

## **Dewsbury Riverside Viability Assumptions: May 2018**

At the Dewsbury Riverside Site Specific Session on Tuesday 27 February 2018, a short note was requested which summarises the assumptions within the Viability Appraisal for the site.

Please note this is commercially sensitive information and is not to be placed on the public file. This viability information is provided on a confidential basis to the Examination. We therefore request that the information should not be disclosed to any third parties (other than consultants instructed by the Council to review this report) under the Freedom of Information Act 2000 (sections 41 and 43(2)) or under the Environmental Information Regulations.

Savills PLC has taken into account infrastructure requirements, abnormal costs and planning requirements, as well as an assessment of land and property values that are likely to be achieved, so as to ensure that the development is commercially viable.

The Viability Appraisal considers a range of scenarios from an average floor area per unit of 900 to 1,000 sq. ft. / unit. In the scenarios Savills assumed density coverage of between 15 to 17 units per acre. This created a range from 3,597 to 4,000 dwellings across the 239.8 net developable acres.

This process has factored in the following:

- Typical land and property values in the locality (comparative assessment)
- Infrastructure requirements
- Abnormal costs
- Phasing, build rate and cash flow
- Financial contributions

Savills applied standard industry assumptions including:

- 1.5 per cent sales agent fee;
- 0.5 per cent legal fees on acquisition;
- Stepped stamp duty land tax;
- Professional fees at 6 per cent of the build costs;
- Sales, marketing and legal fees on disposal of 3 per cent;
- Finance rate of 6 per cent (inclusive of entry and exit fees); and
- 20 per cent profit on the Gross Development Value.

Allowances were made in the appraisal for:

- Two primary schools (■■■■■);
- Pylon removal (■■■);
- Gas main diversion (■■■);
- Off-site highways (■■■);
- The potential River Calder Bridge (■■■■);
- Community Infrastructure Levy;
- Other abnormal costs at £20psf; and
- A policy compliant provision of 20 per cent affordable housing has been included at a blended £/sq. ft. for the affordable tenures of £85 psf.

All of the above have been timed accordingly in the cash flow.

Given the scale and nature of the site a range of sales values were considered and a blended sales value of £195 psf has been assumed for the residential with build costs of £85 psf. The local centre and some older person accommodation have also been included in the appraisal.

This Appraisal demonstrates that the scheme is viable and creates a positive land value and developer profit. The scheme therefore fully accords with the Framework in generating a “competitive return to a willing landowner and willing developer to enable the development to be deliverable”.

Andrew Rose

May 2018