£5,154,471)
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Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£1,118,250)
		6%	(£99,630)
Total Development Profit			(£1,217,880)

Subtotal			£1,678,149
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Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£877,500	(£877,500)
Finance on Land		5.76%	(£50,566)
	28 months	6.5%	(£73,450)
Total Land Acquisition Costs			(£1,001,516)

Surplus/deficit			£676,633
Equivalent Affordable Housing Charge (£ per sqm)			VARIABLE
			N/A

Other		
Blended Profit on Cost		30.8%
Blended Profit on GDV		23.5%
Loan to Value Ratio		70.7%

Scheme Size	30									
Scheme Type	Flats only									
Value Area	2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch									
Density	150 dph									
	Market	21	0	9		Unit Size (sqm)	Number of Units	Rent/Intermediate	30.0%	
1 bed flat		Starter	Rent	Intermediate				Starter Homes	0.0%	
2 bed flat		7		2	1	50	10	Market	70.0%	
2 bed house		8		2		70	11			
3 bed flat						75	0			
3 bed house		6		2	1	85	9	Of which rent	66.7%	
4 bed house						95	0	Of which intermediate	33.3%	
5 bed house						135	0			
						170	0			
		21	0	6	3		30	OK		
				9						
					30					
Floor area										
	Market	Starter Homes	Rent	Intermediate						
1 bed flat		350	0	100	50					
2 bed flat		560	0	140	70					
2 bed house		0	0	0	0					
3 bed flat		510	0	170	85					
3 bed house		0	0	0	0					
4 bed house		0	0	0	0					
5 bed house		0	0	0	0					
Total saleable floorspace					2035					
Total Floor Area (inc. communal on flats)					2340					
Value (total)										
	Market	£1,575,000	Starter Homes	Rent	Intermediate	£157,500	Starter Homes unit prices			
1 bed flat		£0	£0	£247,500	£220,500	£180,000	£250,000			
2 bed flat		£2,520,000	£0	£346,500	£220,500	£250,000	£250,000			
2 bed house		£0	£0	£0	£0	£250,000	£250,000			
3 bed flat		£2,295,000	£0	£420,750	£267,750	£250,000	£250,000			
3 bed house		£0	£0	£0	£0	£250,000	£250,000			
4 bed house		£0	£0	£0	£0	£250,000	£250,000			
5 bed house		£0	£0	£0	£0	£250,000	£250,000			

Mix Policy Requirements		
20% DES5 1(b)(i)	N/A	N/A
30% DES5 1(b)(ii)	9 small unit(s) and 9 large unit(s)	POLICY COMPLIANT

Tenure Policy Requirements		
"Affordable Home Ownership"	POLICY COMPLIANT	*Note: National policy req1
Affordable Housing (overall)	POLICY COMPLIANT	
Affordable/Social Rent	N/A	*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements		Houses Flats
20% DES6 2(a)		2 4
5% DES6 2(b)		0 1

Development Period		
Time to start on site		6 months
Construction period		12 months
Post construction sales period		10 months

Planning Fees Calculator		
	£11,550	
	£11,550	

RED5 (Residential Only)

RED6

Input Variables			
Total Saleable Floorspace	2,550 sqm		
Total Build Floorspace	2,658 sqm		
Allowance for communal/common parts	15.0% on flats		
Total on-site affordable housing requirement	30%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,500 per sqm		
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,280 per sqm		
Build Cost Flats	£1,430 per sqm		
Water efficiency cost (1-2 bed)	£9 per unit		
Water efficiency cost (3-4 bed)	£9 per unit		
Accessibility Category 2 (flats)	£925 per unit		
Accessibility Category 2 (houses)	£520 per unit		
Accessibility Category 3 (flats)	£7,750 per unit		
Accessibility Category 3 (houses)	£10,200 per unit		
Allowance for external works and landscaping	10.0%	Increased for SUEs	
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare	Increased for SUEs	
Developers Profit	17.5% on GDV		
Developers Profit on Affordable Element	6% on Affordable GDV		
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£500 per unit	Increased for SUEs	
Community Infrastructure Levy	£80 per sqm	Fixed at £200/sqm for SUEs	
Acquisition Costs and Fees	5.76%		
Interest Rate (debits)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5% on principal loan amount		
Pre-Construction Period	6 months		
Principal Construction Period	16 months		
Post Construction Period	10 months		
Total Scheme Length	32 months		
Agents Fees	1.5% on Open Market GDV		
Marketing Costs	1.5% on Open Market GDV		
Legal Fees	0.5% on Open Market GDV		
Benchmark Land Value	£1,040,800 per net developable hectare		
Benchmark Value of Site	£2,048,800		
Land Area	1.97 hectares		
Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	1,985 sqm	£4,500	£8,932,500
Affordable Product - Rent	0 sqm	£3,600	£0
Affordable Product - Intermediate	390 sqm	£2,475	£965,250
Affordable Product - Intermediate	175 sqm	£3,150	£551,250
Total Gross Development Value			£10,449,000
Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	1,830 sqm	£1,280	(£2,342,400)
External Works	828 sqm	£1,430	(£1,184,040)
Sustainability: Water efficiency (DE56 1(g))		10.0%	(£382,644)
Accessibility: Adaptable/Wheelchair (DE56 2)			(£216)
Contingency		5.0%	(£21,880)
Subtotal Construction Costs			(£4,096,239)
Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£133,988)
Agents Fees (Open Market)		0.50%	(£44,653)
Professional and Technical Fees		1.50%	(£133,988)
Planning Application Fees		10.0%	(£387,908)
Site preparation	1.97 ha	£50,000	(£98,500)
Community Infrastructure Levy		£90	(£167,440)
Residual Site-Specific s106 Contributions	30	£500	(£15,000)
Subtotal Other Costs			(£993,036)
Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	21 months	6.5%	(£592,941)
Subtotal Finance Costs		1.5%	(£85,233)
			(£678,174)
Gross Development Costs			
			(£5,767,449)
Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£1,563,188)
		6%	(£90,990)
Total Development Profit			(£1,654,178)
Subtotal			£3,027,373
Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£2,048,800	(£2,048,800)
Finance on Land	32 months	5.76%	(£118,062)
		6.5%	(£198,113)
Total Land Acquisition Costs			(£2,364,975)
Surplus/deficit			£662,398
Equivalent Affordable Housing Charge (£ per sqm)			VARIABLE
			N/A
Other			
Blended Profit on Cost			28.5%
Blended Profit on GDV			22.2%
Loan to Value Ratio			67.5%

Scheme Size		30	
Scheme Type		Mixed	
Value Area		2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch	
Density		15.23 dph	
		21	0
		Starter	Rent
		Intermediate	
1 bed flat		2	2
2 bed flat		4	2
2 bed house		3	2
3 bed flat			1
3 bed house		6	
4 bed house		6	
5 bed house			
		21	0
		6	3
		9	
			30
Floor area			
		Market	Starter Homes
		Rent	Intermediate
1 bed flat		100	0
2 bed flat		280	0
2 bed house		225	0
3 bed flat		0	0
3 bed house		570	0
4 bed house		810	0
5 bed house		0	0
Total saleable floorspace			2550
Total Floor Area (inc. communal on flats)			2658
Value (total)			
		Market	Starter Homes
		Rent	Intermediate
1 bed flat		£450,000	£0
2 bed flat		£1,260,000	£0
2 bed house		£1,012,500	£0
3 bed flat		£0	£0
3 bed house		£2,565,000	£0
4 bed house		£3,645,000	£0
5 bed house		£0	£0
			£10,449,000

Mix Policy Requirements			
20% DESS 1(b)(i)	N/A	N/A	
30% 30% DESS 1(b)(iii)	9 small unit(s) and 9 large unit(s)	POLICY COMPLIANT	
Tenure Policy Requirements			
"Affordable Home Ownership"	POLICY COMPLIANT	"Note: National policy req't	
Affordable Housing (overall)	POLICY COMPLIANT		
Affordable/Social Rent	N/A	"tenure mix requirements only triggered at 50 units plus	
Accessibility Policy Requirements			
20% DE56 2(a)	Houses	Flats	
5% DE56 2(b)	4	2	
	1	1	
Development Period			
Time to start on site		6 months	
Construction period		16 months	
Post construction sales period		10 months	
Planning Fees Calculator			
	£11,550		
	£11,550		

HOR3

Input Variables			
Total Saleable Floorspace		1,260 sqm	
Total Build Floorspace		1,449 sqm	
Allowance for communal/common parts		15.0%	on flats
Total on-site affordable housing requirement		30%	
Target Percentage Affordable Rent		40%	
Target Percentage Intermediate Product		60%	
Open Market Sales Value		£4,000	per sqm
Sales Value Discount - Affordable Rent		45%	
Sales Value Discount - Intermediate		30%	
Sales Value Discount - Starter Homes		20%	
Sales Value Cap - Starter Homes		£250,000	
Build Cost Houses		£1,472	per sqm
Build Cost Flats		£1,430	per sqm
Water efficiency cost (1-2 bed)		£6	per unit
Water efficiency cost (3-4 bed)		£9	per unit
Accessibility Category 2 (flats)		£925	per unit
Accessibility Category 2 (houses)		£520	per unit
Accessibility Category 3 (flats)		£7,750	per unit
Accessibility Category 3 (houses)		£10,200	per unit
Allowance for external works and landscaping		10.0%	
Allowance for Contingencies		5.0%	
Cost of site prep (including demolition, grading, etc.)		£50,000	per hectare
Developers Profit		17.5%	on GDV
Developers Profit on Affordable Element		6%	on Affordable GDV
Design, Technical and Other Professional/Consultants Fees		10%	
Site-specific s106 contributions		£500	per unit
Community Infrastructure Levy		£0	per sqm
Acquisition Costs and Fees		5.76%	
Interest Rate (debits)		6.5%	
Interest Rate (credits)		0.5%	
Finance Arrangement and Exit Fees		1.5%	on principal loan amount
Pre-Construction Period		6	months
Principal Construction Period		12	months
Post Construction Period		5	months
Total Scheme Length		23	months
Agents Fees		1.5%	on Open Market GDV
Marketing Costs		1.5%	on Open Market GDV
Legal Fees		0.5%	on Open Market GDV
Existing Use Value		£500,000	
Uplift		20%	
Benchmark Value of Site		£600,000	
Land Area		0.15	hectares
Development Value			
	Total Area/Units	Rate	
Market Product	900 sqm	£4,000	£3,600,000
Starter Homes	0 sqm	£3,200	£0
Affordable Product - Rent	190 sqm	£2,200	£418,000
Affordable Product - Intermediate	170 sqm	£2,800	£476,000
Total Gross Development Value			£4,494,000
Construction Costs			
	Total Area/Units	Rate	
Basic Construction (Houses)	0 sqm	£1,472	£0
Basic Construction (Flats)	1,449 sqm	£1,430	(£2,072,070)
External Works		10.0%	(£207,207)
Sustainability: Water efficiency (DES6 1(g))			(£120)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£11,450)
Contingency		5.0%	(£114,542)
Subtotal Construction Costs			(£2,405,389)
Other Costs			
		Rate	
Marketing (Open Market)		1.50%	(£54,000)
Legal Fees (Open Market)		0.50%	(£18,000)
Agents Fees (Open Market)		1.50%	(£54,000)
Professional and Technical Fees		10.0%	(£227,928)
Planning Application Fees			(£7,700)
Site preparation	0.15 ha	£50,000	£0
Community Infrastructure Levy		£0	£0
Residual Site-Specific s106 Contributions	20	£500	(£10,000)
Subtotal Other Costs			(£379,128)
Finance			
	Units	Rate	
Interest on Construction and Other Costs	14.5 months	6.5%	(£220,157)
Arrangement and Exit Fees		1.5%	(£45,070)
Subtotal Finance Costs			(£265,227)
Gross Development Costs			(£3,049,744)
Development Profit			
	Total Area/Units	Rate	
Profit on Market and Affordable Home Ownership Products		17.5%	(£830,000)
Profit on AH		6%	(£53,640)
Total Development Profit			(£683,640)
Subtotal			£760,616
Land Acquisition			
	Units	Rate	
Benchmark Purchase Price	1	£600,000	(£600,000)
Acquisition Costs and Fees		5.76%	(£34,575)
Finance on Land	23 months	6.5%	(£40,704)
Total Land Acquisition Costs			(£675,279)
Surplus/deficit			£85,337
Equivalent Affordable Housing Charge (£ per sqm)			VARIABLE
			N/A
Other			
Blended Profit on Cost			20.6%
Blended Profit on GDV			17.1%
Loan to Value Ratio			75.8%

Scheme Size	20									
Scheme Type	Flats only									
Value Area	1 - Redhill and Horley Town Centres									
Density	133.33 dph									
	14	0	6							
Market	Starter	Rent	Intermediate	Unit Size (sqm)	Number of Units	Rent/Intermediate	Starter Homes	Market	Of which rent	Of which intermediate
1 bed flat	4	0	1	2	50	7				
2 bed flat	10	0	2	1	70	13				
2 bed house	0	0	0	0	75	0				
3 bed flat	0	0	0	0	85	0				
3 bed house	0	0	0	0	95	0				
4 bed house	0	0	0	0	135	0				
5 bed house	0	0	0	0	170	0				
	14	0	3	3	20	OK				
			6	20						
Floor area	Market	Starter Homes	Rent	Intermediate						
1 bed flat	200	0	50	100						
2 bed flat	700	0	140	70						
2 bed house	0	0	0	0						
3 bed flat	0	0	0	0						
3 bed house	0	0	0	0						
4 bed house	0	0	0	0						
5 bed house	0	0	0	0						
Total saleable floorspace				1260						
Total Floor Area (inc. communal on flats)				1449						
Value (total)	Market	Starter Homes	Rent	Intermediate	Starter Homes unit prices					
1 bed flat	£800,000	£0	£110,000	£280,000	£160,000					
2 bed flat	£2,800,000	£0	£308,000	£196,000	£224,000					
2 bed house	£0	£0	£0	£0	£240,000					
3 bed flat	£0	£0	£0	£0	£250,000					
3 bed house	£0	£0	£0	£0	£250,000					
4 bed house	£0	£0	£0	£0	£250,000					
5 bed house	£0	£0	£0	£0	£250,000					
				£4,494,000						
Mix Policy Requirements										
DESS 1(b)(i)	N/A	N/A								
DESS 1(b)(ii)	6 small unit(s) and 6 large unit(s)	POLICY COMPLIANT								
Tenure Policy Requirements										
"Affordable Home Ownership"	POLICY COMPLIANT	*Note: National policy reqt								
Affordable Housing (overall)	POLICY COMPLIANT									
Affordable/Social Rent	N/A	*tenure mix requirements only triggered at 50 units plus								
Accessibility Policy Requirements	Houses	Flats								
DE56 2(a)	0	4								
DE56 2(b)	0	1								
Development Period										
Time to start on site	6 months									
Construction period	12 months									
Post construction sales period	5 months									
Planning Fees Calculator	£7,700									
	£7,700									

HOR1

Input Variables			
Total Saleable Floorspace	2,580 sqm		
Total Build Floorspace	3,035 sqm		
Allowance for communal/common parts	15.0% on flats		
Total on-site affordable housing requirement	30%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,000 per sqm		
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,472 per sqm		
Build Cost Flats	£1,430 per sqm		
Water efficiency cost (1-2 bed)	£6 per unit		
Water efficiency cost (3-4 bed)	£9 per unit		
Accessibility Category 2 (flats)	£925 per unit		
Accessibility Category 2 (houses)	£520 per unit		
Accessibility Category 3 (flats)	£7,750 per unit		
Accessibility Category 3 (houses)	£10,200 per unit		
Allowance for external works and landscaping	10.0%		
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£50,000 per hectare		
Developers Profit	17.5% on GDV		
Developers Profit on Affordable Element	6% on Affordable GDV		
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£500 per unit		
Community Infrastructure Levy	£0 per sqm		
Acquisition Costs and Fees	5.76%		
Interest Rate (debits)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5% on principal loan amount		
Pre-Construction Period	6 months		
Principal Construction Period	18 months		
Post Construction Period	9 months		
Total Scheme Length	33 months		
Agents Fees	1.5% on Open Market GDV		
Marketing Costs	1.5% on Open Market GDV		
Legal Fees	0.5% on Open Market GDV		
Benchmark Land Value	per net developable hectare		
Benchmark Value of Site	£800,000		
Land Area	0.28 hectares		

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	1,805 sqm	£4,000	£7,220,000
Affordable Product - Rent	0 sqm	£3,200	£0
Affordable Product - Intermediate	535 sqm	£2,200	£1,177,000
Commercial	240 sqm	£2,800	£672,000
Total Gross Development Value			£12,069,000

Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	0 sqm	£1,472	£0
Commercial	3,035 sqm	£1,430	(£4,340,471)
External Works	1,000 sqm	£2,200	(£1,548,000)
Sustainability: Water efficiency (DE56 1(a))			(£588,847)
Accessibility: Adaptable/Wheelchair (DE56 2)			(£22,459)
Contingency	5.0%		(£325,001)
Subtotal Construction Costs			(£6,825,030)

Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£108,300)
Agents Fees (Open Market)		0.50%	(£36,100)
Professional and Technical Fees		1.50%	(£108,300)
Letting Fees Commercial		10.0%	(£492,302)
Planning Application Fees		10.0%	(£25,000)
Site preparation	0.28 ha	£50,000	(£14,000)
Community Infrastructure Levy			£0
Residual Site-Specific s106 Contributions	40	£500	(£20,000)
Subtotal Other Costs			(£831,032)

Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	22.5 months	6.5%	(£959,548)
Subtotal Finance Costs			(£1,088,781)

Gross Development Costs			
			(£8,744,842)

Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on ARI		17.5%	(£1,263,500)
Profit on Commercial (on cost)		6%	(£110,940)
Total Development Profit			(£1,684,040)
Subtotal			£1,659,901

Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£800,000	(£800,000)
Finance on Land	33 months	5.76%	(£46,100)
Total Land Acquisition Costs			(£799,991)
			(£926,091)

Surplus/deficit			
			£733,810
Equivalent Affordable Housing Charge (£ per sqm)			N/A

Other			
Blended Profit on Cost			25.0%
Blended Profit on GDV			20.0%
Loan to Value Ratio			76.5%

Scheme Size			
40			
Scheme Type			
Flats only			
Value Area			
1 - Redhill and Horley Town Centres			
Density			
90.91 dph			
Market			
28			
0			
Rent			
12			
Intermediate			
2			
2			
Unit Size (sqm)			
50			
14			
Number of Units			
14			
Rent/Intermediate			
30.0%			
Starter Homes			
0.0%			
Market			
70.0%			
Of which rent			
66.7%			
Of which intermediate			
33.3%			

Floor area			
Market			
Starter Homes			
Rent			
Intermediate			
100			
100			
1 bed flat			
500			
2 bed flat			
1050			
2 bed house			
0			
3 bed flat			
255			
3 bed house			
0			
4 bed house			
0			
5 bed house			
0			
Total saleable floorspace			
2580			
Total Floor Area (inc. communal on flats)			
3035			

Value (total)			
Market			
Starter Homes			
Rent			
Intermediate			
1 bed flat			
£2,000,000			
2 bed flat			
£4,200,000			
2 bed house			
£0			
3 bed flat			
£1,020,000			
3 bed house			
£0			
4 bed house			
£0			
5 bed house			
£0			
Starter Homes unit prices			
£190,000			
£224,000			
£240,000			
£250,000			
£250,000			
£250,000			
£250,000			
£250,000			
£9,069,000			

Mix Policy Requirements			
20% DES5 1(b)(i)			
30% DES5 1(b)(ii)			
N/A			
12 small unit(s) and 12 large unit(s)			
N/A			
POLICY COMPLIANT			

Tenure Policy Requirements			
"Affordable Home Ownership"			
POLICY COMPLIANT			
Affordable Housing (overall)			
POLICY COMPLIANT			
Affordable/Social Rent			
N/A			
*Note: National policy req1			
*tenure mix requirements only triggered at 50 units plus			

Accessibility Policy Requirements			
Houses			
20% DES6 2(a)			
5% DES6 2(b)			
1			
7			
2			

Commercial			
Retail			
Leisure			
Community			
EUV			
Leisure			
Community			
1			
200			
130			
8%			
8%			
Car Park income in 2013-14 was actually c.£30k			
£50,000			
£8%			
£666,667			
£300 Rent Free			
0			
12			
£150,000 Cap Value of Rent Free			
£0			
-£46,512			
Yield			
8% NDV (minus disposal cc			
£1,260,686			
£0			
£586,366			
GDV			
£2,000,000 Build Costs			
£1,548			
£2,600			
12 Total Build Costs			
£0			
Rent Free			
£139,535			
Cap Value of Rent Free			
£1,759,097			
NDV (minus disposal costs)			
£1,548			
Build Costs			
£1,548			
Total Build Costs			
£774,000			
Total Commercial Area			
1000			
Average Build Cost per sqm			
1548			

Development Period			
Time to start on site			
6 months			
Construction period			
18 months			
Post construction sales period			
9 months			

Planning Fees Calculator			
£15,400			
£15,400			

Rent (ITZA)		
£39,000		1
£19,500		2
£8,938		3
£0		4
£0		5
£4,875		
£72,313		
£289		

Other	
Blended Profit on Cost	37.9%
Blended Profit on GDV	27.5%
Loan to Value Ratio	67.3%

Input Variables			
Total Saleable Floorspace	2,175 sqm		
Total Build Floorspace	2,175 sqm		
Allowance for communal/common parts	15.0% on flats		
Total on-site affordable housing requirement	30%		
Target Percentage Affordable Rent	40%		
Target Percentage Intermediate Product	60%		
Open Market Sales Value	£4,500 per sqm		
Sales Value Discount - Affordable Rent	45%		
Sales Value Discount - Intermediate	30%		
Sales Value Discount - Starter Homes	20%		
Sales Value Cap - Starter Homes	£250,000		
Build Cost Houses	£1,280 per sqm		
Build Cost Flats	£1,430 per sqm		
Water efficiency cost (1-2 bed)	£9 per unit		
Water efficiency cost (3-4 bed)	£9 per unit		
Accessibility Category 2 (flats)	£925 per unit		
Accessibility Category 2 (houses)	£520 per unit		
Accessibility Category 3 (flats)	£7,750 per unit		
Accessibility Category 3 (houses)	£10,200 per unit		
Allowance for external works and landscaping	15.0%	Increased for SUEs	
Allowance for Contingencies	5.0%		
Cost of site prep (including demolition, grading, etc.)	£100,000 per hectare	Increased for SUEs	
Developers Profit	17.5% on GDV		
Developers Profit on Affordable Element	6% on Affordable GDV		
Design, Technical and Other Professional/Consultants Fees	10%		
Site-specific s106 contributions	£10,000 per unit	Increased for SUEs	
Community Infrastructure Levy	£200 per sqm	Fixed at £200/sqm for SUEs	
Acquisition Costs and Fees	5.76%		
Interest Rate (debits)	6.5%		
Interest Rate (credits)	0.5%		
Finance Arrangement and Exit Fees	1.5% on principal loan amount		
Pre-Construction Period	6 months		
Principal Construction Period	12 months		
Post Construction Period	10 months		
Total Scheme Length	28 months		
Agents Fees	1.5% on Open Market GDV		
Marketing Costs	1.5% on Open Market GDV		
Legal Fees	0.5% on Open Market GDV		
Benchmark Land Value	£1,040,000 per net developable hectare		
Benchmark Value of Site	£696,800		
Land Area	0.67 hectares		

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	1,610 sqm	£4,500	£7,245,000
Affordable Product - Rent	0 sqm	£3,600	£0
Affordable Product - Intermediate	320 sqm	£2,475	£792,000
Affordable Product - Intermediate	245 sqm	£3,150	£771,750
Total Gross Development Value			£8,808,750
Construction Costs			
Basic Construction (Houses)	Total Area/Units	Rate	
Basic Construction (Flats)	2,175 sqm	£1,280	(£2,784,000)
External Works	0 sqm	£1,430	£0
Sustainability: Water efficiency (DES6 1(g))		15.0%	(£36,225)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£162)
Contingency		5.0%	(£12,280)
Subtotal Construction Costs			(£3,374,744)
Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£108,675)
Agents Fees (Open Market)		0.50%	(£36,225)
Professional and Technical Fees		1.50%	(£108,675)
Planning Application Fees		10.0%	(£320,160)
Site preparation	0.67 ha	£100,000	(£67,000)
Community Infrastructure Levy		£200	(£322,000)
Residual Site-Specific s106 Contributions	20	£500	(£10,000)
Subtotal Other Costs			(£980,435)
Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	17 months	6.5%	(£406,403)
Subtotal Finance Costs			(£71,424)
Gross Development Costs			(£4,833,006)
Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£1,267,875)
Total Development Profit			(£93,825)
Subtotal			(£1,361,700)
Land Acquisition			£2,614,044
Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£696,800	(£696,800)
Finance on Land	28 months	5.76%	(£40,153)
Total Land Acquisition Costs			(£58,325)
Surplus/deficit			(£795,278)
Equivalent Affordable Housing Charge (£ per sqm)			£1,818,766
			VARIABLE

Other		
Blended Profit on Cost		56.5%
Blended Profit on GDV		36.1%
Loan to Value Ratio		59.7%

Scheme Size		20		Mixed		2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch		30		dph	
Scheme Type		Value Area		Density		13		0		7	
		Market		Starter		Rent		Intermediate		Unit Size (sqm)	
1 bed flat		0		0		0		0		50	
2 bed flat		0		0		0		0		70	
2 bed house		1		0		3		2		75	
3 bed flat		0		0		0		0		85	
3 bed house		3		0		1		1		95	
4 bed house		8		0		0		0		135	
5 bed house		1		0		0		0		170	
		13		0		4		3		20	
								7			
										20	
Floor area		Market		Starter Homes		Rent		Intermediate			
1 bed flat		0		0		0		0			
2 bed flat		0		0		0		0			
2 bed house		75		0		225		150			
3 bed flat		0		0		0		0			
3 bed house		285		0		95		95			
4 bed house		1080		0		0		0			
5 bed house		170		0		0		0			
Total saleable floorspace										2175	
Total Floor Area (inc. communal on flats)										2175	
Value (total)		Market		Starter Homes		Rent		Intermediate		Starter Homes unit prices	
1 bed flat		£0		£0		£0		£0		£180,000	
2 bed flat		£0		£0		£0		£0		£250,000	
2 bed house		£337,500		£0		£556,875		£472,500		£250,000	
3 bed flat		£0		£0		£0		£0		£250,000	
3 bed house		£1,282,500		£0		£235,125		£299,250		£250,000	
4 bed house		£4,860,000		£0		£0		£0		£250,000	
5 bed house		£765,000		£0		£0		£0		£250,000	
										£8,808,750	

Mix Policy Requirements		N/A		N/A	
20% DES5 1(b)i)		6 small unit(s) and 6 large unit(s)		POLICY COMPLIANT	
30% DES5 1(b)iii)					
Tenure Policy Requirements		POLICY COMPLIANT		POLICY COMPLIANT	
"Affordable Home Ownership"				*Note: National policy req't	
Affordable Housing (overall)					
Affordable/Social Rent				*tenure mix requirements only triggered at 50 units plus	
Accessibility Policy Requirements		Houses		Flats	
20% DES6 2(a)		4		0	
5% DES6 2(b)		1		0	
Development Period		6 months		12 months	
Time to start on site				10 months	
Construction period					
Post construction sales period					
Planning Fees Calculator		£7,700		£7,700	

ERM5 35% Affordable Housing Value Point 2b

Input Variables		
Total Saleable Floorspace	8,600 sqm	
Total Build Floorspace	8,921 sqm	
Allowance for communal/common parts	15.0% on flats	
Total on-site affordable housing requirement	30%	
Target Percentage Affordable Rent	40%	
Target Percentage Intermediate Product	60%	
Open Market Sales Value	£4,500 per sqm	
Sales Value Discount - Affordable Rent	45%	
Sales Value Discount - Intermediate	30%	
Sales Value Discount - Starter Homes	20%	
Sales Value Cap - Starter Homes	£250,000	
Build Cost Houses	£1,280 per sqm	
Build Cost Flats	£1,430 per sqm	
Water efficiency cost (1-2 bed)	£9 per unit	
Water efficiency cost (3-4 bed)	£9 per unit	
Accessibility Category 2 (flats)	£925 per unit	
Accessibility Category 2 (houses)	£520 per unit	
Accessibility Category 3 (flats)	£7,750 per unit	
Accessibility Category 3 (houses)	£10,200 per unit	
Allowance for external works and landscaping	15.0%	Increased for SUEs
Allowance for Contingencies	5.0%	
Cost of site prep (including demolition, grading, etc.)	£100,000 per hectare	Increased for SUEs
Developers Profit	17.5% on GDV	
Developers Profit on Affordable Element	6% on Affordable GDV	
Design, Technical and Other Professional/Consultants Fees	10%	
Site-specific s106 contributions	£10,000 per unit	Increased for SUEs
Community Infrastructure Levy	£200 per sqm	Fixed at £200/sqm for SUEs
Acquisition Costs and Fees	5.76%	
Interest Rate (debits)	6.5%	
Interest Rate (credits)	0.5%	
Finance Arrangement and Exit Fees	1.5% on principal loan amount	
Pre-Construction Period	6 months	
Principal Construction Period	38 months	
Post Construction Period	32 months	
Total Scheme Length	75 months	
Agents Fees	1.5% on Open Market GDV	
Marketing Costs	1.5% on Open Market GDV	
Legal Fees	0.5% on Open Market GDV	
Benchmark Land Value	£1,040,000 per net developable hectare	
Benchmark Value of Site	£3,296,800	
Land Area	3.17 hectares	

Development Value			
Market Product	Total Area/Units	Rate	
Starter Homes	0 sqm	£4,500	£28,777,500
Affordable Product - Rent	1,355 sqm	£2,475	£3,353,625
Affordable Product - Intermediate	850 sqm	£3,150	£2,677,500
Total Gross Development Value			£34,808,625
Construction Costs			
Basic Construction (Houses)	6,460 sqm	£1,280	(£8,268,800)
Basic Construction (Flats)	2,461 sqm	£1,430	(£3,519,230)
External Works		15.0%	(£1,768,205)
Sustainability: Water efficiency (DES6 1(g))			(£705)
Accessibility: Adaptable/Wheelchair (DES6 2)			(£58,815)
Contingency		5.0%	(£880,788)
Subtotal Construction Costs			(£14,296,542)
Other Costs			
Marketing (Open Market)		Rate	
Legal Fees (Open Market)		1.50%	(£431,663)
Agents Fees (Open Market)		0.50%	(£143,888)
Professional and Technical Fees		1.50%	(£431,663)
Planning Application Fees		10.0%	(£1,355,623)
Site preparation	3.17 ha	£100,000	(£317,000)
Community Infrastructure Levy		£200	(£1,343,200)
Residual Site-Specific s106 Contributions	95	£500	(£47,500)
Subtotal Other Costs			(£4,106,910)
Finance			
Interest on Construction and Other Costs	Units	Rate	
Arrangement and Exit Fees	53.6 months	6.5%	(£5,978,074)
		1.5%	(£365,723)
Subtotal Finance Costs			(£6,343,796)
Gross Development Costs			(£24,747,249)
Development Profit			
Profit on Market and Affordable Home Ownership Products	Total Area/Units	Rate	
Profit on AH		17.5%	(£5,036,063)
		6%	(£361,868)
Total Development Profit			(£5,397,930)
Subtotal			£4,663,446
Land Acquisition			
Benchmark Purchase Price	Units	Rate	
Acquisition Costs and Fees	1	£3,296,800	(£3,296,800)
Finance on Land	75.45 months	5.76%	(£189,978)
		6.5%	(£946,940)
Total Land Acquisition Costs			(£4,333,718)
Surplus/deficit			£329,728
Equivalent Affordable Housing Charge (£ per sqm)			VARIABLE
			N/A

Other		
Blended Profit on Cost		19.7%
Blended Profit on GDV		16.5%
Loan to Value Ratio		78.5%

Scheme Size		95																			
Scheme Type		Mixed																			
Value Area		2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch																			
Density		30 dph																			
		62		0		33															
		Market		Starter		Rent		Intermediate				Unit Size (sqm)		Number of Units		Rent/Intermediate				#####	
1 bed flat		3				5		4				50		12		Starter Homes				0.0%	
2 bed flat		8				5		4				70		22		Market				#####	
2 bed house		6				6		4				75		16							
3 bed flat		0				0		0				85		0		Of which rent				#####	
3 bed house		22				1		0				95		23		Of which intermediate				#####	
4 bed house		19				0		0				135		19							
5 bed house		3				0		0				170		3							
		62		0		20		13						95		OK					
						33		95													
Floor area																					
		Market		Starter Homes		Rent		Intermediate													
1 bed flat		150		0		250		200													
2 bed flat		630		0		560		350													
2 bed house		450		0		450		300													
3 bed flat		0		0		0		0													
3 bed house		2090		0		95		0													
4 bed house		2565		0		0		0													
5 bed house		510		0		0		0													
Total saleable floorspace								8600													
Total Floor Area (inc. communal on flats)								8921													
Value (total)																					
		Market		Starter Homes		Rent		Intermediate				Starter Homes unit prices									
1 bed flat				£675,000		£0		£918,750				£180,000									
2 bed flat				£2,835,000		£0		£1,386,000				£1,102,500									
2 bed house				£2,025,000		£0		£1,113,750				£945,000									
3 bed flat				£0		£0		£0				£0									
3 bed house				£9,405,000		£0		£235,125				£0									
4 bed house				£11,542,500		£0		£0				£0									
5 bed house				£2,295,000		£0		£0				£0									

Mix Policy Requirements				
20% DES5 1(bi)		N/A		N/A
30% 30% DES5 1(bii)		29 small unit(s) and 29 large unit(s)		POLICY COMPLIANT
Tenure Policy Requirements				
"Affordable Home Ownership"	POLICY COMPLIANT			"Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT			
Affordable/Social Rent	POLICY COMPLIANT			"tenure mix requirements only triggered at 50 units plus
Accessibility Policy Requirements		Houses	Flats	
20% DES6 2(a)		12	7	
5% DES6 2(b)		3	2	
Development Period				
Time to start on site		6 months		
Construction period		38 months		
Post construction sales period		31.7 months		
Planning Fees Calculator				
	£36,374			
	£36,374			

SEH4 35% Affordable Housing Value Point 2b

Input Variables		
Total Saleable Floorspace	3,585	sqm
Total Build Floorspace	3,717	sqm
Allowance for communal/common parts	15.0%	on flats
Total on-site affordable housing requirement	30%	
Target Percentage Affordable Rent	40%	
Target Percentage Intermediate Product	60%	
Open Market Sales Value	£4,500	per sqm
Sales Value Discount - Affordable Rent	45%	
Sales Value Discount - Intermediate	30%	
Sales Value Discount - Starter Homes	20%	
Sales Value Cap - Starter Homes	£250,000	
Build Cost Houses	£1,280	per sqm
Build Cost Flats	£1,430	per sqm
Water efficiency cost (1-2 bed)	£6	per unit
Water efficiency cost (3-4 bed)	£9	per unit
Accessibility Category 2 (flats)	£325	per unit
Accessibility Category 2 (houses)	£520	per unit
Accessibility Category 3 (flats)	£7750	per unit
Accessibility Category 3 (houses)	£10,000	per unit
Allowance for external works and landscaping	15.0%	
Allowance for Contingencies	5.0%	
Cost of site prep (including demolition, grading, etc.)	£100,000	per hectare
Developers Profit	17.5%	on GDV
Developers Profit on Affordable Element	6%	on Affordable GDV
Design, Technical and Other Professional/Consultants Fees	10%	
Site-specific s106 contributions	£10,000	per unit
Community Infrastructure Levy	£200	per sqm
Acquisition Costs and Fees	5.76%	
Interest Rate (debits)	6.5%	
Interest Rate (credits)	0.5%	
Finance Arrangement and Exit Fees	1.5%	on principal loan amount
Pre-Construction Period	6	months
Principal Construction Period	20	months
Post Construction Period	13	months
Total Scheme Length	39	months
Agents Fees	1.5%	on Open Market GDV
Marketing Costs	1.5%	on Open Market GDV
Legal Fees	0.5%	on Open Market GDV
Benchmark Land Value	£1,040,000	per net developable hectare
Benchmark Value of Site	£1,383,200	
Land Area	1.33	hectares

Development Value	Total Area/Units	Rate	
Market Product	2,660 sqm	£4,500	£11,970,000
Starter Homes	0 sqm	£3,600	£0
Affordable Product - Rent	535 sqm	£2,475	£1,324,125
Affordable Product - Intermediate	390 sqm	£3,150	£1,228,500
Total Gross Development Value			£14,522,625

Construction Costs	Total Area/Units	Rate
Basic Construction (Houses)	2,705 sqm	£1,280 (£3,462,400)
Basic Construction (Flats)	1,012 sqm	£1,430 (£1,447,160)
External Works		15.0% (£736,434)
Sustainability: Water efficiency (DES6 1(g))		(£294)
Accessibility: Adaptable/Wheelchair (DES6 2)		(£23,325)
Contingency		5.0% (£283,481)
Subtotal Construction Costs		(£5,953,094)

Other Costs			Rate	
Marketing (Open Market)			1.50%	(£179,550)
Legal Fees (Open Market)			0.50%	(£59,860)
Agents Fees (Open Market)			1.50%	(£179,550)
Professional and Technical Fees			10.0%	(£564,599)
Planning Application Fees				(£15,400)
Site preparation	1.33 ha		£100,000	(£133,000)
Community Infrastructure Levy			£200	(£500,000)
Residual Site Specific 110k Contributions	40		£500	(£20,000)
Subtotal Other Costs				(£1,710,349)

Finance	Units	Rate	
Interest on Construction and Other Costs	26.65 months	6.5%	(£1,150,350)
Arrangement and Exit Fees		1.5%	(£132,207)
Subtotal Finance Costs			(£1,282,557)

Gross Development Costs	(£8,946,000)
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Development Profit	Total Area/Units	Rate	
Profit on Market and Affordable Home Ownership Products		17.5%	(£2,094,750)
Profit on AH		6%	(£153,158)
Total Development Profit			(£2,247,908)

Subtotal	£3,328,717
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Land Acquisition	Units	Rate	
Benchmark Purchase Price	1	£1,383,200	(£1,383,200)
Acquisition Costs and Fees		5.76%	(£79,707)
Finance on Land	39.3 months	6.5%	(£167,540)
Total Land Acquisition Costs			(£1,630,447)

Surplus/deficit	£1,698,270
Equivalent Affordable Housing Charge (£ per sqm)	Viable N/A

Other	
Blended Profit on Cost	37.3%
Blended Profit on GDV	27.2%
Loan to Value Ratio	67.8%

Scheme Size	40			
Scheme Type	Mixed			
Value Area	2 - Redhill and Horley (excluding town centres), Merstham, Salfords, Earlswood and Woodhatch			
Density	30 dph			
	26	0	14	
	Market	Starter	Rent	Intermediate
1 bed flat	1		2	2
2 bed flat	4		3	2
2 bed house	3		3	2
3 bed flat	0			
3 bed house	9			
4 bed house	6			
5 bed house	1			

Floor area	Market	Starter Homes	Rent	Intermediate
1 bed flat	50	0	100	100
2 bed flat	280	0	210	140
2 bed house	225	0	225	150
3 bed flat	0	0	0	0
3 bed house	855	0	0	0
4 bed house	1080	0	0	0
5 bed house	170	0	0	0
Total saleable floorspace				3595
Total Floor Area (inc. communal on flats)				3717

Value (total)	Market	Starter Homes	Rent	Intermediate
1 bed flat	£225,000	£0	£247,500	£315,000
2 bed flat	£1,260,000	£0	£519,750	£441,000
2 bed house	£1,012,500	£0	£556,875	£472,500
3 bed flat	£0	£0	£0	£0
3 bed house	£3,847,500	£0	£0	£0
4 bed house	£4,860,000	£0	£0	£0
5 bed house	£765,000	£0	£0	£0
				£14,522,625

Mix Policy Requirements		
20% DESS 1)(b)i	N/A	N/A
30% 30% DESS 1)(b)ii	12 small unit(s) and 12 large unit(s)	POLICY COMPLIANT

Tenure Policy Requirements		
"Affordable Home Ownership"	POLICY COMPLIANT	*Note: National policy req't
Affordable Housing (overall)	POLICY COMPLIANT	
Affordable/Social Rent	N/A	*tenure mix requirements only triggered at 50 units plus

Accessibility Policy Requirements	Houses	Flats
20% DES6 2(a)		5
5% DES6 2(b)		1
		3
		1

Development Period	
Time to start on site	6 months
Construction period	20 months
Post construction sales period	13.3 months

Planning Fees Calculator	£15,400
	£15,400

SSW6 35% Affordable Housing Value Point 2b

Other	
Blended Profit on Cost	22.1%
Blended Profit on GDV	14.5%
Loan to Value Ratio	61.3%

Mix Policy Requirements			
DESS 1(a)(i)	2	small unit(s)	POLICY COMPLIANT
DESS 1(b)(ii)		N/A	N/A
Tenure Policy Requirements			
Affordable Home Ownership		POLICY COMPLIANT	*Note: National policy req't
Affordable Housing (overall)		POLICY COMPLIANT	
Affordable/Social Rent		N/A	*tenure mix requirements only triggered at 50 units plus
Accessibility Policy Requirements	Houses	Flats	
DESS 2(a)	2		0
DESS 2(b)	0		0

SCHEME

Site Address ERM1 - Hillsbrow
 Site Reference
 File Source
 Scheme Description
 Date of appraisal 01/01/2018
 Net Residential Site Area (hectares) 4.1
 Author & Organisation
 HCA Investment Partner (where applicable) 0

Housing Mix (Affordable + Open Market)

Total Number of Units	100	units
Total Number of Open Market Units	74	units
Total Number of Affordable Units	26	units
Total Net Internal Area (sq m)	8,270	sq m
Total Habitable Rooms	0	habitable rooms
% Affordable by Unit	26.0%	
% Affordable by Area	21.1%	
% Affordable by Habitable Rooms	-	
% Social Rented within the Affordable Hous	-	by number of units
% Social Rented within the Affordable Hous	-	by NIA of Units (sq m)
% Social Rented within the Affordable Hous	-	by habitable rooms
Density	24	units/ hectare
Total Number of A/H Persons	0	Persons
Number of Social and Affordable Rent	0	Persons
Number of Intermediate	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	5.10	hectares
Net Site Area	4.10	hectares
Net Internal Housing Area / Hectare	2,017	sq m / hectare

AH Residential Values**AH & RENTAL VALUES BASED ON NET RENTS**

Type of Unit	Social Rented	Shared Ownership phase 1	Affordable Rent phase 1	Shared Ownership phase 2	Affordable Rent phase 2
1 Bed Flat Low rise		£132,136	£167,578	£264,271	£167,578
2 Bed Flat Low rise		£369,980	£311,695	£369,980	£311,695
3 Bed Flat Low rise					
4 Bed + Flat Low rise					
1 Bed Flat High rise					
2 Bed Flat High rise					
3 Bed Flat High rise					
4 Bed + Flat High rise					
2 Bed House		£396,407	£361,969	£198,203	£241,312
3 Bed House			£150,820		
4 Bed + House					
	£0	£898,522	£992,062	£832,454	£720,586

£ psqm of CV - 2,410.82 1,436.53 2,251.83 1,334.79

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £3,443,624

RP Cross Subsidy (use of own assets) £0
 LA s106 commuted in lieu £0
 RP Re-cycled SHG £0
 Other source of funding 2 £0
 Land Remediation Tax Relief £0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £3,443,624

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Open Market Phase 1:	2,395	£4,500	£10,777,500
Open Market Phase 2:	1,575	£5,850	£9,213,750
Open Market Phase 3:	2,555	£4,500	£11,497,500
Open Market Phase 4:	-	-	£0
Open Market Phase 5:	-	-	£0
Total	6,525	4,826	£31,488,750

Monthly Sales rate
 3.43
 1.47
 5.00

	Average value (£ per unit)
Open Market Phase 1:	£449,063
Open Market Phase 2:	£368,550
Open Market Phase 3:	£459,900
Open Market Phase 4:	£0
Open Market Phase 5:	£0

Capital Value of Private Rental £0

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £31,488,750

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING

£0

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£44,545
Affordable Rent	£63,636
Open market (all phases)	£216,364
TOTAL CAPITALISED ANNUAL GROUND RENT	£324,545

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME	£35,256,919
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Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community Use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME	£0
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TOTAL VALUE OF SCHEME	£35,256,919
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Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£2,665,600	-	Per sq meter	1,289
Open Market Housing Build Costs	£10,133,743	-		1,228
	£12,799,343			

Residential Car Parking Build Costs	£0
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<u>External Works & Infrastructure Costs (£)</u>		Per unit
, strategic open space, flooding and biodiversity compensation (eq. to c.£	£1,828,611	18,286
ewerage, estate roads, junctions, bridges etc. (eq. to c.£10,300 per unit)	£1,000,000	10,000
rtline Planning Consent (+ res matters Ph1 & 2)	£150,000	1,500
Res matters (Ph3)	£75,000	750
£0	£0	
£0	£0	
£0	£0	
£0	£0	
£0	£0	
£0	£0	

Other site costs

Building Contingencies	7.5%	£959,951	9,600
Fees and certification		£1,547,921	15,479
Other Acquisition Costs (£)		£0	

Site Abnormals (£)

Allowance		£102,500	1,025
0		£0	
0		£0	
0		£0	

Total Building Costs inc Fees	£18,463,326	184,633
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Statutory 106 Costs (£)

s106 costs	£300,000	3,000
s106 costs	£400,000	4,000
s106 costs	£300,000	3,000
s106 costs - retirement AH	£315,000	3,150
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
Community Infrastructure Levy	£1,456,857	

Other Tariff		£0
	0	£0
	0	£0

Statutory 106 costs **£2,771,857**

Marketing (Open Market Housing ONLY)

Sales/letting Fees	3.0%	£944,663	per OM unit	12,766
Legal Fees (per Open Market unit):	£750	£55,500		750

Marketing (Affordable Housing)

Developer cost of sale to RP (£)		£34,436	per affordable unit	1,324
RP purchase costs (£)		£172,181		6,622
Intermediate Housing Sales and Marketing (£)		£34,436		1,324

Total Marketing Costs **£1,241,216**

Non-Residential Building & Marketing Costs**Building Costs**

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Professional Fees (Building, Letting & Sales)

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Non-Residential Costs **£0**

TOTAL DIRECT COSTS: **£22,476,398**

Finance and acquisition costs

Land Payment	£4,510,000	884,314	per Gross ha	1,100,000
Arrangement Fee	£113,814	60,946	per OM home	45,100
Misc Fees (Surveyors etc)	£0		6.1% of interest	
Agents Fees	£45,100		0.00% of scheme value	
Legal Fees	£33,825			
Stamp Duty	£180,400			
Total Interest Paid	£1,875,376			

Total Finance and Acquisition Costs **£6,758,515**

Developer's return for risk and profit**Residential**

Market Housing Return (inc OH) on Value	17.5%	£5,510,531	74,467	per OM unit
Affordable Housing Return on Cost	6.0%	£171,931	6,613	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit

Non-residential

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Operating Profit **£5,682,462**

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

Surplus/(Deficit) at completion 1/5/2021 **£339,544**

Present Value of Surplus (Deficit) at 1/1/2018 **£275,252**

£2,753 per unit

Scheme Investment IRR **25.9%** (before Developer's returns and interest to avoid double counting)

Measures

Site Value as a Percentage of Total Scheme Value	12.8%
Site Value per hectare	£82,816

SCHEME

Site Address ERM2/3 Land West of CopyHold Works and former Copyhold Works
 Site Reference
 File Source
 Scheme Description
 Date of appraisal 01/01/2018
 Net Residential Site Area (hectares) 7.7
 Author & Organisation
 HCA Investment Partner (where applicable) 0

Housing Mix (Affordable + Open Market)

Total Number of Units	210	units
Total Number of Open Market Units	154	units
Total Number of Affordable Units	56	units
Total Net Internal Area (sq m)	17,380	sq m
Total Habitable Rooms	132	habitable rooms
% Affordable by Unit	26.7%	
% Affordable by Area	21.6%	
% Affordable by Habitable Rooms	0.0%	
% Social Rented within the Affordable Hous	-	by number of units
% Social Rented within the Affordable Hous	-	by NIA of Units (sq m)
% Social Rented within the Affordable Hous	-	by habitable rooms
Density	27	units/ hectare
Total Number of A/H Persons	0	Persons
Number of Social and Affordable Rent	0	Persons
Number of Intermediate	0	Persons
Total Number of Open Market Persons	160	Persons
Total Number of Persons	160	Persons
Gross site Area	10.40	hectares
Net Site Area	7.70	hectares
Net Internal Housing Area / Hectare	2,257	sq m / hectare

AH Residential Values**AH & RENTAL VALUES BASED ON NET RENTS**

Type of Unit	Social Rented	Shared Ownership phase 1	Affordable Rent phase 1	Shared Ownership phase 2	Affordable Rent phase 2
1 Bed Flat Low rise		£528,542	£335,156	£396,407	£335,156
2 Bed Flat Low rise		£924,949	£623,390	£739,959	£727,289
3 Bed Flat Low rise					
4 Bed + Flat Low rise					
1 Bed Flat High rise					
2 Bed Flat High rise					
3 Bed Flat High rise					
4 Bed + Flat High rise					
2 Bed House		£792,813	£603,281	£594,610	£603,281
3 Bed House			£301,641		
4 Bed + House					
	£0	£2,246,305	£1,863,468	£1,730,976	£1,665,726

£ psqm of CV - 2,323.87 1,382.82 2,103.33 1,244.83

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £7,506,475

RP Cross Subsidy (use of own assets) £0
 LA s106 commuted in lieu £0
 RP Re-cycled SHG £0
 Other source of funding 2 £0
 Land Remediation Tax Relief £0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £7,506,475

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Open Market Phase 1:	3,695	£4,500	£16,627,500
Open Market Phase 2:	3,630	£4,500	£16,335,000
Open Market Phase 3:	3,150	£5,850	£18,427,500
Open Market Phase 4:	3,150	£4,500	£14,175,000
Open Market Phase 5:	-	-	£0
Total	13,625	4,812	£65,565,000

Monthly Sales rate

4.11

3.70

1.61

3.75

	Average value (£ per unit)
Open Market Phase 1:	£449,392
Open Market Phase 2:	£441,486
Open Market Phase 3:	£368,550
Open Market Phase 4:	£472,500
Open Market Phase 5:	£0

Capital Value of Private Rental £0

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £65,565,000

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING

£0

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£101,818
Affordable Rent	£133,636
Open market (all phases)	£451,818
TOTAL CAPITALISED ANNUAL GROUND RENT	£687,273

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME	£73,758,748
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Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community Use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME	£0
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TOTAL VALUE OF SCHEME	£73,758,748
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Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£5,748,571		Per sq meter
Open Market Housing Build Costs	£21,081,657	-	1,290
		-	1,230
	£26,830,229		

Residential Car Parking Build Costs	£0
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External Works & Infrastructure Costs (£)

, strategic open space, flooding and biodiversity compensation (eq. to c.£	£3,802,903	Per unit
werage, estate roads, junctions, bridges etc. (eq. to c.£10,300 per unit)	£2,100,000	18,109
Outline Planning Consent (+ res matters Ph1)	£125,000	10,000
Res matters (Ph2 & 3)	£75,000	595
Res matters (Ph4)	£50,000	357
£0	£0	238
£0	£0	
£0	£0	
£0	£0	
£0	£0	

Other site costs

Building Contingencies	7.5%	£2,012,267	9,582
Fees and certification		£3,244,781	15,451
Other Acquisition Costs (£)		£0	

Site Abnormals (£)

Allowance		£192,500	917
0		£0	
0		£0	
0		£0	

Total Building Costs inc Fees	£38,432,679	183,013
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Statutory 106 Costs (£)

s106 costs	£900,000	4,286
s106 costs	£700,000	3,333
s106 costs	£500,000	2,381
s106 costs - retirement AH	£630,000	3,000
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
Community Infrastructure Levy	£3,034,143	
Other Tariff	£0	

0	£0
0	£0

Statutory 106 costs	£5,764,143
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Marketing (Open Market Housing ONLY)

Sales/letting Fees	3.0%	£1,966,950	per OM unit	12,772
Legal Fees (per Open Market unit):	£750	£115,500		750

Marketing (Affordable Housing)

Developer cost of sale to RP (£)		£75,065	per affordable unit	1,340
RP purchase costs (£)		£375,324		6,702
Intermediate Housing Sales and Marketing (£)		£75,065		1,340

Total Marketing Costs	£2,607,903
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Non-Residential Building & Marketing Costs**Building Costs**

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Professional Fees (Building, Letting & Sales)

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Non-Residential Costs	£0
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TOTAL DIRECT COSTS:	£46,804,725
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Finance and acquisition costs

Land Payment	£8,470,000	814,423	per Gross ha	1,100,000
Arrangement Fee	£236,888	55,000	per OM home	40,333
Misc Fees (Surveyors etc)	£0		4.1% of interest	
Agents Fees	£84,700		0.00% of scheme value	
Legal Fees	£63,525			
Stamp Duty	£338,800			
Total Interest Paid	£5,828,883			

Total Finance and Acquisition Costs	£15,022,796
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Developer's return for risk and profit**Residential**

Market Housing Return (inc OH) on Value	17.5%	£11,473,875	74,506	per OM unit
Affordable Housing Return on Cost	6.0%	£370,783	6,621	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit

Non-residential

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Operating Profit	£11,844,658
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(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

Surplus/(Deficit) at completion 1/1/2024	£86,568
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Present Value of Surplus (Deficit) at 1/1/2018	£59,328
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£283 per unit

Scheme Investment IRR**18.9%**

(before Developer's returns and interest to avoid double counting)

Measures

Site Value as a Percentage of Total Scheme Value	11.5%
Site Value per hectare	£11,243

SCHEME

Site Address ERM5 - Oakley Farm
 Site Reference
 File Source
 Scheme Description
 Date of appraisal 01/01/2018
 Net Residential Site Area (hectares) 3.7
 Author & Organisation
 HCA Investment Partner (where applicable) 0

Housing Mix (Affordable + Open Market)

Total Number of Units	95	units
Total Number of Open Market Units	62	units
Total Number of Affordable Units	33	units
Total Net Internal Area (sq m)	8,495	sq m
Total Habitable Rooms	0	habitable rooms
% Affordable by Unit	34.7%	
% Affordable by Area	26.0%	
% Affordable by Habitable Rooms	-	
% Social Rented within the Affordable Hous	-	by number of units
% Social Rented within the Affordable Hous	-	by NIA of Units (sq m)
% Social Rented within the Affordable Hous	-	by habitable rooms
Density	26	units/ hectare
Total Number of A/H Persons	0	Persons
Number of Social and Affordable Rent	0	Persons
Number of Intermediate	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	6.40	hectares
Net Site Area	3.70	hectares
Net Internal Housing Area / Hectare	2,296	sq m / hectare

AH Residential Values**AH & RENTAL VALUES BASED ON NET RENTS**

Type of Unit	Social Rented	Shared Ownership phase 1	Affordable Rent phase 1	Shared Ownership phase 2	Affordable Rent phase 2
1 Bed Flat Low rise		£528,542	£251,367		£167,578
2 Bed Flat Low rise		£924,949	£415,594		£415,594
3 Bed Flat Low rise					
4 Bed + Flat Low rise					
1 Bed Flat High rise					
2 Bed Flat High rise					
3 Bed Flat High rise					
4 Bed + Flat High rise					
2 Bed House		£792,813	£361,969		£361,969
3 Bed House			£150,820		
4 Bed + House					
	£0	£2,246,305	£1,179,750	£0	£945,140

£ psqm of CV - 2,410.82 1,434.97 - 1,331.15

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £4,371,195

RP Cross Subsidy (use of own assets) £0
 LA s106 commuted in lieu £0
 RP Re-cycled SHG £0
 Other source of funding 2 £0
 Land Remediation Tax Relief £0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £4,371,195

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Open Market Phase 1:	3,110	£4,500	£13,995,000
Open Market Phase 2:	-	-	£0
Open Market Phase 3:	3,180	£4,500	£14,310,000
Open Market Phase 4:	-	-	£0
Open Market Phase 5:	-	-	£0
Total	6,290	4,500	£28,305,000

Monthly Sales rate
4.43
6.20

	Average value (£ per unit)
Open Market Phase 1:	£451,452
Open Market Phase 2:	£0
Open Market Phase 3:	£461,613
Open Market Phase 4:	£0
Open Market Phase 5:	£0

Capital Value of Private Rental £0

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £28,305,000

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING

£0

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£57,273
Affordable Rent	£82,727
Open market (all phases)	£76,364
TOTAL CAPITALISED ANNUAL GROUND RENT	£216,364

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME	£32,892,558
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Non-Residential Values

Office	£3,415,672	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community Use	£0	£3,415,672

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME	£3,415,672
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TOTAL VALUE OF SCHEME	£36,308,230
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Residential Building, Marketing & Section 106 Costs

			Per sq meter
Affordable Housing Build Costs	£3,381,943	-	1,290
Open Market Housing Build Costs	£8,372,114	-	1,282
	£11,754,057		

Residential Car Parking Build Costs

£0

External Works & Infrastructure Costs (£)

		Per unit
, strategic open space, flooding and biodiversity compensation (eq. to c.£	£1,781,897	18,757
ewerage, estate roads, junctions, bridges etc. (eq. to c.£10,300 per unit)	£950,000	10,000
rtline Planning Consent (+ res matters Ph1 & 2)	£150,000	1,579
Res matters (Ph3)	£75,000	789
£0	£0	
£0	£0	
£0	£0	
£0	£0	
£0	£0	
£0	£0	

Other site costs

Building Contingencies	7.5%	£881,554	9,280
Fees and certification		£1,421,506	14,963
Other Acquisition Costs (£)		£0	

Site Abnormals (£)

Allowance		£92,500	974
0		£0	
0		£0	
0		£0	

Total Building Costs inc Fees

£17,106,515

180,069

Statutory 106 Costs (£)

s106 costs		£300,000	3,158
s106 costs		£400,000	4,211
s106 costs		£250,000	2,632
0		£0	
0		£0	
0		£0	
0		£0	
0		£0	
0		£0	
0		£0	
Community Infrastructure Levy		£1,280,286	

Other Tariff		£0
	0	£0
	0	£0

Statutory 106 costs **£2,230,286**

Marketing (Open Market Housing ONLY)

Sales/letting Fees	3.0%	£849,150	per OM unit	13,696
Legal Fees (per Open Market unit):	£750	£46,500		750

Marketing (Affordable Housing)

Developer cost of sale to RP (£)		£43,712	per affordable unit	1,325
RP purchase costs (£)		£218,560		6,623
Intermediate Housing Sales and Marketing (£)		£43,712		1,325

Total Marketing Costs **£1,201,634**

Non-Residential Building & Marketing Costs

Building Costs

Office	£2,438,100	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£2,438,100

Professional Fees (Building, Letting & Sales)

Office	£292,678	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£292,678

Total Non-Residential Costs **£2,730,778**

TOTAL DIRECT COSTS: **£23,269,213**

Finance and acquisition costs

Land Payment	£4,070,000	635,938	per Gross ha	1,100,000
Arrangement Fee	£116,346	65,645	per OM home	42,842
Misc Fees (Surveyors etc)	£0		7.9% of interest	
Agents Fees	£40,700		0.00% of scheme value	
Legal Fees	£30,525			
Stamp Duty	£162,800			
Total Interest Paid	£1,477,289			

Total Finance and Acquisition Costs **£5,897,660**

Developer's return for risk and profit

Residential

Market Housing Return (inc OH) on Value	17.5%	£4,953,375	79,893	per OM unit
Affordable Housing Return on Cost	6.0%	£218,135	6,610	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit

Non-residential

Office	£597,743	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£597,743

Total Operating Profit **£5,769,253**

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

Surplus/(Deficit) at completion 1/5/2021 **£1,372,105**

Present Value of Surplus (Deficit) at 1/1/2018 **£1,112,300**

£11,708 per unit

Scheme Investment IRR

32.2%

(before Developer's returns and interest to avoid double counting)

Measures

Site Value as a Percentage of Total Scheme Value	11.2%
Site Value per hectare	£370,839

SCHEME

Site Address SSW2 - Sandcross Lane
 Site Reference
 File Source
 Scheme Description
 Date of appraisal 01/01/2018
 Net Residential Site Area (hectares) 8.6
 Author & Organisation
 HCA Investment Partner (where applicable) 0

Housing Mix (Affordable + Open Market)

Total Number of Units	260	units
Total Number of Open Market Units	192	units
Total Number of Affordable Units	68	units
Total Net Internal Area (sq m)	21,530	sq m
Total Habitable Rooms	174	habitable rooms
% Affordable by Unit	26.2%	
% Affordable by Area	21.2%	
% Affordable by Habitable Rooms	0.0%	
% Social Rented within the Affordable Hous	-	by number of units
% Social Rented within the Affordable Hous	-	by NIA of Units (sq m)
% Social Rented within the Affordable Hous	-	by habitable rooms
Density	30	units/ hectare
Total Number of A/H Persons	0	Persons
Number of Social and Affordable Rent	0	Persons
Number of Intermediate	0	Persons
Total Number of Open Market Persons	211	Persons
Total Number of Persons	211	Persons
Gross site Area	14.80	hectares
Net Site Area	8.60	hectares
Net Internal Housing Area / Hectare	2,503	sq m / hectare

AH Residential Values**AH & RENTAL VALUES BASED ON NET RENTS**

Type of Unit	Social Rented	Shared Ownership phase 1	Affordable Rent phase 1	Shared Ownership phase 2	Affordable Rent phase 2
1 Bed Flat Low rise		£528,542	£418,945	£528,542	£418,945
2 Bed Flat Low rise		£924,949	£831,187	£1,109,939	£831,187
3 Bed Flat Low rise					
4 Bed + Flat Low rise					
1 Bed Flat High rise					
2 Bed Flat High rise					
3 Bed Flat High rise					
4 Bed + Flat High rise					
2 Bed House		£792,813	£723,937	£792,813	£844,594
3 Bed House					£301,641
4 Bed + House					
	£0	£2,246,305	£1,974,070	£2,431,295	£2,396,367

£ psqm of CV - 2,299.60 1,363.31 2,059.64 1,224.69

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £9,048,036

RP Cross Subsidy (use of own assets) £0
 LA s106 commuted in lieu £0
 RP Re-cycled SHG £0
 Other source of funding 2 £0
 Land Remediation Tax Relief £0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £9,048,036

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Open Market Phase 1:	3,770	£4,500	£16,965,000
Open Market Phase 2:	4,625	£4,500	£20,812,500
Open Market Phase 3:	4,175	£5,850	£24,423,750
Open Market Phase 4:	4,405	£4,500	£19,822,500
Open Market Phase 5:	-	-	£0
Total	16,975	4,832	£82,023,750

Monthly Sales rate

3.80

3.83

1.63

3.91

	Average value (£ per unit)
Open Market Phase 1:	£446,447
Open Market Phase 2:	£452,446
Open Market Phase 3:	£375,750
Open Market Phase 4:	£460,988
Open Market Phase 5:	£0

Capital Value of Private Rental £0

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £82,023,750

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING

£0

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£120,909
Affordable Rent	£165,455
Open market (all phases)	£572,727
TOTAL CAPITALISED ANNUAL GROUND RENT	£859,091

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME	£91,930,877
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Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community Use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME	£0
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TOTAL VALUE OF SCHEME	£91,930,877
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Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£6,978,286	-	Per sq meter	1,290
Open Market Housing Build Costs	£26,478,200	-		1,227
	£33,456,486			

Residential Car Parking Build Costs	£0
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External Works & Infrastructure Costs (£)

, strategic open space, flooding and biodiversity compensation (eq. to c.£	£5,109,762	Per unit	19,653
ewerage, estate roads, junctions, bridges etc. (eq. to c.£10,300 per unit)	£2,600,000		10,000
Outline Planning Consent (+ res matters Ph1)	£135,000		519
Res matters (Ph2 & 3)	£85,000		327
Res matters (Ph4)	£60,000		231
£0	£0		
£0	£0		
£0	£0		
£0	£0		
£0	£0		

Other site costs

Building Contingencies	7.5%	£2,509,236	9,651
Fees and certification		£4,046,144	15,562
Other Acquisition Costs (£)		£0	

Site Abnormals (£)

Allowance		£215,000	827
0		£0	
0		£0	
0		£0	

Total Building Costs inc Fees	£48,216,628	185,449
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Statutory 106 Costs (£)

s106 costs	£1,000,000	3,846
s106 costs	£800,000	3,077
s106 costs	£800,000	3,077
s106 costs - retirement AH	£835,000	3,212
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
Community Infrastructure Levy	£3,799,429	

Other Tariff		£0
	0	£0
	0	£0

Statutory 106 costs **£7,234,429**

Marketing (Open Market Housing ONLY)

Sales/letting Fees	3.0%	£2,460,713	per OM unit	12,816
Legal Fees (per Open Market unit):	£750	£144,000		750

Marketing (Affordable Housing)

Developer cost of sale to RP (£)		£90,480	per affordable unit	1,331
RP purchase costs (£)		£452,402		6,653
Intermediate Housing Sales and Marketing (£)		£90,480		1,331

Total Marketing Costs **£3,238,075**

Non-Residential Building & Marketing Costs**Building Costs**

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Professional Fees (Building, Letting & Sales)

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Non-Residential Costs **£0**

TOTAL DIRECT COSTS: **£58,689,131**

Finance and acquisition costs

Land Payment	£9,460,000	639,189	per Gross ha	1,100,000
Arrangement Fee	£295,735	49,271	per OM home	36,385
Misc Fees (Surveyors etc)	£0		3.4% of interest	
Agents Fees	£94,600		0.00% of scheme value	
Legal Fees	£70,950			
Stamp Duty	£378,400			
Total Interest Paid	£8,589,301			

Total Finance and Acquisition Costs **£18,888,987**

Developer's return for risk and profit**Residential**

Market Housing Return (inc OH) on Value	17.5%	£14,354,156	74,761	per OM unit
Affordable Housing Return on Cost	6.0%	£450,099	6,619	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit

Non-residential

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Operating Profit **£14,804,256**

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

Surplus/(Deficit) at completion 1/12/2024 **(£451,497)**

Present Value of Surplus (Deficit) at 1/1/2018 **(£292,070)**

(£1,123) per unit

Scheme Investment IRR **16.6%** (before Developer's returns and interest to avoid double counting)

Measures

Site Value as a Percentage of Total Scheme Value	10.3%
Site Value per hectare	-£52,500

SCHEME

Site Address SSW9 - Dovers Farm
 Site Reference
 File Source
 Scheme Description
 Date of appraisal 01/01/2018
 Net Residential Site Area (hectares) 3.3
 Author & Organisation
 HCA Investment Partner (where applicable) 0

Housing Mix (Affordable + Open Market)

Total Number of Units	100	units
Total Number of Open Market Units	74	units
Total Number of Affordable Units	26	units
Total Net Internal Area (sq m)	8,270	sq m
Total Habitable Rooms	0	habitable rooms
% Affordable by Unit	26.0%	
% Affordable by Area	21.1%	
% Affordable by Habitable Rooms	-	
% Social Rented within the Affordable Hous	-	by number of units
% Social Rented within the Affordable Hous	-	by NIA of Units (sq m)
% Social Rented within the Affordable Hous	-	by habitable rooms
Density	30	units/ hectare
Total Number of A/H Persons	0	Persons
Number of Social and Affordable Rent	0	Persons
Number of Intermediate	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	4.90	hectares
Net Site Area	3.30	hectares
Net Internal Housing Area / Hectare	2,506	sq m / hectare

AH Residential Values**AH & RENTAL VALUES BASED ON NET RENTS**

Type of Unit	Social Rented	Shared Ownership phase 1	Affordable Rent phase 1	Shared Ownership phase 2	Affordable Rent phase 2
1 Bed Flat Low rise		£132,136	£167,578	£264,271	£167,578
2 Bed Flat Low rise		£369,980	£311,695	£369,980	£311,695
3 Bed Flat Low rise					
4 Bed + Flat Low rise					
1 Bed Flat High rise					
2 Bed Flat High rise					
3 Bed Flat High rise					
4 Bed + Flat High rise					
2 Bed House		£396,407	£361,969	£198,203	£241,312
3 Bed House			£150,820		
4 Bed + House					
	£0	£898,522	£992,062	£832,454	£720,586

£ psqm of CV - 2,410.82 1,436.53 2,251.83 1,334.79

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £3,443,624

RP Cross Subsidy (use of own assets) £0
 LA s106 commuted in lieu £0
 RP Re-cycled SHG £0
 Other source of funding 2 £0
 Land Remediation Tax Relief £0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £3,443,624

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Open Market Phase 1:	2,395	£4,500	£10,777,500
Open Market Phase 2:	1,575	£5,850	£9,213,750
Open Market Phase 3:	2,555	£4,500	£11,497,500
Open Market Phase 4:	-	-	£0
Open Market Phase 5:	-	-	£0
Total	6,525	4,826	£31,488,750

Monthly Sales rate
 3.43
 1.47
 5.00

	Average value (£ per unit)
Open Market Phase 1:	£449,063
Open Market Phase 2:	£368,550
Open Market Phase 3:	£459,900
Open Market Phase 4:	£0
Open Market Phase 5:	£0

Capital Value of Private Rental £0

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £31,488,750

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING

£0

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£44,545
Affordable Rent	£63,636
Open market (all phases)	£216,364
TOTAL CAPITALISED ANNUAL GROUND RENT	£324,545

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME	£35,256,919
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Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community Use	£0	£0

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME	£0
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TOTAL VALUE OF SCHEME	£35,256,919
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Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£2,665,600	-	Per sq meter	1,289
Open Market Housing Build Costs	£10,133,743	-		1,228
	£12,799,343			

Residential Car Parking Build Costs	£0
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External Works & Infrastructure Costs (£)

, strategic open space, flooding and biodiversity compensation (eq. to c.£	£1,935,261	Per unit	19,353
ewerage, estate roads, junctions, bridges etc. (eq. to c.£10,300 per unit)	£1,000,000		10,000
rtline Planning Consent (+ res matters Ph1 & 2)	£150,000		1,500
Res matters (Ph3)	£75,000		750
£0	£0		
£0	£0		
£0	£0		
£0	£0		
£0	£0		
£0	£0		

Other site costs

Building Contingencies	7.5%	£959,951	9,600
Fees and certification		£1,547,921	15,479
Other Acquisition Costs (£)		£0	

Site Abnormals (£)

Allowance		£82,500	825
0		£0	
0		£0	
0		£0	

Total Building Costs inc Fees	£18,549,976	185,500
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Statutory 106 Costs (£)

s106 costs	£300,000	3,000
s106 costs	£400,000	4,000
s106 costs	£300,000	3,000
s106 costs - retirement AH	£315,000	3,150
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
0	£0	
Community Infrastructure Levy	£1,456,857	

Other Tariff		£0
	0	£0
	0	£0

Statutory 106 costs **£2,771,857**

Marketing (Open Market Housing ONLY)

Sales/letting Fees	3.0%	£944,663	per OM unit	12,766
Legal Fees (per Open Market unit):	£750	£55,500		750

Marketing (Affordable Housing)

Developer cost of sale to RP (£)		£34,436	per affordable unit	1,324
RP purchase costs (£)		£172,181		6,622
Intermediate Housing Sales and Marketing (£)		£34,436		1,324

Total Marketing Costs **£1,241,216**

Non-Residential Building & Marketing Costs**Building Costs**

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Professional Fees (Building, Letting & Sales)

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Non-Residential Costs **£0**

TOTAL DIRECT COSTS: **£22,563,048**

Finance and acquisition costs

Land Payment	£3,630,000	740,816	per Gross ha	1,100,000
Arrangement Fee	£112,815	49,054	per OM home	36,300
Misc Fees (Surveyors etc)	£0		6.7% of interest	
Agents Fees	£36,300		0.00% of scheme value	
Legal Fees	£27,225			
Stamp Duty	£145,200			
Total Interest Paid	£1,673,090			

Total Finance and Acquisition Costs **£5,624,630**

Developer's return for risk and profit**Residential**

Market Housing Return (inc OH) on Value	17.5%	£5,510,531	74,467	per OM unit
Affordable Housing Return on Cost	6.0%	£171,931	6,613	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit

Non-residential

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

Total Operating Profit **£5,682,462**

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

Surplus/(Deficit) at completion 1/5/2021 **£1,386,779**

Present Value of Surplus (Deficit) at 1/1/2018 **£1,124,195**

£11,242 per unit

Scheme Investment IRR

30.8%

(before Developer's returns and interest to avoid double counting)

Measures

Site Value as a Percentage of Total Scheme Value	10.3%
Site Value per hectare	£420,236

APPRAISAL SUMMARY

REIGATE & BANSTEAD BC

Appraisal Summary for:

HOR9 - Business Park scheme comprising c.200,000sqm of office accomodation, hotel and associated ancillary commercial uses with associated infrastructure (including new access road to M23 spur), town park, flood mitigation, landscaping and public realm

Development Value:

		Rate		
Office Rental Revenue	174,750 sqm	£350	£61,162,500	
Investment Yield	Perp	5.25%	19.0476	
GDV			£1,165,000,000	
Capitalised Value of Rent Free Period	18 months	Item	(£86,071,250)	
Sales Costs		5.7625%	(£58,665,150)	
Office NDV			£1,020,264,000	
Hotel Rental Revenue	130 rms	£5,250	£682,500	
Investment Yield	Perp	5.50%	18.1818	
GDV			£12,409,091	
Capitalised Value of Rent Free Period	6 months	Item	(£327,789)	
Sales Costs		5.7625%	(£656,903)	
Hotel NDV			£11,424,000	
Retail (A1) Rental Revenue	1,000 sqm	£225	£225,000	
Investment Yield	Perp	6.75%	14.8148	
GDV			£3,333,333	
Capitalised Value of Rent Free Period	12 months	Item	(£210,772)	
Sales Costs		5.7625%	(£169,785)	
Retail (A1) NDV			£2,953,000	
Retail (A1) Rental Revenue	1,000 sqm	£180	£180,000	
Investment Yield	Perp	6.75%	14.8148	
GDV			£2,666,667	
Capitalised Value of Rent Free Period	12 months	Item	(£168,618)	
Sales Costs		5.7625%	(£134,828)	
Retail (A1) NDV			£2,363,000	
Leisure/Creche Rental Revenue	3,500 sqm	£130	£455,000	
Investment Yield	Perp	6.50%	15.3846	
GDV			£7,000,000	
Capitalised Value of Rent Free Period	12 months	Item	(£427,230)	
Sales Costs		5.7625%	(£353,385)	
Leisure/Creche NDV			£6,219,000	
Overall Scheme NDV			£1,043,223,000	£1,043,223,000

Development Costs:

Build Costs		Rate	
Basic Construction - Office	205,588 sqm	£2,460	(£505,747,059)
Basic Construction - Retail	2,133 sqm	£1,115	(£2,378,667)
Basic Construction - Hotel	3,185 sqm	£2,363	(£7,525,246)
Basic Construction - Leisure	3,150 sqm	£1,115	(£3,512,250)
External Works			(£51,916,322)
Opening Up Costs			(£25,958,161)
Building Contingencies		7.5%	(£38,937,242)
Access Road and M23 Spur			(£20,000,000)
Abnormal			(£4,500,000)
Total Build Costs			(£660,474,947)

Additional Development Costs

Commercial Marketing, Agency and Letting			(£6,270,500)
Sales Fees	1.50%		(£15,304,020)
Professional/Technical Fees	12.50%		(£55,810,046)
Site-Specific Planning Obligations	Item		(£17,500,000)
Total Additional Costs			(£94,884,566)

Profit

Commercial Profit	15%	(£155,203,556)
Total Profit		(£155,203,556)

Acquisition Costs

Benchmark Land Price	Item	(£16,303,050)
Acquisition Costs and Fees	5.76%	(£912,970)
Total Acquisition Costs		(£17,216,020)

Finance

Total Interest Paid (Land and Development)		(£107,890,316)
Arrangement Costs	Item	(£7,553,595)
Total Finance		(£115,443,911)

Total Development and Land Costs (£1,043,223,000)

Surplus

Equivalent land value per ha (equalised) £0
£525,905