

**CUSHMAN &
WAKEFIELD**

Kirklees Community Infrastructure Levy Viability Update

May 2019

Prepared for:
Kirklees Council

Contents

1	Introduction.....	4
2	Residential Viability Modelling Assumptions	6
3	Site Specific Viability Modelling.....	16
4	Results.....	31

Report Disclaimer

This report should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been rigorously checked, Cushman & Wakefield can take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this report. Information contained herein should not, in whole or part, be published, reproduced or referred to without prior approval. Any such reproduction should be credited to Cushman & Wakefield.

Version	Prepared by	Approved by	Date
Final	Stephanie Hiscott MRICS	Stephen Miles MRICS MRTPI	April 2019

1 Introduction

- 1.1 Cushman & Wakefield has been instructed by Kirklees Council to update the viability evidence base prepared for the Council in support of the Local Plan and proposed Community Infrastructure Levy. Cushman and Wakefield was responsible for production of the original viability evidence base comprising:
- Kirklees Local Plan and Community Infrastructure Viability Study, October 2015
 - Kirklees Local Plan and CIL Viability Addendum, September 2016
- 1.2 Since the last Viability Evidence document was produced, there have been a number of changes that necessitate further testing of viability. These are:
- Publication of the revised National Planning Policy Framework and associated National Planning Practice Guidance in 2018.
 - Changes in market conditions including build costs and sales revenues given the passage of time since the previous evidence base.
- 1.3 In relation to the revision to the NPPF, the main changes are:
- The renewed emphasis and clarity given to viability in Local Plan / policy making and the implication that case by case viability assessments will hold less weight in the development management process where they differ from the Local Plan viability evidence.
 - Affordable housing policy to include provision for 10% affordable home ownership. Despite the ambiguity in drafting, this has been interpreted to mean that 10% of affordable housing should be for affordable home ownership (as distinct from 10% of all homes should be for affordable home ownership as proposed in the original drafts of the revised NPPF).
- 1.4 In relation to NPPG relating to viability, the principle change concerns the approach to benchmarking land value which has moved away from using market values as a reference point towards Existing Use Value plus premium.
- 1.5 To reflect these developments, the viability evidence base has been updated. This has focused on the residential use classification given the relevance of the above changes and the emphasis of the Draft Charging Schedule on residential development although some further sampling of commercial schemes has also been undertaken. Consistent with the 2016 Viability Evidence addendum, two different viability assessments have been carried out:
- Area wide modelling, based on a series of hypothetical development schemes representative of development and site typologies expected to come forward across the District; and
 - Site specific residual appraisals for the large strategic sites of Bradley Golf Course, Chidswell and Dewsbury Riverside.
- 1.6 The area wide modelling has been produced in a bespoke MS Excel spreadsheet produced and internally audited by Cushman and Wakefield. The site-specific appraisals have been produced in the industry standard development appraisal software Argus Developer.

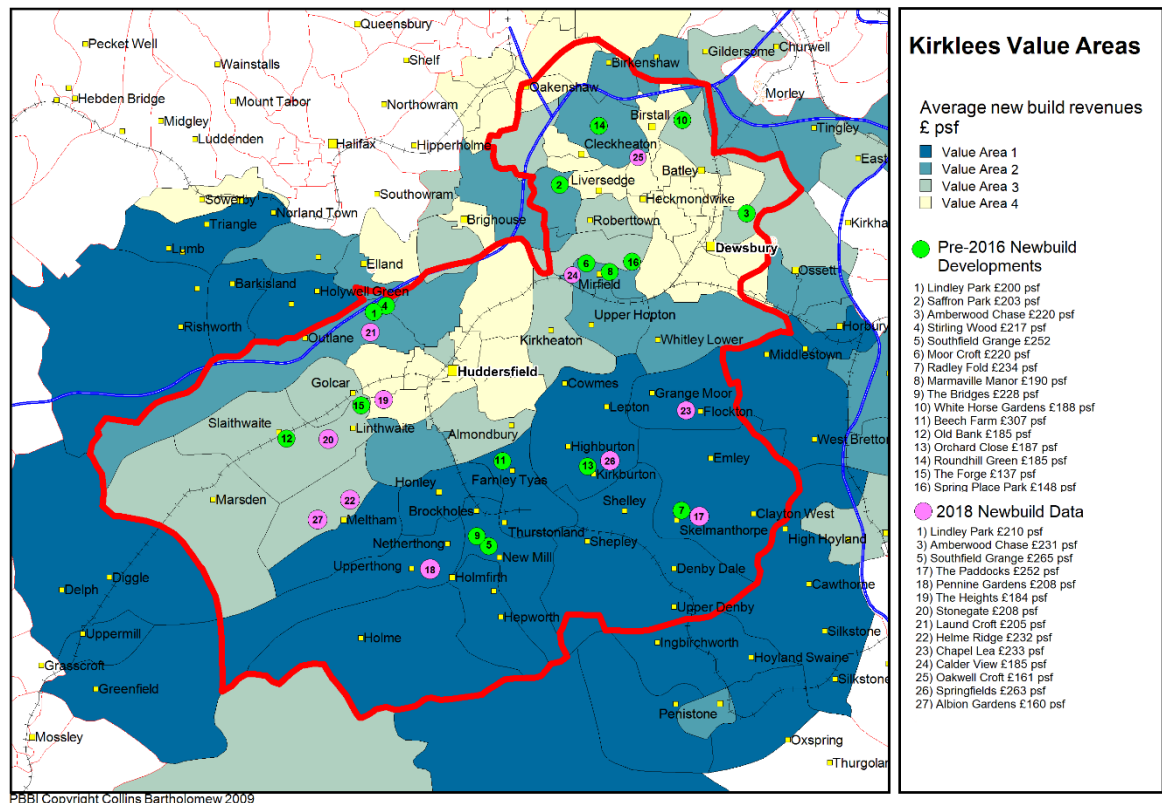
- 1.7 The following chapter sets out the appraisal assumptions which are followed by the results with Argus Appraisal summaries appended.

2 Residential Viability Modelling Assumptions

Value areas

- 2.1 The four value areas selected as geographical zones for viability testing housing development remain unchanged and are shown in Figure 2.1 which illustrates the average house price bands by postal area (shaded in blue) with new build sales evidence numbered 1-16 (2016 research) and 17-27 (2018 update):
- Value Area 1 £190,000 to £294,000 average house price
 - Value Area 2 £165,000 to £190,000 average house price
 - Value Area 3 £140,000 to £165,000 average house price
 - Value Area 4 £65,000 to £140,000 average house price
- 2.2 For the avoidance of doubt, the two highest Value Areas in our original study (Value areas 1 and 2) are merged to form a single value band – Value Area 1.

Figure 2.1 Value Areas and New Build Evidence



Source: HM Land Registry / C&W Research

Development Appraisal Assumptions

2.3 The following table details the assumptions used in the original October 2015 Viability Study / 2016 Viability Addendum and the proposed changes in the 2018/2019 update.

Table 2.1: Revised Viability Assumptions

	August 2016 Addendum	Update December 2018		
Local Plan Policies	No changes to previous assumptions.			
Residential Development Schemes	No change to the residential developments schemes:			
	Scheme reference	Total (ha)	Density (dph)	Number of units
	0	0.14	35	5
	1	0.25	35	9
	2	0.70	35	25
	3	1.50	35	53
	4	2.50	35	88

	<table border="1"> <tr><td>5</td><td>3.50</td><td>35</td><td>123</td></tr> <tr><td>6</td><td>4.50</td><td>35</td><td>158</td></tr> <tr><td>7</td><td>6.50</td><td>35</td><td>228</td></tr> <tr><td>8</td><td>8.00</td><td>35</td><td>280</td></tr> <tr><td>9</td><td>10.00</td><td>35</td><td>350</td></tr> </table> <ul style="list-style-type: none"> Housing mix schemes 0-7: 20% 2 bed, 40% 3 bed, 30% 4 bed, 10% 5 bed. Housing mix schemes 8-9: 5% 1 bed flat, 5% 2 bed flat, 10% 2 bed house, 40% 3 bed, 30% 4 bed, 10% 5 bed. 	5	3.50	35	123	6	4.50	35	158	7	6.50	35	228	8	8.00	35	280	9	10.00	35	350									
5	3.50	35	123																											
6	4.50	35	158																											
7	6.50	35	228																											
8	8.00	35	280																											
9	10.00	35	350																											
Residential sales values	<p>Value Area 1 & 2 £230 psf</p> <p>Value Area 3 £200 psf</p> <p>Value Area 4 £175 psf</p> <p>Value Area 5 £150 psf</p>	<p>Value Area 1 £2,583 psm / £240 psf</p> <p>Value Area 2 £2,260 psm / £210 psf</p> <p>Value Area 3 £2,153 psm / £200 psf</p> <p>Value Area 4 £1,830 psm / £170 psf</p> <p>The updated revenues are based on analysis of new build evidence (location of sites identified in Figure 2.1) and HM Land Registry data of average achieved sales revenues which illustrate an average uplift in sales revenues of 8.42% across all postcode areas in Kirklees.</p>																												
Residential unit size	<table border="1"> <thead> <tr> <th>House type</th> <th>Size (sq m)</th> <th>Size (sq ft)</th> </tr> </thead> <tbody> <tr><td>1 bed flat</td><td>46</td><td>495</td></tr> <tr><td>2 bed flat</td><td>59</td><td>635</td></tr> <tr><td>2 bed house</td><td>70</td><td>753</td></tr> <tr><td>3 bed house</td><td>90</td><td>969</td></tr> <tr><td>4 bed house</td><td>117</td><td>1259</td></tr> <tr><td>5 bed house</td><td>140</td><td>1507</td></tr> </tbody> </table>	House type	Size (sq m)	Size (sq ft)	1 bed flat	46	495	2 bed flat	59	635	2 bed house	70	753	3 bed house	90	969	4 bed house	117	1259	5 bed house	140	1507	No change in residential unit size							
House type	Size (sq m)	Size (sq ft)																												
1 bed flat	46	495																												
2 bed flat	59	635																												
2 bed house	70	753																												
3 bed house	90	969																												
4 bed house	117	1259																												
5 bed house	140	1507																												
Construction costs	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Build cost (£)</th> <th colspan="2">Plus 10% uplift for external works (£)</th> </tr> <tr> <th>psm</th> <th>psf</th> <th>psm</th> <th>psf</th> </tr> </thead> <tbody> <tr> <td>Houses</td> <td>876</td> <td>81</td> <td>964</td> <td>90</td> </tr> </tbody> </table>		Build cost (£)		Plus 10% uplift for external works (£)		psm	psf	psm	psf	Houses	876	81	964	90	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Build cost (£)</th> <th colspan="2">Plus 10% uplift for external works (£)</th> </tr> <tr> <th>psm</th> <th>psf</th> <th>psm</th> <th>psf</th> </tr> </thead> <tbody> <tr> <td>Houses less than 50 units</td> <td>1086</td> <td>101</td> <td>1195</td> <td>111</td> </tr> </tbody> </table>		Build cost (£)		Plus 10% uplift for external works (£)		psm	psf	psm	psf	Houses less than 50 units	1086	101	1195	111
	Build cost (£)		Plus 10% uplift for external works (£)																											
	psm	psf	psm	psf																										
Houses	876	81	964	90																										
	Build cost (£)		Plus 10% uplift for external works (£)																											
	psm	psf	psm	psf																										
Houses less than 50 units	1086	101	1195	111																										

	<table border="1"> <tr> <td>Flats</td> <td>1,033</td> <td>96</td> <td>1,136</td> <td>106</td> </tr> </table>	Flats	1,033	96	1,136	106	<table border="1"> <tr> <td>Houses more than 50 units</td> <td>944</td> <td>88</td> <td>1038</td> <td>96</td> </tr> <tr> <td>Flats</td> <td>1090</td> <td>101</td> <td>1199</td> <td>111</td> </tr> </table> <p>BCIS lower quartile values for “general estate housing” (rebased to Yorkshire and Humber) for residential developments of 50 units or more have been applied to reflect the discounts in build costs which volume housebuilders can secure.</p> <p>The median value for developments smaller than 50 units as these are more likely to be delivered by smaller regional and local housebuilders.</p> <p>An additional 10% is added to the lower quartile and median build cost value, for external works.</p>	Houses more than 50 units	944	88	1038	96	Flats	1090	101	1199	111
Flats	1,033	96	1,136	106													
Houses more than 50 units	944	88	1038	96													
Flats	1090	101	1199	111													
<p>Other construction costs</p>	<p>Professional fees (including planning) 8% on construction costs</p> <p>Contingency 3% on construction costs</p> <p>Marketing, sales agent and legal fees 3.5% of sales revenue (market units)</p> <p>Purchasers costs 6.8% on purchase price</p> <p>Finance 6.0% debt finance rate</p> <p>A Section 106 contribution of £1,000 per unit is included.</p> <p>Developer profit - blended rate with 20% of GDV on market units and 6% on affordable</p>	<p>No change to original assumptions</p>															
<p>Affordable Housing</p>	<p>20% of all homes affordable</p>	<p>20% affordable housing on developments of 11 or more dwellings. Of which:</p> <p>Affordable rented – 55.4%</p> <p>Intermediate – 44.6%</p> <p>Transfer values:</p> <p>Affordable rented - £588 per sq m</p>															

		Intermediate - £999 per sq m
Development timing	<p>Lead in period – Three months from the grant of planning permission</p> <p>Residential sales staggered six months after construction starts</p> <p>30 units per annum per outlet where there are two outlets and a delivery rate of 50 dwellings per annum is assumed</p> <p>All sites assume a single housebuilder</p> <p>Payments for land are assumed at the outset of the development programme.</p>	No changes
Benchmark Land Values	See separate note below.	

Benchmark Land Values

Context

- 2.4 The Revised National Planning Practice Guidance on Viability adopts a new approach to land value benchmark based on an Existing Use Value (EUV) Plus methodology:
- 2.5 “The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements.”
- 2.6 It goes on to state:
- 2.7 “In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.”
- 2.8 The Land Value benchmarks applied in the existing viability evidence base (Kirklees CIL and Local Plan Viability Addendum, 2016), were based on research of transactions and viability cases, which were the subject of consultation informally and then formally through the statutory CIL consultation process.

- 2.9 The benchmarks were derived from research and discussions with developers which established that net prices for residential land across Kirklees vary from between £370,000 per ha to over £1million per ha (£150,000 to £500,000 per acre), depending on location, site condition/existence of site abnormalities and the general quality of the development opportunity. There was also an established precedent for a minimum land owner's return of £370,650 per ha (£150,000 per acre) established through viability cases. The land value benchmarks were representative of a serviced site, free of any abnormalities, and the figures were broken down to show the allowance ('tolerance') made for abnormalities and the effective minimum return to land owner.

Table 2.2 2016 Viability Addendum

Value Area	Benchmark (per ha)	Tolerance for abnormalities (per ha)	Land owner's return (per ha)
VA1	£1,266,388	£370,650	£895,738
VA2	£998,400	£370,650	£627,750
VA3	£803,075	£370,650	£432,425
VA4	£617,750	£370,650	£247,100

- 2.10 These benchmarks have now been reviewed in light of the revised Government guidance on viability to reflect EUV plus methodology. To do this, Existing Use Values and Market Values have been researched and a comparative analysis of the two has been carried out to identify the level of land owner premiums that are typical on a per ha basis.

Existing Use Values

- 2.11 In relation to Existing Use Values, whilst there is potential for a wide range of variance in EUVs depending on the unique circumstances of individual sites, a simple assumption has been made based on an assessment of the land that is coming forward for residential development which falls into two broad categories:
- Brownfield / previously developed sites, for which it is considered an industrial use value is most appropriate given our knowledge of the land / property market within Kirklees. Industrial use is the most likely existing use for the majority of sites in such circumstances and whilst there may be other uses which could generate higher or lower values, industrial land values are considered to provide a reasonable basis for estimating existing use values.
 - Greenfield sites, for which an agricultural existing use value has been applied.
- 2.12 In respect of existing use value evidence, the MHCLG 2017 *Land Values for Policy Appraisal* has been referenced which indicates the following EUVs of relevance to the geography and market characteristics of Kirklees:

Table 2.3 MHCLG Land Values for Policy Appraisal May 2017

	EUVs per net ha
Industrial (free from abnormals and serviced)	£500,000
Agricultural	
per gross ha	£25,000
adjustment for net (65%)	£38,462
Industrial based on figure for Bradford	
Agricultural based on regional average	

- 2.13 An adjustment to the agricultural use value to translate it into a net developable figure has been made on the basis that greenfield sites generally incur a significant gross to net differential to reflect the preparation, servicing and the generally greater potential for non developable areas due to factors such as drainage, topography etc. Because land values are benchmarked on a net area basis in the viability model, this adjustment is necessary to ensure that the existing use value is not under estimated.

Land owner's premium

- 2.14 With regard to the land owner's premium, there is no standard or universally accepted level that is applied in viability cases and the level of premium required will vary according to circumstances. A figure of 10-20 times EUV was referred to in a 2010 Homes and Communities Agency manual relating the Development Appraisal Tool for application to greenfield sites. For brownfield sites, we are aware of uplifts of 20% on EUV that have been applied but cannot point to any definitive guidance or advice for this.
- 2.15 To inform our approach to the premium, evidence has been collected of recent land transactions based on the disposal of Council owned sites. Because of commercial sensitivities, details of individual sites have not been disclosed however the data has been analysed and summarised for the purposes of this assessment. There were 30 sites in total, 14 of which brownfield, 16 of which greenfield. The proposed use that the sites were sold for was either residential, grazing land, or the use was not specified. Sites that were sold for grazing land were excluded from the analysis and there were also two sites which generated unusually high values which were also removed – these sites were particularly small and a view has been taken that the values achieved were reflective of a special purchaser / unique scenario not represented of the norm for residential land transactions. The planning details of individual sites is not known and it is therefore assumed that all are compliant in respect of prevailing planning obligations and requirements.
- 2.16 The results have been assimilated into greenfield and brownfield and categorised by the value areas to align with the previous viability evidence. The results show a range of average net land prices from £526,700 per ha to over £1.8million per ha, with an overall District wide average of £963,060 per ha (£390,000 per acre). The average land prices on greenfield sites was £672,300 per ha (£272,000 per acre), compared to £1.46million per ha for brownfield sites (£590,000 per acre). It should be noted that the brownfield sites sampled are particularly small – the majority less than 0.5 ha – and therefore the figures are considered to reflect a higher price per ha than that

which would be typically expected for a typical or average sized parcel of land being transacted for residential development.

- 2.17 By comparing the land values against existing use values, we can use this evidence to glean an understanding of the range of premiums being achieved above existing use values. In table 2.4 below, we have compared the achieved values against agricultural use values (at £38,462 per ha as per the CLG guidance paper cited above) and brownfield existing use values for which we have used industrial land values. However, for the brownfield sites we have applied a higher existing use value than the CLG guidance paper on account of the fact that the sampled transactions are very small sites that would be expected to have a higher EUV on a per ha basis. Evidence collected of transactions and asking prices of industrial land in the Kirklees area indicate an average of circa £1.235million per ha (£500,000 per acre) for sites of less than 0.5 ha. As a result, deducting these estimated EUVs from the transactional prices achieved implies an average premium of £634,300 per ha (£257,000 per acre) on greenfield sites and £221,300 per ha (£90,000 per acre) on brownfield sites.

Table 2.4 Evidence of Premiums (all figures presented as £ per ha)

	Average price paid per ha (Greenfield and Brownfield)	Greenfield			Brownfield		
		EUV	Premium	Price	EUV	Premium	Price
VA1	£ 1,828,540	£38,462	£ -	£ -	£ 1,235,500	£ 593,040	£1,828,540
VA2	£ 780,024	£38,462	£ 680,905	£718,920	£ 1,235,500	£ 411,833	£1,647,333
VA3	£ 526,673	£38,462	£ 522,972	£560,987	£ 1,235,500	£ 214,651	£1,450,151
VA4	£ 717,004	£38,462	£ 698,937	£736,952	£ 1,235,500	-£ 334,458	£ 901,042
All average	£ 963,060	£38,462	£ 634,271	£672,286	£ 1,235,500	£ 221,267	£1,456,767

- 2.18 The differences between land prices achieved on greenfield and brownfield sites are to be expected given the differences in existing use values between the two. However, differences in EUV between the two site typologies does not account for all of the difference in land prices if the EUV assumptions that have been made are taken to be an accurate reflection – different land owner premiums are also in evidence between greenfield and brownfield sites. This is believed to be attributable to different land owner expectations where sites are in urban areas and are previously developed carrying an expectation of value which is more closely aligned to market values than in greenfield locations where there is a greater level of risk which can adjust pricing.
- 2.19 In relation to the indicative benchmarks of 10-20 times EUV for greenfield sites and 20% uplift on EUV for brownfield sites, the above evidence is within the range of these figures. The average of the premium achieved on the greenfield transactions summarised above comes within this range at circa 17.5 times EUV and £634,271 per ha. In relation to brownfield sites, the average uplift indicated above is 18%, close to the 20% figure cited above as typical.

- 2.20 Therefore, it is considered that the evidence which is has been collected provides a reasonable indication of the approximate level of land owner premiums to inform benchmark land values in the area wide viability analysis.

Revised Land Value Benchmarks to be used in Viability Analysis

- 2.21 Using the above analysis, we have made adjustments to the previous land value benchmarks to bring them into line with the revised Government guidance document on EUV plus premium.
- 2.22 Given that the proposed CIL charging schedule is not differentiated geographically in a way which enables attribution of greenfield/brownfield CIL charging areas, the higher of the two benchmarks above (based on brownfield EUVs) are proposed as the basis for the area wide viability model in order to ensure they are suitable for application to brownfield sites. However, for the site-specific viability testing of large scale sites, a Greenfield benchmark has been applied given the nature of those particular sites – in this case a District Wide average has been generated due to the limited differences in the evidence across the various value areas.
- 2.23 In both cases, the EUV derived from DCLG Land Values for Policy Appraisal (May 2017) has been used, and a premium added based on the above analysis attributed on a per ha basis. The revised land value benchmarks that have been applied in the viability analysis are therefore as follows:

Table 2.5: Revised Land Value Benchmarks (£ per ha)

	Total	EUV	Premium
Area Wide			
VA1	£1,093,040	£500,000	£593,040
VA2	£911,833	£500,000	£411,833
VA3	£714,651	£500,000	£214,651
VA4	£500,000	£500,000	£0
Greenfield, for strategic greenfield allocations only	£370,650	£38,462	£332,188

- 2.24 Overall these revised land value benchmarks represent a small reduction on the benchmarks previously used. However, the revised benchmarks remain in the range of what is considered to provide a suitable return to land owner in terms of both Existing Use Value and premium. They provide a range of multiples against agricultural EUV from 13 in the lowest value area to 28 in highest value area, and a percentage uplift on industrial EUV of between 0 and 118%. In relation to the greenfield land value benchmark, it represents approximately 10 times agricultural use value. The land values are within the range of typical market values identified in the original viability study from transactional evidence and viability cases (£370,000 to £1million per ha). As such they are considered to provide an adequate return to land owner and represent a robust basis for benchmarking of land values in this viability assessment.

Relationship with abnormal costs

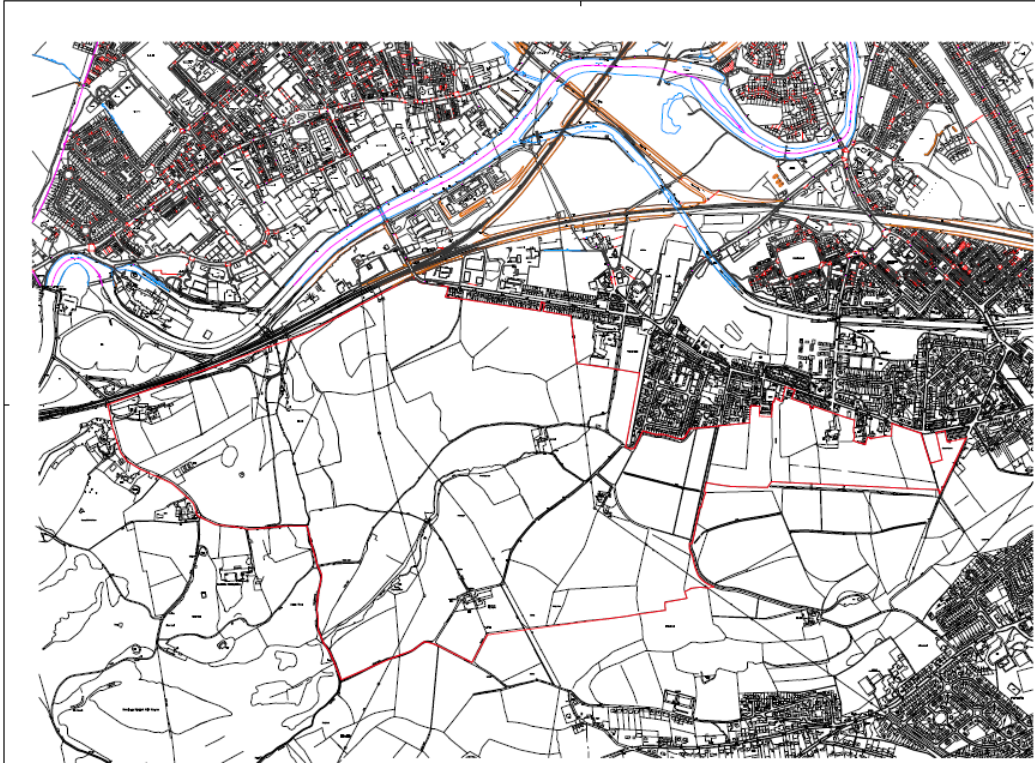
2.25 In accordance with the approach of the original viability evidence base, no separate costs have been inserted to the appraisals for abnormal site development costs on account of the fact that the land value benchmarks used are representative of unfettered serviced sites free from abnormal (and therefore the prices paid reflect a higher cost than would be paid for the land than compared to a scenario in which the site would require significant remedial works). As recorded in the original viability evidence, a precedent has been established in viability cases within Kirklees of a minimum land owner's return of £370,650 per ha (£150,000 per acre) where sites incur high abnormal costs, and therefore, we consider that by considering the difference between this minimum figure and the land value benchmarks provides an indication of the significant tolerance for abnormal site costs built into the land value benchmarks:

Table 2.6: Tolerance for abnormal costs (£ per ha)

	Total	Tolerance for abnormal
Brownfield		
VA1	£1,093,040	£722,390
VA2	£911,833	£541,183
VA3	£714,651	£344,001
VA4	£500,000	£129,350
Greenfield, for strategic greenfield allocations only	£370,650	£0

3 Site Specific Viability Modelling

3.1 The assumptions that have been applied to the updated site specific viability analysis are set out below:

Kirklees Council Site Specific Viability Analysis Site 1 - Residential development	
Location plan 	
Site address and reference	Land south of Ravensthorpe Road, Thornhill Lees, Dewsbury (H2089)
Site size	159 ha (assumed 66 ha net based on 2310 units at 35 DPH)
Land ownership /tenure	Part Council owned / part private ownership

Details of proposed development including current planning status	Current Status: Housing Allocation, Safeguarded Land, Green Belt, Local Plan Housing Allocation																																																																																								
Site constraints	No known site information																																																																																								
Accommodation schedule	<p>2,310 residential units</p> <p>The site-specific appraisal assumes:</p> <p>Residential development in six phases:</p> <p>Phase 1 delivering 140 dwellings:</p> <table border="1" data-bbox="491 869 1385 1406"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">Housing Mix</th> </tr> <tr> <th>2 bed house</th> <th>3 bed house</th> <th>4 bed house</th> <th>5 bed house</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>No of units</td> <td>35</td> <td>56</td> <td>35</td> <td>14</td> <td>140</td> </tr> <tr> <td>Total floor space</td> <td>2,450</td> <td>5,040</td> <td>4,095</td> <td>1,960</td> <td>13,545</td> </tr> <tr> <td>Total market floor space</td> <td>1,960</td> <td>4,032</td> <td>3,276</td> <td>1,568</td> <td>10,836</td> </tr> <tr> <td>Total AH floor space</td> <td>490</td> <td>1,008</td> <td>819</td> <td>392</td> <td>2,709</td> </tr> <tr> <td>AR / SR floor space</td> <td>271</td> <td>558</td> <td>454</td> <td>217</td> <td>1,501</td> </tr> <tr> <td>SO floor space</td> <td>219</td> <td>450</td> <td>365</td> <td>175</td> <td>1,208</td> </tr> </tbody> </table> <p>Phase 2 delivering 280 dwellings:</p> <table border="1" data-bbox="491 1518 1385 2020"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">Housing Mix</th> </tr> <tr> <th>2 bed house</th> <th>3 bed house</th> <th>4 bed house</th> <th>5 bed house</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>No of units</td> <td>70</td> <td>112</td> <td>70</td> <td>28</td> <td>280</td> </tr> <tr> <td>Total floor space</td> <td>4,900</td> <td>10,080</td> <td>8,190</td> <td>3,920</td> <td>27,090</td> </tr> <tr> <td>Total market floor space</td> <td>3,920</td> <td>8,064</td> <td>6,552</td> <td>3,136</td> <td>21,672</td> </tr> <tr> <td>Total AH floor space</td> <td>980</td> <td>2,016</td> <td>1,638</td> <td>784</td> <td>5,418</td> </tr> <tr> <td>AR / SR floor space</td> <td>543</td> <td>1,117</td> <td>907</td> <td>434</td> <td>3,002</td> </tr> </tbody> </table>		Housing Mix					2 bed house	3 bed house	4 bed house	5 bed house	Total	No of units	35	56	35	14	140	Total floor space	2,450	5,040	4,095	1,960	13,545	Total market floor space	1,960	4,032	3,276	1,568	10,836	Total AH floor space	490	1,008	819	392	2,709	AR / SR floor space	271	558	454	217	1,501	SO floor space	219	450	365	175	1,208		Housing Mix					2 bed house	3 bed house	4 bed house	5 bed house	Total	No of units	70	112	70	28	280	Total floor space	4,900	10,080	8,190	3,920	27,090	Total market floor space	3,920	8,064	6,552	3,136	21,672	Total AH floor space	980	2,016	1,638	784	5,418	AR / SR floor space	543	1,117	907	434	3,002
	Housing Mix																																																																																								
	2 bed house	3 bed house	4 bed house	5 bed house	Total																																																																																				
No of units	35	56	35	14	140																																																																																				
Total floor space	2,450	5,040	4,095	1,960	13,545																																																																																				
Total market floor space	1,960	4,032	3,276	1,568	10,836																																																																																				
Total AH floor space	490	1,008	819	392	2,709																																																																																				
AR / SR floor space	271	558	454	217	1,501																																																																																				
SO floor space	219	450	365	175	1,208																																																																																				
	Housing Mix																																																																																								
	2 bed house	3 bed house	4 bed house	5 bed house	Total																																																																																				
No of units	70	112	70	28	280																																																																																				
Total floor space	4,900	10,080	8,190	3,920	27,090																																																																																				
Total market floor space	3,920	8,064	6,552	3,136	21,672																																																																																				
Total AH floor space	980	2,016	1,638	784	5,418																																																																																				
AR / SR floor space	543	1,117	907	434	3,002																																																																																				

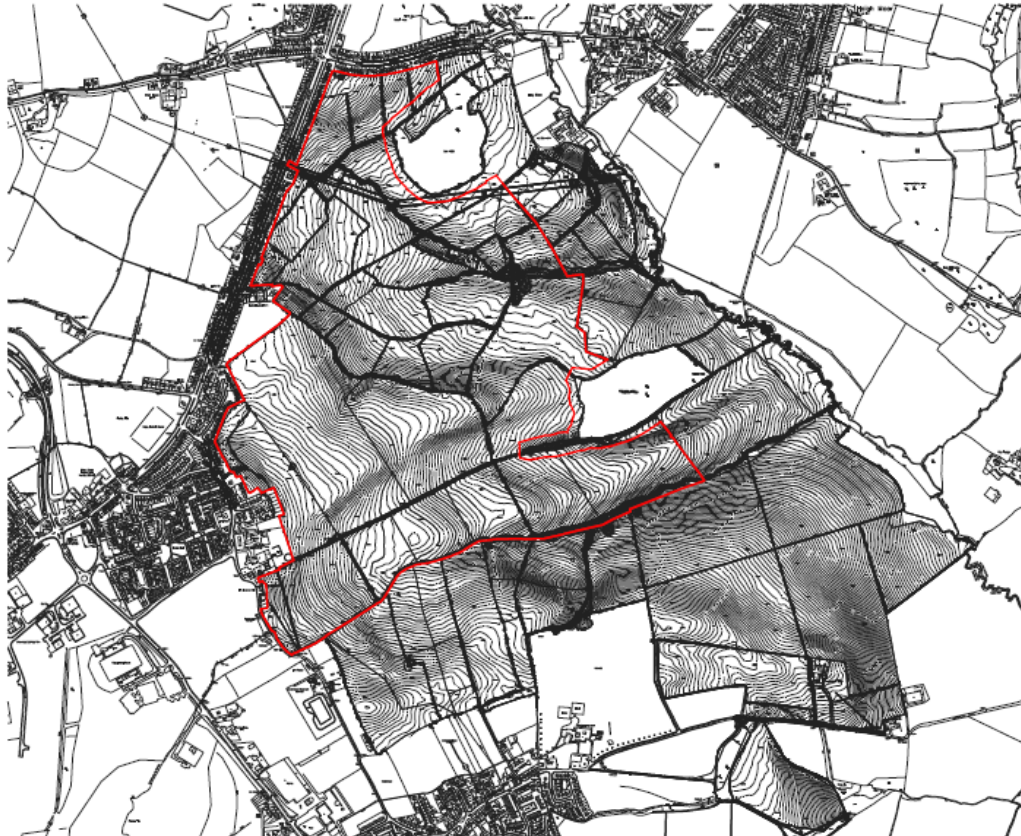
SO floor space	437	899	731	350	2,416
Phase 3 delivering 630 dwellings:					
	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	158	252	158	63	630
Total floor space	11,025	22,680	18,428	8,820	60,953
Total market floor space	8,820	18,144	14,742	7,056	48,762
Total AH floor space	2,205	4,536	3,686	1,764	12,191
AR / SR floor space	1,222	2,513	2,042	977	6,754
SO floor space	983	2,023	1,644	787	5,437
Phase 4 delivering 630 dwellings:					
	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	158	252	158	63	630
Total floor space	11,025	22,680	18,428	8,820	60,953
Total market floor space	8,820	18,144	14,742	7,056	48,762
Total AH floor space	2,205	4,536	3,686	1,764	12,191
AR / SR floor space	1,222	2,513	2,042	977	6,754
SO floor space	983	2,023	1,644	787	5,437
Phase 5 delivering 630 dwellings:					
	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	158	252	158	63	630
Total floor space	11,025	22,680	18,428	8,820	60,953

	Total market floor space	8,820	18,144	14,742	7,056	48,762
	Total AH floor space	2,205	4,536	3,686	1,764	12,191
	AR / SR floor space	1,222	2,513	2,042	977	6,754
	SO floor space	983	2,023	1,644	787	5,437
Anticipated start date	<ul style="list-style-type: none"> Start on site 2017 with two outlets open delivering 70 units per annum 2019 four outlets open delivering 140 units per annum 2021 six outlets open This delivery programme is based on evidence provided by the site promoters 					
Build period	<ul style="list-style-type: none"> 3 months lead in period from first land payment Phase 1 - 24 month construction period Phase 2 - 24 month construction period Phase 3 - 38 month construction period Phase 4 - 38 month construction period Phase 5 - 38 month construction period 					
Phasing	<p>The scheme will be delivered through</p> <ul style="list-style-type: none"> Phase 1 – 2 outlets at a total delivery rate of 70 units per annum Phase 2 – 4 outlets at a total delivery rate of 140 units per annum Phase 3 – 6 outlets at a total delivery rate of 200 units per annum Phase 4 – 6 outlets at a total delivery rate of 200 units per annum Phase 5 – 6 outlets at a total delivery rate of 200 units per annum Phase 6 – 6 outlets at a total delivery rate of 200 units per annum 					
Planning gain (including AH) & timing of payments	<ul style="list-style-type: none"> 20% affordable housing with tenure and transfer values consistent with area wide assumptions, phased through life of development. Planning gain incorporated into allowance of £370,650 per ha (£150,000 per acre), paid out at the commencement of each phase. 					
Revenue	<p>Market units:</p> <ul style="list-style-type: none"> First 2 phases, 1,884 psm (£175 psf) Phase 3 onward £2,152.78 psm (£200 psf) 					

Affordable housing revenues	<ul style="list-style-type: none"> • Shared ownership £999 per sq m / £92.81 per sq ft • Rented (affordable and social) – 29.53% of market value £588 per sq m / £54.62 per sq ft
Build costs	<ul style="list-style-type: none"> • £1038 per sq m inclusive of external works • Professional fees – 8% • Contingency – 3%
Abnormal costs	Abnormals incorporated into allowance of £370,650 per ha (£150,000 per acre), paid out at the commencement of each phase.
Profit	Profit level set at blended rate to reflect 20% GDV on market units and 6% on affordable units in accordance with the area wide model.
Land value	Land values residualised and benchmarked against model comparators.

Kirklees Council
Site Specific Viability Analysis
Site 2 – Mixed Use Development

Location plan



<p>Site address / Reference</p>	<p>Chidswell, Land East of Leeds Road, Shaw Cross, Dewsbury (MX1905)</p>
<p>Site size</p>	<p>117 ha gross 43.86 ha residential net</p>
<p>Land ownership/tenure</p>	<p>Private Sector Ownership</p>

Details of proposed development including current planning status	Local Plan: Mixed Use Allocation Mixed Use Proposal of Employment and Housing																																																																		
Site constraints	There are no insurmountable site constraints however there will be significant works involved in respect of infrastructure, site preparation and access.																																																																		
Accommodation schedule	<p>Master planning work is ongoing based on the delivery of circa 1,535 units and 122,500 sq m commercial floor space.</p> <p>The site specific appraisal assumes:</p> <p><u>Residential</u></p> <p>Residential development in five phases:</p> <p>Phase 1 delivering 310 dwellings</p> <table border="1" data-bbox="692 1037 1324 1668"> <thead> <tr> <th colspan="6">Housing Mix</th> </tr> <tr> <th></th> <th>2 bed house</th> <th>3 bed house</th> <th>4 bed house</th> <th>5 bed house</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>No of units</td> <td>78</td> <td>124</td> <td>78</td> <td>31</td> <td>310</td> </tr> <tr> <td>Total floor space</td> <td>5,425</td> <td>11,160</td> <td>9,068</td> <td>4,340</td> <td>29,993</td> </tr> <tr> <td>Total market floor space</td> <td>4,340</td> <td>8,928</td> <td>7,254</td> <td>3,472</td> <td>23,994</td> </tr> <tr> <td>Total AH floor space</td> <td>1,085</td> <td>2,232</td> <td>1,814</td> <td>868</td> <td>5,999</td> </tr> <tr> <td>AR / SR floor space</td> <td>601</td> <td>1,237</td> <td>1,005</td> <td>481</td> <td>3,323</td> </tr> <tr> <td>SO floor space</td> <td>484</td> <td>995</td> <td>809</td> <td>387</td> <td>2,675</td> </tr> </tbody> </table> <p>Phase 2 delivering 313 dwellings</p> <table border="1" data-bbox="799 1787 1334 2004"> <thead> <tr> <th colspan="6">Housing Mix</th> </tr> <tr> <th></th> <th>2 bed house</th> <th>3 bed house</th> <th>4 bed house</th> <th>5 bed house</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>No of units</td> <td>78</td> <td>125</td> <td>78</td> <td>31</td> <td>313</td> </tr> </tbody> </table>	Housing Mix							2 bed house	3 bed house	4 bed house	5 bed house	Total	No of units	78	124	78	31	310	Total floor space	5,425	11,160	9,068	4,340	29,993	Total market floor space	4,340	8,928	7,254	3,472	23,994	Total AH floor space	1,085	2,232	1,814	868	5,999	AR / SR floor space	601	1,237	1,005	481	3,323	SO floor space	484	995	809	387	2,675	Housing Mix							2 bed house	3 bed house	4 bed house	5 bed house	Total	No of units	78	125	78	31	313
Housing Mix																																																																			
	2 bed house	3 bed house	4 bed house	5 bed house	Total																																																														
No of units	78	124	78	31	310																																																														
Total floor space	5,425	11,160	9,068	4,340	29,993																																																														
Total market floor space	4,340	8,928	7,254	3,472	23,994																																																														
Total AH floor space	1,085	2,232	1,814	868	5,999																																																														
AR / SR floor space	601	1,237	1,005	481	3,323																																																														
SO floor space	484	995	809	387	2,675																																																														
Housing Mix																																																																			
	2 bed house	3 bed house	4 bed house	5 bed house	Total																																																														
No of units	78	125	78	31	313																																																														

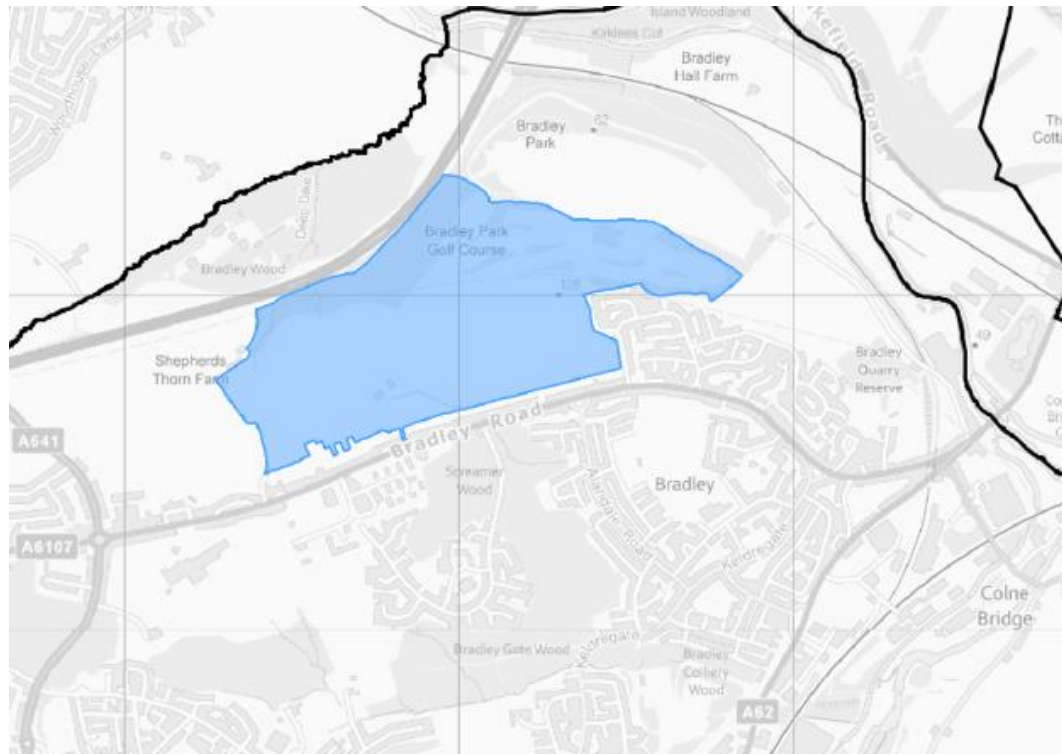
Total floor space	5,478	11,268	9,155	4,382	30,283
Total market floor space	4,382	9,014	7,324	3,506	24,226
Total AH floor space	1,096	2,254	1,831	876	6,057
AR / SR floor space	607	1,248	1,014	486	3,355
SO floor space	489	1,005	817	391	2,701
Phase 3 delivering 312 dwellings					
	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	78	125	78	31	312
Total floor space	5,460	11,232	9,126	4,368	30,186
Total market floor space	4,368	8,986	7,301	3,494	24,149
Total AH floor space	1,092	2,246	1,825	874	6,037
AR / SR floor space	605	1,245	1,011	484	3,345
SO floor space	487	1,002	814	390	2,693
Phase 4 delivering 300 units					
	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	75	120	75	30	300
Total floor space	5,250	10,800	8,775	4,200	29,025
Total market floor space	4,200	8,640	7,020	3,360	23,220
Total AH floor space	1,050	2,160	1,755	840	5,805

	AR / SR floor space	582	1,197	972	465	3,216
	SO floor space	468	963	783	375	2,589
Phase 5 delivering 300 units						
	Housing Mix					
	2 bed house	3 bed house	4 bed house	5 bed house	Total	
No of units	75	120	75	30	300	
Total floor space	5,250	10,800	8,775	4,200	29,025	
Total market floor space	4,200	8,640	7,020	3,360	23,220	
Total AH floor space	1,050	2,160	1,755	840	5,805	
AR / SR floor space	582	1,197	972	465	3,216	
SO floor space	468	963	783	375	2,589	
Build period and phasing	<ul style="list-style-type: none"> • 3 months lead in period from grant of planning consent • Phase 1 - 31 month construction period • Phase 2 - 31 month construction period • Phase 3 - 31 month construction period • Phase 4 - 30 month construction period • Phase 5 - 30 month construction period <p>Assumes three developer outlets per phase delivering a total of 120 units per annum.</p>					
Planning gain (including AH) & timing of payments	<ul style="list-style-type: none"> • 20% affordable housing with tenure and transfer values consistent with area wide assumptions. • Planning gain incorporated into allowance of £370,650 per ha (£150,000 per acre), paid out at the commencement of each phase. 					

Revenue	Market units: £2,260 per sq m (£210 per sq ft)
Affordable housing revenues	<ul style="list-style-type: none"> • Shared ownership £999 per sq m / £92.81 per sq ft (SO) • Rented (affordable and social) £588 per sq m / £54.63 per sq ft (Rented)
Build costs	<ul style="list-style-type: none"> • £1038 per sq m inclusive of external works • Professional fees – 8% • Contingency – 3%
Abnormal costs	Abnormals incorporated into allowance of £370,650 per ha (£150,000 per acre), paid out at the commencement of each phase.
Profit	Profit level set at a blended rate to reflect 20% on market units and 6% affordable in accordance with the area wide model. Phases 1 and 2 – 18.7% and Phases 3,4 and 5 18.85%.
Land value	Land values residualised and benchmarked against model comparators.

Kirklees Council
Site Specific Viability Analysis
Site 3 - Residential Development

Location plan



<p>Site address and reference</p>	<p>Land north of Bradley Road, Bradley, Huddersfield (H1747 & H351)</p>
<p>Site size</p>	<p>76ha (55.94 net ha assuming 1958 units at 35 DPH)</p>
<p>Land ownership/tenure</p>	<p>64 ha within public sector ownership and 12 ha within private sector ownership</p>

Details of proposed development including current planning status	<p>Golf Course in the green belt</p> <p>Local Plan housing allocation.</p> <p>Bradley Golf Course this is a Council owned site and masterplanning is at an early stage</p>																																																														
Site constraints	<p>Connectivity to the nearby motorway constrained despite close proximity. There are also likely to be upgrades / reinforcement to utility provision</p>																																																														
Accommodation schedule	<p>The site specific appraisals assume delivery of 1,958 units (1,577 on the land within public sector ownership and 381 on land within private sector ownership):</p> <p>Residential development in five phases:</p> <p>Phase 1 delivering 400 units</p> <table border="1" data-bbox="531 949 1382 1733"> <thead> <tr> <th rowspan="2"></th> <th colspan="5">Housing Mix</th> </tr> <tr> <th>2 bed house</th> <th>3 bed house</th> <th>4 bed house</th> <th>5 bed house</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>No of units</td> <td>100</td> <td>160</td> <td>100</td> <td>40</td> <td>400</td> </tr> <tr> <td>Total floor space</td> <td>7,000</td> <td>14,400</td> <td>11,700</td> <td>5,600</td> <td>38,700</td> </tr> <tr> <td>Total market floor space</td> <td>5,600</td> <td>11,520</td> <td>9,360</td> <td>4,480</td> <td>30,960</td> </tr> <tr> <td>Total AH floor space</td> <td>1,400</td> <td>2,880</td> <td>2,340</td> <td>1,120</td> <td>7,740</td> </tr> <tr> <td>AR / SR floor space</td> <td>776</td> <td>1,596</td> <td>1,296</td> <td>620</td> <td>4,288</td> </tr> <tr> <td>SO floor space</td> <td>624</td> <td>1,284</td> <td>1,044</td> <td>500</td> <td>3,452</td> </tr> </tbody> </table> <p>Phase 2 delivering 400 units</p> <table border="1" data-bbox="807 1877 1358 2033"> <thead> <tr> <th colspan="5">Housing Mix</th> </tr> <tr> <th>2 bed house</th> <th>3 bed house</th> <th>4 bed house</th> <th>5 bed house</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Housing Mix					2 bed house	3 bed house	4 bed house	5 bed house	Total	No of units	100	160	100	40	400	Total floor space	7,000	14,400	11,700	5,600	38,700	Total market floor space	5,600	11,520	9,360	4,480	30,960	Total AH floor space	1,400	2,880	2,340	1,120	7,740	AR / SR floor space	776	1,596	1,296	620	4,288	SO floor space	624	1,284	1,044	500	3,452	Housing Mix					2 bed house	3 bed house	4 bed house	5 bed house	Total					
	Housing Mix																																																														
	2 bed house	3 bed house	4 bed house	5 bed house	Total																																																										
No of units	100	160	100	40	400																																																										
Total floor space	7,000	14,400	11,700	5,600	38,700																																																										
Total market floor space	5,600	11,520	9,360	4,480	30,960																																																										
Total AH floor space	1,400	2,880	2,340	1,120	7,740																																																										
AR / SR floor space	776	1,596	1,296	620	4,288																																																										
SO floor space	624	1,284	1,044	500	3,452																																																										
Housing Mix																																																															
2 bed house	3 bed house	4 bed house	5 bed house	Total																																																											

No of units	100	160	100	40	400
Total floor space	7,000	14,400	11,700	5,600	38,700
Total market floor space	5,600	11,520	9,360	4,480	30,960
Total AH floor space	1,400	2,880	2,340	1,120	7,740
AR / SR floor space	776	1,596	1,296	620	4,288
SO floor space	624	1,284	1,044	500	3,452
Phase 3 delivering 421 units					
	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	105	168	105	42	421
Total floor space	7,368	15,156	12,314	5,894	40,732
Total market floor space	5,894	12,125	9,851	4,715	32,585
Total AH floor space	1,474	3,031	2,463	1,179	8,146
AR / SR floor space	816	1,679	1,364	653	4,513
SO floor space	657	1,352	1,098	526	3,633
Phase 4 delivering 421 units					
	Housing Mix				

		2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units		105	168	105	42	421
Total floor space		7,368	15,156	12,314	5,894	40,732
Total market floor space		5,894	12,125	9,851	4,715	32,585
Total AH floor space		1,474	3,031	2,463	1,179	8,146
AR / SR floor space		816	1,679	1,364	653	4,513
SO floor space		657	1,352	1,098	526	3,633
Phase 5 delivering 316 units						
	Housing Mix					
		2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units		79	126	79	32	316
Total floor space		5530	11376	9243	4424	30,573
Total market floor space		4424	9101	7394	3539	24,458
Total AH floor space		1106	2275	1849	885	6,115
AR / SR floor space		613	1260	1024	490	3,387
SO floor space		493	1015	824	395	2,727
Build period and phasing	<ul style="list-style-type: none"> • 3 months lead in period from grant of planning consent • Phase 1 - 32 month construction period • Phase 2 - 32 month construction period • Phase 3 - 34 month construction period • Phase 4 - 34 month construction period 					

	<ul style="list-style-type: none"> Phase 5 - 25 month construction period Assumes 4 delivery outlets at a build rate of 150 units per annum
Planning gain (including AH) & timing of payments	<p>20% affordable housing with tenure and transfer values consistent with area wide assumptions.</p> <p>Infrastructure / site mitigation incorporated into allowance of £370,650 per ha (£150,000 per acre), paid out at the commencement of each phase.</p>
Revenue	Market units: £2,152.78 per sq m (£200 per sq ft)
Affordable housing revenues	<ul style="list-style-type: none"> Shared ownership 46.40% of market value £998 per sq m / £92.81 per sq ft (SO) Rented (affordable and social) 27.31% of market value £588 per sq m / £54.62 (Rented)
Build costs	<ul style="list-style-type: none"> £1038 per sq m inclusive of external works Professional fees – 8% Contingency – 3%
Abnormal costs	Abnormals incorporated into allowance of £370,650 per ha (£150,000 per acre), paid out at the commencement of each phase.
Profit	Profit level set at blended rate of 18.85% to reflect 20% on market units and 6% affordable in accordance with the area wide model.
Land value	Land values residualised and benchmarked against model comparators.

4 Results

Area Wide Results

- 4.1 The results of the area wide modelling are presented below illustrating the headroom and maximum CIL provision for each scheme and in each value area:

Residential Area Wide Viability Analysis 20% Affordable Housing (except Schemes 0 and 1)								
Value Area	Scheme reference	Site Size (hectares)	Benchmark Land Value per hectare with abnormal allowance (£ per ha)	Actual Benchmark Land Value (£) applied to site size	Residual Land Value of scheme (£)	Headroom for CIL (residual Land Value minus actual benchmark Land Value) (£)	Headroom (overage) for CIL (£ per sq m)	Average maximum available for CIL (£ per sq m)
1	0	0.14	£1,093,040	£153,026	£273,666	£120,641	£254	£251
	1	0.25	£1,093,040	£273,260	£488,690	£215,430	£248	
	2	0.70	£1,093,040	£765,128	£982,527	£217,399	£105	£174
	3	1.50	£1,093,040	£1,639,560	£2,411,136	£771,576	£190	
	4	2.50	£1,093,040	£2,732,600	£4,135,248	£1,402,648	£203	
	5	3.50	£1,093,040	£3,825,640	£5,771,930	£1,946,290	£201	
	6	4.50	£1,093,040	£4,918,680	£7,325,162	£2,406,482	£192	
	7	6.50	£1,093,040	£7,104,760	£10,505,184	£3,400,424	£189	
	8	8.00	£1,093,040	£8,744,320	£12,181,199	£3,436,879	£157	
9	10.00	£1,093,040	£10,930,400	£15,143,353	£4,212,953	£153		
2	0	0.14	£911,833	£127,657	£162,905	£35,248	£74	£73
	1	0.25	£911,833	£227,958	£290,902	£62,943	£73	
	2	0.70	£911,833	£638,283	£512,139	£-126,144	£-61	£23
	3	1.50	£911,833	£1,367,750	£1,503,060	£135,310	£33	
	4	2.50	£911,833	£2,279,583	£2,624,132	£344,549	£50	
	5	3.50	£911,833	£3,191,417	£3,655,538	£464,121	£48	
	6	4.50	£911,833	£4,103,250	£4,682,339	£579,089	£46	
	7	6.50	£911,833	£5,926,917	£6,710,887	£783,971	£44	
	8	8.00	£911,833	£7,294,667	£7,611,406	£316,739	£14	
9	10.00	£911,833	£9,118,333	£9,441,125	£322,791	£12		
3	0	0.14	£714,651	£100,051	£126,884	£26,832	£57	£56
	1	0.25	£714,651	£178,663	£226,578	£47,915	£55	
	2	0.70	£714,651	£500,256	£359,184	£-141,072	£-68	£26
	3	1.50	£714,651	£1,071,977	£1,215,615	£143,639	£35	
	4	2.50	£714,651	£1,786,628	£2,152,057	£365,429	£53	
	5	3.50	£714,651	£2,501,279	£3,013,388	£512,110	£53	
	6	4.50	£714,651	£3,215,930	£3,842,657	£626,727	£50	
	7	6.50	£714,651	£4,645,232	£5,456,072	£810,840	£45	
	8	8.00	£714,651	£5,717,208	£6,106,582	£389,373	£18	
9	10.00	£714,651	£7,146,511	£7,670,355	£523,844	£19		
4	0	0.14	£500,000	£70,000	£18,146	£-51,854	£-109	£-108
	1	0.25	£500,000	£125,000	£32,404	£-92,596	£-107	
	2	0.70	£500,000	£350,000	£-52,428	£-402,428	£-195	£-82
	3	1.50	£500,000	£750,000	£440,828	£-309,172	£-76	
	4	2.50	£500,000	£1,250,000	£852,833	£-397,167	£-58	
	5	3.50	£500,000	£1,750,000	£1,239,682	£-510,318	£-53	
	6	4.50	£500,000	£2,250,000	£1,589,746	£-660,254	£-53	
	7	6.50	£500,000	£3,250,000	£2,211,130	£-1,038,870	£-58	
	8	8.00	£500,000	£4,000,000	£2,212,206	£-1,787,794	£-82	
9	10.00	£500,000	£5,000,000	£2,814,570	£-2,185,430	£-79		

- 4.2 The results show a small improvement in the headroom for CIL across most sites and areas when compared to the 2016 Viability Addendum. The reasons for this improvement in headroom are attributable to increases in revenues and also the change in approach to build costs with the cost rates for larger sites (above 50 units) subject to a BCIS adjusted rate to reflect the economies commonly achieved by volume house builders. Conversely the smaller sites below this level, which incur a higher build cost per sq m, have a reduced level of headroom when compared to the earlier viability evidence.

- 4.3 The results indicate a narrowing of the results between Value Area 2 and Value Area 3, indicating the potential for a merging of the respective charging zones around the tariff level of £20 per sq m. They also suggest the need to review the higher rate for small sites given the scale of cost increases which will affect small sites which reduces the differential between the viability headroom between small sites and larger sites.

Strategic Sites

- 4.4 In relation to the site-specific evidence, the results below indicate that Dewsbury Riverside, Chidswell and Bradley could withstand a CIL charge at a rate consistent with the Charging Zone of tariff of £20 per sq m. However, it should be noted that no detailed site infrastructure and abnormal costs have yet been developed for these sites and whilst budget allowances have been made in as illustrated below (£370,650 pe ha), in the very real possibility that such costs exceed the allowances this could remove the ability of these sites to support a CIL charge. In the event that this is the case, the Council could consider reviewing the CIL charging schedule to place a zero rate on these sites, seek to exempt them under Exceptional Circumstances Relief or accept that adjustments in affordable housing contributions would be necessary to mitigate the impact on viability.

	Net area (ha)	GIA of market units (Sq m)	Gross residual land value	Allowance for land costs	Allowance for abnormal and site infrastructure	Headroom for CIL	Headroom for CIL per sq m
Dewsbury Riverside	66.00	178794	£52,885,361	£24,462,900	£24,462,900	£3,959,561	£22
Per ha				£370,650	£370,650		
Chidswell	43.86	118809	£46,670,920	£16,256,709	£16,256,709	£14,157,502	£119
Per ha				£370,650	£370,650		
Bradley Golf Course	55.94	151548	£59,720,530	£20,735,220	£20,735,220	£18,250,090	£120
Per ha				£370,650	£370,650		

Commercial Results

- 4.5 An update to the results of the commercial appraisals was also carried out based on the same scheme typologies outlined in the original viability evidence document in 2015. Build costs and revenues were updated. Build costs were applied based on the current BCIS median rates rebased for Yorkshire. Revenues were updated based on recent sales evidence. In the case of the industrial sector, an increase in capital values was applied based on a yield shift of 50 base points (0.5%). The results, illustrated below, indicate that neither industrial nor office property types are realistically capable of supporting a CIL charge, and that in respect of the retail sector, the headroom for CIL on retail warehousing indicated by the original viability evidence has since been reduced as a result of increased build costs combined with stagnation of rental/capital value growth. As a result, headroom for CIL is only evident on the highest value area of retail warehousing within the District at Birstall. This raises a question as to whether the Council should zero rate retail or limit the charge to a new zone in the Birstall area.



Commercial Area Wide Viability Analysis - current values							
Scheme	Site Size (hectares)	Floor coverage (Sq m)	Benchmark Land Value per hectare (£)	Actual Benchmark Land Value (£)	Residual Land Value (£)	Residual Land Value per hectare minus actual benchmark Land Value (£)	Maximum Available for CIL (£)
Retail							
Town Centre							
Shopping Centre	1.25	5000	£1,535,500	£1,919,375	£790,833	-£1,128,542	-£226
Retail Warehousing	0.75	3000	£1,535,500	£1,151,625	£1,142,203	-£9,422	-£3
Superstore	1.60	3995	£1,535,500	£2,456,800	£1,881,402	-£575,398	-£144
Supermarket	0.60	1500	£1,535,500	£921,300	£429,049	-£492,251	-£328
Convenience Store	0.16	400	£1,535,500	£245,680	£248,609	£2,929	£7
Local Centre							
Convenience Store	0.16	400	£1,535,500	£245,680	£124,863	-£120,817	-£302
Out of Centre, Birstall							
Retail Warehousing	0.75	3000	£1,535,500	£1,151,625	£7,041,465	£5,889,840	£1,963
Out of Centre, generally							
Retail Warehousing	0.75	3000	£1,535,500	£1,151,625	£1,142,203	-£9,422	-£3
Superstore	1.60	3995	£1,535,500	£2,456,800	£1,881,402	-£575,398	-£144
Supermarket	0.60	1500	£1,535,500	£921,300	£429,049	-£492,251	-£328
Convenience Store	0.16	400	£1,535,500	£245,680	£248,609	£2,929	£7
Office							
Town centre	0.38	3,000	794,200	301,796	-3,592,620	-3,894,416	-1,298
Out of town	0.38	3,000	794,200	301,796	-3,592,620	-3,894,416	-1,298
Industrial							
Small industrial / warehouse	0.71	2,500	794,200	563,882	-156,678	-720,560	-288
Medium industrial / warehouse	1.43	5,000	794,200	1,135,706	-509,467	-1,645,173	-329
Large industrial / warehouse	2.86	10,000	794,200	2,271,412	-1,343,807	-3,615,219	-362

APPRAISAL SUMMARY**CUSHMAN & WAKEFIELD****Land South of Ravensthorpe Road, Dewsbury
Residential Development****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	m	Sales Rate m ²	Unit Price	Gross Sales
Phase 1 Market units	1	10,836.00	1,884.00	20,415,024	20,415,024
Phase 1 Affordable & Social Rented	1	1,501.00	588.00	882,588	882,588
Phase 1 Shared Ownership	1	1,208.00	999.05	1,206,852	1,206,852
Phase 2 Market units	1	21,672.00	1,884.00	40,830,048	40,830,048
Phase 2 Affordable & Social Rented	1	3,002.00	588.00	1,765,176	1,765,176
Phase 2 Shared Ownership	1	2,416.00	999.05	2,413,705	2,413,705
Phase 3 Market units	1	48,762.00	2,152.85	104,977,272	104,977,272
Phase 3 Affordable & Social Rented	1	6,754.00	588.00	3,971,352	3,971,352
Phase 3 Shared Ownership	1	5,437.00	999.00	5,431,563	5,431,563
Phase 4 Market units	1	48,762.00	2,152.85	104,977,272	104,977,272
Phase 4 Affordable & Social Rented	1	6,754.00	588.00	3,971,352	3,971,352
Phase 4 Shared Ownership	1	5,437.00	999.00	5,431,563	5,431,563
Phase 5 Market units	1	48,762.00	2,152.85	104,977,272	104,977,272
Phase 5 Affordable & Social Rented	1	6,754.00	588.00	3,971,352	3,971,352
Phase 5 Shared Ownership	1	5,437.00	999.00	5,431,563	5,431,563
Totals	15	223,494.00			410,653,953

NET REALISATION**410,653,953****OUTLAY****ACQUISITION COSTS**

Residualised Price		52,885,361		52,885,361
Stamp Duty			2,581,768	
Agent and Legal Fees inc VAT	1.80%		951,937	
				3,533,704

CONSTRUCTION COSTS

Construction	m	Build Rate m ²	Cost
Phase 1 Market units	10,836.00	1,038.00	11,247,768
Phase 1 Affordable & Social Rented	1,501.00	1,038.00	1,558,038
Phase 1 Shared Ownership	1,208.00	1,038.00	1,253,904
Phase 2 Market units	21,672.00	1,038.00	22,495,536
Phase 2 Affordable & Social Rented	3,002.00	1,038.00	3,116,076
Phase 2 Shared Ownership	2,416.00	1,038.00	2,507,808
Phase 3 Market units	48,762.00	1,038.00	50,614,956
Phase 3 Affordable & Social Rented	6,754.00	1,038.00	7,010,652
Phase 3 Shared Ownership	5,437.00	1,038.00	5,643,606
Phase 4 Market units	48,762.00	1,038.00	50,614,956
Phase 4 Affordable & Social Rented	6,754.00	1,038.00	7,010,652
Phase 4 Shared Ownership	5,437.00	1,038.00	5,643,606
Phase 5 Market units	48,762.00	1,038.00	50,614,956
Phase 5 Affordable & Social Rented	6,754.00	1,038.00	7,010,652
Phase 5 Shared Ownership	5,437.00	1,038.00	5,643,606
Totals	223,494.00		231,986,772

Contingency	3.00%	6,959,603		6,959,603
-------------	-------	-----------	--	-----------

PROFESSIONAL FEES

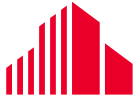
Professional Fees	8.00%	18,558,942		18,558,942
-------------------	-------	------------	--	------------

DISPOSAL FEES

Marketing, sales agent and legal fe	3.50%	13,166,191		13,166,191
-------------------------------------	-------	------------	--	------------

FINANCE

Debit Rate 6.00%, Credit Rate 0.50% (Nominal)



APPRAISAL SUMMARY

**Land South of Ravensthorpe Road, Dewsbury
Residential Development**

Total Finance Cost	102,165
TOTAL COSTS	327,192,738
PROFIT	83,461,215

Performance Measures

Profit on Cost%	25.51%
Profit on GDV%	20.32%
Profit on NDV%	20.32%
IRR	37.43%
Profit Erosion (finance rate 6.000)	3 yrs 10 mths

APPRAISAL SUMMARY**CUSHMAN & WAKEFIELD****Chidswell, Land East of Leeds Road, Dewsbury
Residential Development****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	mSales Rate	m ²	Unit Price	Gross Sales
Phase 1 Market Units	1	23,994.00	2,260.00	54,226,440	54,226,440
Phase 1 Affordable & social rented units	1	3,323.00	588.04	1,954,057	1,954,057
Phase 1 Shared ownership	1	2,675.00	999.05	2,672,459	2,672,459
Phase 2 Market Units	1	24,226.00	2,260.00	54,750,760	54,750,760
Phase 2 Affordable & social rented units	1	3,355.00	588.04	1,972,874	1,972,874
Phase 2 Shared ownership	1	2,701.00	999.05	2,698,434	2,698,434
Phase 3 Market Units	1	24,149.00	2,260.00	54,576,740	54,576,740
Phase 3 Affordable & social rented units	1	3,345.00	588.00	1,966,860	1,966,860
Phase 3 Shared ownership	1	2,693.00	999.00	2,690,307	2,690,307
Phase 4 Market Units	1	23,220.00	2,260.00	52,477,200	52,477,200
Phase 4 Affordable & social rented units	1	3,216.00	588.00	1,891,008	1,891,008
Phase 4 Shared ownership	1	2,589.00	999.00	2,586,411	2,586,411
Phase 5 Market Units	1	23,220.00	2,260.00	52,477,200	52,477,200
Phase 5 Affordable & social rented units	1	3,216.00	588.00	1,891,008	1,891,008
Phase 5 Shared ownership	1	<u>2,589.00</u>	999.00	2,586,411	<u>2,586,411</u>
Totals	15	148,511.00			291,418,169

NET REALISATION**291,418,169****OUTLAY****ACQUISITION COSTS**

Residualised Price		46,670,920		46,670,920
Stamp Duty			2,281,046	
Agent and Legal Fees inc VAT	1.80%	840,077		3,121,122

CONSTRUCTION COSTS

Construction	mBuild Rate	m ²	Cost
Phase 1 Market Units	23,994.00	1,038.00	24,905,772
Phase 1 Affordable & social rented units	3,323.00	1,038.00	3,449,274
Phase 1 Shared ownership	2,675.00	1,038.00	2,776,650
Phase 2 Market Units	24,226.00	1,038.00	25,146,588
Phase 2 Affordable & social rented units	3,355.00	1,038.00	3,482,490
Phase 2 Shared ownership	2,701.00	1,038.00	2,803,638
Phase 3 Market Units	24,149.00	1,038.00	25,066,662
Phase 3 Affordable & social rented units	3,345.00	1,038.00	3,472,110
Phase 3 Shared ownership	2,693.00	1,038.00	2,795,334
Phase 4 Market Units	23,220.00	1,038.00	24,102,360
Phase 4 Affordable & social rented units	3,216.00	1,038.00	3,338,208
Phase 4 Shared ownership	2,589.00	1,038.00	2,687,382
Phase 5 Market Units	23,220.00	1,038.00	24,102,360
Phase 5 Affordable & social rented units	3,216.00	1,038.00	3,338,208
Phase 5 Shared ownership	<u>2,589.00</u>	1,038.00	<u>2,687,382</u>
Totals	148,511.00	154,154,418	154,154,418

Contingency	3.00%	4,624,633	4,624,633
-------------	-------	-----------	-----------

PROFESSIONAL FEES

Professional Fees	8.00%	12,332,353	12,332,353
-------------------	-------	------------	------------

DISPOSAL FEES

Marketing, sales agent & legal fees	3.50%	9,397,792	9,397,792
-------------------------------------	-------	-----------	-----------

FINANCE

Debit Rate 6.75%, Credit Rate 0.50% (Nominal)

APPRAISAL SUMMARY	CUSHMAN & WAKEFIELD
--------------------------	--------------------------------

**Chidswell, Land East of Leeds Road, Dewsbury
Residential Development**

Total Finance Cost	701,326
TOTAL COSTS	231,002,564
PROFIT	60,415,605

Performance Measures

Profit on Cost%	26.15%	
Profit on GDV%	20.73%	
Profit on NDV%	20.73%	
 IRR	 33.24%	
 Profit Erosion (finance rate 6.750)	 3 yrs 6 mths	

APPRAISAL SUMMARY**CUSHMAN & WAKEFIELD****Land North of Bradley Road, Huddersfield
Residential Development****Summary Appraisal for Merged Phases 1 2 3 4 5**

Currency in £

REVENUE

Sales Valuation	Units	m	Sales Rate m ²	Unit Price	Gross Sales
Phase 1 Market Units	1	30,960.00	2,260.00	69,969,600	69,969,600
Phase 1 Affordable and Social rented	1	4,288.00	587.92	2,521,001	2,521,001
Phase 1 Shared ownership	1	3,452.00	998.89	3,448,168	3,448,168
Phase 2 Market Units	1	30,960.00	2,260.00	69,969,600	69,969,600
Phase 2 Affordable and Social rented	1	4,288.00	587.92	2,521,001	2,521,001
Phase 2 Shared ownership	1	3,452.00	998.89	3,448,168	3,448,168
Market	1	32,585.00	2,260.00	73,642,100	73,642,100
Phase 3 Affordable and Social rented	1	4,513.00	587.92	2,653,283	2,653,283
Phase 3 Shared ownership	1	3,633.00	998.89	3,628,967	3,628,967
Phase 4 Market Units	1	32,585.00	2,260.00	73,642,100	73,642,100
Phase 4 Affordable and Social rented	1	4,513.00	587.92	2,653,283	2,653,283
Phase 4 Shared ownership	1	3,633.00	998.89	3,628,967	3,628,967
Phase 5 Market Units	1	24,458.00	2,260.00	55,275,080	55,275,080
Phase 5 Affordable and Social rented	1	3,387.00	587.92	1,991,285	1,991,285
Phase 5 Shared ownership	1	<u>2,727.00</u>	998.89	2,723,973	<u>2,723,973</u>
Totals	15	189,434.00			371,716,577

NET REALISATION**371,716,577****OUTLAY****ACQUISITION COSTS**

Residualised Price		59,720,530		59,720,530
Stamp Duty		2,933,526		
Agent and legal fees inc VAT	1.80%	1,074,970		4,008,496

CONSTRUCTION COSTS

Construction	m	Build Rate m ²	Cost
Phase 1 Market Units	30,960.00	1,038.00	32,136,480
Phase 1 Affordable and Social rented	4,288.00	1,038.00	4,450,944
Phase 1 Shared ownership	3,452.00	1,038.00	3,583,176
Phase 2 Market Units	30,960.00	1,038.00	32,136,480
Phase 2 Affordable and Social rented	4,288.00	1,038.00	4,450,944
Phase 2 Shared ownership	3,452.00	1,038.00	3,583,176
Market	32,585.00	1,038.00	33,823,230
Phase 3 Affordable and Social rented	4,513.00	1,038.00	4,684,494
Phase 3 Shared ownership	3,633.00	1,038.00	3,771,054
Phase 4 Market Units	32,585.00	1,038.00	33,823,230
Phase 4 Affordable and Social rented	4,513.00	1,038.00	4,684,494
Phase 4 Shared ownership	3,633.00	1,038.00	3,771,054
Phase 5 Market Units	24,458.00	1,038.00	25,387,404
Phase 5 Affordable and Social rented	3,387.00	1,038.00	3,515,706
Phase 5 Shared ownership	<u>2,727.00</u>	1,038.00	<u>2,830,626</u>
Totals	189,434.00		196,632,492

Contingency	3.00%	5,898,975	5,898,975
-------------	-------	-----------	-----------

PROFESSIONAL FEES

Professional Fees	8.00%	15,730,599	15,730,599
-------------------	-------	------------	------------

DISPOSAL FEES

Marketing, sales agent & legal fees	3.50%	11,987,447	11,987,447
-------------------------------------	-------	------------	------------

FINANCE

Debit Rate 6.75%, Credit Rate 0.50% (Nominal)

APPRAISAL SUMMARY	CUSHMAN & WAKEFIELD
--------------------------	--------------------------------

**Land North of Bradley Road, Huddersfield
Residential Development**

Total Finance Cost	765,121
TOTAL COSTS	294,743,659
PROFIT	76,972,918

Performance Measures

Profit on Cost%		26.12%
Profit on GDV%		20.71%
Profit on NDV%		20.71%
 IRR		 32.73%
Profit Erosion (finance rate 6.750)	3 yrs 6 mths	

Cushman & Wakefield
St Paul's House
23 Park Square South
Leeds LS1 2ND

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for our clients. Cushman & Wakefield is among the largest commercial real estate services firms, with core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation and valuation & advisory.

To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

© Cushman & Wakefield 2017