

Kirklees Local Plan and CIL Viability Addendum

KIRKLEES COUNCIL

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Disclaimer

In light of the recent Referendum concerning the UK's membership of the EU, we are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets. At this time organisations involved in the industry are reflecting on the potential implications of the UK leaving the EU. Since the Referendum date it has not been possible to gauge the effect of the impact on rental and capital values, along with other elements affecting property appraisal. Cushman & Wakefield continues to closely monitor market developments and trends in order that we can provide clients with the most up to date advice. The views contained in this document are provided in the context of this market uncertainty and as such our estimates and opinions are susceptible to change. Development appraisal results are particularly sensitive to changes in key variables such as cost and values. Accordingly we advise that clients have regard to this risk and may need to commission further advice before acting on the opinions expressed

1.0 Introduction

- 1.1 This report represents an Addendum to the Kirklees Local Plan and Community Infrastructure Levy Viability Study, produced by Cushman and Wakefield on behalf of Kirklees Council, in October 2015.
- 1.2 It considers the representations that have been made to the Local Plan and Community Infrastructure Levy Consultation. It specifically deals with those comments that relate to economic viability. It also provides further analysis and iteration of the viability evidence base as regards the viability of the proposed planning standards and CIL charges in the Local Plan and Draft Charging Schedule respectively.
- 1.3 Appendix 1 provides a record of the representations relating to viability and our responses. The remaining sections of this report address the key areas of change which are:
- Review of value areas and sales evidence
 - Remodelling of the area wide appraisals
 - Further testing of strategic development sites based on additional information available since our previous report
 - Testing of student accommodation development
 - Recommendations for changes to Local Plan policy standards and CIL charging rates.

2.0 Review of Value Areas and Sales Evidence

Representations

- 2.1 Representations have been made which challenge the value areas underpinning the Charging Zones and the new build evidence supporting those value areas. The points that have been made are, in summary:
- Further justification is required of the value areas
 - Value areas 1 and 2 (highest value and second highest value) should be merged to reflect the new build evidence
 - Consideration should be given to increasing the number of value areas
- 2.2 As a result of these comments further evidence has been gathered as regards average house prices and new build sales values which have been analysed geographically.

Updated average house prices and sales revenues

- 2.3 The use of average house prices (i.e. blended and new build housing prices) is the only comprehensive and consistent means of documenting residential property values on an area-wide basis. However, whilst it is useful in informing geographical areas, it is the new build sales evidence which we have used to inform the value assumptions in the viability assessment which we have overlaid across the average house price data. The reason for this is that average house prices do not provide an accurate indication of new build values which generally attain a significant premium over average prices. Therefore, our approach to defining value areas has involved:
- Identify geographical differences in market strength using average house price data at postal district level (Land Registry data based on all house transactions new and second hand)
 - Research new build evidence to determine actual sales prices being achieved (through research

of websites such as Nethouseprice, Zoopla and consultation with housebuilder sales agents)

- Devise value areas based on value bands that correspond closely with differences in new build evidence
- Calculate averages of new build evidence in each value area to determine sales revenue assumption to be applied in the viability model.

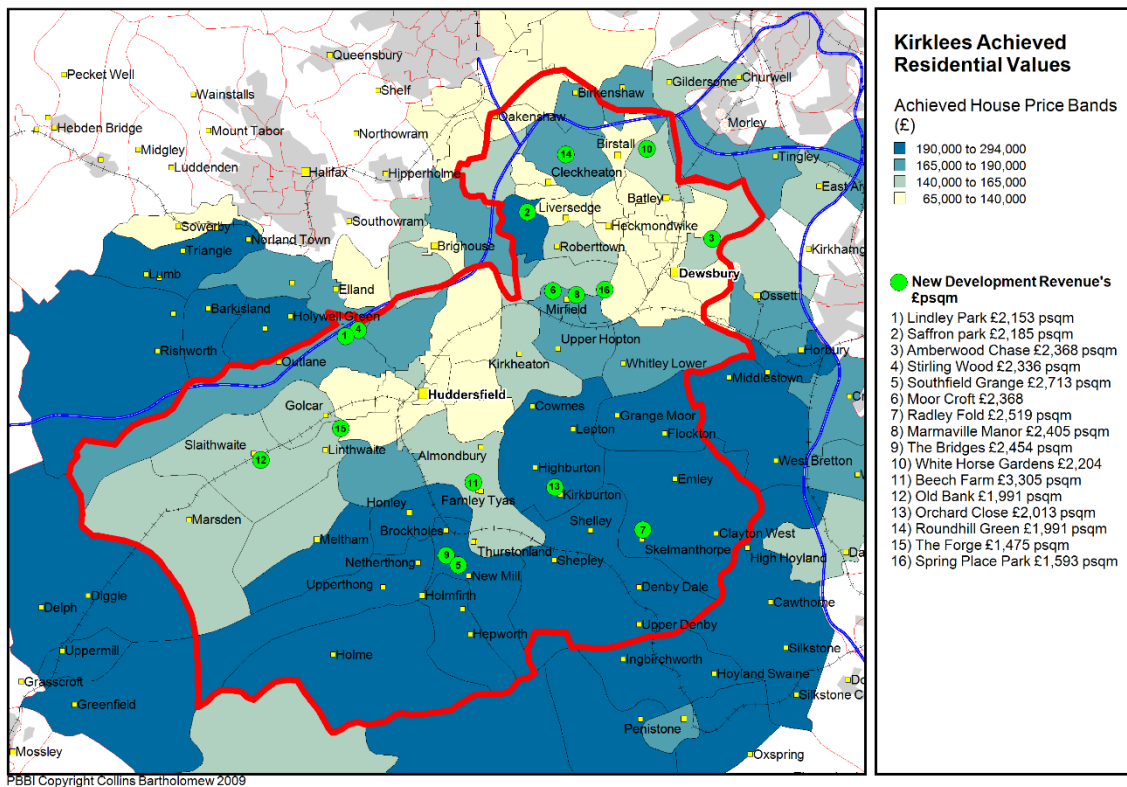
2.4 Taking into consideration the representations that have been made, the following changes to average house price bands have been made which allow a better alignment with geographical differences in new build evidence that have been observed:

Table 2.1: Average House Price Bands

Value area	October 2015 study	Revised
1	£200,000-£260,000	£190,000 -£294,000
2	£175,000-£200,000	
3	£125,000-£175,000	£165,000-£190,000
4	£100,000-£125,000	£140,000-£165,000
5	£75,000-£100,000	£65,000-£140,000

2.5 The five value areas that were presented in the viability study have been replaced with four value areas, with the two highest value areas effectively being merged into one single band. The map presented by Figure 2.1 below presents these average house price bands by postal area (shaded in blue) together with new build sales values (numbered 1 to 16).

Figure 2.1: Average house prices and average new build values

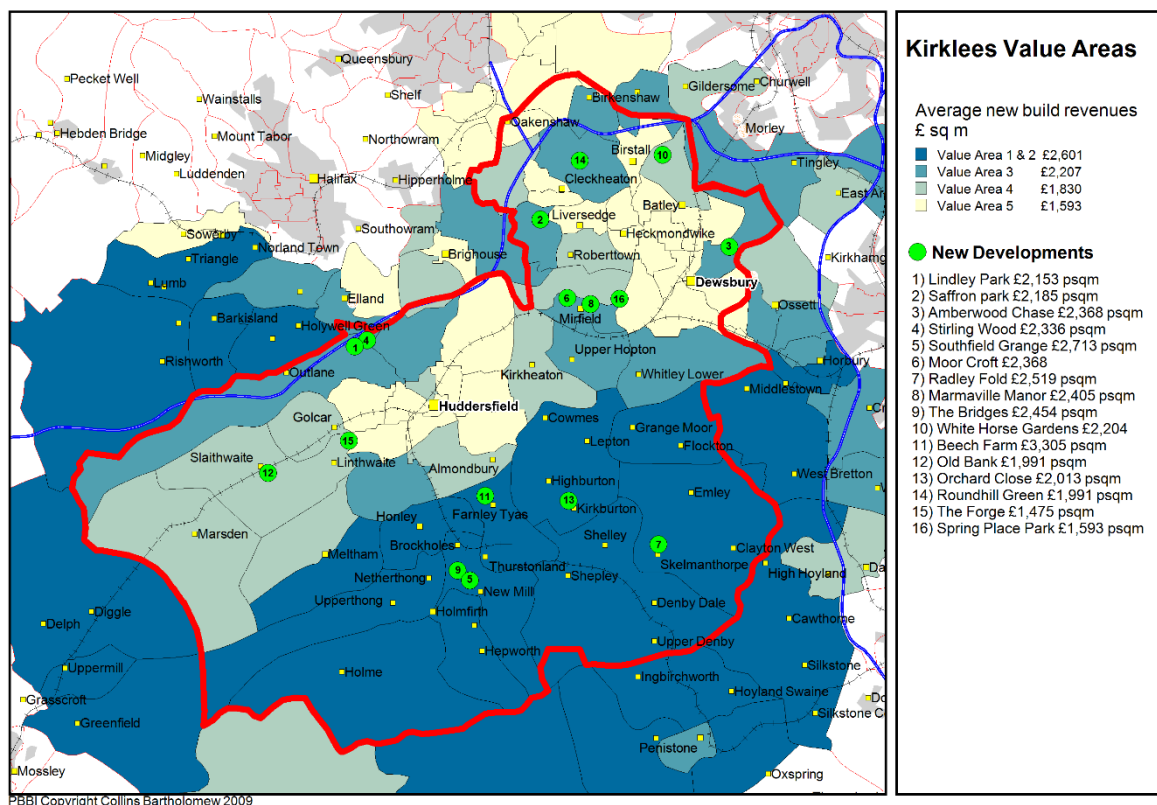


2.6 Reviewing the map, we considered there to be three anomalies based on stark inconsistencies between new build values achieved and average house prices. These were:

- Liversedge, which experiences a relatively high average house price overall but which is not supported by local new build evidence;
- Farnley Tyas, where average house prices are skewed downwards by the area to the north of Almondbury, concealing a much higher new build revenue potential as demonstrated by the Beech Farm development which has achieved over £3300 per m; and
- To the North East of Dewsbury, where despite a relatively modest average house price overall, new build evidence provided by the recent Amberwood Chase development indicates strong new build sales potential with recent revenues achieving well over £2,000 per sq m

Adjustments have therefore been made to address these anomalies with Liversedge moving from Value Area 1 / 2 to Value Area 3, the Farnley Tyas moving from Value Area 4 to Value Area 1 / 2 and the area to the north east of Dewsbury moving from Value Area 4 to Value Area 3. The resultant value areas are presented below together with average new build revenues (i.e. the average of the revenues achieved of all new build schemes within each area):

Figure 2.2: Adjusted Value Areas



Revised new build revenue assumptions

- 2.7 Taking into account the revised value areas and value bands the new build revenues have been averaged and moderated to the following levels:

Table 2.2: Sales Revenue Assumptions

Value area	Average house price band (based on Land Registry - all house prices)	Average new build revenue (from research of recent new build housing schemes)	Sales revenue assumption applied to appraisal
1 and 2	£190,000 - £294,000	£2604 psm (£242 psf)	£2476 psm (£230 psf)
3	£165,000-£190,000	£2207 psm (£205 psf)	£2153 psm (£200 psf)
4	£140,000-£165,000	£1830 psm (£170 psf)	£1884 psm (£175 psf)
5	£65,000-£140,000	£1593 psm (£148 psf)	£1614 psm (£150 psf)

3.0 Remodelling of Area Wide Appraisals

Residential modelling

- 3.1 The appraisals have been remodelled based on the revised value areas and revenues. The land value benchmark for the new Value Area 1 has been adjusted to reflect the reduced revenue assumption (this represents an average of the land value benchmarks of Value Areas 1 and 2 in the previous viability evidence document). The purchaser costs have also been adjusted to account of changes to stamp duty brought into effect by the March 2016 budget.
- 3.2 The changes to the viability modelling are summarised below, with all other assumptions being consistent with the viability report of October 2015:

Table 3.1: Changes to Viability Assumptions

New build revenues	Value Area 1 and 2 £2476 per sq m (£230 psf) Value Area 3 £2153 per sq m (£200 psf) Value Area 4 £1884 per sq m (£175 psf) Value Area 5 £1615 per sq m (£150 psf)		
Land value benchmarks		Land value benchmarks inclusive of abnormals (Per ha) in Viability Study October 2015	Blended land value for revised Value Area 1 (per ha)
	Value Area 1	£1,359,050	£1,266,388
	Value Area 2	£1,173,725	
Purchaser costs	Increased from 5.8% to 6.8% to reflect increases in stamp duty introduced by March 2016 budget (the percentage also allows for agents and legal fees inclusive of VAT). The actual level of stamp duty will vary according to the value of the transaction however 6.8% of the land value represents the highest possible overall purchaser costs and as such is a conservative assumption.		

- 3.3 The appraisals have been assessed on the basis of an affordable housing requirement of 20% in

accordance with the emerging Local Plan policy and the mix and transfer values consistent with the earlier report.

3.4 Table 3.1 below sets out the results in respect of the CIL headroom figures expressed in £ per sq m for each of the site typologies. An overall average for each revised value area is provided.

Table 3.2: Remodelled results

Residential Area Wide Viability Analysis 20% Affordable Housing (except Schemes 0 and 1)									
Value Area	Scheme reference	Site Size (hectares)	Market floor coverage (sq m)	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 and 2	0	0.14	529	£1,266,387	£177,294.18	£341,827	£164,533	£311	£311
	1	0.25	945	£1,266,387	£316,597	£610,405	£293,808	£311	
	2	0.70	2,164	£1,266,387	£886,471	£1,273,852	£387,381	£179	£127
	3	1.50	4,516	£1,266,387	£1,899,581	£2,527,508	£627,928	£139	
	4	2.50	7,597	£1,266,387	£3,165,968	£4,203,950	£1,037,982	£137	
	5	3.50	10,588	£1,266,387	£4,432,355	£5,725,798	£1,293,443	£122	
	6	4.50	13,564	£1,266,387	£5,698,742	£7,139,878	£1,441,137	£106	
	7	6.50	19,683	£1,266,387	£8,231,516	£10,512,333	£2,280,818	£116	
	8	8.00	24,257	£1,266,387	£10,131,096	£12,859,229	£2,728,133	£112	
9	10.00	30,244	£1,266,387	£12,663,870	£15,723,204	£3,059,334	£101		
3	0	0.14	529	£988,400	£138,376	£235,740	£97,364	£184	£183
	1	0.25	945	£988,400	£247,100	£419,431	£172,331	£182	
	2	0.70	2,164	£988,400	£691,880	£846,407	£154,527	£71	£34
	3	1.50	4,516	£988,400	£1,482,600	£1,654,850	£172,250	£38	
	4	2.50	7,597	£988,400	£2,471,000	£2,777,450	£306,450	£40	
	5	3.50	10,588	£988,400	£3,459,400	£3,805,083	£345,683	£33	
	6	4.50	13,564	£988,400	£4,447,800	£4,722,310	£274,510	£20	
	7	6.50	19,683	£988,400	£6,424,600	£6,963,530	£538,930	£27	
	8	8.00	24,257	£988,400	£7,907,200	£8,500,577	£593,377	£24	
9	10.00	30,244	£988,400	£9,884,000	£10,391,369	£507,369	£17		
4	0	0.14	529	£803,075	£112,431	£147,329	£34,899	£66	£66
	1	0.25	945	£803,075	£200,769	£263,088	£62,319	£66	
	2	0.70	2,164	£803,075	£562,153	£587,934	£25,781	£12	-£95
	3	1.50	4,516	£803,075	£1,204,613	£1,033,896	£-170,717	-£38	
	4	2.50	7,597	£803,075	£2,007,688	£1,405,063	£-602,624	-£79	
	5	3.50	10,588	£803,075	£2,810,763	£1,745,962	£-1,064,800	-£101	
	6	4.50	13,564	£803,075	£3,613,838	£2,565,049	£-1,048,789	-£77	
	7	6.50	19,683	£803,075	£5,219,988	£3,128,027	£-2,091,961	-£106	
	8	8.00	24,257	£803,075	£6,424,600	£3,846,851	£-2,577,749	-£106	
9	10.00	30,244	£803,075	£8,030,750	£120,614	£-7,910,136	-£262		
5	0	0.14	529	£617,750	£86,485	£69,257	£-17,228	-£33	-£33
	1	0.25	945	£617,750	£154,438	£123,673	£-30,764	-£33	
	2	0.70	2,164	£617,750	£432,425	£133,828	£-298,597	-£138	-£154
	3	1.50	4,516	£617,750	£926,625	£199,132	£-727,493	-£161	
	4	2.50	7,597	£617,750	£1,544,375	£393,124	£-1,151,251	-£152	
	5	3.50	10,588	£617,750	£2,162,125	£532,378	£-1,629,747	-£154	
	6	4.50	13,564	£617,750	£2,779,875	£647,512	£-2,132,363	-£157	
	7	6.50	19,683	£617,750	£4,015,375	£948,701	£-3,066,674	-£156	
	8	8.00	24,257	£617,750	£4,942,000	£1,156,088	£-3,785,912	-£156	
9	10.00	30,244	£617,750	£6,177,500	£1,415,389	£-4,762,111	-£157		

3.5 Table 3.3 below summarises the average maximum headroom figures for sites over and under 10 units respectively, in comparison to the original viability study. The results of the merged value areas 1 and 2 are reduced and reflect broadly a mid-point between the previous value areas. The headroom in Value Area 3 has been reduced marginally which reflects the higher purchaser costs that are applied

in the revised modelling.

Table 3.3: Comparison of CIL headroom between October 2015 report and revised assessments

Maximum CIL Headroom (October 2015)		Preliminary Draft Charging Schedule Rates	Maximum CIL Headroom (May 2016)	
	£ per sq m	£ per sq m		£ per sq m
Sites of 10 units plus			Sites of 10 units plus	
Value Area 1	163	80	Value Area 1 and 2	127
Value Area 2	101	60		
Value Area 3	38	20	Value Area 3	34
Value Area 4	0	5	Value Area 4	0
Value Area 5	0	5	Value Area 5	0
Sites of less than 10 units			Sites of less than 10 units	
Value Area 1	360	100	Value Area 1 and 2	311
Value Area 2	274	80		
Value Area 3	188	60	Value Area 3	183
Value Area 4	102	40	Value Area 4	66
Value Area 5	0	0	Value Area 5	0

3.6 In terms of the implications for the CIL charging rates, the revised results indicate that the merged zones of value areas 1 and 2 can support the higher rate of £80 per sq m with a significant viability buffer. The results also indicate that the charging rates for all other zones remain viable with an adequate viability buffer. Therefore, the result of this reappraisal indicates there is a case for merging the two highest value zones and attributing the higher charge rate to this merged area, but retaining all other rates as set out in the Preliminary Draft Charging Schedule as set out.

4.0 Remodelling of Strategic Allocations

Strategic Site Allocations

4.1 In this section we present the results of further testing of strategic sites originally set out in Section 8 of the Viability Study published in October 2015. Within our earlier report only a single phase of these sites were appraised but as a result of further information being available they have now been appraised in their entirety.

4.2 The sites that have been retested are:

- Dewsbury Riverside (H2089)
- Chidswell (MX1905)

- Bradley Golf Course (H1747 & H351)
- Blackmoorfoot Road (MX1930)
- Storthes Hall (MDGB2134)

4.3 In addition to these sites a further site allocation has been appraised which is referenced as 'Westgate' located in Cleckheaton (MX3349).

4.4 The sites have been modelled in Argus Developer which is an industry standard development appraisal and valuation software. The assessment is based on a period by period residual development appraisal in a form consistent with the area wide viability appraisals.

Site details and development assumptions

4.5 The sites have been assessed based on their residential development capacity consistent with the proposals emerging in the Draft Local Plan. Because the land values benchmarks are based on net developable areas, for the purposes of benchmarking, net site areas have been used and where these areas were not available, an implied figure has been used assuming a development density of 35 dwellings per ha. Whilst most of these sites' development will include areas designated for other supporting uses such as community facilities and green infrastructure, these have been excluded from the calculation of net developable areas as would typically be expected when calculating land value benchmarks on a net developable basis.

Table 4.1: Site details

Site	Net developable area	Units
Dewsbury Riverside (land south of Ravensthorpe Road, Thornhill Leeds, Dewsbury)	66.00 ha*	2310 units
Chidswell, land east of Leeds Road, Shawcross, Dewsbury	43.86 ha*	1535 units
Bradley Golf Club, land north of Bradley Road, Bradley, Huddersfield	55.94 ha*	1958 units
Blackmoorfoot Road, land north of Blackmoorfoot Road, Crossland Moor, Huddersfield	12.60 ha*	441 units
Storthes Hall Student Village and site of former Storthes Hall Hospital, Storthes Hall Lane, Kirkburton, Huddersfield	14.43 ha	505 units
Land adjacent Westgate, Cleckheaton	6.60 ha	198 units

4.6 In respect of the development assumptions, a dwelling mix and dwelling size has been assumed consistent with the area wide assumptions set out in the original viability study (October 2015). This is based on a dwelling mix of 25% 2 bed, 40% 3 bed, 25% 4 bed and 10% five bed. The application of this mix and the size assumptions from the 2015 report generates an overall floor area which has been applied in the development appraisals.

Development appraisal assumptions

- 4.7 Each site has been assessed to determine the most suitable value, timing and cost assumptions to apply. In the main, the appraisal assumptions are consistent with those used in the area wide model although where justified by site specific circumstances different inputs have been used. The principal differences are in respect of the overall quantum of development and the phasing and timescales for delivery.
- 4.8 Details of the assumptions that have been used for each site are set out in proforma format in Appendix 3. Because of the size of each site, it is assumed that each will be delivered via multiple delivery outlets with an appropriate phasing of payments for land and infrastructure. Delivery rates have been assumed at between 20 and 40 units per annum per outlet with adjustments being applied according to the quantity of housebuilders assumed on each site. It has been assumed that each house-builder will draw-down land for circa 100 units at a time with payments being made at each draw-down.
- 4.9 Because of a lack of technical information relating to site infrastructure and abnormal development costs we have had to make allowances for site infrastructure and abnormal development costs. It should be noted that this is merely an allowance and that in practice such requirements could change. The approach we have used is consistent with the area wide assessments in which a minimum land price was assumed alongside an allowance of £370,560 per ha (£150,000 per acre) for site abnormal development costs. Depending on the density of development achieved this allowance for abnormal development costs equates to approximately £15,000 per dwelling.

Results

- 4.10 Full details of the appraisal assumptions together with the Argus Appraisal summaries is set out at Appendix 3. A summary of the results, expressed in terms of the headroom for CIL, is provided in Table 4.2 below. The CIL headroom is effectively the maximum amount of CIL the development can afford, to be paid in instalments at the commencement of each phase of the scheme.
- 4.11 The results indicate that all sites are viable with the exception of Westgate in Cleckheaton, and able to deliver the affordable housing policy requirements and a CIL tariff. The range of CIL headroom figures varies from £27 per sq m to £153 per sq m for Storthes Hall. This reflects the relative market strength of each site's location and is broadly consistent with the area wide viability analysis.

Table 4.2: Site Specific Appraisal Results

	Net area (ha)	Gross residual land value	Allowance for land costs	Allowance for site infrastructure	Headroom for CIL	Headroom for CIL per sq m
Dewsbury Riverside	66.00	£70,017,594	£40,771,500	£24,462,900	£4,783,194	£27
			£617,750 per ha	£370,650 per ha		
Chidswell	43.86	£49,115,384	£27,094,515	£16,256,709	£5,764,160	£49
			£617,750 per ha	£370,650 per ha		
Bradley Golf Course	55.94	£62,728,925	£34,558,700	£20,735,220	£7,435,005	£49
			£617,750 per ha	£370,650 per ha		
Blackmoorfoot Road	12.6	£13,391,701	£7,783,650	£4,670,190	£937,861	£27
			£617,750 per ha	£370,650 per ha		
Storthes Hall	14.429	£24,262,187	£12,924,596	£5,348,109	£5,989,482	£153
			£895,738 per ha	£370,650 per ha		
Land adjacent Westgate, Cleckheaton	6.6	£3,317,756	£2,854,005	£2,446,290	£-1,982,539	£-129
			£432,425 per ha	£370,650 per ha		

- 4.12 Relating these findings to the proposed charging rates indicates that these headroom levels broadly

correlate to the charging zones in the anticipated revisions to the Preliminary Draft Charging Schedule:

- Dewsbury Riverside would largely fall into a £20 per sq m zone with part being in the nominal £5 per sq m zone
- Chidswell is located in the £20 per sq m charge zone and indicates capacity to deliver this rate of CIL.
- Bradley Golf Club would partly fall into the nominal charging zone (£5 per sq m) and partly in the mid charging zone (£20 per sq m) both tariff rates being significantly below the maximum headroom figures.
- Storthes Hall is located within the highest charging zone of £80 per sq m, with the appraisal displaying the potential for this site to meet the tariff.
- Land adjacent to Westgate in Cleckheaton is the only site that indicates there is no potential for CIL. However this site is already in the lowest charging area.

4.13 Therefore it is considered that these results provide a further justification for the CIL rates proposed, indicating the capacity of the tested sites to deliver the required CIL levy. Although there are acknowledged to be a significant number of unknowns at the current time as regards site development costs, there is considered to be adequate potential to insulate the potential for variations with the abnormal allowances and other viability buffers within the appraisal model.

4.14 There is also considered to be a case for a site specific CIL charging rate for the three largest strategic sites – Dewsbury Riverside, Chidswell and Bradley – which are differentiated by their scale and importance to the delivery of the Local Plan. The benefits of applying such an approach are that it creates a charging rate based on individual site circumstances and also ensures that complexity created by having multiple charging rates and zones crossing the site, is avoided. However, due to the lack of site information that has been supplied in respect of these sites which would make opting for a site specific CIL risky given the unknowns.

5.0 Student Residential Development

Market

5.1 There has been a significant amount of private student residential development in recent years in Huddersfield, reinforcing the strength of the market. This can be seen as a result of numerous factors including the University gaining various accolades and recognition and being ranked within the 10 top in England for student satisfaction and teaching excellence.

5.2 The University is located to the south of Huddersfield town centre, and attracts a city centre living market. Students are generally more attracted to living in the town centre within walking distance of the University and amenities. The table below shows this shift in student accommodation with a number of private student accommodation schemes now located within the Town Centre (HD1):

Table 5.1: Student accommodation in Huddersfield

Property	No. of beds	Location
Palace Studios, Kirkgate	120	HD1 1QJ
Aspley House, Firth Street	729	HD1 3BN
Little Aspley House		

Snow Island, Kings Mill Lane	108	HD1 3AU
Canalside Halls, Firth Street	35	HD1 6SD
Castings House, Kings Bridge Road	653	HD1 3DG
100 Firth Street – Unite Students	200	HD1 3BQ
Edge Student Living, 1 Ray Street	80	HD1 6BB
Saw Mill, Kings Mill Road	378	HD1 3AN
Kirkgate Residence, Oldgate	100	HD1 6HQ
Broomfield House, Firth Street	35	HD1 3DA
Northpoint Student Living, 5 Northumbria Street	57	HD1 2RD
Storches Hall Park Student Village	1,386	HD8 0WA
Ashenhurst Houses Student Village	280	HD4 6QN
Firth Point	200	HD1 3BQ
Oldgate House	179	HD1 6QF
TOTAL	4,540	

- 5.3 Below is a table that shows private student accommodation average weekly rent and let lengths based on research carried out by Cushman and Wakefield's student residential team for the 12 months of 2015:

Table 5.2: Student Accommodation Rents in Huddersfield

Student Accommodation	Operator	Av. Weekly Rent	Average Let length
Ashenhurst Houses	DIGS Student	86.67	39
Aspley Halls	Prodigy Living	140.50	48
Canalside	Canal side	-	-
Firth Point	UNITE	110.50	44
Kingsmill Studios	Kingsmill Studios	152	51
Kirkgate Residence	Kirkgate Residence	109.24	46
Saw Mill	UNITE	129.18	47
Snow Island	UNITE	114.60	47
Strothes Hall Park	DIGS Student	101	42
The Castings	Prodigy Living	137.43	49

- 5.4 The ranges in average weekly rent vary between £86 - £152, these variances will be based on the different specification of the accommodation available and the vicinity to the University.

Appraisal assumptions

- 5.5 A development appraisal of a typical Huddersfield town centre private student residential scheme has been produced. The table below sets out the assumptions used in the development appraisal. The scheme assumption is based on recent developments of student residential development in Huddersfield town centre, as detailed in the table. Other appraisal assumptions are based on market

research, with explanatory comments provided:

Table 5.3: Student Accommodation Appraisal Assumptions

Variable/Input	Assumptions	Comments
Scheme assumption	Site area 0.57 ha 500 beds 2 blocks	Based on review of recent planning permissions in Huddersfield <ul style="list-style-type: none"> - Former Robert Castings site, Colne Road (p/p Feb 2012) - 653 beds @ 0.74 ha = 883 units per ha. GIA 19,544 = 30 m2 per room - Land adjacent to Manchester Road (P/P 19/08/2014) – 504 rooms @ 0.5978 ha = 843 per ha
Rental assumptions	£139 per week for 49 weeks	Based on average achieved for Castings in 2015
Voids and bad debts	5%	Industry assumption
Operating costs	£1500 per room	Industry assumption
Investment yield	6.5%, 6.75% and 7%	Based on C&W market intelligence. Student residential yields can range depending on the whether it is a direct development for the university or a private sector development. In this instance it is a private sector development; these include private let and a nomination agreement. A nomination agreement is where an agreement is in place with the university to fill the accommodation, commanding a stronger yield. The other is a standard private let. The range in yields is 5.75% - 7.25%. Based on a review of comparable evidence and discussion with Cushman and Wakefield's student residential investment team, we have applied three yield scenarios of 6.5%, 6.75% and 7% which we consider provides a suitable range of most likely investment outcomes.
Purchaser's costs	1.8% (1% Agent, 0.5% legal, 0.3% VAT) Stamp duty @ a relevant rate	Stamp duty rate is based on new legislation introduced in March 2016, legal and agents fees are based on prevailing market rates
Land costs	Residualised and benchmarked against town centre land price of £1,235,500 per ha (£500,000 per acre)	Land costs for student residential development vary according to location and site condition. Land prices will also be influenced by the density of

		development achieved and the quantity of bedrooms created on site.
Build costs	£1,391 sq m (gross internal floor area) 15,000 x 1,391 = £20,865,000 + 10% uplift for external works applied = £22,951,500	Source: BCIS – (Kirklees Q2 2016) Discussion with student accommodation specialists indicates that typically build costs per bed are in the order of £40,000 to £45,000 for new build student accommodation. For 500 beds this equates to £20,000,000-£22,500,000, which is broadly comparable with the BCIS costs applied.
S106/S278 costs	£945 per room	Based on planning permission for student residential development at Manchester Road Huddersfield, (approved 19/08/2014). Sum of £466,667 + £10,000 for on-site public realm and monitoring fee. Equates to £945 per room.
Contingencies	3%	Industry Assumption
Professional fees	8%	Industry Assumption
Finance Costs	6.75% debit, 0.5% credit	Industry Assumption
Sales Agent & Legal fees	1.25%	Industry Assumption
Developers profit	20% on cost	Industry Assumption for commercial based development projects

Appraisal results and implications for CIL

- 5.6 The results show a marked difference in the ability of development to withstand CIL across the yield sensitivities. At a yield of 6.5% there is CIL headroom of approximately £80 per sq m. At the higher yield of 7% there is no CIL headroom and at the mid-point of 6.75% there is a modest CIL headroom figure of £17 per sq m.

Table 5.4: Appraisal results

	Net area (ha)	GIA (m2)	Residual land value	Benchmark land value	Headroom	Headroom per sq m
Yield 6.5%	0.57	15000	£1,908,272	£704,235	£1,204,037	£80
Yield 6.75%	0.57	15000	£962,102	£704,235	£257,867	£17
Yield 7%	0.57	15000	£67,028	£704,235	-£637,207	-£42

- 5.7 The above analysis indicates there is a case for the application of a modest CIL tariff predicated on the mid-point yield not exceeding £15 per sq m to allow for a small buffer, however it is important that this is considered in the context of the potential for variation in other key assumptions. The yield analysis underlines the sensitive nature of student residential development to changes in key variables and there is also a significant degree of uncertainty as regards site abnormalities and land costs. With many sites being town centre based there is likely to be significant abnormal development costs associated with site assembly and remediation – above that allowed for in the above appraisal.

Therefore in determining whether to introduce a tariff for student residential developments, consideration must be given to achieving an appropriate balance between infrastructure funding need and not placing delivery at risk.

6.0 Conclusions

6.1 In conclusion, the review and additional research undertaken alongside the consultation has identified the potential for a series of small modifications to the Council's charging strategy as set out in the Preliminary Draft Charging Schedule. These are:

- Adjustments to charging zones to align with updated viability evidence
- Reduction in the number of residential charging zones from five to four
- Consideration to be given to the introduction of a tariff on student residential accommodation not exceeding £15 per sq m.

Appendix 1 Response to representations

Who	Issues Summary	Response
Planning Bureau (McCarthy & Stone)	Test Older People's Accommodation and have separate charge rate	Older persons accommodation has been tested separately. See chapter 5.5 on other sectors and also Page 51 on the results. A care home was tested and indicated there was no CIL headroom. Therefore specialist forms of supported retirement housing (i.e. C2 in the Use Classes Order) should be excluded from the Residential charge rates.
Tangent Properties	Merge zones 1 & 2 (rates too high)	The charging zones are based on average house prices mapped by postal code. The rates that apply within those zones are based on new build revenue evidence that has been researched within each zone. The average house price map has been updated and additional new build evidence carried out to reinforce the evidence base. The average house price bands have been adjusted to align more closely with the new build evidence. The bands have been simplified from five to four areas taking into account the updated evidence. The revised high value band is based on an average house price of £190,000 to £294,000, in which the average revenue from new build evidence is approximately £3476 per sq m (£230 per sq ft). The remodelling of the viability appraisals indicate that this area can support the PDSC tariff of £80 per sq m.
Tangent Properties	Viability Study section 5.1.4 - Table 5.3 - challenging sales rates of individual schemes in other zones compared to zone 1. Suggest no evidence to differentiate between zones 1&2	Rates have been reviewed and charging zones 1 and 2 have been amalgamated under a blended rate of £2476 per sq m (£230 per sq ft) which is supported by evidence (see response to last question)
	Dewsbury Riverside Assumptions - 5, 8.4 and Appendix 3	Accept need for single revenue for Dewsbury Riverside - revised value area places the site in Value area 2 - £200 psf, it is also close to Moor Croft (£220 psf) and Marmaville (£190 psf). Therefore propose overall value as £200 psf.

Who	Issues Summary	Response
	<p>p11 Savills Heat Map and value comparison / are secondary sales values relevant? review heat map and update, justify</p>	<p>The use of average house prices (i.e. blended and new build housing prices) is the only comprehensive and consistent means of documenting residential property values on an area-wide basis. However, whilst it is useful in informing geographical areas, it is the new build sales evidence which we have used to inform the value assumptions which we have over-layed across the average house prices. We note the alternative map that has been presented in the representation which disaggregates the District into a greater number value area bands. Whilst this provides an interesting illustration of the small variation in average house prices at a neighbourhood level, we do not consider it appropriate to apply this level of disaggregation in the viability analysis nor in ultimately in the charging schedule. We consider it is overly complex and more significantly there is inadequate new build sales evidence to substantiate the sales value assumptions that could be applied in each area.</p>
	<p>Value areas 3, 4 & 5 should be reviewed and based on OS</p>	<p>Value areas have been reviewed.</p>
	<p>Residential Development Scheme Selection - suggest broader assessment - including sensitivity analysis of size and distribution</p>	<p>The area wide analysis was based on 10 schemes in five value areas, at six different affordable housing scenarios - this equates to 300 appraisals. The appraisals were then subject to three sensitivity tests (plus and minus revenue and plus cost). On top of this the five major strategic allocations were tested with various sensitivities. We consider that the quantity of schemes tested to adequately meet the requirements of appropriate available evidence - critically they are considered to provide an adequate range of sites that reflect the most likely development in the District. An additional site specific appraisal has been carried out of a brownfield site in Cleckheaton.</p>
	<p>Residential Development Scheme Selection - 'Taylor Wimpey is sceptical whether this broad mix reflects the market and suggests that evidence be produced to justify the assumption - suggest testing broader range of sites (more than 5)</p>	<p>The area wide analysis was based on 10 schemes in five value areas, at six different affordable housing scenarios - this equates to 300 appraisals. The appraisals were then subject to three sensitivity tests (plus and minus revenue and plus cost). On top of this the five major strategic allocations were tested with various sensitivities. We consider that the quantity of schemes tested to adequately meet the requirements of appropriate available evidence - critically they are considered to provide an adequate range of sites.</p>

Who	Issues Summary	Response
	Savills preparing viability assessment for Dewsbury Riverside so challenged CW and happy to discuss	C&W has engaged with the promoted who has not been able to provide any further viability appraisal or evidence at this stage.
	Indicative development sites are not near Dewsbury Riverside p.13	The representation demonstrates new build revenues of £203 per sq ft (Moor Croft) and £222 per sq ft (Meadowbrook). Whilst these developments are not immediately adjacent to the Dewsbury Riverside area, they are considered within the same housing market and given the scale of Dewsbury Riverside we consider there to be a realistic prospect of creating a market that is above the tone of the existing neighbourhood.
	Suggest blended rate for whole site of 185/sq ft.	Our revised value area map indicates Dewsbury Riverside to straddle two value areas (Value Area 4 £150 psf and Value Area 2 £200 psf). Given the potential of the wider housing market demonstrated by new build evidence we consider it appropriate to model the first phase of 500 units at the £185 psf suggested and then increasing to £200 psf.
	Suggest a contingency of 5% rather than 3% due to uncertainty of abnormals	3% allowance for contingencies is within the industry standard. A separate allowance for abnormals has been made. Conservatism elsewhere in the appraisals allow for insulation against variations (e.g. abnormals, land value benchmarks).
	p.15 PROFIT suggest 20% on all units	The blended profit is justified by the fact that affordable units are delivered effectively on a pre sale basis resulting in the risk profile and thus profit requirements being different. The HCA DAT model states that profit on affordable houses "[profit rate] should be moderate to reflect low risk of this activity. Note BCIS costs include contractors' profit, therefore should be zero when based on BCIS costs"
	p18. Timescales of delivery and cashflow assumptions - App 3 - is the phasing aligned with all our emerging evidence?	Revised appraisals for Dewsbury Riverside produced with bespoke phasing.

Who	Issues Summary	Response
	<p>Affordable Housing (p.19) "we would strongly advocate that these transfer values and tenure mix be reviewed to reflect changes in affordable housing policy going forward. Moreover, if the Council wants to maintain close policy levels of affordable housing then the need for greater levels of flexibility in the definitions, tenure mix and restrictions on use is paramount.</p>	<p>The tenure mix and transfer values are based on the current SHMAA and policy in respect of transfer values. The rent transfer values are based on social rent rather than affordable rent which is now the predominant form of rented affordable product; given that affordable rent is generally a higher value than social rent, this could mean an under estimation of the potential transfer value. Similarly, given the likelihood of starter homes forming part of the mix, this will also increase the overall transfer value equation. Therefore, the current transfer values are conservative and there is considered to be significant in built viability buffers in view of the changes that are expected in the near future.</p>
	<p>S106 and zero carbon: 5% zero carbon uplift not relevant</p>	<p>Noted - this is a sensitivity only, it has not been the basis for determining CIL headroom.</p>
	<p>Residential Land Values: don't agree with 3 separate value areas for DR</p>	<p>Original correspondence provided by Spawforths indicated that there would be three different values occurring across the Dewsbury Riverside site. The revised appraisals have been updated with blended revenues across the whole site.</p>
	<p>Abnormals: want more evidence to justify abnormal £150,000 per acre, considering topography</p>	<p>Details of site abnormal development costs are limited. The allowance is expected to provide for a typical level of site abnormal costs. Site specific appraisals indicated that where abnormals are particularly high there is a greater tolerance in the price that land owners will be willing to accept for the release of their sites. The evidence set out in Appendix 1 of site specific viability cases indicated a target minimum land value of £150,000 per acre. Therefore, applying this level to the serviced site value benchmarks used in our appraisals suggests an even greater tolerance for abnormals than previously indicated.</p>

Who	Issues Summary	Response
	Overall Viability: concerned that £60-£80 would be unviable	Evidence indicates that £80 psm in the highest value areas would be viable with a reasonable viability buffer. The rates are not set at the limit of viability. It is important to not make simple comparisons to other locations as Kirklees has a lower affordable housing requirement than say Wakefield (20% compared with 30% of all units) which increases the relative headroom for CIL in Kirklees.
	DR rep p.20 - suggest varying AH rates	AH rates have been varied in the sensitivity analysis.
WYG	Appendix 3 Chidswell appraisal - update	
	Residential site coverage - their experient 15,500 sqft	
	Sales values - they say £170 per sqft rather than £200 for value area 3	The updated market evidence locates Chidswell within Value Area 3 which has an average new build revenue of £200 psf. However we consider the potential for an increase in value given site's scale, strategic location and the potential to create a market. Also note that there is already a precedent established for an even higher revenue being achieved within this location on the Amberwood Chase development.
	Sales values - Amberwod Chase scheme not representative of Chidswell. Plus other examples suggesting £200 p sqm is too high	Amberwood chase now achieving £220 psf. Chidswell has potential to deliver higher sales values than its immediate locality via creation of a new market, but we would acknowledge that this would not be possible within the early years of the development.
	Contingencies - should be 5% rather than 3% based on unknown cost and abnormals of gf site	3% allowance for contingencies is within the industry standard. A separate allowance for abnormals has been made. Conservatisms elsewhere in the appraisals allow for insulation against variations (e.g. abnormals, land value benchmarks).
	5.8 Policy standards - want clarification that strategic sites will have £5000 per unit S106 costs	This is an assumption at a point in time.

Who	Issues Summary	Response
	Land value - want clarificaion of 60:40 gross to net split	Land value benchmarks are based on net site areas, therefore the gross / net split is not relevant in the appraisal. If site benchmarks were based on gross areas, the benchmarks applied would be substantially less.
	Strategic Sites should fall in Zero charging rates due to high cost of on site infrastructure provision (Savills research - over 30 adopted CILs with 0 for strategic sites)	Noted
WYG (Priority Assets Management)	Older peoples accommodation should be tested separately. The Borough's housing market does not vary enough to justify £0 to £80 variations of charges	

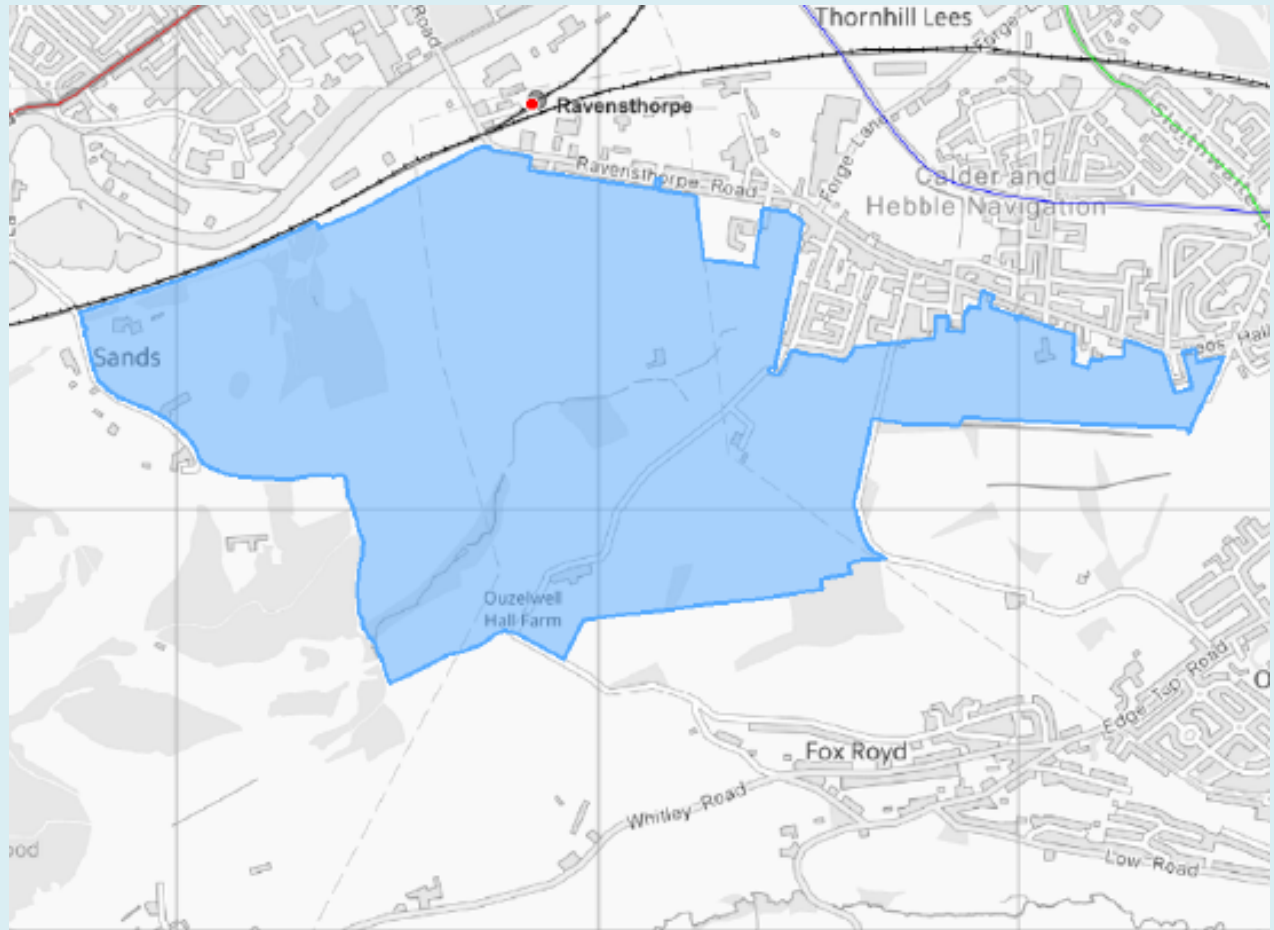
Appendix 2 Updated market research

New Results						
Developer	Address	Transaction Date	Sales Price Achieved (£)	Area (sqft)	£/sqft	
HD3 3ZG, 3ZY						
Miller Homes	77 Tennyson Avenue	30-Oct-15	£ 205,000	1109	£ 184.85	
	83 tennyson Avenue	23-Oct-15	£ 295,000	1259	£ 234.31	
	71 tennyson avenue	23-Sep-15	£ 225,000	1152	£ 195.31	
	67 tennyson avenue	02-Sep-15	£ 165,000	775	£ 212.90	
	19 tennyson avenue	24-Jul-15	£ 215,000	1109	£ 193.87	
	79 Tennyson Avenue	23-Oct-15	£ 210,000	1109	£ 189.36	
	73 tennyson aenue	18-Sep-15	£ 165,000	775	£ 212.90	
	54 tennyson avenue	21-Aug-15	£ 205,000	1109	£ 184.85	
	68 tennyson avenue	21-Aug-15	£ 165,000	775	£ 212.90	
	36 tennyson avenue	27-Mar-15	£ 200,000	1109	£ 180.34	
					£ 200.16	
WF15 8LU						
Harron Homes	4 victoria close	28-Aug-15	£ 299,995	1518	£ 197.63	
	6 victoria close	28-Aug-15	£ 299,995	1518	£ 197.63	
	8 victoria close	21-Aug-15	£ 254,995	1238	£ 205.97	
	10 victoria close	20-Aug-15	£ 274,995	1410	£ 195.03	
	22 victoria close	07-Aug-15	£ 249,995	1410	£ 177.30	
	18 victoria close	31-Jul-15	£ 274,995	1410	£ 195.03	
	12 victoria close	31-Jul-15	£ 274,995	1410	£ 195.03	
	14 victoria close	09-Jul-15	£ 354,995	1238	£ 286.75	
	1 victoria close	26-Jun-15	£ 325,995	1690	£ 192.90	
	16 victoria close	26-Jun-15	£ 304,995	1615	£ 188.85	
						£ 203.21
	WF12 7SY, WF12 7PZ					
	Harron Homes	15 Hawthorn Court	21-Dec-15	£ 209,995	850	£ 247.05
		5 Hawthorn Court	18-Dec-15	£ 209,995	850	£ 247.05
		8 hawthorn Court	18-Dec-15	£ 191,996	850	£ 225.88
		7 Hawthorn Court	18-Dec-15	£ 259,995	1313	£ 198.02
9 Hawthorn Court		18-Dec-15	£ 209,995	850	£ 247.05	
3 hawthorn Court		18-Dec-15	£ 219,995	1023	£ 215.05	
6 hawthorn Court		11-Dec-15	£ 259,995	1313	£ 198.02	
4 hawthorn court		11-Sep-15	£ 239,995	1141	£ 210.34	
1 Hawthorn Court		11-Sep-15	£ 247,995	1206	£ 205.63	
2 Hawthorn Court		28-Aug-15	£ 247,995	1206	£ 205.63	
					£ 219.97	
HD3 3HT						
Taylor Wimpey	51 stirling wood close	21-Aug-15	£ 234,995	1249	£ 188.15	
	10 stirling wood close	14-Aug-15	£ 264,995	1152	£ 230.03	
	3 stirling wood close	19-Jun-15	£ 264,995	1152	£ 230.03	
	47 stirling wood close	19-Jun-15	£ 284,995	1367	£ 208.48	
	4 sirling wood close	12-Jun-15	£ 284,995	1378	£ 206.82	
	49 stirling wood close	12-Jun-15	£ 264,995	1152	£ 230.03	
	5 stirling wood close	05-Jun-15	£ 264,995	1152	£ 230.03	
	7 stirling wood close	05-Jun-15	£ 264,995	1152	£ 230.03	
	11 stirling wood close	21-May-05	£ 274,995	1249	£ 220.17	
6 stirling wood close	19-May-15	£ 249,995	1249	£ 200.16		
					£ 217.39	
HD9 7FD, HD8 9UT						
Jones Homes	14 Weavers Mill Court	12-Feb-16	£ 387,995	1507	£ 257.46	
	5 Weavers Mill Court	29-Jan-16	£ 340,995	1367	£ 249.45	
	8 Weaves Mill Court	25-Jan-16	£ 325,995	1335	£ 244.19	
	3 Weavers Mill Court	08-Jan-16	£ 309,995	1227	£ 252.64	
	6 Weavers Mill Court	18-Dec-15	£ 385,995	1507	£ 256.13	
						£ 251.98
WF14 9FA						
Ben Bailey	23 Moorcroft close	29-Oct-15	£ 335,000	1410	£ 237.59	
	27 moorcroft close	29-Oct-15	£ 192,000	969	£ 198.14	
	19 moorcroft close	02-Oct-15	£ 337,500	1442	£ 234.05	
	18 moorcroft close	29-Sep-15	£ 229,950	1216	£ 189.10	
	17 moorcroft close	25-Sep-15	£ 340,000	1410	£ 241.13	
	16 moorcroft close	23-Sep-15	£ 229,950	1216	£ 189.10	
	10 moorcroft close	28-Aug-15	£ 225,000	1216	£ 185.03	
	12 moorcroft close	28-Aug-15	£ 305,000	1163	£ 262.25	
	15 moorcroft close	28-Aug-15	£ 335,000	1142	£ 293.35	
	8 moorcroft close	26-Aug-15	£ 225,000	1216	£ 185.03	
					£ 221.48	

HD8 9AY, 9US							
Redrow Homes	18 strike lane		02-Sep-15	£	350,000	1378	£ 253.99
	20 strike lane		15-Apr-15	£	259,950	1130	£ 230.04
	14 strike lane		10-Apr-15	£	247,950	1055	£ 235.02
	16 Emley view		11-Dec-15	£	159,950	700	£ 228.50
	6 emley view		23-Oct-15	£	323,950	1378	£ 235.09
	4 emley view		22-Oct-15	£	323,950	1378	£ 235.09
	12 emley view		16-Oct-15	£	247,950	1055	£ 235.02
	9 emley view		01-Sep-15	£	159,950	700	£ 228.50
	1 emley view		20-Aug-15	£	259,950	1130	£ 230.04
	10 emley view		07-Aug-15	£	248,500	1055	£ 235.55
	5 emley view		24-Jul-15	£	159,950	700	£ 228.50
							£ 234.12
WF14 9TS							
Bovis Homes	44 marmaville		22-Jun-15	£	134,995	764	£ 176.70
	30 marmaville		04-Jun-15	£	132,995	657	£ 202.43
	7 marmaville		27-Mar-15	£	209,995	1109	£ 189.36
	22 marmaville		23-Jan-15	£	137,995	732	£ 188.52
							£ 189.25
HD9 7FE							
Eastwood Homes	16 the bridges		18-Dec-15	£	229,500	947	£ 242.34
	15 the bridges		15-Dec-15	£	220,500	1001	£ 220.28
	1 the bridges		28-Aug-15	£	150,000	667	£ 224.89
	2 the bridges		28-Aug-15	£	150,000	667	£ 224.89
							£ 228.10
WF17 0HW							
Rouse Homes	3 bed Kilburn			£186,995	936		£199.78
	3 bed kilburn			£184,995	936		£197.64
	3 bed kilburn			£182,995	936		£195.51
	3 bed Cherhill				1088		
	3 bed Cleadon				1019		
	4 bed woolbury			£239,995	1382		£173.66
	4 bed westbury			£218,995	1182		£185.27
	4 bed westbury			£209,995	1182		£177.66
							£188.25
Beech Farm Development, Beech Court, Farnley Tyas, Huddersfield HD4 6AX, HD4 6BE, HD4 6AQ							
Farnley Estates	4 beech court		22-Jun-15	£	247,000	828	£ 298.31
	1 beech court		10-Jun-15	£	257,000	828	£ 310.39
	2 beech court		02-Jun-15	£	250,000	828	£ 301.93
	5 keepers Way		16-Nov-15	£	440,000	1389	£ 316.77
	3 Keepers Way		11-Jun-15	£	94,000		
	4 Manor Drive		27-Jul-15	£	125,000		
							£ 306.85
Towngate, Mirfield - ASKING PRICES							
Darren Brooke Homes	Plot 1 - 55 Towngate	N/A		£	325,000	1944	£ 167.18
	Plot 2 - 53 Towngate	N/A		£	295,000	1579	£ 186.83
	Plot 3 - 51 Towngate	N/A		£	295,000	1460	£ 202.05
							£ 185.35
Old Bank, Slaithwaite, HD7 5AR							
SB Homes	4 Old Bank		23-Jun-15	£	290,000	1335	£ 217.23
Orchard Close, Hallas Road, Kirkburton HD8 0ZF							
Worth Homes	2 Orchard Close		28-Aug-15	£	440,000	2379	£ 184.95
	3 orchard close		30-Mar-15	£	460,000	2390	£ 192.47
	5 orchard close		27-Mar-15	£	435,000	2379	£ 182.85
							£ 186.76
Roundhill Green, Gomersal, Cleackheaton, BD19 4TH							
Leacroft Residential	6 roundhill green		06-Nov-15	£	251,700	1367	£ 184.13
	8 roundhill green		22-Oct-15	£	254,950	1367	£ 186.50
	14 roundhill green		09-Oct-15	£	259,950	1367	£ 190.16
	10 roundhill green		02-Oct-15	£	250,000	1367	£ 182.88
	16 roundhill green		21-Aug-15	£	249,950	1367	£ 182.85
							£ 185.30
The Forge Manchester Road, HD7 5RD							
Brow Developments	421 Manchester Road		13-Aug-15	£	149,995	1098	£ 136.61
	427 Manchester Road		07-Aug-15	£	149,995	1098	£ 136.61
							£ 136.61
Spring Place Park/Gardens, North Road, Northorpe, Mirfield, WF14 0QU							
Orion Homes	61 Spring Place Gardens		30-Oct-15	£	169,995	958	£ 177.45
	55 Spring Place		15-Oct-15	£	143,000	958	£ 149.27
	103 Spring Place		15-Aug-15	£	169,995	1184	£ 143.58
	93 Spring Place		29-May-15	£	169,995	1184	£ 143.58
	109 Spring Place		15-May-15	£	179,995	1184	£ 152.02
	107 Spring Place		12-May-15	£	199,995	1389	£ 143.98
	97 Spring Place		01-May-15	£	185,000	1356	£ 136.43
	105 Spring Place		01-May-15	£	199,995	1389	£ 143.98
	69 Spring Place		30-Jan-15	£	178,195	1259	£ 141.54
	101 Spring Place		21-Oct-14	£	170,000	1184	£ 143.58
The Cuttings Brockholes, HD9 7HL							
Heywood Homes	59		21-Aug-15	£	235,000	N/A	
	67		29-May-15	£	150,000	N/A	
	69		17-Apr-15	£	149,995	N/A	
	41		17-Apr-15	£	230,000	N/A	
	61		27-Mar-15	£	235,000	N/A	
39		18-Feb-15	£	235,000	N/A		

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, Future Local Plan Housing Allocation

Site constraints	No known site information																
Accommodation schedule	2,310 residential units																
	The site specific appraisal assumes:																
	Residential development in six phases:																
	Phase 1 delivering 140 dwellings:																
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5" style="text-align: center;">Housing Mix</th> </tr> <tr> <th style="width: 15%;"></th> <th style="width: 15%;">2 bed house</th> <th style="width: 15%;">3 bed house</th> <th style="width: 15%;">4 bed house</th> <th style="width: 15%;">5 bed house</th> <th style="width: 15%;">Total</th> </tr> </thead> </table>						Housing Mix						2 bed house	3 bed house	4 bed house	5 bed house	Total
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	<table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="width: 15%;">No of units</td> <td style="width: 15%; text-align: center;">35</td> <td style="width: 15%; text-align: center;">56</td> <td style="width: 15%; text-align: center;">35</td> <td style="width: 15%; text-align: center;">14</td> <td style="width: 15%; text-align: center;">140</td> </tr> </tbody> </table>						No of units	35	56	35	14	140					
	No of units	35	56	35	14	140											
	<table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="width: 15%;">Total floor space</td> <td style="width: 15%; text-align: center;">2,450</td> <td style="width: 15%; text-align: center;">5,040</td> <td style="width: 15%; text-align: center;">4,095</td> <td style="width: 15%; text-align: center;">1,960</td> <td style="width: 15%; text-align: center;">13,545</td> </tr> </tbody> </table>						Total floor space	2,450	5,040	4,095	1,960	13,545					
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	<table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="width: 15%;">Total market floor space</td> <td style="width: 15%; text-align: center;">1,960</td> <td style="width: 15%; text-align: center;">4,032</td> <td style="width: 15%; text-align: center;">3,276</td> <td style="width: 15%; text-align: center;">1,568</td> <td style="width: 15%; text-align: center;">10,836</td> </tr> </tbody> </table>						Total market floor space	1,960	4,032	3,276	1,568	10,836					
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	<table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="width: 15%;">Total AH floor space</td> <td style="width: 15%; text-align: center;">490</td> <td style="width: 15%; text-align: center;">1,008</td> <td style="width: 15%; text-align: center;">819</td> <td style="width: 15%; text-align: center;">392</td> <td style="width: 15%; text-align: center;">2,709</td> </tr> </tbody> </table>						Total AH floor space	490	1,008	819	392	2,709					
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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

- 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, £1991psm (£185 psf) • Phase 3 onward £2,152psm (£200 per sq ft)
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"> • £964 per sq m (£90 per sq ft) inclusive of external works • Professional fees – 8% • Contingency – 3%
Abnormal costs	<ul style="list-style-type: none"> • 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.

**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 ²	Rate m ²	Unit Price	Gross Sales
Phase 1 Market units	1	10,836.00	1,991.32	21,577,944	21,577,944
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	1,991.32	43,155,887	43,155,887
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			414,142,712

NET REALISATION

414,142,712

OUTLAY

ACQUISITION COSTS

Residualised Price	70,017,594	70,017,594
Stamp Duty	3,448,379	
Agent and Legal Fees inc VAT	1.80% 1,260,317	4,708,696

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
Phase 1 Market units	10,836.00 m ²	964.00 pm ²	10,445,904
Phase 1 Affordable & Social Rented	1,501.00 m ²	964.00 pm ²	1,446,964
Phase 1 Shared Ownership	1,208.00 m ²	964.00 pm ²	1,164,512
Phase 2 Market units	21,672.00 m ²	964.00 pm ²	20,891,808
Phase 2 Affordable & Social Rented	3,002.00 m ²	964.00 pm ²	2,893,928
Phase 2 Shared Ownership	2,416.00 m ²	964.00 pm ²	2,329,024
Phase 3 Market units	48,762.00 m ²	964.00 pm ²	47,006,568
Phase 3 Affordable & Social Rented	6,754.00 m ²	964.00 pm ²	6,510,856
Phase 3 Shared Ownership	5,437.00 m ²	964.00 pm ²	5,241,268
Phase 4 Market units	48,762.00 m ²	964.00 pm ²	47,006,568
Phase 4 Affordable & Social Rented	6,754.00 m ²	964.00 pm ²	6,510,856
Phase 4 Shared Ownership	5,437.00 m ²	964.00 pm ²	5,241,268
Phase 5 Market units	48,762.00 m ²	964.00 pm ²	47,006,568
Phase 5 Affordable & Social Rented	6,754.00 m ²	964.00 pm ²	6,510,856
Phase 5 Shared Ownership	5,437.00 m ²	964.00 pm ²	5,241,268
Totals	223,494.00 m²		215,448,216

Contingency	3.00%	6,463,446	6,463,446
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PROFESSIONAL FEES

Professional Fees	8.00%	17,235,857	17,235,857
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DISPOSAL FEES

Marketing, sales agent and legal fe	3.50%	13,288,298	13,288,298
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FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)

Total Finance Cost	957,143
TOTAL COSTS	328,119,250
PROFIT	86,023,462

Performance Measures

Profit on Cost%	26.22%
Profit on GDV%	20.77%
Profit on NDV%	20.77%
IRR	33.87%
Profit Erosion (finance rate 6.750%)	3 yrs 6 mths

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

Location plan



Site address / Reference	Chidswell, Land East of Leeds Road, Shaw Cross, Dewsbury (MX1905)
Site size	117 ha gross 43.86 ha residential net
Land ownership/tenure	Private Sector Ownership
Details of proposed development including current planning status	Current Status: Green Belt Local Plan Option: 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="443 808 1444 1290"> <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>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="443 1440 1444 1921"> <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>78</td> <td>125</td> <td>78</td> <td>31</td> <td>313</td> </tr> <tr> <td>Total floor space</td> <td>5,478</td> <td>11,268</td> <td>9,155</td> <td>4,382</td> <td>30,283</td> </tr> <tr> <td>Total market floor space</td> <td>4,382</td> <td>9,014</td> <td>7,324</td> <td>3,506</td> <td>24,226</td> </tr> <tr> <td>Total AH floor space</td> <td>1,096</td> <td>2,254</td> <td>1,831</td> <td>876</td> <td>6,057</td> </tr> <tr> <td>AR / SR floor space</td> <td>607</td> <td>1,248</td> <td>1,014</td> <td>486</td> <td>3,355</td> </tr> <tr> <td>SO floor space</td> <td>489</td> <td>1,005</td> <td>817</td> <td>391</td> <td>2,701</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	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
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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 <ul style="list-style-type: none"> • Assumes three developer outlets per phase delivering a total of 120 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. • 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: £2,152.85 per sq m (£200 per sq ft)					
Affordable housing revenues	<ul style="list-style-type: none"> • Shared ownership £999.05 per sq m / £92.81 per sq ft (SO) • Rented (affordable and social) £588.04 per sq m / £54.63 per sq ft (Rented) 					
Build costs	<ul style="list-style-type: none"> • £964 per sq m (£90 per sq ft) 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.

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	m ²	Rate m ²	Unit Price	Gross Sales
Phase 1 Market Units	1	23,994.00	2,152.85	51,655,483	51,655,483
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	2,152.85	52,154,944	52,154,944
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	2,152.85	51,989,175	51,989,175
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	2,152.85	49,989,177	49,989,177
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	2,152.85	49,989,177	49,989,177
Phase 5 Affordable & social rented units	1	3,216.00	588.00	1,891,008	1,891,008
Phase 5 Shared ownership	1	2,589.00	999.00	2,586,411	2,586,411
Totals	15	148,511.00			278,687,785

NET REALISATION

278,687,785

OUTLAY

ACQUISITION COSTS

Residualised Price	49,115,384	49,115,384
Stamp Duty	2,403,269	
Agent and Legal Fees inc VAT	1.80% 884,077	3,287,346

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
Phase 1 Market Units	23,994.00 m ²	964.00 pm ²	23,130,216
Phase 1 Affordable & social rented units	3,323.00 m ²	964.00 pm ²	3,203,372
Phase 1 Shared ownership	2,675.00 m ²	964.00 pm ²	2,578,700
Phase 2 Market Units	24,226.00 m ²	964.00 pm ²	23,353,864
Phase 2 Affordable & social rented units	3,355.00 m ²	964.00 pm ²	3,234,220
Phase 2 Shared ownership	2,701.00 m ²	964.00 pm ²	2,603,764
Phase 3 Market Units	24,149.00 m ²	964.00 pm ²	23,279,636
Phase 3 Affordable & social rented units	3,345.00 m ²	964.00 pm ²	3,224,580
Phase 3 Shared ownership	2,693.00 m ²	964.00 pm ²	2,596,052
Phase 4 Market Units	23,220.00 m ²	964.00 pm ²	22,384,080
Phase 4 Affordable & social rented units	3,216.00 m ²	964.00 pm ²	3,100,224
Phase 4 Shared ownership	2,589.00 m ²	964.00 pm ²	2,495,796
Phase 5 Market Units	23,220.00 m ²	964.00 pm ²	22,384,080
Phase 5 Affordable & social rented units	3,216.00 m ²	964.00 pm ²	3,100,224
Phase 5 Shared ownership	2,589.00 m ²	964.00 pm ²	2,495,796
Totals	148,511.00 m²		143,164,604

Contingency	3.00%	4,294,938	4,294,938
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PROFESSIONAL FEES

Professional Fees	8.00%	11,453,168	11,453,168
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DISPOSAL FEES

Marketing, sales agent & legal fees	3.50%	8,952,228	8,952,228
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FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)

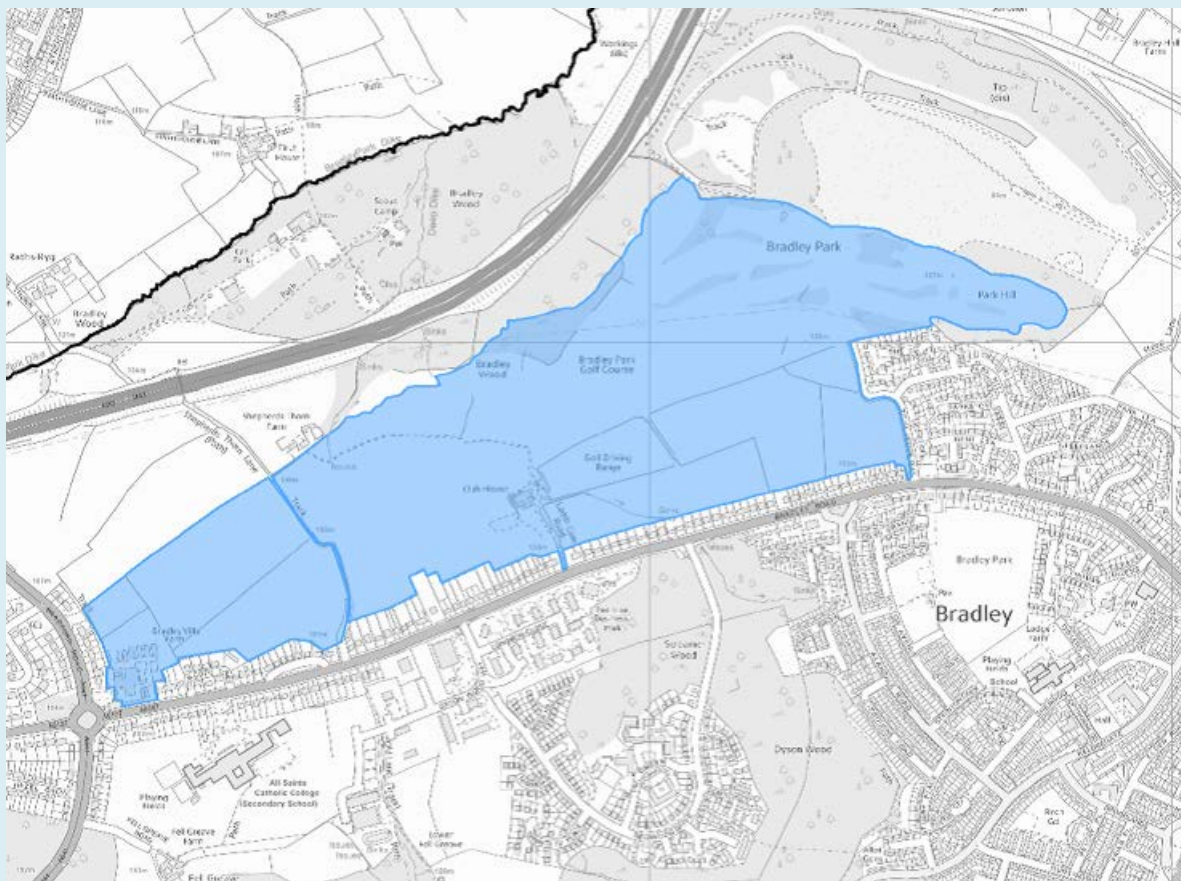
Total Finance Cost	884,733
TOTAL COSTS	221,152,402
PROFIT	57,535,383

Performance Measures

Profit on Cost%	26.02%
Profit on GDV%	20.65%
Profit on NDV%	20.65%
IRR	31.83%
Profit Erosion (finance rate 6.750%)	3 yrs 5 mths

Kirklees Council Site Specific Viability Analysis Site 3 - Residential Development

Location plan



Site address and reference	Land north of Bradley Road, Bradley, Huddersfield (H1747 & H351)
Site size	76ha (55.94 net ha assuming 1958 units at 35 DPH)
Land ownership/tenure	64 ha within public sector ownership and 12 ha within private sector ownership
Details of proposed development including current planning status	Golf Course in the green belt Current UDP Housing Allocation within south east of site boundary.

	Bradley Golf Course – Housing Option – this is a Council owned site and masterplanning is at an early stage																																																																																																				
Site constraints	Connectivity to the nearby motorway constrained despite close proximity. There are also likely to be upgrades / reinforcement to utility provision																																																																																																				
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"> <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"> <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 3 delivering 421 units</p> <table border="1"> <thead> <tr> <th colspan="6">Housing Mix</th> </tr> </thead> </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	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					
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	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

- 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 • £998.89 per sq m / £92.80 per sq ft (SO) • Rented (affordable and social) 27.31% of market value • £587.92 per sq m / £54.62 (Rented)
Build costs	<ul style="list-style-type: none"> • £964 per sq m (£90 per sq ft) 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.

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 ²	Rate m ²	Unit Price	Gross Sales
Phase 1 Market Units	1	30,960.00	2,152.78	66,650,069	66,650,069
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	2,152.78	66,650,069	66,650,069
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
Phase 3 Market Units	1	32,585.00	2,152.78	70,148,336	70,148,336
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	2,152.78	70,148,336	70,148,336
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	2,152.78	52,652,693	52,652,693
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			355,467,601

NET REALISATION

355,467,601

OUTLAY

ACQUISITION COSTS

Residualised Price	62,728,925	62,728,925
Stamp Duty	3,083,946	
Agent and lega fees inc VAT	1.80% 1,129,121	4,213,067

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
Phase 1 Market Units	30,960.00 m ²	964.00 pm ²	29,845,440
Phase 1 Affordable and Social rented	4,288.00 m ²	964.00 pm ²	4,133,632
Phase 1 Shared ownership	3,452.00 m ²	964.00 pm ²	3,327,728
Phase 2 Market Units	30,960.00 m ²	964.00 pm ²	29,845,440
Phase 2 Affordable and Social rented	4,288.00 m ²	964.00 pm ²	4,133,632
Phase 2 Shared ownership	3,452.00 m ²	964.00 pm ²	3,327,728
Phase 3 Market Units	32,585.00 m ²	964.00 pm ²	31,411,940
Phase 3 Affordable and Social rented	4,513.00 m ²	964.00 pm ²	4,350,532
Phase 3 Shared ownership	3,633.00 m ²	964.00 pm ²	3,502,212
Phase 4 Market Units	32,585.00 m ²	964.00 pm ²	31,411,940
Phase 4 Affordable and Social rented	4,513.00 m ²	964.00 pm ²	4,350,532
Phase 4 Shared ownership	3,633.00 m ²	964.00 pm ²	3,502,212
Phase 5 Market Units	24,458.00 m ²	964.00 pm ²	23,577,512
Phase 5 Affordable and Social rented	3,387.00 m ²	964.00 pm ²	3,265,068
Phase 5 Shared ownership	<u>2,727.00 m²</u>	964.00 pm ²	<u>2,628,828</u>
Totals	189,434.00 m²		182,614,376

Contingency	3.00%	5,478,431	5,478,431
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PROFESSIONAL FEES

Professional Fees	8.00%	14,609,150	14,609,150
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DISPOSAL FEES

Marketing, sales agent & legal fees	3.50%	11,418,733	11,418,733
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FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)

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

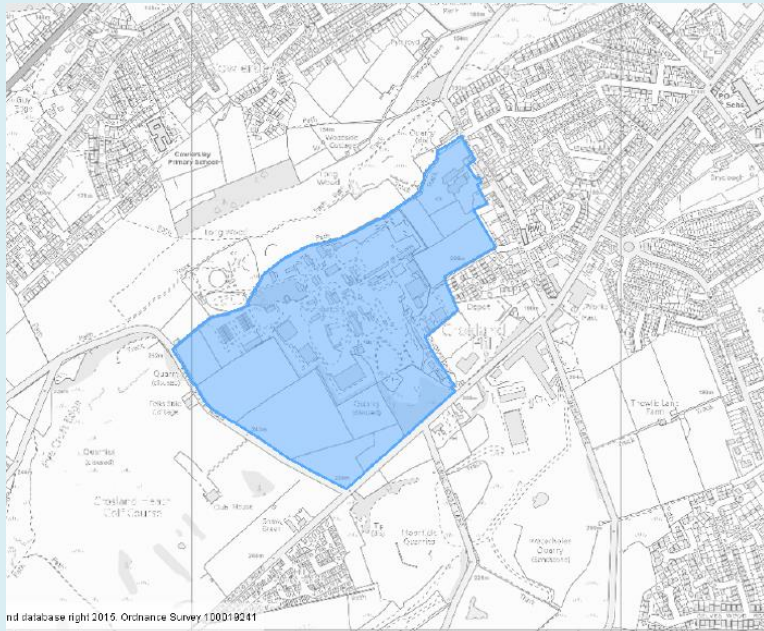
Total Finance Cost	980,257
TOTAL COSTS	282,042,939
PROFIT	73,424,662

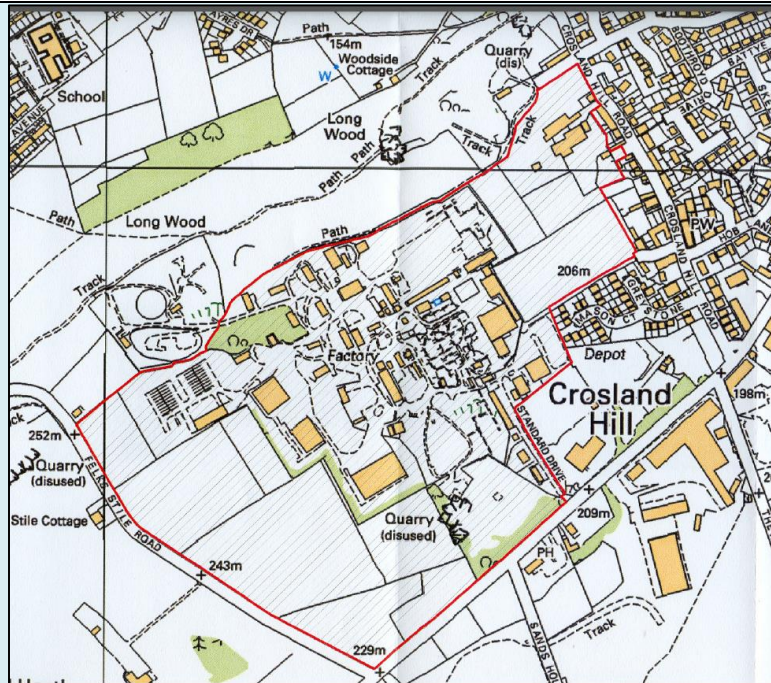
Performance Measures

Profit on Cost%	26.03%
Profit on GDV%	20.66%
Profit on NDV%	20.66%
IRR	31.49%
Profit Erosion (finance rate 6.750%)	3 yrs 5 mths

**Kirklees Council
Site Specific Viability Analysis
Site 4 - Mixed Use Development**

Location plan





Site address and reference	Land north of Blackmoorfoot Road, Crosland Moor, Huddersfield (MX1930)
Site size	29 ha (12.6 ha net residential developable)
Land ownership/tenure	Multiple site ownership.
Details of proposed development including current planning status	<p>Current UDP Provisional Open Land and unallocated land.</p> <p>The majority of the site is a fireworks storage facility and open land.</p> <p>The site is brownfield in nature having been used for fireworks and munitions manufacture since the c1910.</p> <p>Proposed Mixed Use development in the Local Plan (residential, commercial, small scale retail – all subject to viability testing)</p>
Site constraints	<p>Masterplanning and technical work is ongoing to establish the extent and mitigation of any site constraints. Its previous use is expected to necessitate some site remediation works.</p>

Proposals are at an early stage and as yet there is little by way of accommodation schedule provided.

Residential

A total of 441 dwellings are proposed which has been appraised in accordance with the area wide housing mix scenarios.

Phase 1 delivering 219 residential units

	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	55	88	55	22	219
Total floor space	3,833	7,884	6,406	3,066	21,188
Total market floor space	3,066	6,307	5,125	2,453	16,951
Total AH floor space	767	1,577	1,281	613	4,238
AR / SR floor space	425	874	710	340	2,348
SO floor space	342	703	571	273	1,890

Phase 2 delivering 222 residential units

	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	56	89	56	22	222
Total floor space	3,885	7,992	6,494	3,108	21,479
Total market floor space	3,108	6,394	5,195	2,486	17,183
Total AH floor space	777	1,598	1,299	622	4,296
AR / SR floor space	430	886	719	344	2,380
SO floor space	347	713	579	277	1,916

Accommodation schedule

Build period

- 3 months lead in period from grant of planning consent
- Two construction phases of 38 months per phase.
- Two development outlets per phase delivering a combined rate of 70 units per annum.

Planning gain (including AH) &

20% affordable housing with tenure and transfer values consistent with area wide assumptions.

timing of payments	Site infrastructure/mitigation incorporated into allowance of £370,650 per ha (£150,000 per acre), paid out at the commencement of each phase.
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 • £998.89 per sq m / £92.80 per sq ft • Rented (affordable and social) 27.31% of market value • £587.92 per sq m / £54.62 per sq ft
Build costs	<ul style="list-style-type: none"> • £964 per sq m (£90 per sq ft) 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.

**Blackmoorfoot Road, Crosland Moor, Huddersfield
Mixed Use development**

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales
Phase 1 Market units	1	16,951.00	2,152.78	36,491,774	36,491,774
Phase 1 Affordable & social rented	1	2,348.00	587.92	1,380,436	1,380,436
Phase 1 Shared Ownership	1	1,890.00	988.89	1,869,002	1,869,002
Phase 2 Market units	1	17,183.00	2,152.78	36,991,219	36,991,219
Phase 2 Affordable & social rented	1	2,380.00	587.92	1,399,250	1,399,250
Phase 2 Shared Ownership	1	1,916.00	988.89	1,894,713	1,894,713
Totals	6	42,668.00			80,026,394

NET REALISATION 80,026,394

OUTLAY

ACQUISITION COSTS

Residualised Price		13,391,701		
Stamp Duty		648,585		13,391,701
Agent & Legal Fees inc VAT	1.80%	241,051		
				889,636

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
Phase 1 Market units	16,951.00 m ²	964.00 pm ²	16,340,764
Phase 1 Affordable & social rented	2,348.00 m ²	964.00 pm ²	2,263,472
Phase 1 Shared Ownership	1,890.00 m ²	964.00 pm ²	1,821,960
Phase 2 Market units	17,183.00 m ²	964.00 pm ²	16,564,412
Phase 2 Affordable & social rented	2,380.00 m ²	964.00 pm ²	2,294,320
Phase 2 Shared Ownership	1,916.00 m ²	964.00 pm ²	1,847,024
Totals	42,668.00 m²		41,131,952

Contingency	3.00%	1,233,959		
				1,233,959

PROFESSIONAL FEES

Professional Fees	8.00%	3,290,556		
				3,290,556

DISPOSAL FEES

Marketing sales agent & legal fees	3.50%	2,571,905		
				2,571,905

FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				1,354,527

TOTAL COSTS 63,864,236

PROFIT 16,162,158

Performance Measures

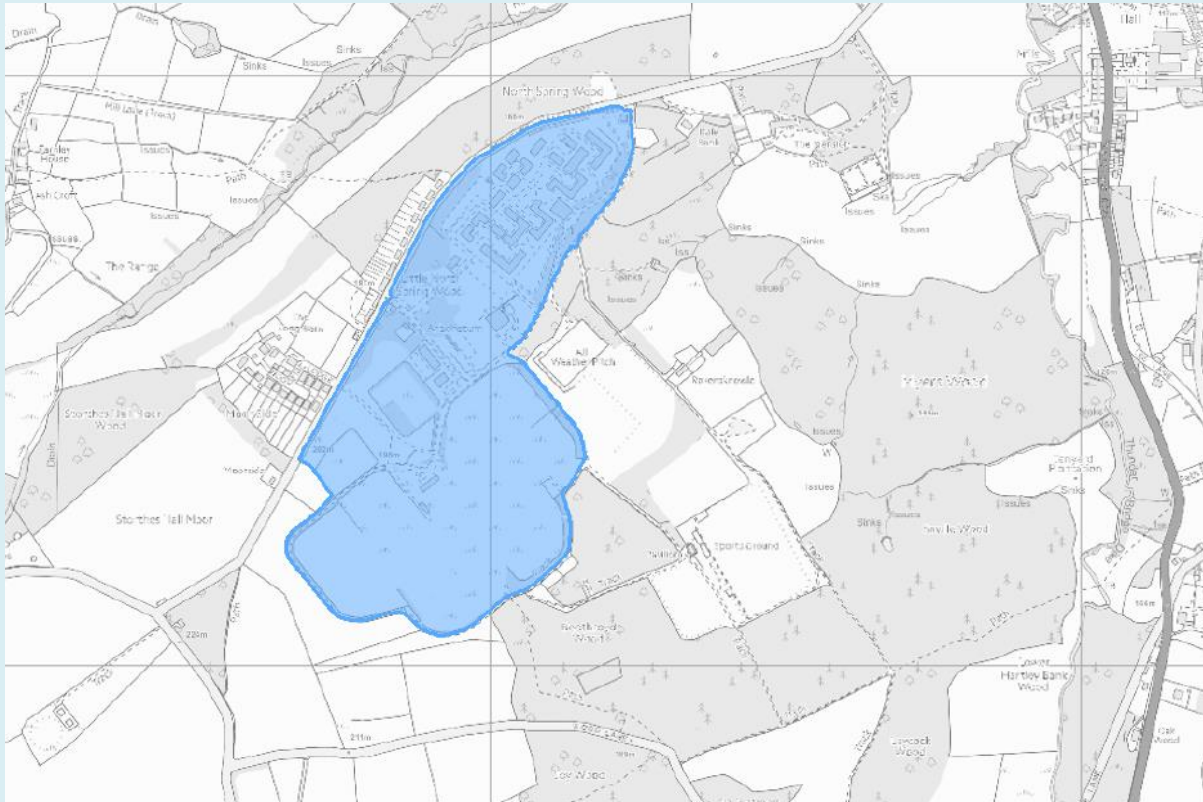
Profit on Cost%	25.31%
Profit on GDV%	20.20%
Profit on NDV%	20.20%

IRR 27.47%

Profit Erosion (finance rate 6.750%) 3 yrs 4 mths

Kirklees Council Site Specific Viability Analysis Site 5 - Residential Development

Location plan



Site address and reference	Storthes Hall Student Village and Site of former Storthes Hall Hospital, Storthes Hall Lane, Kirkburton, Huddersfield (MDGB2134)
Site size	28.82ha gross – 14.43 ha remaining for residential development.
Land ownership/tenure	Private ownership
Details of proposed development including current planning status	<p>Currently allocated as Major Development Site in the Green Belt in UDP.</p> <p>Proposed development site in the green belt for housing. Current assumption; planning permission capacity plus 35 dwellings per</p>

	<p>hectare on remaining net area without planning permission. (505 dwellings). Brownfield.</p> <p>Storthes Hall – Major Development in the Green Belt Option (Housing) – the concept of this proposal is emerging and contact with site owners being established.</p> <p>Planning application for a continuing care retirement community on part of the site gained permission in 2013.</p>																																															
Site constraints	No information available																																															
Accommodation schedule	<p>505 residential dwellings are proposed</p> <p>The development appraisal assumes two phases of 253 and 252 units:</p> <p>Phase One</p> <table border="1" data-bbox="600 920 1374 1626"> <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>63</td> <td>101</td> <td>63</td> <td>25</td> <td>252</td> </tr> <tr> <td>Total floor space</td> <td>4,410</td> <td>9,072</td> <td>7,371</td> <td>3,528</td> <td>24,381</td> </tr> <tr> <td>Total market floor space</td> <td>3,528</td> <td>7,258</td> <td>5,897</td> <td>2,822</td> <td>19,505</td> </tr> <tr> <td>Total AH floor space</td> <td>882</td> <td>1,814</td> <td>1,474</td> <td>706</td> <td>4,876</td> </tr> <tr> <td>AR / SR floor space</td> <td>489</td> <td>1005</td> <td>817</td> <td>391</td> <td>2,701</td> </tr> <tr> <td>SO floor space</td> <td>393</td> <td>809</td> <td>657</td> <td>315</td> <td>2,175</td> </tr> </tbody> </table> <p>Phase Two</p>		Housing Mix					2 bed house	3 bed house	4 bed house	5 bed house	Total	No of units	63	101	63	25	252	Total floor space	4,410	9,072	7,371	3,528	24,381	Total market floor space	3,528	7,258	5,897	2,822	19,505	Total AH floor space	882	1,814	1,474	706	4,876	AR / SR floor space	489	1005	817	391	2,701	SO floor space	393	809	657	315	2,175
	Housing Mix																																															
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SO floor space	393	809	657	315	2,175																																											

	Housing Mix				
	2 bed house	3 bed house	4 bed house	5 bed house	Total
No of units	63.25	101	63.25	25	253
Total floor space	4,428	9,108	7,400	3,542	24,478
Total market floor space	3,542	7,286	5,920	2,834	19,582
Total AH floor space	886	1,822	1,480	708	4,896
AR / SR floor space	491	1009	820	392	2,712
SO floor space	395	812	660	316	2,183
Build period	<ul style="list-style-type: none"> • Lead in of 3 months lead in period from grant of planning consent • Phase 1 - 30 month construction period • Phase 2 - 30 month construction period • Sales staggered behind build at rate of 100 units per annum • Three delivery outlets assumed 				
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: £2,475.70 per sq m (£230 per sq ft)				
Affordable housing revenues	<ul style="list-style-type: none"> • Shared ownership 40.35% of market value • £998.94 per sq m / £92.80 per sq ft • Rented (affordable and social) 23.75% of market value • £587.98 per sq m / £54.63 per sq ft 				
	<ul style="list-style-type: none"> • £964 per sq m (£90 per sq ft) inclusive of external works 				

Build costs	<ul style="list-style-type: none"> • 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 18.99% 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.

Storthes Hall, Kirkburton, Huddersfield Residential Development

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales
Phase 1 Market Units	1	19,505.00	2,475.70	48,288,529	48,288,529
Phase 1 Affordable & social rented	1	2,701.00	587.98	1,588,134	1,588,134
Phase 1 Affordable & social rented	1	2,175.00	998.94	2,172,695	2,172,695
Phase 2 Market Units	1	19,582.00	2,475.70	48,479,157	48,479,157
Phase 2 Affordable & social rented	1	2,712.00	587.98	1,594,602	1,594,602
Phase 2 Affordable & social rented	<u>1</u>	<u>2,183.00</u>	998.94	2,180,686	<u>2,180,686</u>
Totals	6	48,858.00			104,303,802

NET REALISATION

104,303,802

OUTLAY

ACQUISITION COSTS

Residualised Price		24,262,187		24,262,187
Stamp Duty		1,192,109		
Agent & Legal fees inc VAT	1.80%	436,719		1,628,829

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
Phase 1 Market Units	19,505.00 m ²	964.00 pm ²	18,802,820	
Phase 1 Affordable & social rented	2,701.00 m ²	964.00 pm ²	2,603,764	
Phase 1 Affordable & social rented	2,175.00 m ²	964.00 pm ²	2,096,700	
Phase 2 Market Units	19,582.00 m ²	964.00 pm ²	18,877,048	
Phase 2 Affordable & social rented	2,712.00 m ²	964.00 pm ²	2,614,368	
Phase 2 Affordable & social rented	<u>2,183.00 m²</u>	964.00 pm ²	<u>2,104,412</u>	
Totals	48,858.00 m²		47,099,112	47,099,112

Contingency	3.00%	1,412,973		1,412,973
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PROFESSIONAL FEES

Professional fees	8.00%	3,767,929		3,767,929
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DISPOSAL FEES

Marketing, sales agent and legal fe	3.50%	3,386,869		3,386,869
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FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)				
Total Finance Cost				1,815,262

TOTAL COSTS

83,373,161

PROFIT

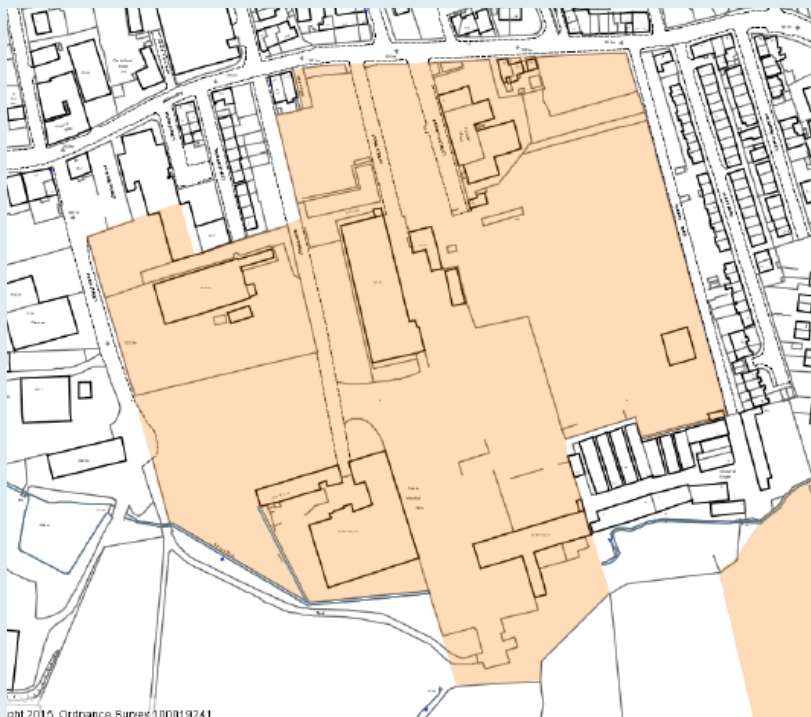
20,930,641

Performance Measures

Profit on Cost%	25.10%
Profit on GDV%	20.07%
Profit on NDV%	20.07%
IRR	31.50%
Profit Erosion (finance rate 6.750%)	3 yrs 4 mths

Kirklees Council Site Specific Viability Analysis Site 6 - Residential Development

Location plan



ghf 2015, Ordnance Survey 100019241

Site address and reference	Land adjacent Westgate, Cleckheaton (MX3349)
Site size	6.93 hectares (Gross) 6.6 hectares (net)
Land ownership/tenure	Private ownership
Details of proposed development including current planning status	<p>The site is currently brownfield.</p> <p>The site is proposed for mixed use development.</p>
Site constraints	<ul style="list-style-type: none"> • Part of the site is located within Flood Zones 2 and 3 • Housing provision on this site should avoid high flood risk areas • Risk of contamination • Risk of high noise levels

Accommodation schedule	The development has capacity for 198 residential units:					
	Housing Mix					
		2 bed house	3 bed house	4 bed house	5 bed house	Total
	No of units	50	79	50	20	198
	Total floor space	3,465	7,128	5,792	2,772	19,157
	Total market floor space	2,772	5,702	4,633	2,218	15,325
	Total AH floor space	693	1,426	1,158	554	3,831
	AR / SR floor space	384	790	642	307	2,123
	SO floor space	309	636	517	247	1,709
Build period	<ul style="list-style-type: none"> • 3 months lead in period from grant of planning consent • 70 months construction programme • Sales staggered behind build at rate of 30 units per annum assuming one development outlet 					
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: £1,883.68 per sq m (£175 per sq ft)					
Affordable housing revenues	<ul style="list-style-type: none"> • Shared ownership 53.03% of market value • £998.92 per sq m / £92.80 per sq ft • Rented (affordable and social) 31.21% of market value • £587.90 per sq m / £54.62 per sq ft (Rented) 					
Build costs	<ul style="list-style-type: none"> • £964 per sq m (£90 per sq ft) 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 of 18.70% 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.

APPRAISAL SUMMARY**DTZ DEBENHAM TIE LEUNG LTD****Land adjacent to Westgate, Cleckheaton
Residential Development****Summary Appraisal for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	m²	Rate m²	Unit Price	Gross Sales
Market units	1	15,325.00	1,883.68	28,867,396	28,867,396
Affordable & Social rented	1	2,123.00	587.90	1,248,112	1,248,112
Shared ownership	<u>1</u>	<u>1,709.00</u>	998.92	1,707,154	<u>1,707,154</u>
Totals	3	19,157.00			31,822,662

NET REALISATION **31,822,662****OUTLAY****ACQUISITION COSTS**

Residualised Price			3,317,756	
Stamp Duty			155,388	
Agent & legal fees inc VAT		1.80%	59,720	3,532,864

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Market units	15,325.00 m ²	964.00 pm ²	14,773,300	
Affordable & Social rented	2,123.00 m ²	964.00 pm ²	2,046,572	
Shared ownership	<u>1,709.00 m²</u>	964.00 pm ²	<u>1,647,476</u>	
Totals	19,157.00 m²		18,467,348	18,467,348

Contingency		3.00%	554,020	554,020
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PROFESSIONAL FEES

Professional Fees		8.00%	1,477,388	1,477,388
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DISPOSAL FEES

Marketing, sales agent & legal fees		3.50%	1,113,793	1,113,793
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FINANCE

Debit Rate 6.750% Credit Rate 0.500% (Nominal)				
Land			775,349	
Construction			(48,937)	
Total Finance Cost				726,411

TOTAL COSTS **25,871,824****PROFIT****5,950,838****Performance Measures**

Profit on Cost%	23.00%
Profit on GDV%	18.70%
Profit on NDV%	18.70%

IRR 26.45%

Profit Erosion (finance rate 6.750%) 3 yrs 1 mth

Appendix 4 Student Residential Appraisal Worked Example

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary

Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
250	4,970	1,242,500	1,242,500
<u>250</u>	4,970	<u>1,242,500</u>	<u>1,242,500</u>
Totals	500	2,485,000	2,485,000

Investment Valuation

Market Rent	1,242,500	YP @	6.5000%	15.3846	
		PV 3mths @	6.5000%	0.9844	18,816,794
Market Rent	1,242,500	YP @	6.5000%	15.3846	
		PV 3mths @	6.5000%	0.9844	18,816,794
					37,633,589

GROSS DEVELOPMENT VALUE

37,633,589

Purchaser's Costs

(2,536,504)

(2,536,504)

NET DEVELOPMENT VALUE

35,097,085

NET REALISATION

35,097,085

OUTLAY

ACQUISITION COSTS

Residualised Price

1,908,272

1,908,272

Stamp Duty

74,414

Agent & Legal Fees (Inc VAT)

1.80%

34,349

108,762

CONSTRUCTION COSTS

Construction

m ²	Rate m ²	Cost
7,500.00 m ²	1,391.00 pm ²	10,432,500
<u>7,500.00 m²</u>	<u>1,391.00 pm²</u>	<u>10,432,500</u>
Totals	15,000.00 m ²	20,865,000

20,865,000

Contingency

3.00%

625,950

625,950

Other Construction

Other Construction

10.00%

1,043,250

Other Construction

10.00%

1,043,250

2,086,500

Section 106 Costs

Section 106

236,250

Section 106

236,250

472,500

PROFESSIONAL FEES

Professional Fees

8.00%

1,836,120

1,836,120

DISPOSAL FEES

Sales Agent & Legal Fees

1.25%

438,714

438,714

FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)

Total Finance Cost

746,433

TOTAL COSTS 29,088,251

PROFIT 6,008,834

Performance Measures

Profit on Cost%	20.66%
Profit on GDV%	15.97%
Profit on NDV%	17.12%
Development Yield% (on Rent)	8.54%
Equivalent Yield% (Nominal)	6.50%
Equivalent Yield% (True)	6.77%
IRR	44.77%
Rent Cover	2 yrs 5 mths
Profit Erosion (finance rate 6.750%)	2 yrs 10 mths

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary

Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
250	4,970	1,242,500	1,242,500
<u>250</u>	<u>4,970</u>	<u>1,242,500</u>	<u>1,242,500</u>
Totals	500	2,485,000	2,485,000

Investment Valuation

Market Rent	1,242,500	YP @	6.7500%	14.8148	
		PV 3mths @	6.7500%	0.9838	18,109,258
Market Rent	1,242,500	YP @	6.7500%	14.8148	
		PV 3mths @	6.7500%	0.9838	18,109,258
					36,218,516

GROSS DEVELOPMENT VALUE

36,218,516

Purchaser's Costs	(2,440,404)	
		(2,440,404)

NET DEVELOPMENT VALUE

33,778,112

NET REALISATION

33,778,112

OUTLAY

ACQUISITION COSTS

Residualised Price		962,102	
			962,102
Stamp Duty		27,105	
Agent & Legal Fees (Inc VAT)	1.80%	17,318	
			44,423

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
	7,500.00 m ²	1,391.00 pm ²	10,432,500
	<u>7,500.00 m²</u>	<u>1,391.00 pm²</u>	<u>10,432,500</u>
Totals	15,000.00 m²		20,865,000

Contingency	3.00%	625,950	
			625,950

Other Construction

Other Construction	10.00%	1,043,250	
Other Construction	10.00%	1,043,250	
			2,086,500

Section 106 Costs

Section 106		236,250	
Section 106		236,250	
			472,500

PROFESSIONAL FEES

Professional Fees	8.00%	1,836,120	
			1,836,120

DISPOSAL FEES

Sales Agent & Legal Fees	1.25%	422,226	
			422,226

FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			686,089

TOTAL COSTS

28,000,911

PROFIT

5,777,202

Performance Measures

Profit on Cost%	20.63%
Profit on GDV%	15.95%
Profit on NDV%	17.10%
Development Yield% (on Rent)	8.87%
Equivalent Yield% (Nominal)	6.75%
Equivalent Yield% (True)	7.04%
IRR	46.60%
Rent Cover	2 yrs 4 mths
Profit Erosion (finance rate 6.750%)	2 yrs 10 mths

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
	250	4,970	1,242,500	1,242,500
	<u>250</u>	4,970	<u>1,242,500</u>	<u>1,242,500</u>
Totals	500		2,485,000	2,485,000

Investment Valuation

Market Rent	1,242,500	YP @	7.0000%	14.2857	
		PV 3mths @	7.0000%	0.9832	17,452,290
Market Rent	1,242,500	YP @	7.0000%	14.2857	
		PV 3mths @	7.0000%	0.9832	17,452,290
					34,904,579

GROSS DEVELOPMENT VALUE

34,904,579

Purchaser's Costs

(2,351,172)

(2,351,172)

NET DEVELOPMENT VALUE

32,553,407

NET REALISATION

32,553,407

OUTLAY

ACQUISITION COSTS

Residualised Price

67,028

67,028

Agent & Legal Fees (Inc VAT)

1.80%

1,207

1,207

CONSTRUCTION COSTS

Construction

	m ²	Rate m ²	Cost
	7,500.00 m ²	1,391.00 pm ²	10,432,500
	<u>7,500.00 m²</u>	<u>1,391.00 pm²</u>	<u>10,432,500</u>
Totals	15,000.00 m²		20,865,000

Contingency

3.00%

625,950

625,950

Other Construction

Other Construction

10.00%

1,043,250

Other Construction

10.00%

1,043,250

2,086,500

Section 106 Costs

Section 106

236,250

Section 106

236,250

472,500

PROFESSIONAL FEES

Professional Fees

8.00%

1,836,120

1,836,120

DISPOSAL FEES

Sales Agent & Legal Fees

1.25%

406,918

406,918

FINANCE

Debit Rate 6.750%, Credit Rate 0.500% (Nominal)

Total Finance Cost

631,143

TOTAL COSTS

26,992,366

PROFIT

5,561,041

Performance Measures

Profit on Cost%	20.60%
Profit on GDV%	15.93%
Profit on NDV%	17.08%
Development Yield% (on Rent)	9.21%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
IRR	48.65%
Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 6.750%)	2 yrs 10 mths