
South Lakeland District Council

CIL Viability Study

Update

July 2014

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1. Introduction

- 1.1 In late 2012, HDH Planning & Development Ltd (HDH) was commissioned by South Lakeland District Council (SLDC) to prepare the South Lakeland Land Allocations DPD Viability Study. Following examination and subsequent adoption of the Land Allocations DPD, we then prepared the South Lakeland CIL Viability Study as an annex to the South Lakeland Land Allocations DPD Viability Study. This was published in January 2014.
- 1.2 SLDC published a Preliminary Draft Charging Schedule (PDCS) for consultation on 6th March 2014. This proposed the following rates of CIL:

Table 1.1 SLDC Proposed Residential rates of CIL	
Development Type	Maximum Rate of CIL
Residential excluding Kendal and Ulverston Canal Head regeneration areas	£60/m ²
Large Strategic Housing Sites	As for residential – unless alternative case made by relevant site promoters
Sheltered/Retirement Housing	£150/m ²
Extra Care Housing	£150/m ²
Kendal and Ulverston Canal Head regeneration areas – all development types.	£0/m ²
Supermarkets and retail warehouses	£150/m ²
Hotels	£150/m ²

Source: SLDC PDCS April 2014

- 1.3 This paper has been produced to address further points raised either by consultees and stakeholders or by the Council. In addition, since the completion of the Viability Study, further amendments have been made to the CIL Regulations and Guidance (February 2014 and June 2014) and the Government as finalised the National Planning Practice Guidance (NPPG) (March 2014). The consequences of these changes have also been considered.
- 1.4 Since the completion of the consultation we have met with the Council's officers and elected members, and representatives of the development industry to discuss the principal points raised.
- 1.5 This paper will not repeat the methodology and assumptions used in the South Lakeland Land Allocations DPD Viability Study (April 2013) and the South Lakeland CIL Viability Study Viability Study (January 2014) and should be read as an update to that earlier work.
- 1.6 The following main topics have been addressed:
- a) The NPPG and amendments to the CIL Regulations and Guidance
 - b) Passage of time and increases in costs and changes in value



- c) Older People's Housing
- d) Retail rates for smaller/discount supermarkets
- e) Rates for hotels
- f) Agricultural Workers' Housing
- g) Instalments policy.

1.7 As a result of this update we have revised the recommended CIL rates as set out in Chapter 10.



2. The NPPG and amendments to the CIL Regulations

- 2.1 On the 24th of February 2014 further amendments to the CIL Regulations came into effect and on 6th March 2014 the Government published National Planning Practice Guidance (NPPG) in the form of a website¹. In addition the CIL Guidance was updated in February 2014 before being further changed and assimilated into the NPPG on 12th June 2014. In this chapter, we have considered whether work carried out as part of the Viability Studies is consistent with these changes.

NPPG

- 2.2 The NPPF introduced a requirement to assess the viability of the delivery of the Local Plan and the impact on development of policies contained within it. The NPPF includes the following paragraphs:

173. Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

174. Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.

- 2.3 This requirement remains unchanged. The test remains whether the *cumulative impacts* of the Council's policies, including CIL, would put the plan at *serious risk*. Viability is a recurring theme through the NPPG and it includes specific sections on viability in both the plan-making and the development management processes. The NPPF says that plans should be deliverable and that the scale of development identified in the Plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The NPPG says:

¹ <http://planningguidance.planningportal.gov.uk/>



Understanding Local Plan viability is critical to the overall assessment of deliverability. Local Plans should present visions for an area in the context of an understanding of local economic conditions and market realities. This should not undermine ambition for high quality design and wider social and environmental benefit but such ambition should be tested against the realistic likelihood of delivery.

.... viability can be important where planning obligations or other costs are being introduced. In these cases decisions must be underpinned by an understanding of viability, ensuring realistic decisions are made to support development and promote economic growth. Where the viability of a development is in question, local planning authorities should look to be flexible in applying policy requirements wherever possible.

NPPG ID: 10-001-20140306

2.4 These requirements are not new and are simply stating best practice and are wholly consistent with the approach taken through the preparation of the Plan. An example is the inclusion of viability testing in relation to the affordable housing policy.

2.5 In the section on considering land availability, the NPPG says:

A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the developer to complete and sell the development over a certain period.

NPPG ID: 3-021-20140306

2.6 The NPPG does not prescribe a single approach for assessing viability. The NPPF and the NPPG both set out the policy principles relating to viability assessments.

There is no standard answer to questions of viability, nor is there a single approach for assessing viability. The National Planning Policy Framework, informed by this Guidance, sets out the policy principles relating to viability assessment. A range of sector led guidance on viability methodologies in plan making and decision taking is widely available.

NPPG 10-002-20140306.

2.7 The Viability Study was carried out under the Harman Guidance and in accordance with the RICS Guidance, it also drew on the Planning Advisory Service (PAS) resources and was informed by appeal decisions and CIL Examiners' reports.

2.8 The NPPG does not require every site to be tested:

Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable; site typologies may be used to determine viability at policy level. Assessment of samples of sites may be helpful to support evidence and more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.

NPPG ID: 10-006-20140306

2.9 This supports the approach that was taken in the Viability Study where the analysis is based on a set of typologies that represented the expected development to come forward over the plan-period. These typologies were agreed through the consultation process and the methodology is fully consistent with the NPPG. In addition, a number of key sites within the Plan have been assessed.



- 2.10 During the consultation process, the Viability Thresholds were a controversial matter and it is clear that different landowners will take different approaches depending on their personal and corporate priorities. The assessment was based on an informed assumption being made about the 'uplift', being the margin above the 'existing use value' which would be sufficient to incentivise the landowner sell. Both the RICS Guidance and the NPPG make it clear that, when considering land value, that this must be done in the context of current and emerging policies (including CIL):

Site Value definition Site Value either as an input into a scheme specific appraisal or as a benchmark is defined in the guidance note as follows: 'Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.' Box 7, Page 12, RICS Guidance

In all cases, estimated land or site value should: ...reflect emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge.

NPPG ID 10-014-20140306

- 2.11 This supports the approach taken in the Viability Study.
- 2.12 The NPPG stresses the importance of working from evidence and in collaboration with the development industry:

Evidence based judgement: *assessing viability requires judgements which are informed by the relevant available facts. It requires a realistic understanding of the costs and the value of development in the local area and an understanding of the operation of the market.*

Understanding past performance, such as in relation to build rates and the scale of historic planning obligations can be a useful start. Direct engagement with the development sector may be helpful in accessing evidence.

Collaboration: *a collaborative approach involving the local planning authority, business community, developers, landowners and other interested parties will improve understanding of deliverability and viability. Transparency of evidence is encouraged wherever possible. Where communities are preparing a neighbourhood plan (or Neighbourhood Development Order), local planning authorities are encouraged to share evidence to ensure that local viability assumptions are clearly understood.*

NPPG ID: 10-004-20140306

- 2.13 Considerable emphasis has been put on consultation and collaboration and whilst not all aspects of the viability were agreed (there was a degree of inconsistency amongst the consultees as well as between the Council and consultees) much common ground was established.
- 2.14 The meaning of *competitive returns* is discussed in the Viability Study and is at the core of a viability assessment. The RICS Guidance includes the following definition:

Competitive returns - *A term used in paragraph 173 of the NPPF and applied to 'a willing land owner and willing developer to enable development to be deliverable'. A 'Competitive Return' in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan. A 'Competitive Return' in the context of a developer bringing forward development should be in*



accordance with a 'market risk adjusted return' to the developer, as defined in this guidance, in viably delivering a project.

- 2.15 The NPPG now adds to this saying:

Competitive return to developers and land owners

The National Planning Policy Framework states that viability should consider “competitive returns to a willing landowner and willing developer to enable the development to be deliverable.” This return will vary significantly between projects to reflect the size and risk profile of the development and the risks to the project. A rigid approach to assumed profit levels should be avoided and comparable schemes or data sources reflected wherever possible.

A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy.

NPPG ID: 10-015-20140306.

- 2.16 This supports the 'existing use value plus' approach adopted.

Community Infrastructure Levy (CIL) Regulations

- 2.17 A further amendment to the CIL Regulations came into effect on 24th February 2014. These make some important changes across the whole CIL regime. For the purpose of this work the most important change is to CIL Regulation 14 which has been altered as follows:

Setting rates

14.—(1) In setting rates (including differential rates) in a charging schedule, a charging authority must ~~aim to strike what appears to the charging authority to be an appropriate balance between—~~

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

(2) In setting rates

- 2.18 The precise meaning of these changes has not yet been, explicitly confirmed through the examination and legal process, however we believe that this reduces some of the latitude that a council had in the approach taken to setting CIL. In the case of SLDC the impact is minimal as the Council has already taken a cautious approach through the Viability Study in terms of the assumptions taken.

- 2.19 In March 2010 CLG published *Community Infrastructure Levy Guidance, Charge setting and charging schedule procedures* to support the CIL Regulations. These were replaced by *Community Infrastructure Levy, Guidance* (December 2012 and April 2013). These were replaced by *Community Infrastructure Levy, Guidance* (February 2014) before being assimilated into the NPPG (and further changed) in June 2014. On preparing the evidence base on economic viability the CIL Guidance now says:



A charging authority must use 'appropriate available evidence' (as defined in the Planning Act 2008 section 211(7A)) to inform their draft charging schedule. The Government recognises that the available data is unlikely to be fully comprehensive. Charging authorities need to demonstrate that their proposed levy rate or rates are informed by 'appropriate available' evidence and consistent with that evidence across their area as a whole.

A charging authority should draw on existing data wherever it is available. They may consider a range of data, including values of land in both existing and planned uses, and property prices – for example, house price indices and rateable values for commercial property. They may also want to build on work undertaken to inform their assessments of land availability.

In addition, a charging authority should directly sample an appropriate range of types of sites across its area, in order to supplement existing data. This will require support from local developers. The exercise should focus on strategic sites on which the relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London) relies, and those sites where the impact of the levy on economic viability is likely to be most significant (such as brownfield sites).

The sampling should reflect a selection of the different types of sites included in the relevant Plan, and should be consistent with viability assessment undertaken as part of plan-making.

NPPG ID: 25-019-20140612

- 2.20 The test that will be applied to the proposed rates of CIL are set out in the CIL Guidance, putting greater emphasis on demonstrating how CIL will be used to deliver the infrastructure required to support the Plan.

The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.

NPPG ID: 25-009-20140612

- 2.21 When setting CIL it will be necessary for the Council to clearly demonstrate how CIL will fund infrastructure that will enable development to be delivered.
- 2.22 The test is whether the sites and the scale of development identified in the Plan are subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened by CIL. This is somewhat more cautious than the approach set out in earlier guidance. In the March 2010 CIL Guidance, the test was whether the Plan was put at 'serious risk', and in the April 2013 CIL Guidance, the test was whether CIL 'threatened the development plan as a whole'.
- 2.23 From the outset, the approach taken by SLDC has been cautious and recognises the challenges of development in some parts of the District. This approach is consistent with the February 2014 CIL Guidance. It is relevant to note that CIL may make some sites unviable, just as some schemes are unviable anyway due to factors such as site clearance and decontamination, however the Council is setting CIL and its other policy requirements (such



as affordable housing) at a level as to ensure the Plan is deliverable and the broad range of priorities and needs (including paying for infrastructure and delivering the quantum and mix of housing identified in the SHMA) are met.

Payments in Kind

- 2.24 Under changes to CIL Regulation 73 a local authority (at its discretion) can accept CIL ‘in kind’. The changes to this Regulation have extended this provision from the payment of CIL through the transfer of land, to the payment through the transfer of infrastructure as well as land.
- 2.25 These changes give the increased flexibility to both the Charging Authority and the developer allowing CIL to be ‘paid’ through the provision of infrastructure. This may be on site or nearby – although it is important to know that the ‘rules’ in respect of this are relatively restricting.



3. Increases in costs, changes in value, and adjustments to the modelling

- 3.1 The Land Allocations DPD Viability Study was carried out early in 2013 and was based on costs and values gathered at the end of 2012 and in the first few months of 2013. Since then the property market has moved on with increased confidence, but costs have also increased. In this chapter we have considered whether or not it is necessary to update these main assumptions. It is important to note that we have not revisited every assumption. Following the independent examination into the soundness of the Land Allocations DPD the Inspector's report, dated 14th November 2013², concluded as follows:

This report concludes that the South Lakeland Local Plan: Land Allocations Development Plan Document provides an appropriate basis for the planning of the District over the next 12 years providing a number of modifications are made to the Plan...

- 3.2 And goes on to conclude:

Overall, I consider the [Viability] Study to be adequately robust in terms of the evidence sources and methodology used. The judgements made appear reasonable and a reassuringly cautious approach has generally been taken.

- 3.3 It is therefore appropriate to carry the methodology and main assumptions forward from the plan-making process into the CIL process although due to the passage of time it is appropriate to update the study.

Residential Values

- 3.4 In the Viability Study we stressed the uncertainty in the market including Figure 4.1 which showed average house prices from January 2006. There has been considerable coverage in the national press about an increase. The BBC News reported on the 20th May:

UK house prices rose by 8% in the year to the end of March, official figures show, as the prime minister says he will consider changes to Help to Buy.

The annual increase slowed compared with a 9.2% year-on-year price rise to the end of February.

However, the latest official data from the Office for National Statistics (ONS) showed that the annual property price increase in London stood at 17%.

Excluding London and the South East of England, prices were up by 4.7%.

- 3.5 Since the data for the Viability Study was gathered prices in South Lakeland have increased (although it is important to note that the South Lakeland figures include those, generally higher

² <http://www.southlakeland.gov.uk/EasySiteWeb/GatewayLink.aspx?allId=39171>



value, parts of the Lake District National Park that are subject to the National Park Authority’s planning policies rather than SLDC’s).

- 3.6 The Land Registry shows that since January 2013 to March 2014 average Cumbrian house prices have risen 0.7% from £120,286 to £121,104. Over the year to January 2014 the number of house sales per month has risen 34% from 409 per month to 550 per month. This data includes the low value areas of west Cumbria so is only of limited relevance to SLDC.
- 3.7 Zoopla.com estimates the following price changes over the last 12 months:

Table 3.1 Average prices by main settlement		
	Average Price	Percentage Change
Kendal	£230,711	7.78%
Ulverston	£208,608	7.83%
Kirkby Lonsdale	£260,029	5.46%
Grange Over Sands	£256,158	8.15%
Arnside	£270,228	5.47%
Milnthorpe	£264,611	4.99%
Kirkby in Furness	£210,952	5.55%

Source: Zoopla.com (May 2014)

- 3.8 Discussions with agents and developers revealed a general consensus that the market has improved over the last year or so. In this update we have assumed a 5% increase in prices, being at the lower end of the range.

Non-residential Values

- 3.9 We have reviewed the non-residential values used in the report. There is a notable increase in confidence and activity in the area however this has not yet fed through into increased rents or capital values.
- 3.10 Following representations from stakeholders we have considered additional retail modelling in Chapter 6 below and hotels further in Chapter 7 below.

Development Costs

Construction Costs

- 3.11 In the appraisals, much of the development costing is built up from the BCIS average build costs. These are based on tenders in the area so represent the ‘normal’ types of construction in terms of design and finish that prevail in South Lakeland (including the use of stone and slate where this prevails).



- 3.12 In the Viability Study the December 2012 BCIS costs were used. In this update we have used the May 2014 BCIS Costs. For residential housing these have increased by about 13%. In part this increase is due to straight forward inflation, but it is also due to the increased Building Regulation and environmental standards that have now been reflected in the costs.
- 3.13 In the previous work the BCIS costs were increased by 6% to reflect increased environmental standards. From April 2008, the Code for Sustainable Homes (CfSH) Level 3 has been a requirement for all homes commissioned by housing associations but would not necessarily be the case for affordable homes built by developers for disposal to a housing association, unless grant was made available from the Homes and Communities Agency.
- 3.14 The Department for Communities and Local Government (CLG) published a review of the costs of building to the CfSH in August 2011. This provides useful guidance as to the costs of the implementation of the various environmental standards. Bearing in mind the move towards higher standards with the amendments to Building Regulations, we initially assumed a minimum standard of full CfSH Level 4 drawing on the costs information from *Cost of building to the Code for Sustainable Homes, Updated cost review. CLG (Aug 2011)*.
- 3.15 In the initial version of the Viability Study the BCIS cost assumptions were increased by 6% to reflect the full cost CfSH Level 4 and by £11/m² to build to Lifetime Homes standards.
- 3.16 Since the process of viability testing started 18 months ago the national policies in relation to climate change and overall national minimum building standards have been clarified and not all the requirements of CfSH Level 4 will become mandatory (and are not a requirement of the Core Strategy).
- 3.17 Based on the best currently available information³, the costs of building to the now clarified, enhanced building standards is estimated to be between 1% and 2% of the BCIS costs. The BCIS plus 6% assumption therefore overstates the costs in this regard.
- 3.18 In this update we have adjusted the appraisal inputs:
- a. The BCIS cost for residential development have been increased using the current (May 2014) costs. These are about 13% higher.
 - b. Increased BCIS by 1.5% to reflect the increase in environmental standards.
- 3.19 We have used the median BCIS costs.

³ Including the Housing Standards Review Consultation – Impact Assessment (August 2013)



Abnormal Costs

- 3.20 Through the consultation process it was suggested that all sites have some form of abnormal cost and to a degree we would agree. It was suggested that the build costs assumptions should be increased to reflect this. This raises the questions of 'normal abnormal' costs and 'abnormal abnormal' costs. We have not altered the modelling in this regard as these costs are covered within the site cost assumptions and we have incorporated a contingency amount.
- 3.21 In this context it is pertinent to note that the Harman Guidance does not advocate the use of a contingency allowance - although the RICS Guidance does.

Overheads

- 3.22 It was suggested that a further allowance should be incorporated into the development appraisals to reflect head office and other costs. We have not adjusted the appraisals in this regard, instead keeping with the methodology used in the Land Allocations DPD Viability Study.

S106 costs and CIL

- 3.23 As the project has developed the Council has developed its strategy with regard to future s106 payments and the relationship between CIL and s106 and what will be on the Council's 123 List.
- 3.24 In the viability study it was assumed that a s106 payment of £1,500 per unit was made. This was based on historic payments that were typical of the area. In this update we have increased this to £2,500 per unit based on discussions with the Council and taking a cautious approach.
- 3.25 It is important to note that this assumption (i.e. £2,500) is higher than that typically requested in the past and is higher than has generally been achieved.
- 3.26 In the initial analysis in this update we have incorporated the CIL rates set out in Chapter 1 of this document as a development cost.

Adjustments to modelling

- 3.27 The modelling in the Viability Studies evolved through the process of consultation. We have reviewed this in the light of the consultation responses.

Size of affordable housing

- 3.28 In this update, as in the earlier work, study we assumed the following:
- a. 35% on sites of 9 or more units in the Principal Service Centres of Kendal and Ulverston and in the Key Service Centres of Grange-over-Sands, Milnthorpe and Kirkby Lonsdale



b. 35% on sites of 3 or more on other areas.

3.29 The policy gives some flexibility as to the type of affordable housing provided. The 35% is split into Low Cost Home Ownership (LCHO) and affordable rented property as detailed in the table below. For the purpose of this update it has been assumed that new affordable housing would be 50% LCHO and 50% Affordable Rent in accordance with the *SLDC Affordable Housing Guidance for Developers – updated January 2014*. This is different to the 70%:30% split used in the previous viability work and reflects the Council's changed approach.

3.30 The Council limits the price of discounted sale properties in the District as set out towards the end of Chapter 4 of the Viability Study.

3.31 The detailed interpretation of the Affordable Housing Policy was discussed at the consultation on 11th March 2013. Concern was expressed by the developers that the model works on a £/m² basis but the policy is written and implemented on a unit basis. This causes a distortion as, on the whole, the affordable units are smaller than the market units. At that time the size of typical market units was a little over 100m² and the typical affordable units are about 75m². This is illustrated in the following table:

Table 3.2 Relationship between number of affordable units and floor space					
	Proportion	Units	Size	Floor Area	% of floor area
Total Scheme		100	m ²		
Market Unit	65.00%	65	105	6,825	72.22%
Intermediate unit	10.50%	10.5	75	787.5	8.33%
Affordable Rent	24.50%	24.5	75	1,837.5	19.44%
Social Rent		0	75	0	0.00%
			Total	9,450	m ²

Source: Table 8.2 SLDC Land Allocations Viability Study (April 2013)

3.32 Since that work was undertaken the Council has progressed the Strategic Housing Market Assessment (SHMA) and considered the requirements for housing in the light of the Government's welfare reforms and in particular the spare room subsidy (bedroom tax). Households' assistance with housing rental costs in the affordable sector is now restricted relative to the size of the home that they require. This has led to a significant increase in the number of affordable 1 bedroom units required.

3.33 18 months or so ago (when the viability work was undertaken) developers were rarely asked to provide 1 bedroom units. These smaller units now comprise an important element of the Council's affordable housing mix. As well as this change in relation to affordable housing we have considered market housing where a greater need for family housing has been identified. Following further discussion with the industry we have altered the appraisals so to assume that on average affordable homes are 800 sqft (74.3m²) and the average market unit is 1,250



sqft (116m²). The analysis in this update is based on the following across all sites subject to affordable housing:

Table 3.3 Adjusted Relationship between number of affordable units and floor space (50%Affordable Rent / 50% Intermediate)					
	Proportion	Units	Size	Floor Area	% of floor area
Total Scheme		100	m ²		
Market Unit	65.00%	65	116.0	7,540	74.36%
Intermediate unit	17.50%	17.5	74.3	1,300	12.82%
Affordable Rent	17.50%	17.5	74.3	1,300	12.82%
Social Rent		0	74.3	0	0.00%
			Total	10,140	m ²

Source: HDH (June 2014)

Net / Gross areas

- 3.34 There has continued to be some debate as to whether the analysis should be based on consideration of the net developable area or the gross site area. The development industry routinely work on a net basis, but landowners consider the value of their whole site. The Land Allocations DPD was carried out on a net basis but the CIL Viability Study on a gross basis.
- 3.35 There is no right or wrong way to carry out the analysis. Following further discussion with the development industry and at their request, in this update we have considered the results on a net developable area basis.

Development Density

- 3.36 Some concern was raised over development typology 2 which was felt to be too high. We have adjusted this to 30 units per ha.

Ulverston and the Furness Peninsula

- 3.37 This western part of the SLDC planning area is detached from the rest of the District and is considered by the Council to form a separate housing market area. It is separated by part of the Lake District National Park with the relatively high value areas of Cartmel and Grange being separate from the lower values area of Ulverston.
- 3.38 The three large sites to the south of Ulverston are collectively known as South Ulverston and comprise a very major urban extension of almost 750 houses. This site is important to the delivery of the overall Plan and is significantly larger than any of the other sites in the Plan. In light of the comments made we have re-visited CIL in relation to this site, both on its own and in relation to other development on the Furness Peninsula, being a geographically discrete area that is detached from the remainder of SLDC.



- 3.39 In the Land Allocations DPD Viability Study the Residual Value was assessed at a little over £11,580,000. This equates to about £260,000 per net hectare or just under £500,000 per gross hectare. In that modelling it was assumed that the site was subject to £3,500,000 of abnormal and infrastructure costs. In the CIL Viability Study this amount was reduced to £1,000,000 to reflect the fact that the contribution towards primary education previously allowed for would no longer be required.
- 3.40 In the CIL Viability Study it was recognised that it may be necessary to consider this site separately and set a different rate of CIL – but, under the then extant CIL Guidance, that could only be done based on robust viability evidence. Whilst a number of comments have been received from the site’s promoters no further or more detailed information has been supplied with regard to abnormal or infrastructure costs and beyond an un-evidenced comment that these ‘appear low’.
- 3.41 Many of the comments made are covering similar points to those more general comments made through the consultation process and dealt with in the earlier parts of this Chapter. When re-running the appraisals we have however made several further adjustments based on the improved knowledge of the scheme:
- a. The phasing of the development has been reduced from 60 per year to 48 units per year (about 2 per month on two development outlets).
 - b. The contingency allowance has been increased to 10%. This change has been made to reflect the continued uncertainty about the infrastructure requirements and to reflect the inherent uncertainty connected with a development of such a major strategic site in what is the weakest part of the SLDC housing market.
- 3.42 When discussing how to develop the modelling with a core group of developers it was suggested that this western area of SLDC’s planning area (i.e. the Furness Peninsular) should be treated as a whole and that this area is distinctly different in terms of development economics to the remainder of the District. We have therefore modelled an additional site in this area being an urban fringe site of 50 units at 30 units per hectare.

Revised appraisal results

- 3.43 The following appraisals are based on the updated assumptions used in the base appraisals on the DPD Viability Study being as follows. The full appraisals are set out in **Appendix 1**. These include CIL and s106 payments:
- a. Affordable Housing 35% with mix as required by location (based on GIA).
 - b. Environmental Standards Building Regulations (Part L), Enhanced Building Regulations (+1.5%), and Lifetime Homes (+£11/m²).
 - c. CIL and s106 £2,500 per unit (market and affordable) plus CIL at £60/m² on market housing.
 - d. Developers’ Return 20% of GDV.



Table 3.4 Appraisal Results. 35% Affordable Housing, £60/m2 CIL and £2,500 per unit s106 Contribution

					Area		Units	Residual Value		
					Gross ha	Net ha		Gross ha	Net ha	£ site
Site 1	Urban Edge 1	Kendal	Green	Agricultural	7.5	5.25	168	567,720	811,028	4,257,899
Site 2	Urban Edge 2	Kendal	Green	Agricultural	8.33	5.8	174	431,966	620,393	3,598,280
Site 3	Office re-deve	Kendal	Brown	Offices	0.31	0.31	13	1,889	1,889	586
Site 4	Estate Infill	Kendal	Green	Scrub	0.43	0.3	12	626,950	898,628	269,588
Site 5	LSC Infill	Arnside	Green	Paddock	1.1	1	35	490,156	539,172	539,172
Site 6	LSC Infill	Grange	Green	Paddock	2	1.5	45	506,389	675,186	1,012,779
Site 7	Cleared Urban	Ulverston	Brown	Industrial	0.25	0.25	12	-763,160	-763,160	-190,790
Site 8	KSC Urban Edge	Milnthorpe	Green	Agricultural	3.8	2.5	76	453,968	690,032	1,725,080
Site 9	LSC Edge	Allithwaite	Green	Paddock	1	0.75	24	782,233	1,042,977	782,233
Site 10	LSC Edge	Endmoor	Green	Paddock	0.7	0.5	15	511,557	716,179	358,090
Site 11	LSC Paddock	Penny Bridge	Green	Paddock	0.93	0.7	21	715,854	951,064	665,745
Site 12	Small Village	Lune Valley	Green	Paddock	0.2	0.15	4	1,353,697	1,804,929	270,739
Site 13	Ex Garage Site	Central SLDC	Brown	Garage	0.2	0.2	5	-123,630	-123,630	-24,726
Site 14	Village Infill	Cartmel Peninsula	Green	Paddock	0.8	0.4	10	413,618	827,236	330,894
Site 15	Village Infill	Eastern Area	Green	Paddock	0.3	0.3	3	487,806	487,806	146,342
Site 16	Rural House	Rural west	Green	Paddock	1	1	1	67,446	67,446	67,446
Castle Green Road		Kendal			4.11	3.08	60	475,431	634,422	1,954,019
South Ulverston		Ulverston			44.35	22.18	747	103,967	207,888	4,610,954
NEW LSC Edge		Furness Peninsula			2.3	1.65	50	380,831	530,856	875,912

Source: HDH 2014 (LSC = Local Service Centre)



- 3.44 The consequence of these revised appraisals are considered in Chapter 4 below where the controversial land value/cost assumptions are considered.





4. The viability test, land value and competitive return

- 4.1 As set out in Chapter 6 of the Land Allocations DPD Viability Study the assumptions around land value were the controversial area on the study. These were explored in some detail at the examination in the Land Allocations DPD but remain controversial.
- 4.2 The following table is taken from the Land Allocations DPD Viability Study and shows the Residual Value calculated to reflect the full requirements of the Core Strategy and with differing levels of developer contributions applied to all units. The Residual Value Represents the maximum bid a developer could make for a parcel of land whilst still making a 'competitive return'.
- 4.3 It is not possible to simply convert the contribution in the above analysis into a rate of CIL as it is assumed that the s106 contribution is assumed to be due on all units and not only the market units. 35% of the units are not subject of CIL as they are affordable units and generally the affordable units are smaller than the market units. This did however provide a useful starting point for considering the appropriate rates of CIL and provide clear evidence that development can contribute towards the required infrastructure to support the Plan.

Table 4.1 Residual Value per Net Developable Ha. Impact of different Developer Contributions (pre-update)							
			Developer Contributions. £/ unit (market and affordable)				
			£1,500	£2,500	£5,000	£7,500	£10,000
Site 1	Urban Edge 1	Kendal	1,017,109	985,133	905,194	825,255	745,315
Site 2	Urban Edge 2	Kendal	986,281	951,307	863,874	776,440	689,006
Site 3	Office re-development	Kendal	272,991	229,023	119,103	9,184	-100,736
Site 4	Estate Infill	Kendal	1,258,469	1,217,735	1,115,898	1,014,061	912,225
Site 5	LSC Infill	Arnside	754,112	718,807	630,544	542,282	458,364
Site 6	LSC Infill	Grange	882,866	852,889	777,946	703,003	634,013
Site 7	Cleared Urban	Ulverston	43,821	-6,505	-132,321	-258,137	-385,862
Site 8	KSC Urban Edge	Milnthorpe	908,733	878,356	802,414	726,471	650,529
Site 9	LSC Edge	Allithwaite	1,307,848	1,275,569	1,194,872	1,114,175	1,033,478
Site 10	LSC Edge	Endmoor	889,158	858,607	782,230	705,852	629,475
Site 11	LSC Paddock	Penny Bridge	1,169,586	1,139,324	1,063,671	988,017	912,364
Site 12	Small Village	Lune Valley	1,952,203	1,925,047	1,857,156	1,789,265	1,721,374
Site 13	Ex Garage Site	Central SLDC	103,507	77,296	11,767	-53,763	-119,292
Site 14	Village Infill	Cartmel Peninsula	1,056,066	1,030,607	966,959	903,311	839,663
Site 15	Village Infill	Eastern Area	552,018	541,636	515,680	489,724	463,768
Site 16	Rural House	Rural west	75,454	74,406	71,785	69,163	66,542

Source: Table 10.9 South Lakeland Land Allocations DPD Viability Study (HDH April 2013)



- 4.4 It can be seen that at £5,000 per unit about half the sites generate a residual value (per net developable ha) of £800,000/ha or so and of the viable sites (so excluding the brownfield sites) the lowest is over £500,000/ha and half the sites have a Residual Value of over £900,000/ha. £5,000 per unit would equate very approximately to £66/m² CIL on the market units.
- 4.5 At the time of the Land Allocations Viability Study (and carried into the CIL Viability Study) it was concluded that across the SLDC planning area that development of brownfield sites was not generally viable and the land allocations within the Plan were made taking this into account to ensure that the Council has a 5 year land supply of land that is deliverable.
- 4.6 At the end of the previous chapter we set out the updated Residual Value for the modelled sites. The Residual Value is an important figure, but on its own does not indicate whether or not a site is viable. In the following table we have considered the Residual Value from the updated appraisals on a number of different basis.

Viability Threshold

- 4.7 The analysis in the previous work assumed that a reasonable competitive return for the landowner is Existing Use Value plus 20% plus a further £400,000/ha. We consider this the starting point as it represents an uplift in value of over 15 times (1,620%) but we acknowledge that this assumption is not accepted by all the consultees.
- 4.8 Before considering this further, it is useful to review the assumptions used in other studies in other parts of England. We have reviewed viability thresholds used by other councils in England in development plans approved during the first half of 2014. These are set out in the table below. Care has to be taken drawing on such general figures without understanding the wider context and other assumptions in the studies but generally the assumption used in South Lakeland are at the upper end of the range.
- 4.9 Interestingly the SLDC assumptions with regard to developers' return / profit are also at the upper end of the range. Together these assumptions illustrate the generally cautious approach taken through the viability work and the comments made by the development industry and landowners through the consultation process.



Table 4.2 Viability thresholds used elsewhere		
Local Authority	Developer's Profit	Threshold Land Value
Barbergh	17%	£370,000/ha
Cannock Chase	20% on GDV	£100,000-£400,000/ha
Christchurch & East Dorset	20% on GDC	£308,000/ha (un-serviced) £1,235,000/ha (serviced)
East Hampshire	20% market/6% Affordable	£450,000/ha
Erewash	17%	£300,000/ha
Fenland	15-20%	£1-2m/ha (serviced)
GNDP	20% market/17.5% large sites/6% Affordable	£370,000-£430,000/ha
Reigate & Banstead	17.5% market/6% Affordable	£500,000/ha
Stafford	20% (comprising 5% for internal overheads).	£250,000/ha
Staffordshire Moorlands	17.5% market/6% Affordable	£1.26-£1.41m/ha (serviced)
Warrington	17.5%	£100,000-£300,000/ha

Source: Planning Advisory Service (collated by URS) July 2014

4.10 In the following tables we have taken the Residual Values per net developable hectare from the appraisals run at the end of the previous chapter and compared these to a range of viability thresholds. We have colour coded the results using a simple traffic light system:

- a. **Green** Viable – where the Residual Value exceeds the threshold.
- b. **Red** Non-viable – where the Residual Value does not exceed the threshold.



Table 4.3 Residual Value compared to a range of Viability Thresholds.

£/net hectare, 35% Affordable Housing, £2,500 per unit (market and affordable) plus CIL at £60/m²

35% Affordable Housing, £2,500/unit CIL and £60/m ² CIL	Net ha	Viability Threshold									
		300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000		
Site 1 Urban Edge 1	Kendal	811,028	811,028	811,028	811,028	811,028	811,028	811,028	811,028	811,028	811,028
Site 2 Urban Edge 2	Kendal	620,393	620,393	620,393	620,393	620,393	620,393	620,393	620,393	620,393	620,393
Site 3 Office re-development	Kendal	1,889	1,889	1,889	1,889	1,889	1,889	1,889	1,889	1,889	1,889
Site 4 Estate Infill	Kendal	898,628	898,628	898,628	898,628	898,628	898,628	898,628	898,628	898,628	898,628
Site 5 LSC Infill	Arnsdale	539,172	539,172	539,172	539,172	539,172	539,172	539,172	539,172	539,172	539,172
Site 6 LSC Infill	Grange	675,186	675,186	675,186	675,186	675,186	675,186	675,186	675,186	675,186	675,186
Site 7 Cleared Urban	Ulverston	-763,160	-763,160	-763,160	-763,160	-763,160	-763,160	-763,160	-763,160	-763,160	-763,160
Site 8 KSC Urban Edge	Milnthorpe	690,032	690,032	690,032	690,032	690,032	690,032	690,032	690,032	690,032	690,032
Site 9 LSC Edge	Allithwaite	1,042,977	1,042,977	1,042,977	1,042,977	1,042,977	1,042,977	1,042,977	1,042,977	1,042,977	1,042,977
Site 10 LSC Edge	Endmoor	716,179	716,179	716,179	716,179	716,179	716,179	716,179	716,179	716,179	716,179
Site 11 LSC Paddock	Penny Bridge	951,064	951,064	951,064	951,064	951,064	951,064	951,064	951,064	951,064	951,064
Site 12 Small Village	Lune Valley	1,804,929	1,804,929	1,804,929	1,804,929	1,804,929	1,804,929	1,804,929	1,804,929	1,804,929	1,804,929
Site 13 Ex Garage Site	Central SLDC	-123,630	-123,630	-123,630	-123,630	-123,630	-123,630	-123,630	-123,630	-123,630	-123,630
Site 14 Village Infill	Cartmel Peninsula	827,236	827,236	827,236	827,236	827,236	827,236	827,236	827,236	827,236	827,236
Site 15 Village Infill	Eastern Area	487,806	487,806	487,806	487,806	487,806	487,806	487,806	487,806	487,806	487,806
Site 16 Rural House	Rural west	67,446	67,446	67,446	67,446	67,446	67,446	67,446	67,446	67,446	67,446
Castle Green Road	Kendal	634,422	634,422	634,422	634,422	634,422	634,422	634,422	634,422	634,422	634,422
South Ulverston	Ulverston	207,888	207,888	207,888	207,888	207,888	207,888	207,888	207,888	207,888	207,888
NEW LSC Edge	Furness Peninsula	530,856	530,856	530,856	530,856	530,856	530,856	530,856	530,856	530,856	530,856

Source: HDH June 2014



- 4.11 It is clear that the greater increase in construction costs when considered relative to sales values has had an adverse impact on viability over the 18 months or so and since the commencement of the viability work in relation to the Land Allocations DPD Viability Study.
- 4.12 Based on this analysis sites 3, 7, 13 and 16 remain unviable at the Existing Use Value plus 20% plus £400,000/ha used in the earlier work. The South Ulverston site also falls into this category.
- 4.13 At the time of the Land Allocations DPD it was concluded that across SLDC that the cumulative impact of the policies in the adopted Core Strategy did not put the development plan and serious risk and would facilitate development through the economic cycle and this was confirmed through the examination process. In reaching this judgement the Council had made the land allocations within the Plan taking this into account to ensure that the Council has a 5 year land supply of land that is deliverable.
- 4.14 As set out at the start of this report the ‘test’ for CIL has changed from whether the Plan is put at *serious risk* to whether it is *threatened*.

Sensitivity to CIL

- 4.15 In order to illustrate the sensitivity of viability to CIL we have run a range of further appraisals with lower levels of CIL and without affordable housing (all other matters remaining unchanged).



Table 4.3 Residual Value per Net ha. 35% Affordable Housing, £2,500/unit CIL and CIL as shown

CIL					No Affordable	35% Affordable Housing						
						£0	£0	£10	£20	£30	£40	£50
Site 1	Urban Edge 1	Kendal	Green	Agricultural	1,351,787	913,742	896,623	879,504	862,385	845,266	828,147	811,028
Site 2	Urban Edge 2	Kendal	Green	Agricultural	1,126,153	720,249	703,606	686,964	670,321	653,678	637,036	620,393
Site 3	Office re-development	Kendal	Brown	Offices	614,094	135,547	113,271	90,994	68,718	46,442	24,165	1,889
Site 4	Estate Infill	Kendal	Green	Scrub	1,620,308	1,036,757	1,013,736	990,714	967,692	944,671	921,649	898,628
Site 5	LSC Infill	Arnside	Green	Paddock	1,004,215	651,940	633,145	614,350	595,556	576,761	557,966	539,172
Site 6	LSC Infill	Grange	Green	Paddock	1,214,992	772,756	756,495	740,233	723,971	707,709	691,448	675,186
Site 7	Cleared Urban	Ulverston	Brown	Industrial	-36,055	-578,712	-609,453	-640,195	-670,936	-701,678	-732,419	-763,160
Site 8	KSC Urban Edge	Milnthorpe	Green	Agricultural	1,203,585	802,299	783,588	764,877	746,166	727,454	708,743	690,032
Site 9	LSC Edge	Allithwaite	Green	Paddock	1,725,346	1,171,471	1,150,055	1,128,639	1,107,224	1,085,808	1,064,392	1,042,977
Site 10	LSC Edge	Endmoor	Green	Paddock	1,184,483	822,584	804,850	787,116	769,382	751,648	733,913	716,179
Site 11	LSC Paddock	Penny Bridge	Green	Paddock	1,527,727	1,063,623	1,044,863	1,026,103	1,007,344	988,584	969,824	951,064
Site 12	Small Village	Lune Valley	Green	Paddock	1,935,775	1,935,775	1,913,968	1,892,160	1,870,352	1,848,544	1,826,737	1,804,929
Site 13	Ex Garage Site	Central SLDC	Brown	Garage	338,916	-27,701	-43,689	-59,677	-75,666	-91,654	-107,642	-123,630
Site 14	Village Infill	Cartmel Peninsula	Green	Paddock	1,384,152	931,949	914,497	897,045	879,593	862,140	844,688	827,236
Site 15	Village Infill	Eastern Area	Green	Paddock	537,919	537,919	529,566	521,214	512,862	504,510	496,158	487,806
Site 16	Rural House	Rural west	Green	Paddock	75,497	75,497	74,155	72,813	71,471	70,130	68,788	67,446
	Castle Green Road	Kendal			1,055,147	702,403	691,072	679,742	668,412	657,082	645,752	634,422
	South Ulverston	Ulverston			580,312	298,592	283,475	268,357	253,240	238,123	223,005	207,888
	NEW LSC Edge	Furness Peninsula			974,196	628,435	611,341	599,880	582,624	565,368	548,112	530,856

Source: HDH June 2014

CIL as a proportion of GDV and Residual Value

- 4.16 As a further set of analysis, to inform the CIL setting process and to make a judgement as to the effect of CIL we have set out the percentage of GDV and Land Value that CIL would represent (if set at £60/m²).



Table 4.4 CIL as a Percentage of Gross Development Value and of Residual Value

35% Affordable Housing, s106 at £2,500 per unit and CIL of £60/m²

			CIL	GDV		Residual Value	
Site 1	Urban Edge 1	Kendal	610,079	29,117,011	2.10%	4,257,899	14.33%
Site 2	Urban Edge 2	Kendal	657,506	30,805,214	2.13%	3,598,280	18.27%
Site 3	Office re-development	Kendal	40,824	1,841,212	2.22%	586	
Site 4	Estate Infill	Kendal	41,984	2,003,738	2.10%	269,588	15.57%
Site 5	LSC Infill	Arnside	119,705	5,054,726	2.37%	539,172	22.20%
Site 6	LSC Infill	Grange	155,398	7,529,797	2.06%	1,012,779	15.34%
Site 7	Cleared Urban	Ulverston	43,902	1,815,425	2.42%	-190,790	
Site 8	KSC Urban Edge	Milnthorpe	306,824	13,870,005	2.21%	1,725,080	17.79%
Site 9	LSC Edge	Allithwaite	100,118	4,864,472	2.06%	782,233	12.80%
Site 10	LSC Edge	Endmoor	54,744	2,415,314	2.27%	358,090	15.29%
Site 11	LSC Paddock	Penny Bridge	83,120	3,965,823	2.10%	665,745	12.49%
Site 12	Small Village	Lune Valley	20,040	1,052,100	1.90%	270,739	7.40%
Site 13	Ex Garage Site	Central SLDC	18,939	870,774	2.18%	-24,726	
Site 14	Village Infill	Cartmel Peninsula	43,099	2,094,064	2.06%	330,894	13.03%
Site 15	Village Infill	Eastern Area	14,940	718,988	2.08%	146,342	10.21%
Site 16	Rural House	Rural west	7,800	409,500	1.90%	67,446	11.56%
Castle Green Road		Kendal	223,303	11,634,450	1.92%	1,954,019	11.43%
South Ulverston		Ulverston	2,800,056	117,011,865	2.39%	4,610,954	60.73%
NEW LSC Fringe		Furness Peninsula	184,242	7,933,443	2.32%	875,912	21.03%

Source: HDH 2014



- 4.17 It is relevant to note that, in his report to the Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council, the CIL Examiner⁴ suggested that CIL may give rise to a 25% fall in land prices saying:

9. Bearing in mind that the cost of CIL needs to largely come out of the land value, it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience in the Norwich area the Councils' viability work assumed that a landowner would expect to receive at least 75% of the benchmark value. Obviously what individual land owners will accept for their land is very variable and often depends on their financial circumstances. However in the absence of any contrary evidence it is reasonable to see a 25% reduction in benchmark values as the maximum that should be used in calculating a threshold land value.

- 4.18 On those sites that are viable, and excluding the South Ulverston Site CIL, at £60/m² would represent less than 25% of the residual value and on average is about 18.5% of the Residual Value.
- 4.19 It is important to note that CIL at £60/m² is a small proportion of the Gross Development Values – in all cases being less than 3%.

Revised levels of CIL

- 4.20 In finalising the recommendation as to the level of residential CIL we have drawn on a range of evidence sources and importantly the discussions with developers, landowners and agents. These include that set out in this update and earlier reports – but also on the formal and informal discussions with the development industry that have taken place through the preparation of the Land Allocations DPD and consideration of CIL.

- 4.21 The starting point is that the viability work to support the Land Allocations DPD was found to be sound with the inspector saying:

Overall, I consider the [Viability] Study to be adequately robust in terms of the evidence sources and methodology used. The judgements made appear reasonable and a reassuringly cautious approach has generally been taken.

- 4.22 The evidence set out in this report confirms that CIL at £60/m² is generally not going to render development unviable – although in the case of the South Ulverston site £60/m² would not be appropriate and a lower rate should be considered. All the greenfield sites – i.e. those sites at are required to deliver the Plan would generate a Residual Value of well in excesses of £500,000/ha and most a value in excess of £600,000/ha.

- 4.23 Having said this there remains considerable concern amongst the development industry and their agents that should CIL be set too high that the land supply may be checked. The land supply in SLDC is somewhat unusual as it is controlled by relatively few land owners, many of

⁴ Keith Holland BA (Hons) Dip TP, MRTPI ARICS



which are long term owners, some of which may have higher expectations as to price. As set out in Chapter 6 of the Viability Study there was not a consensus as to a competitive return for a willing landowner in this area and the clear feedback from a group consultees is that £60/m² is too high in the current market and that whilst some owners may be prepared to reflect CIL in the land price there is sufficient uncertainty in this regard for us to recommend a more cautious approach and to err on the side of caution. **Drawing on the information in Table 4.3 and on the comments of the consultees, we would suggest that, in spite of £60/m² being well within the limits of viability that the residential rate of CIL is reduced to £50/m².** This results in higher Residual Values across all sites as would be in line with a cautious approach generally taken by the Council.

- 4.24 In considering the rates of CIL with the Council it is clear that CIL is required to fund items of critical infrastructure to allow the sites in the Land Allocations DPD to be delivered. Without CIL the Plan would be at risk through an inability to fund those items of general infrastructure that cannot be delivered through the s106 regime because of the restrictions on pooling. As set out separately by the Council CIL at this level would raise an important contribution towards the critical infrastructure.
- 4.25 The risk of setting CIL at a higher rate is that development is not forthcoming and that ultimately less CIL is collected.
- 4.26 The viability testing in this update is based on the full affordable housing and other policy requirements set out in the adopted Core Strategy and the adopted Land Allocations DPD. The various policies that impose requirements on developers (such as affordable housing) are subject to viability testing. The Council put considerable importance on the delivery of affordable housing and by taking a cautious approach and setting CIL well within the limits of viability the delivery of affordable housing is more likely to be delivered in full on most sites. This approach will ensure that the risks of the development plan being threatened (or put at serious risk) is minimised.
- 4.27 As set out in the earlier reports we recommend that, should the market improve further, the Council should to re-visit the rates of CIL, by which time it would be possible to see the actual effect of the Levy on the ground. We would suggest that a 10% increase in prices would be an appropriate trigger.

Differential Rates

- 4.28 We have given further consideration to setting differential rates within the area. It has been suggested that higher rates be introduced in the east of the District (Lune Valley) and the Cartmel Peninsular and possibly that lower rates be set on the Furness Peninsula. Whilst this has not been explored in detail it is more than likely that a case could be made for higher rates in some parts of the District. Having discussed this with the Council and bearing in mind the cautious approach being taken in setting CIL it has been decided most appropriate to set a single rate across the whole district with the exception of the Canal Head Regeneration Areas in Ulverston and Kendal and the South Ulverston site and in a way that is consistent with the



affordable housing policy. The experience from some Councils that have developed more complex zones and differential rates is that sheer complexity can deter development.

- 4.29 The exception to the district-wide rate of £50/m² is in relation to the South Ulverston site. This is a large site that has considerable on-site and other infrastructure requirements. For this site we would recommend that the rate of CIL is reduced to £20/m².
- 4.30 In the further tables we have shown the re-calculated Residual Values assuming CIL at £50/m² on all sites other than the South Ulverston site were the rate is £20/m². We have then shown these rates as a percentage of Gross Development Value and of the Residual Value.



Table 4.5 Revised Appraisal Results. 35% Affordable Housing, £50/m² CIL on all sites other than South Ulverston where £20/m² and £2,500 per unit s106 Contribution								
			Area		Units	Residual Value		
			Gross ha	Net ha		Gross ha	Net ha	£ site
Site 1	Urban Edge 1	Kendal	7.5	5.25	168	579,703	828,147	4,347,773
Site 2	Urban Edge 2	Kendal	8.33	5.8	174	443,554	637,036	3,694,807
Site 3	Office re-development	Kendal	0.31	0.31	13	24,165	24,165	7,491
Site 4	Estate Infill	Kendal	0.43	0.3	12	643,011	921,649	276,495
Site 5	LSC Infill	Arnside	1.1	1	35	507,242	557,966	557,966
Site 6	LSC Infill	Grange	2	1.5	45	518,586	691,448	1,037,171
Site 7	Cleared Urban	Ulverston	0.25	0.25	12	-732,419	-732,419	-183,105
Site 8	KSC Urban Edge	Milnthorpe	3.8	2.5	76	466,278	708,743	1,771,858
Site 9	LSC Edge	Allithwaite	1	0.75	24	798,294	1,064,392	798,294
Site 10	LSC Edge	Endmoor	0.7	0.5	15	524,224	733,913	366,957
Site 11	LSC Paddock	Penny Bridge	0.93	0.7	21	729,975	969,824	678,876
Site 12	Small Village	Lune Valley	0.2	0.15	4	1,370,052	1,826,737	274,010
Site 13	Ex Garage Site	Central SLDC	0.2	0.2	5	-107,642	-107,642	-21,528
Site 14	Village Infill	Cartmel Peninsula	0.8	0.4	10	422,344	844,688	337,875
Site 15	Village Infill	Eastern Area	0.3	0.3	3	496,158	496,158	148,847
Site 16	Rural House	Rural west	1	1	1	68,788	68,788	68,788
Castle Green Road		Kendal	4.11	3.08	60	483,921	645,752	1,988,916
South Ulverston		Ulverston	44.35	22.18	747	134,209	268,357	5,952,166
NEW LSC Edge		Furness Peninsula	2.3	1.65	50	393,211	548,112	904,385

Source: HDH 2014



Table 4.6 Revised CIL as a Percentage of Gross Development Value and of Residual Value							
35% Affordable Housing, s106 at £2,500 per unit and CIL of £50/m ² on all sites except South Ulverston where £20/m ²							
			CIL	GDV		Residual	
Site 1	Urban Edge 1	Kendal	508,399	29,117,011	1.75%	4,347,773	11.69%
Site 2	Urban Edge 2	Kendal	547,922	30,805,214	1.78%	3,694,807	14.83%
Site 3	Office re-development	Kendal	34,020	1,841,212	1.85%	7,491	
Site 4	Estate Infill	Kendal	34,986	2,003,738	1.75%	276,495	12.65%
Site 5	LSC Infill	Arnside	99,754	5,054,726	1.97%	557,966	17.88%
Site 6	LSC Infill	Grange	129,498	7,529,797	1.72%	1,037,171	12.49%
Site 7	Cleared Urban	Ulverston	36,585	1,815,425	2.02%	-183,105	
Site 8	KSC Urban Edge	Milnthorpe	255,687	13,870,005	1.84%	1,771,858	14.43%
Site 9	LSC Edge	Allithwaite	83,432	4,864,472	1.72%	798,294	10.45%
Site 10	LSC Edge	Endmoor	45,620	2,415,314	1.89%	366,957	12.43%
Site 11	LSC Paddock	Penny Bridge	69,266	3,965,823	1.75%	678,876	10.20%
Site 12	Small Village	Lune Valley	16,700	1,052,100	1.59%	274,010	6.09%
Site 13	Ex Garage Site	Central SLDC	15,783	870,774	1.81%	-21,528	
Site 14	Village Infill	Cartmel Peninsula	35,916	2,094,064	1.72%	337,875	10.63%
Site 15	Village Infill	Eastern Area	12,450	718,988	1.73%	148,847	8.36%
Site 16	Rural House	Rural west	6,500	409,500	1.59%	68,788	9.45%
Castle Green Road		Kendal	186,086	11,634,450	1.60%	1,988,916	9.36%
South Ulverston		Ulverston	933,352	117,011,865	0.80%	5,952,166	15.68%
NEW LSC Edge		Furness Peninsula	153,535	7,933,443	1.94%	904,385	16.98%

Source: HDH 2014





5. Older People's Housing

- 5.1 Concern was raised through the consultation process with regard to older people's housing as the modelling carried out to date has not considered the affordable housing target in relation to older people's housing (because at the time of the report it was not thought to apply to this sector). Additionally some concern was raised as to the definitions of sheltered housing and extracare housing.
- 5.2 Within this sector there are a multitude of different products offered by developers. Private Sheltered/Retirement accommodation is self-contained accommodation that is available to the open market for sale or rent. In some cases a concierge service may be provided as opposed to on site care and some communal cleaning and laundry services. Ultimately however these tend to be age restricted market accommodation. An example of this would be the McCarthy & Stone independent living model.
- 5.3 There are a wide range of models that can fall under the extracare model and it is difficult to categorise every model. In this study we have assumed that extracare is self-contained housing that has been specifically designed to suit people with long-term conditions or disabilities that make living in their own home difficult, but who don't want to move into a residential care home. Schemes can be brought forward in the open market or in the social sector. Most residents are older people, but this type of housing is becoming popular with people with disabilities regardless of their age. Usually, it is seen as a long-term housing solution. Typically these schemes have relatively large common and communal areas that includes dining facilities, bathing facilities, circulation space as well as administrative areas. Extra care housing residents still have access to means-tested local authority services.
- 5.4 The modelling in the report was based on recommendations from the Retirement Housing Group (RHG) being a trade group representing private sector developers and operators of retirement, care and extracare homes. They set out a case that these products should be tested separately.
- 5.5 In line with the RHG recommendations, it was assumed the price of a 1 bed sheltered property is about 75% of the price of an existing 3 bed semi-detached house, and the price of a 2 bed sheltered property is about equal to the price of an existing 3 bed semi-detached house. In addition and in line with the RHG recommendations we assumed extracare housing is 25% more expensive than sheltered. In SLDC District, at the time of the Viability Study, the median price of a 3 bed semi-detached home was £210,000 so we used this as a starting point. On this basis we assumed older people's housing has the following worth:



Table 5.1 Worth of Sheltered and Extracare			
	Area	£	£/m ²
3 bed semi-detached		210,000	
1 bed Sheltered	50	157,500	3,150
2 bed Sheltered	75	210,000	2,800
1 bed Extracare	65	196,250	3,019
2 bed Extracare	80	262,500	3,281

Source: Table 4.1 SLDC CIL Viability Study HDH 2013

- 5.6 The above prices were applied to the net saleable areas.
- 5.7 No specific comments were raised in relation to the values of extracare housing however based on experience elsewhere we have revisited this. There are few such units available in the district however looking further field and in similar price areas we have reduced the value assumption for extra care housing to £2,500/m².
- 5.8 In these revised figures we have not added a further amount to reflect the value for the ground rent of the units. Typically this will be in the region of £450/flat/year. When capitalised at a yield of 6%, a further value of £7,500 per flat is derived (about £100/m²). Not adding this in underlines the fact that we have taken a cautious approach.

The modelling and impact of affordable housing

- 5.9 In the Viability Study older people's housing was modelled without affordable housing. This has been revisited as the Council has now clarified that it will seek affordable housing from older peoples housing schemes. It is therefore necessary to re-run the viability assessment to ensure that the requirement to provide an element of affordable housing does not put this development type at serious risk and that CIL is set in the context of the affordable housing requirement.
- 5.10 We have considered the value of the units where provided as affordable housing. We have not been able to find any local direct comparables where housing associations have purchased social units in a market led extracare scheme. We have consulted private sector developers of extracare housing who have indicated that they would not dispose of units within a block to a housing association, if they were to develop a block of affordable units beside a market block, they would expect the value to be in line with that of general needs affordable housing. In the Viability Study affordable housing to rent is assumed to have a value of £1,050/m². We have assumed affordable housing for sale (shared ownership/LCHO) would have a value of 70% of market value, at £2,100/m².
- 5.11 In the Viability Study we modelled a private extracare scheme and a sheltered scheme, each on a 0.5 ha site as follows:



- a. Sheltered scheme of 20 x 1 bed units of 50m² and 25 x 2 bed units of 75m² to give a net saleable area (GIA) of 2,875m². We have assumed a further 20% non-saleable service and common areas to give a scheme GIA of 3,450m².
- b. Extracare scheme of 24 x 1 bed units of 65m² and 16 x 2 bed units of 80m² to give a net saleable area (GIA) of 2,840m². We have assumed a further 35% non-saleable service and common areas to give a scheme GIA of 3,834m².

5.12 It has now been suggested that the common areas in the sheltered scheme are too low at 20% and this should be closer to 30%. We have increased this to 25%.

5.13 Having made these adjustments we have rerun the appraisals, assuming the affordable housing is provided as affordable rent. These are based on the May 2014 BCIS costs. The appraisals are set out in **Appendix 2**:

Table 5.2 Residual Value of Sheltered and Extracare								
Affordable housing as rented								
Greenfield		SHELTERED					EXTRA-CARE	
	AFFORDABLE %	0%	20%	30%	35%	40%	0%	
Residual Land Worth	Site	1,945,150	1,094,883	669,750	457,184	244,617	92,277	
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	
Viability Threshold	£/ha	430,000	430,000	430,000	430,000	430,000	430,000	
Residual Value	£/ha	3,890,299	2,189,767	1,339,500	914,367	489,234	184,555	
Affordable housing as LCHO								
Greenfield		SHELTERED					EXTRA-CARE	
	AFFORDABLE %	0%	20%	30%	35%	40%	0%	
Residual Land Worth	Site	1,945,150	1,552,719	1,356,504	1,258,396	1,160,288	92,277	
Existing Use Value	£/ha	25,000	25,000	25,000	25,000	25,000	25,000	
Viability Threshold	£/ha	430,000	430,000	430,000	430,000	430,000	430,000	
Residual Value	£/ha	3,890,299	3,105,438	2,713,007	2,516,792	2,320,577	184,555	
Affordable housing as rented								
Brownfield		SHELTERED					EXTRA-CARE	
	AFFORDABLE %	0%	20%	30%	35%	40%	0%	
Residual Land Worth	Site	1,570,617	720,351	295,217	82,651	-129,916	-268,202	
Existing Use Value	£/ha	250,000	250,000	250,000	250,000	250,000	250,000	
Viability Threshold	£/ha	300,000	300,000	300,000	300,000	300,000	300,000	
Residual Value	£/ha	3,141,234	1,440,701	590,435	165,302	-259,831	-536,405	
Affordable housing as LCHO								
Brownfield		SHELTERED					EXTRA-CARE	
	AFFORDABLE %	0%	20%	30%	35%	40%	0%	
Residual Land Worth	Site	1,570,617	1,178,186	981,971	883,863	785,756	-268,202	
Existing Use Value	£/ha	250,000	250,000	250,000	250,000	250,000	250,000	
Viability Threshold	£/ha	300,000	300,000	300,000	300,000	300,000	300,000	
Residual Value	£/ha	3,141,234	2,356,373	1,963,942	1,767,727	1,571,511	-536,405	

Source: HDH (May 2014)

5.14 The above analysis is in the context of the viability threshold used in the Land Allocations DPD Viability Study and the CIL Viability Study..

5.15 On this basis the table shows that extracare housing is unlikely to be viable, either as affordable housing for rent or to buy and therefore unlikely to be able to bear CIL.

5.16 Sheltered Housing where the affordable housing is to rent is likely to be viable and can bear the Council's affordable housing requirement of 35% on greenfield sites. The modelling generates a residual value in excess of £900,000/ha so indicating that the requirement to



provide affordable housing is not pushing development to the limits of viability. The exception is in relation to brownfield sites at 35% affordable housing which whilst generating a positive Residual Value is unlikely to be sufficient to induce a landowner to release land for development. Having said this where the affordable housing is under a low cost home ownership model the site schemes are viable on both greenfield and brownfield sites.

- 5.17 The above results do not give an indication of the ability to bear CIL. The following table sets out the additional profit for the different development scenarios:

Table 5.3 Additional Profit of Sheltered and Extracare							
AFFORDABLE RENT							
Greenfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	20%	30%	35%	40%	0%
Additional Profit		1,730,150	879,883	454,750	242,184	29,617	-122,723
	£/m2	481	245	127	67	8	-39
Brownfield		SHELTERED					EXTRA-CARE
AFFORDABLE %		0%	20%	30%	35%	40%	0%
Additional Profit		1,420,617	570,351	145,217	-67,349	-279,916	-418,202
	£/m2	395	159	40	-19	-78	-134
LCHO							
		0%	20%	30%	35%	40%	0%
Residual Land Worth		1,945,150	1,552,719	1,356,504	1,258,396	1,160,288	92,277
Additional Profit		1,730,150	1,337,719	1,141,504	1,043,396	945,288	-122,723
	£/m2	481	372	318	290	263	-39
Residual Land Worth		1,570,617	1,178,186	981,971	883,863	785,756	-268,202
Additional Profit		1,420,617	1,028,186	831,971	733,863	635,756	-418,202
	£/m2	395	286	232	204	177	-134

Source: HDH (May 2014)

- 5.18 When considering the levels of CIL, it is important to consider where development is expected. It is expected that much of the older people's housing will be on greenfield sites however a significant proportion will be on brownfield sites.
- 5.19 In Table 7.4 of the January 2014 CIL Viability Study we recommended a rate of CIL of £150/m² for both sheltered and extracare housing and these recommendations were carried into the Preliminary Draft Charging Schedule (PDCS). Based on the forgoing analysis we now recommend a zero rate on extracare housing.
- 5.20 The rate of £150/m² for retirement housing is not sustainable in the context of the 35% affordable housing requirement as it would be setting CIL close to the limits of viability.
- 5.21 **Taking a cautious view, we would recommend that the rate of CIL for Sheltered Housing is reduced to the District-wide residential rate of £50/m² across the District.**



6. Retail rates for smaller/discount supermarkets

- 6.1 The Council received a consultation response with regard to the smaller 'discount' supermarket operators suggesting that these should be considered separately. No objections have been made about the assumptions used in the Viability Study, however we have reviewed these and confirm that, as far as they relate to the typologies they were applied, they remain appropriate.
- 6.2 We believe the assumptions are broadly sound and are on the side of caution. For example the modelling was based on a rent of £160/m²/year and yield of 5.5%. This compares favourably with the £18/sqft (£193.75/m²) and 5% yield used by a major supermarket operator in a viability appraisal submitted to the Council.
- 6.3 In the Viability Study, we modelled the following distinct types of retail development. During the duration of this project there have been a number of CIL Examiners' reports that clarify the use of differential rates in this sector. The modelling was changed to reflect this.
- i. **Supermarket** is a single storey retail unit development with a gross (i.e. GIA) area of 4,000 m². It is assumed to require 400 car parking spaces, and to occupy a total site area of 2.6 ha. The building is taken to be of steel construction. The development was modelled alternatively on greenfield and on previously developed sites.
 - ii. **Retail Warehouse** is a single storey retail unit development with a gross (i.e. GIA) area of 4,000 m². It is assumed to require 150 car parking spaces, and to occupy a total site area of 1.8ha. The building is taken to be of steel construction. The development was modelled alternatively on greenfield and on previously developed sites.
 - iii. **Town Centre Shop** is a brick built development on two storeys, of 150 m². No car parking or loading space is allowed for, and the total site area (effectively the building footprint) is 0.017 ha.
- 6.4 In this context it was recommended that the definition set out by the examiner at the Wycombe District Council CIL Examination be used when setting rates of CIL, and in the Charging Schedule:
- Superstores/supermarkets** are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.*
- Retail warehouses** are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods) DIY items and other ranges of goods catering for mainly car-borne customers.*
- 6.5 In line with the Guidance, we only assessed developments of over 100 m². There are other types of retail development, such as small single farm shops, petrol filling stations and garden centres. We have not included these in this high level study due to the great diversity of development and little such development is anticipated.



- 6.6 In developing the typologies, we made assumptions about the site coverage and density of development on the sites. We assumed 15% building coverage on the supermarket, and 22% building coverage on the retail warehouse, on the town centre shops we assumed 100% coverage. The remainder of the larger sites are car parking, internal roads and landscaping. In both supermarkets and retail warehouses, we assumed simple, single story construction, without mezzanine floors.
- 6.7 Since undertaking this work, the February 2014 amendments to the CIL Regulations have allowed, subject to viability evidence, for rates of CIL to be set relative to development size. It is therefore appropriate to reconsider the proposed retail rates in light of this.
- 6.8 In addition, it has been suggested that the proposed CIL rates do not reflect the size of store that is likely to be promoted by the 'discount' operators such as Lidl and Aldi and others. It is therefore appropriate to reconsider the proposed retail rates in light of this. No objections have been made about the assumptions used in the Viability Study, however we have reviewed these and confirm that, as far as they relate to the typologies they were applied to, they remain appropriate.
- 6.9 We have added an extra typology to the retail analysis. Having discussed this further with the consultee (a discount supermarket operator), we have based this on a smaller discount supermarket. We have assumed a 1,700m² unit on a 0.5ha site (35% coverage). We have assumed a rent of £150/m² (being at the lower end of the expected range of £180m² to £150m²) and a 6.5% yield (being at the higher end of the expected range of 6.25% to 6.5%) to derive a capital value of £2,300/m².
- 6.10 We have set out the revised appraisals below. In these we have used the May 2014 BCIS construction costs. BCIS do not publish a rate for discount supermarkets. We have used a mid-price between retail warehouses and supermarkets:



Table 6.1 Retail – Revised Appraisals

		Greenfield				Brownfield				
		Larger Supermarkets	Smaller Supermarkets	Retail Warehouse	Shops	Larger Supermarkets	Smaller Supermarkets	Retail Warehouse	Shops	
Income	m2	4000	1,700	3,000		4,000	1,700	3,000	150	
	£/m2	2,800	2,300	2,000		2,800	2,300	2,000	1,000	
	Capital Value	11,200,000	3,910,000	6,000,000		11,200,000	3,910,000	6,000,000	150,000	
Costs	Land Used	ha	2.600	0.500	1.800		2.600	0.500	1.800	0.017
		£/ha	25,000	25,000	25,000		400,000	400,000	400,000	4,000,000
		Uplift £/ha	250,000	250,000	250,000		0	0	0	0
		20.00%	5,000	5,000	5,000		80,000	80,000	80,000	800,000
		Cost	728,000	140,000	504,000	0	1,248,000	240,000	864,000	80,000
	Strategic Promotion Planning		2,500	2,500	2,500		2,500	2,500	2,500	2,500
			2,500	2,500	2,500		2,500	2,500	2,500	2,500
	Construction	/m2	1103	801	499		1103	801	499	700
		£	4,412,000	1,361,700	1,497,000	0	4,412,000	1,361,700	1,497,000	105,000
	Infrastructure	10.00%	441,200	136,170	149,700	0	441,200	136,170	149,700	10,500
	Abnormals	15.00%	661,800	204,255	224,550	0	661,800	204,255	224,550	15,750
	Fees	8.00%	352,960	108,936	119,760	0	352,960	108,936	119,760	8,400
	Contingency	2.5% & 5%	110,300	34,043	37,425	0	220,600	68,085	74,850	5,250
	Finance Costs		5,000	5,000	5,001		5,000	5,000	5,001	5,000
	Sales	3.00%	336,000	117,300	180,000	0	336,000	117,300	180,000	4,500
	Misc. Financial		5,000	5,000	5,001		5,000	5,000	5,001	5,000
	Subtotal		5,667,460	1,773,149	1,998,887	0	6,439,560	2,011,446	2,260,862	164,400
	Interest	7.00%	198,361	62,060	69,961	0	225,385	70,401	79,130	5,754
	Profit % GDV	20.00%	2,279,672	794,412	1,213,992	0	2,285,077	796,080	1,215,826	31,151
	COSTS		8,873,493	2,769,621	3,786,840	0	10,198,022	3,117,927	4,419,818	281,305
	Residual Land Worth		2,326,507	1,140,379	2,213,160	0	1,001,978	792,073	1,580,182	-131,305
	Additional Profit		1,598,507	1,000,379	1,709,160	0	-246,022	552,073	716,182	-211,305
			400	588	570	#DIV/0!	-62	325	239	-1,409
	Existing Use Value		25,000	25,000	25,000	0	400,000	400,000	400,000	4,000,000
	Viability Threshold		280,000	280,000	280,000	0	480,000	480,000	480,000	4,800,000
	Residual Value		894,810	2,280,759	1,229,533	#DIV/0!	385,376	1,584,147	877,879	-7,878,288

Source: HDH 2014

- 6.11 These results show the different levels of viability that relates to the smaller discount supermarket operations. This is as a result of the value being better than for larger supermarkets.
- 6.12 The test for CIL, under the February 2014 Guidance, is whether CIL will threaten development in the context of the delivery of the Plan and the wider objectives of the Council. The Viability Study concluded with a recommendation that a CIL rate of £150/m² for 'supermarkets and retail warehouses'. This was based on the assumption that the supermarkets and retail warehouses would be coming forward on greenfield sites rather than on brownfield sites.
- 6.13 Supermarkets and retail warehouses are likely to come forward on greenfield sites rather than brownfield sites, however it is possible that smaller discount supermarkets could come forward on brownfield sites in Ulverston or Kendal area. It is important to note that whilst the Council wish to see diverse and comprehensive retail provision no such stores are provided for in the Plan. In light of these results we confirm that the rates of CIL proposed in the PDCS remain appropriate and will not threaten development.





7. Rates for hotels

- 7.1 Through the consultation process it was suggested that the rental assumptions used for Hotels is too high at £3,750/year. Assuming a yield of 6.5% this equates to a value of about £2,150/m².
- 7.2 No alternative evidence has been provided. In common with the other appraisals in this report we have re-run the appraisals using the BCIS cost of £1,264/m² for hotels (from £1,031/m²), rather than the lower BCIS cost used in the initial work being between the full hotel and the less expensive motel categories.
- 7.3 When modelled on this basis the residual value is substantially reduced to a negative amount on both greenfield and brownfield sites.
- 7.4 In making the reconditions at the PDCS stage it was assumed that whilst very few hotels are anticipated over the plan period those that are anticipated were expected on greenfield sites. This has now been reconsidered and it remains the case that few if any new hotels are anticipated, however if they should come forward they are as likely to be on brownfield sites as brownfield sites.
- 7.5 **We recommend that CIL on Hotels is reduced to Zero.**





8. Agricultural Workers' Housing

- 8.1 Through the consultation process, it was discussed how agricultural worker's dwellings and those with an 'ag-tag' would be treated for CIL. These are new houses built on an existing farm or agricultural holding to accommodate employees required to tend stock or as part of a succession process where several generations will live in the holding.
- 8.2 It should be noted that these houses are normally one off homes so would not be subject to the affordable housing policies. Additionally, planning applications of this type are very rare (we have been unable to find any within the last 5 years) and do not feature in the Council's strategy for housing delivery.
- 8.3 If this type of development is to be treated differently for CIL it is necessary to do so in the terms of viability (differential rates can only be set with regard to viability). Considering the impact of CIL on development viability on housing with an agricultural occupancy restriction is a somewhat artificial process. The fundamental principal behind such housing is that it is being developed to provide housing on an existing agricultural holding and not for sale.
- 8.4 Having said this we acknowledge that such homes are worth less than market housing as they are tied to an agricultural occupancy. A common rule of thumb in that a local occupancy restriction (as used by the Lake District National Park Authority) may reduce the value of housing by 10% to 15% and an full 'ag-tag' by about 30%.
- 8.5 In this type of development there is generally no land cost. Such housing is built on an existing agricultural holding and for that agricultural holding.
- 8.6 We have run an appraisal for a single unit assuming 30% reduction in value and no CIL. On this basis the Residual Value is negative (-£48,000). We have not pursued this further. **We recommend that CIL is not levied on agricultural workers' housing.**





9. Instalments Policy

- 9.1 In the Viability Study it was recommended that an instalment policy was introduced. As we set out, CIL Regulation 69 sets out when CIL is payable. This is summarised as follows:

Payment of CIL	
Equal to or greater than £40,000	Four equal instalments at the end of the periods of 60, 120, 180 and 240 days from commencement
£20,000 and less than £40,000	Three equal instalments at the end of the periods of 60, 120 and 180 days from commencement
£10,000 and less than £20,000	Two equal instalments at the end of the periods of 60 and 120 days from commencement
less than £10,000	In full at the end of the period of 60 days from commencement

Source: CIL Regulation 123

- 9.2 The 2011 amendment to CIL Regulation 32F⁵ introduced at 69B, allows the ability for Charging Authorities to adopt an Instalment Policy. If an Instalment Policy is not adopted then payment is due as set out in the table above. To require payment, particularly on large schemes in line with the above, could have a dramatic and serious impact on the delivery of projects.
- 9.3 **It is our firm recommendation that the Council introduces an instalment policy. Not to do so could put the LDP at serious risk.** The modelling in this study is on the basis that the Council does introduce an instalment policy that enables CIL to be paid, through the life of a project, in equal instalments. We suggest the following instalment policy, but this should have a provision whereby, in all cases, the full balance is payable on occupation/opening of the development if this is earlier than the due instalment dates set out in the table.

⁵ SI 2011 No. 987 COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES The Community Infrastructure Levy (Amendment) Regulations 2011. Made 28th March 2011 Coming into force 6th April 2011



Number of dwellings / 1000m2 non-residential development	Number of Instalments	Total Timescale for Instalments	Payment Amounts	Payment Periods
1	2	270 days (9 months)	10%	60 days from commencement.
			90%	270 days from commencement.
2 to 5	3	365 days (1 year)	10%	60 days from commencement.
			45%	270 days from commencement.
			45%	365 days from commencement.
6 to 25	3	548 days (18 months)	10%	60 days from commencement.
			45%	365 days from commencement.
			45%	548 days from commencement.
26 to 50	4	730 days (2 years)	10%	60 days from commencement.
			30%	365 days from commencement.
			30%	548 days from commencement.
			30%	730 days from commencement.
51 to 100	5	1095 days (3 years)	10%	60 days from commencement.
			23%	365 days from commencement.
			23%	548 days from commencement.
			23%	730 days from commencement.
			23%	1095 days from commencement.
101 to 200	6	1460 days (4 years)	10%	60 days from commencement.
			18%	365 days from commencement.
			18%	548 days from commencement.
			18%	730 days from commencement.
			18%	1095 days from commencement.
			18%	1460 days from commencement.
201 to 300	7	1825 days (5 years)	10%	60 days from commencement.
			15%	365 days from commencement.
			15%	548 days from commencement.
			15%	730 days from commencement.
			15%	1095 days from commencement.
			15%	1460 days from commencement.
			15%	1825 days from commencement.
301+	8	2190 days (5 years)	10%	60 days from commencement.
			13%	365 days from commencement.
			13%	548 days from commencement.
			13%	730 days from commencement.
			13%	1095 days from commencement.
			13%	1460 days from commencement.
			13%	1825 days from commencement.
		12%	1826 days from commencement.	



10. Revised Rates of CIL

- 10.1 In this paper we have suggested various changes to the rates of CIL. These are summarised below. These recommendations are made based on viability evidence. The Council will need to consider the wider evidence base, including the track record in delivering affordable housing and collecting s106 contributions when settling on rates of CIL to carry forward:

Residential

- 10.2 It is recommended that the residential rate for CIL in all areas of the District, other than the South Ulverston site should be reduced to £50/m².
- 10.3 The South Ulverston site is a large strategic sites that is important to the delivery of the Plan. We recommend that the site should be subject to a rate of CIL of £20/m².
- 10.4 This advice is subject the s106 contributions being no more £2,500/unit or so (£1,500 per unit is the current norm).
- 10.5 We recommend that housing where the use is restricted to agricultural workers are subject to a zero rate of CIL.

Older People's Housing

- 10.6 Taking a cautious view, we would recommend that CIL is not charged on extracare housing and that the rate for Sheltered Housing is as for general residential development being reduced to £50/m².

Retail

- 10.7 Supermarkets and retail warehouses are likely to come forward on greenfield sites rather than brownfield sites, however it is possible that smaller discount supermarkets could come forward on brownfield sites in Ulverston or Kendal area.
- 10.8 In light of these results we recommend that a the rate of CIL in relation to supermarkets, including discount supermarkets and retail warehouses is maintained at £150/m². It is important to note that whilst the Council wish to see diverse and comprehensive retail provision no such stores are provided for in the Plan and that where that have been promoted their development has been successfully resisted.

Hotels

- 10.9 We recommend a zero rate of CIL.

Instalment Policy

10.10 We recommend that the Council introduce an Instalment Policy as set out in Chapter 9.



Appendix 1 – Residential Appraisal Results

The pages in this appendix are not numbered.





Base Modelled % adjusted GIA 35% Aff.x| Cover



V2 Post Consultation



Number	Units	NET Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/ Green	Brown rnative Use
Urban Edge 1	168	5.25	32.00	81	13,674	2,605	10,693,068	782.00	Kendal	Agricultural

	Beds	No	m2	Total	BCIS	COST	
Det 1	3		83.50	0.00	782	0	
Det 2	3		90.50	0.00	782	0	
Det 3	4	8	92.00	736.00	782	575,552	
Det 4	4	11	111.00	1,221.00	782	954,822	
Det 5	5	6	130.00	780.00	782	609,960	
Det 6 Small Sc	4		92.00	0.00	1,149	0	
Det 7 Small Sc	4		111.00	0.00	1,149	0	
Det 8 Single	5		130.00	0.00	1,149	0	
Semi 1	2		69.00	0.00	782	0	
Semi 2	2	24	75.00	1,800.00	782	1,407,600	
Semi 3	3	36	76.00	2,736.00	782	2,139,552	
Semi 4	3	30	83.50	2,505.00	782	1,958,910	
Semi 5	4		110.00	0.00	782	0	
Ter 1	2		59.00	0.00	782	0	
Ter 2	2	18	64.00	1,152.00	782	900,864	
Ter 3	3	19	72.00	1,368.00	782	1,069,776	
Ter 4	3	16	86.00	1,376.00	782	1,076,032	
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/ Green	Brown rnative Use
Urban Edge 2	174	5.80	30.00	85	14,737	2,541	11,524,334	782.00	Kendal	Agricultural

	Beds	No	m2	Total	BCIS	COST	
Det 1	3		83.50	0.00	782	0	
Det 2	3		90.50	0.00	782	0	
Det 3	4	9	92.00	828.00	782	647,496	
Det 4	4	12	111.00	1,332.00	782	1,041,624	
Det 5	5	9	130.00	1,170.00	782	914,940	
Det 6 Small Sc	4		92.00	0.00	1,149	0	
Det 7 Small Sc	4		111.00	0.00	1,149	0	
Det 8 Single	5		130.00	0.00	1,149	0	
Semi 1	2		69.00	0.00	782	0	
Semi 2	2	15	75.00	1,125.00	782	879,750	
Semi 3	3	32	76.00	2,432.00	782	1,901,824	
Semi 4	3	32	83.50	2,672.00	782	2,089,504	
Semi 5	4	12	110.00	1,320.00	782	1,032,240	
Ter 1	2		59.00	0.00	782	0	
Ter 2	2	21	64.00	1,344.00	782	1,051,008	
Ter 3	3	17	72.00	1,224.00	782	957,168	
Ter 4	3	15	86.00	1,290.00	782	1,008,780	
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Office re-dev	13	0.31	41.94	70	915	2,952	772,214	843.95	Kendal Brown Offices

	Beds	No	m2	Total		BCIS	COST
Det 1	3		83.50	0.00		782	0
Det 2	3		90.50	0.00		782	0
Det 3	4		92.00	0.00		782	0
Det 4	4		111.00	0.00		782	0
Det 5	5		130.00	0.00		782	0
Det 6 Small Sc	4		92.00	0.00		1,149	0
Det 7 Small Sc	4		111.00	0.00		1,149	0
Det 8 Single	5		130.00	0.00		1,149	0
Semi 1	2		69.00	0.00		782	0
Semi 2	2		75.00	0.00		782	0
Semi 3	3		76.00	0.00		782	0
Semi 4	3	2	83.50	167.00		782	130,594
Semi 5	4		110.00	0.00		782	0
Ter 1	2	4	59.00	236.00		782	184,552
Ter 2	2		64.00	0.00		782	0
Ter 3	3	3	72.00	216.00		782	168,912
Ter 4	3		86.00	0.00		782	0
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2	4	74.00	296.00	10%	885	288,156
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Estate Infill	12	0.30	40.00	78	941	3,137	735,862	782.00	Kendal Green Scrub

	Beds	No	m2	Total		BCIS	COST
Det 1	3		83.50	0.00		782	0
Det 2	3		90.50	0.00		782	0
Det 3	4		92.00	0.00		782	0
Det 4	4		111.00	0.00		782	0
Det 5	5		130.00	0.00		782	0
Det 6 Small Sc	4		92.00	0.00		1,149	0
Det 7 Small Sc	4		111.00	0.00		1,149	0
Det 8 Single	5		130.00	0.00		1,149	0
Semi 1	2		69.00	0.00		782	0
Semi 2	2	2	75.00	150.00		782	117,300
Semi 3	3	2	76.00	152.00		782	118,864
Semi 4	3	2	83.50	167.00		782	130,594
Semi 5	4		110.00	0.00		782	0
Ter 1	2		59.00	0.00		782	0
Ter 2	2	2	64.00	128.00		782	100,096
Ter 3	3		72.00	0.00		782	0
Ter 4	3	4	86.00	344.00		782	269,008
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
LSC Infill	35	1.00	35.00	77	2,683	2,683	2,098,106	782.00	Arnside Green Paddock

	Beds	No		m2	Total		BCIS	COST
Det 1	3			83.50	0.00		782	0
Det 2	3			90.50	0.00		782	0
Det 3	4			92.00	0.00		782	0
Det 4	4			111.00	0.00		782	0
Det 5	5			130.00	0.00		782	0
Det 6 Small Sc	4			92.00	0.00		1,149	0
Det 7 Small Sc	4			111.00	0.00		1,149	0
Det 8 Single	5			130.00	0.00		1,149	0
Semi 1	2			69.00	0.00		782	0
Semi 2	2			75.00	0.00		782	0
Semi 3	3	2		76.00	152.00		782	118,864
Semi 4	3	6		83.50	501.00		782	391,782
Semi 5	4	2		110.00	220.00		782	172,040
Ter 1	2			59.00	0.00		782	0
Ter 2	2	11		64.00	704.00		782	550,528
Ter 3	3	7		72.00	504.00		782	394,128
Ter 4	3	7		86.00	602.00		782	470,764
Flat 1	1			61.00	0.00	10%	885	0
Flat 2	2			74.00	0.00	10%	885	0
Flat 3	3			90.00	0.00	10%	885	0
Flat 1 High	1			61.00	0.00	10%	1,173	0
Flat 2 High	2			74.00	0.00	10%	1,173	0
Flat 3 High	3			90.00	0.00	10%	1,173	0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
LSC Infill	45	1.50	30.00	77	3,483	2,322	2,860,437	821.26	Grange Green Paddock

	Beds	No		m2	Total		BCIS	COST
Det 1	3			83.50	0.00		782	0
Det 2	3			90.50	0.00		782	0
Det 3	4			92.00	0.00		782	0
Det 4	4			111.00	0.00		782	0
Det 5	5			130.00	0.00		782	0
Det 6 Small Sc	4			92.00	0.00		1,149	0
Det 7 Small Sc	4			111.00	0.00		1,149	0
Det 8 Single	5			130.00	0.00		1,149	0
Semi 1	2			69.00	0.00		782	0
Semi 2	2			75.00	0.00		782	0
Semi 3	3	2		76.00	152.00		782	118,864
Semi 4	3	6		83.50	501.00		782	391,782
Semi 5	4	2		110.00	220.00		782	172,040
Ter 1	2			59.00	0.00		782	0
Ter 2	2	11		64.00	704.00		782	550,528
Ter 3	3	7		72.00	504.00		782	394,128
Ter 4	3	8		86.00	688.00		782	538,016
Flat 1	1			61.00	0.00	10%	885	0
Flat 2	2	6		74.00	444.00	10%	885	432,234
Flat 3	3	3		90.00	270.00	10%	885	262,845
Flat 1 High	1			61.00	0.00	10%	1,173	0
Flat 2 High	2			74.00	0.00	10%	1,173	0
Flat 3 High	3			90.00	0.00	10%	1,173	0



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Cleared Urban	12	0.25	48.00	82	984	3,936	957,924	973.50	Ulverston Brown Industrial

	Beds	No	m2	Total		BCIS	COST
Det 1	3		83.50	0.00		782	0
Det 2	3		90.50	0.00		782	0
Det 3	4		92.00	0.00		782	0
Det 4	4		111.00	0.00		782	0
Det 5	5		130.00	0.00		782	0
Det 6 Small Sc	4		92.00	0.00		1,149	0
Det 7 Small Sc	4		111.00	0.00		1,149	0
Det 8 Single	5		130.00	0.00		1,149	0
Semi 1	2		69.00	0.00		782	0
Semi 2	2		75.00	0.00		782	0
Semi 3	3		76.00	0.00		782	0
Semi 4	3		83.50	0.00		782	0
Semi 5	4		110.00	0.00		782	0
Ter 1	2		59.00	0.00		782	0
Ter 2	2		64.00	0.00		782	0
Ter 3	3		72.00	0.00		782	0
Ter 4	3		86.00	0.00		782	0
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2	6	74.00	444.00	10%	885	432,234
Flat 3	3	6	90.00	540.00	10%	885	525,690
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
KSC Urban Edge	76	2.50	30.40	90	6,877	2,751	5,377,814	782.00	Milnthorpe Green Agricultural

	Beds	No	m2	Total		BCIS	COST
Det 1	3		83.50	0.00		782	0
Det 2	3		90.50	0.00		782	0
Det 3	4	3	92.00	276.00		782	215,832
Det 4	4	4	150.00	600.00		782	469,200
Det 5	5	4	210.00	840.00		782	656,880
Det 6 Small Sc	4		92.00	0.00		1,149	0
Det 7 Small Sc	4		111.00	0.00		1,149	0
Det 8 Single	5		130.00	0.00		1,149	0
Semi 1	2		69.00	0.00		782	0
Semi 2	2	8	75.00	600.00		782	469,200
Semi 3	3	14	76.00	1,064.00		782	832,048
Semi 4	3	14	83.50	1,169.00		782	914,158
Semi 5	4	6	110.00	660.00		782	516,120
Ter 1	2		59.00	0.00		782	0
Ter 2	2	9	64.00	576.00		782	450,432
Ter 3	3	8	72.00	576.00		782	450,432
Ter 4	3	6	86.00	516.00		782	403,512
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
LSC Edge	24	0.75	32.00	94	2,244	2,992	1,754,808	782.00	Allithwaite Green Paddock

	Beds	No	m2	Total		BCIS	COST
Det 1	3		83.50	0.00		782	0
Det 2	3		90.50	0.00		782	0
Det 3	4	3	92.00	276.00		782	215,832
Det 4	4		150.00	0.00		782	0
Det 5	5	2	210.00	420.00		782	328,440
Det 6 Small Sc	4		92.00	0.00		1,149	0
Det 7 Small Sc	4		111.00	0.00		1,149	0
Det 8 Single	5		130.00	0.00		1,149	0
Semi 1	2		69.00	0.00		782	0
Semi 2	2	6	75.00	450.00		782	351,900
Semi 3	3		76.00	0.00		782	0
Semi 4	3	8	83.50	668.00		782	522,376
Semi 5	4		110.00	0.00		782	0
Ter 1	2		59.00	0.00		782	0
Ter 2	2		64.00	0.00		782	0
Ter 3	3		72.00	0.00		782	0
Ter 4	3	5	86.00	430.00		782	336,260
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
LSC Edge	15	0.50	30.00	82	1,227	2,454	959,514	782.00	Endmoor Green Paddock

	Beds	No	m2	Total		BCIS	COST
Det 1	3		83.50	0.00		782	0
Det 2	3		90.50	0.00		782	0
Det 3	4		92.00	0.00		782	0
Det 4	4	3	111.00	333.00		782	260,406
Det 5	5		130.00	0.00		782	0
Det 6 Small Sc	4		92.00	0.00		1,149	0
Det 7 Small Sc	4		111.00	0.00		1,149	0
Det 8 Single	5		130.00	0.00		1,149	0
Semi 1	2		69.00	0.00		782	0
Semi 2	2		75.00	0.00		782	0
Semi 3	3	4	76.00	304.00		782	237,728
Semi 4	3	4	83.50	334.00		782	261,188
Semi 5	4		110.00	0.00		782	0
Ter 1	2		59.00	0.00		782	0
Ter 2	2	4	64.00	256.00		782	200,192
Ter 3	3		72.00	0.00		782	0
Ter 4	3		86.00	0.00		782	0
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
LSC Paddock	21	0.70	30.00	89	1,863	2,661	1,456,866	782.00	Penny Bridg Green Paddock

	Beds	No	m2	Total	BCIS	COST	
Det 1	3		83.50	0.00	782	0	
Det 2	3		90.50	0.00	782	0	
Det 3	4		92.00	0.00	782	0	
Det 4	4	3	111.00	333.00	782	260,406	
Det 5	5	3	130.00	390.00	782	304,980	
Det 6 Small Sc	4		92.00	0.00	1,149	0	
Det 7 Small Sc	4		111.00	0.00	1,149	0	
Det 8 Single	5		130.00	0.00	1,149	0	
Semi 1	2		69.00	0.00	782	0	
Semi 2	2	4	75.00	300.00	782	234,600	
Semi 3	3	4	76.00	304.00	782	237,728	
Semi 4	3		83.50	0.00	782	0	
Semi 5	4		110.00	0.00	782	0	
Ter 1	2		59.00	0.00	782	0	
Ter 2	2	3	64.00	192.00	782	150,144	
Ter 3	3		72.00	0.00	782	0	
Ter 4	3	4	86.00	344.00	782	269,008	
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Small Village	4	0.15	26.67	84	334	2,227	261,188	782.00	Lune Valley Green Paddock

	Beds	No	m2	Total	BCIS	COST	
Det 1	3		83.50	0.00	782	0	
Det 2	3		90.50	0.00	782	0	
Det 3	4		92.00	0.00	782	0	
Det 4	4		111.00	0.00	782	0	
Det 5	5		130.00	0.00	782	0	
Det 6 Small Sc	4		92.00	0.00	1,149	0	
Det 7 Small Sc	4		111.00	0.00	1,149	0	
Det 8 Single	5		200.00	0.00	1,149	0	
Semi 1	2		69.00	0.00	782	0	
Semi 2	2		75.00	0.00	782	0	
Semi 3	3		76.00	0.00	782	0	
Semi 4	3	4	83.50	334.00	782	261,188	
Semi 5	4		110.00	0.00	782	0	
Ter 1	2		59.00	0.00	782	0	
Ter 2	2		64.00	0.00	782	0	
Ter 3	3		72.00	0.00	782	0	
Ter 4	3		86.00	0.00	782	0	
Flat 1	1		61.00	0.00	10%	885	0
Flat 2	2		74.00	0.00	10%	885	0
Flat 3	3		90.00	0.00	10%	885	0
Flat 1 High	1		61.00	0.00	10%	1,173	0
Flat 2 High	2		74.00	0.00	10%	1,173	0
Flat 3 High	3		90.00	0.00	10%	1,173	0



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Ex Garage Site	5	0.20	25.00	85	425	2,123	331,959	782.00	Central SLD Brown Garage

	Beds	No	m2	Total	BCIS	COST
Det 1	3		83.50	0.00	782	0
Det 2	3	1	90.50	90.50	782	70,771
Det 3	4	2	92.00	184.00	782	143,888
Det 4	4		111.00	0.00	782	0
Det 5	5		130.00	0.00	782	0
Det 6 Small Sc	4		92.00	0.00	1,149	0
Det 7 Small Sc	4		111.00	0.00	1,149	0
Det 8 Single	5		300.00	0.00	1,149	0
Semi 1	2		69.00	0.00	782	0
Semi 2	2	2	75.00	150.00	782	117,300
Semi 3	3		76.00	0.00	782	0
Semi 4	3		83.50	0.00	782	0
Semi 5	4		110.00	0.00	782	0
Ter 1	2		59.00	0.00	782	0
Ter 2	2		64.00	0.00	782	0
Ter 3	3		72.00	0.00	782	0
Ter 4	3		86.00	0.00	782	0
Flat 1	1		61.00	0.00	10%	885 0
Flat 2	2		74.00	0.00	10%	885 0
Flat 3	3		90.00	0.00	10%	885 0
Flat 1 High	1		61.00	0.00	10%	1,173 0
Flat 2 High	2		74.00	0.00	10%	1,173 0
Flat 3 High	3		90.00	0.00	10%	1,173 0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Village infill	10	0.40	25.00	97	966	2,415	755,412	782.00	Cartmel Per Green Paddock

	Beds	No	m2	Total	BCIS	COST
Det 1	3		83.50	0.00	782	0
Det 2	3		90.50	0.00	782	0
Det 3	4	2	92.00	184.00	782	143,888
Det 4	4	3	111.00	333.00	782	260,406
Det 5	5	1	130.00	130.00	782	101,660
Det 6 Small Sc	4		92.00	0.00	1,149	0
Det 7 Small Sc	4		111.00	0.00	1,149	0
Det 8 Single	5		130.00	0.00	1,149	0
Semi 1	2		69.00	0.00	782	0
Semi 2	2		75.00	0.00	782	0
Semi 3	3	2	76.00	152.00	782	118,864
Semi 4	3	2	83.50	167.00	782	130,594
Semi 5	4		110.00	0.00	782	0
Ter 1	2		59.00	0.00	782	0
Ter 2	2		64.00	0.00	782	0
Ter 3	3		72.00	0.00	782	0
Ter 4	3		86.00	0.00	782	0
Flat 1	1		61.00	0.00	10%	885 0
Flat 2	2		74.00	0.00	10%	885 0
Flat 3	3		90.00	0.00	10%	885 0
Flat 1 High	1		61.00	0.00	10%	1,173 0
Flat 2 High	2		74.00	0.00	10%	1,173 0
Flat 3 High	3		90.00	0.00	10%	1,173 0



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Village Infil	3	0.30	10.00	83	249	830	235,455	945.60	Eastern Are Green Paddock

	Beds	No	m2	Total	BCIS	COST
Det 1	3		83.50	0.00	782	0
Det 2	3		90.50	0.00	782	0
Det 3	4		92.00	0.00	782	0
Det 4	4		111.00	0.00	782	0
Det 5	5		130.00	0.00	782	0
Det 6 Small Sc	4		92.00	0.00	1,149	0
Det 7 Small Sc	4	1	111.00	111.00	1,149	127,539
Det 8 Single	5		130.00	0.00	1,149	0
Semi 1	2	2	69.00	138.00	782	107,916
Semi 2	2		75.00	0.00	782	0
Semi 3	3		76.00	0.00	782	0
Semi 4	3		83.50	0.00	782	0
Semi 5	4		110.00	0.00	782	0
Ter 1	2		59.00	0.00	782	0
Ter 2	2		64.00	0.00	782	0
Ter 3	3		72.00	0.00	782	0
Ter 4	3		86.00	0.00	782	0
Flat 1	1		61.00	0.00	10%	885 0
Flat 2	2		74.00	0.00	10%	885 0
Flat 3	3		90.00	0.00	10%	885 0
Flat 1 High	1		61.00	0.00	10%	1,173 0
Flat 2 High	2		74.00	0.00	10%	1,173 0
Flat 3 High	3		90.00	0.00	10%	1,173 0

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
Rural House	1	1.00	1.00	130	130	130	149,370	1,149.00	Rural west Green Paddock

	Beds	No	m2	Total	BCIS	COST
Det 1	3		83.50	0.00	782	0
Det 2	3		90.50	0.00	782	0
Det 3	4		92.00	0.00	782	0
Det 4	4		111.00	0.00	782	0
Det 5	5		130.00	0.00	782	0
Det 6 Small Sc	4		92.00	0.00	1,149	0
Det 7 Small Sc	4		111.00	0.00	1,149	0
Det 8 Single	5	1	130.00	130.00	1,149	149,370
Semi 1	2		69.00	0.00	782	0
Semi 2	2		75.00	0.00	782	0
Semi 3	3		76.00	0.00	782	0
Semi 4	3		83.50	0.00	782	0
Semi 5	4		110.00	0.00	782	0
Ter 1	2		59.00	0.00	782	0
Ter 2	2		64.00	0.00	782	0
Ter 3	3		72.00	0.00	782	0
Ter 4	3		86.00	0.00	782	0
Flat 1	1		61.00	0.00	10%	885 0
Flat 2	2		74.00	0.00	10%	885 0
Flat 3	3		90.00	0.00	10%	885 0
Flat 1 High	1		61.00	0.00	10%	1,173 0
Flat 2 High	2		74.00	0.00	10%	1,173 0
Flat 3 High	3		90.00	0.00	10%	1,173 0

Base Modelled % adjusted GIA 35% Aff.xlsx
For Apps



Location		Site 1	Site 2	Site 3	Site 4	Site 5	Site 6	Site 7	Site 8	Site 9	Site 10	Site 11	Site 12	Site 13	Site 14	Site 15	Site 16
Green/brown field Use		Kendal Green Agricultural	Kendal Green Agricultural	Kendal Brown Offices	Kendal Green Scrub	Arnside Green Paddock	Grange Green Paddock	Ulverston Brown Industrial	Milnthorpe Green Agricultural	Allithwaite Green Paddock	Endmoor Green Paddock	Penny Bridge Green Paddock	Lune Valley Green Paddock	Central SLDC Brown Garage	tmel Peninsula Green Paddock	Eastern Area Green Paddock	Rural west Green Paddock
Site Area	Gross	7.50	8.33	0.31	0.43	1.10	2.00	0.25	3.80	1.00	0.70	0.93	0.20	0.20	0.80	0.30	1.00
	Net	5.25	5.80	0.31	0.30	1.00	1.50	0.25	2.50	0.75	0.50	0.70	0.15	0.20	0.40	0.30	1.00
Units		168	174	13	12	35	45	12	76	24	15	21	4	5	10	3	1
Average Unit Size		81.39	84.70	70.38	78.42	76.66	77.40	82.00	90.49	93.50	81.80	88.71	83.50	84.90	96.60	83.00	130.00
Mix	Intermediate to Buy	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%		12.82%	12.82%		
	Affordable Rent	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%		12.82%	12.82%		
	Social Rent																
Price	Market	2,415	2,363	2,258	2,415	2,100	2,468	2,048	2,258	2,468	2,205	2,415	3,150	2,310	2,468	2,888	3,150
	Intermediate to Buy	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
	Affordable Rent	1,137	1,137	1,137	1,137	1,050	1,086	1,050	1,173	1,132	1,100	1,132	1,245	1,137	1,132	1,245	1,245
	Social Rent	1,208	1,181	1,129	1,208	1,050	1,234	1,024	1,129	1,234	1,103	1,208	1,575	1,155	1,234	1,444	1,575
Grant and Subs	Intermediate to Buy																
	Affordable Rent																
	Social Rent																
Sales per Quarter		12	16	6	4	5	8	3	9	6	3	3	1	2	2	1	1
Unit Build Time		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Alternative Use Value	£/ha	25,000	25,000	400,000	50,000	50,000	50,000	300,000	25,000	50,000	50,000	50,000	50,000	400,000	50,000	50,000	50,000
Up Lift %	%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Additional Uplift	£/ha	400,000	400,000		400,000	400,000	400,000		400,000	400,000	400,000	400,000	400,000		400,000	400,000	250,000
Easements etc	£	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legals Acquisition	% land	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Planning Fee	<50	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335	335
	>50	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Architects	%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
QS / PM	%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Planning Consultants	%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other Professional	%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Build Cost - BCIS Based	£/m2	782	782	844	782	782	821	974	782	782	782	782	782	782	782	782	946
C5H	%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Energy	£/m2																
Design	£/m2						41		39		39		39		39		47
Lifetime	£/m2	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Over-extra 3	£/m2																
Over-extra 4	£/m2																
Infrastructure	%	20%	20%	10%	10%	15%	15%	10%	20%	15%	10%	10%	10%	10%	15%	10%	10%
Pre CIL s106	£/Unit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Post CIL s106	£/Unit	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
	£/m2	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Contingency	%	2.50%	2.50%	5.00%	2.50%	2.50%	2.50%	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%	5.00%	2.50%	2.50%	2.50%
Abnormals	£/site		750,000	200,000	100,000			150,000					50,000	150,000			
FINANCE	Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Interest	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%	7,000%
	Legal and Valuation	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
SALES	Agents	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Legals	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Misc.	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Developers Pro	% of costs (before interest)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	% of GDV	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%



SITE NAME Site 5								
INCOME	Air Size m2	%	Number	Price £/m2	GDV £	GIA m2		
Market Housing	76.7	74%	26	2,100	4,189,865	1,980		
Shared Ownership	76.7	13%	4	1,465	503,902	344		
Affordable Rent	76.7	13%	4	1,050	361,159	344		
Social Rent	76.7	0%	0	1,050	0	0		
Grant and Subsidy	Shared Ownership			0	0			
	Affordable Rent			0	0			
	Social Rent			0	0			
SITE AREA - Net				1.00 ha	35	/ha	5,954,726	2,683
SITE AREA - Gross				1.10 ha	32	/ha		

Sales per Quarter	5
Unit Build Time	3 Quarters

Whob. Site	Per ha NET	Per ha GROSS	
Residual Land Value	527,266	527,266	527,266
Adversive Use Value	50,000	50,000	50,000
Uplift	11,000	10,000	10,000
Plus /ha	450,000	450,000	450,000
Viability Threshold	456,000	456,000	456,000

Check on planning steps now correct

Additional Profit	193,443	£/m2	51
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DEVELOPMENT COSTS		
LAND	Unit or m2	Total
Land		527,266
Stamp Duty		22,319
Esasements etc.		8,369
Legals Acquisition	1.50%	8,369
PLANNING		
Planning Fee		11,725
Architects	6.00%	163,374
QS / PFI	0.50%	13,615
Planning Consultants	1.00%	27,229
Other Professional	2.50%	68,073
CONSTRUCTION		
Build Cost - BCIS Based	922	2,473,806
s106 / CIL		187,254
Contingency	2.50%	61,845
Abnormals		2,722,906
FINANCE		
Fees		10,000
Interest	7.00%	17,500
Legal and Valuation		7,500
SALES		
Agents	3.0%	151,642
Legals	0.5%	25,274
Misc.	5.00%	181,915
Developers Profit		
% of costs (before interest)	0.00%	0
% of GDV	20.00%	1,210,945

Planning fee calc			
dwgs	rate		
Planning app 1	35		
No dwgs	35	335	11,725
No dwgs over	0	100	0
Total 11,725			

Build Cost		
	/m2	
BCIS	782	
CPIH	12	1.50%
Energy	0	
Over-extra 1	0	
Over-extra 2	11	
Over-extra 3	0	
Over-extra 4	0	15%
Infrastructure	117	
Total 922		

Stamp duty calc - Residual			
Land payment	0%	1%	
125,000	0%	1%	
250,000	1%	3%	
500,000	3%	4%	
1,000,000	4%	6%	
above	5%	4%	
Total 22,319			

Stamp duty calc - Add Profit			
Land payment	0%	1%	
125,000	0%	1%	
250,000	1%	3%	
500,000	3%	4%	
1,000,000	4%	6%	
above	5%	4%	
Total 18,650			

Post CIL s106	0	£/ Unit (a6)	
Total			0

Post CIL s106	2,500	£/ Unit (a6)	
CIL	50	£/m2	
Total			187,254

RESIDUAL CASH FLOW FOR INTEREST	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INCOME																								
UNITS Started	3				5				5				5				5				5			
Market Housing	0				359,114				598,524				598,524				598,524				239,409			
Shared Ownership	0				43,192				71,986				71,986				71,986				28,794			
Affordable Rent	0				30,956				51,594				51,594				51,594				20,338			
Social Rent	0				0				0				0				0				0			
Grant and Subsidy	0				0				0				0				0				0			
INCOME	0				433,262				722,104				722,104				722,104				288,842			
EXPENDITURE																								
Stamp Duty	22,319				0				0				0				0				0			
Esasements etc.	0				0				0				0				0				0			
Legals Acquisition	8,369				0				0				0				0				0			
Planning Fee	11,725				0				0				0				0				0			
Architects	81,687				81,687				0				0				0				0			
QS	6,807				6,807				0				0				0				0			
Planning Consultants	13,615				13,615				0				0				0				0			
Other Professional	34,036				34,036				0				0				0				0			
Build Cost - BCIS Base	0				70,680				188,480				306,281				353,401				353,401			
s106/CIL	0				5,360				14,267				23,184				26,751				26,751			
Contingency	0				1,767				4,712				7,657				8,835				8,835			
Abnormals	0				0				0				0				0				0			
Finance Fees	0				10,000				7,500				0				0				0			
Legal and Valuation	0				0				0				0				0				0			
Agents	0				0				0				0				0				0			
Legals	0				0				0				0				0				0			
Misc.	0				0				0				0				0				0			
COSTS BEFORE LAND INT AND	196,058				0				218,843				307,459				337,132				388,987			
For Residual Value	196,058				0				218,843				307,459				337,132				388,987			
Land	527,266				0				0				0				0				0			
Interest	13,195				13,426				17,493				21,429				27,704							
Profit on Costs	0				0				0				0				0				0			
Profit on GDV	0				0				0				0				0				0			
Cash Flow	-754,025				-13,195				-232,369				-224,952				-358,561							
Opening Bal	0				0				0				0				0				0			
Closing Bal	-754,025				-767,220				-999,589				-1,234,541				-1,583,092							

CASH FLOW FOR CL ADDITIONAL PROFIT	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INCOME																								
As Above	0				0				0				0				0				0			
EXPENDITURE																								
Land	456,000				0				0				0				0				0			
Stamp Duty	18,640				0				0				0				0				0			
Esasements etc.	0				0				0				0				0				0			
Legals Acquisition	6,990				0				0				0				0				0			
Planning Fee	11,725				0				0				0				0				0			
Architects	81,687				81,687				0				0				0				0			
QS	6,807				6,807				0				0				0				0			
Planning Consultants	13,615				13,615				0				0				0				0			
Other Professional	34,036				34,036				0				0				0				0			
Build Cost - BCIS Base	0				70,680				188,480				306,281				353,401				353,401			
POTENTIAL CIL	0				16,950				26,751				26,751				26,751				26,751			
Post CIL s106	0				1,767				4,712				7,657				8,835				8,835			
Abnormals	0				0				0				0				0				0			
Finance Fees	0				10,000				7,500				0				0				0			
Legal and Valuation	0				0				0				0				0				0			
Agents	0				0				0				0				0				0			
Legals	0				0				0				0				0				0			
Misc.	0				0				0				0				0				0			
COSTS BEFORE LAND INT AND	672,000				0				317,046				393,193				329,988							
For CL calculation	672,000				0				317,046				393,193				329,988							
Interest	11,498				11,699				17,452				21,138				27,283							
Profit on Costs	0				0				0				0				0				0			
Profit on GDV	0				0				0				0				0				0			
Cash Flow	-672,000				-11,498				-328,744				-210,644				-351,126							
Opening Bal	0				0				0				0				0				0			
Closing Bal	-672,000				-668,498				-997,242				-1,207,886				-1,559,013							



SITE NAME Site 6							
INCOME	Average Size (m2)	%	Number	Price (€m2)	GDV (€)	GIA (m2)	
Market Housing	77.4	74%	33	2,468	6,306,723	2,580	
Shared Ownership	77.4	13%	6	1,465	654,153	447	
Affordable Rent	77.4	13%	6	1,086	484,821	447	
Social Rent	77.4	0%	0	1,234	0	0	
Grant and Subsidy	Shared Ownership			0	0		
	Affordable Rent			0	0		
	Social Rent			0	0		
SITE AREA - Net	1.50 ha		30	/ha	7,529,797	3,483	
SITE AREA - Gross	2.00 ha		23	/ha			

Sales per Quarter	8
Unit Build Time	3 Quarters

Residual Land Value	Whob. Site	Plan ha NET	Plan ha GROSS
1,037,171	691,448	118,988	

Alternative Use Value	500,000	500,000
Uplift	20,000	10,000
Plan ha	450,000	920,000
Viability Threshold	720,000	460,000

Additional Profit	353,634	137
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DEVELOPMENT COSTS		
LAND	Unit or m2	Total
Land	23,048	1,037,171
Stamp Duty		51,869
Esasements etc.		0
Legals Acquisition	1.50%	15,568
PLANNING		
Planning Fee		15,075
Architects	6.00%	230,615
QS / PM	0.50%	19,218
Planning Consultants	1.00%	38,436
Other Professional	2.50%	96,900
CONSTRUCTION		
Built Cost - BCIS Based	1.009	3,513,744
s106 / CIL		241,988
Contingency	2.50%	87,844
Abnormals		0
FINANCE		
Fees		10,000
Interest	7.00%	7,500
Legal and Valuation		17,500
SALES		
Agents	3.0%	225,894
Legals	0.5%	37,649
Misc.	5.00%	268,543
Developers Profit		1,495,959

Planning fee calc			
No depts	dwgs	rate	
No depts	45		15,075
No depts over	0	100	0
			15,075

Stamp duty calc - Residual			
Land payment	Stamp duty	Stamp duty	Total
125,000	0%	1%	1,037,171
250,000	1%	3%	
500,000	3%	4%	
1,000,000	4%	5%	
above	5%	5%	
			51,869

Stamp duty calc - Add Profit			
Land payment	Stamp duty	Stamp duty	Total
125,000	0%	1%	720,000
250,000	1%	3%	
500,000	3%	4%	
1,000,000	4%	5%	
above	5%	5%	
			36,000

Post CIL s106	0	£ / Unit (a6)	0
			0

Post CIL s106	2,500	£ / Unit (a6)	0
CIL	50	£/m2	241,988
			241,988

Build Cost		(/m2)
BCIS	821	
CSH	12	1.50%
Energy	0	
Over-extra 1	41	
Over-extra 2	11	
Over-extra 3	0	
Over-extra 4	0	10%
Infrastructure	123	
	1,009	

RESIDUAL CASH FLOW FOR INTEREST	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6															
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4												
INCOME																																				
UNITS Started	4				8				8				8				8				8															
Market Housing	0				0				668,064				1,136,129				1,136,129				1,136,129				1,136,129											
Shared Ownership	0				0				58,147				116,294				116,294				116,294				116,294											
Affordable Rent	0				0				43,104				86,208				86,208				86,208				86,208											
Social Rent	0				0				0				0				0				0				0											
Grant and Subsidy	0				0				0				0				0				0				0											
INCOME	0				669,315				1,338,631				1,338,631				1,338,631				1,338,631				1,338,631											
EXPENDITURE																																				
Stamp Duty	51,869				0				0				0				0				0				0											
Esasements etc.	0				0				0				0				0				0				0											
Legals Acquisition	15,568				0				0				0				0				0				0											
Planning Fee	15,075				0				0				0				0				0				0											
Architects	115,308				115,308				0				0				0				0				0											
QS	9,609				9,609				0				0				0				0				0											
Planning Consultants	19,218				19,218				0				0				0				0				0											
Other Professional	48,045				48,045				0				0				0				0				0											
Built Cost - BCIS Base	0				104,111				312,333				520,555				624,666				624,666				624,666											
s106/CIL	0				7,170				21,511				36,852				43,022				43,022				43,022											
Contingency	0				2,603				7,808				13,014				15,617				15,617				11,062											
Abnormals	0				0				0				0				0				0				0				0							
Finance Fees	10,000				0				0				0				0				0				0				0							
Legal and Valuation	7,500				0				0				0				0				0				0				0							
Agents	0				0				0				20,079				40,159				40,159				40,159				40,159							
Legals	0				0				0				3,347				6,693				6,693				6,693				6,693							
Misc.	0				0				5,000				0				0				0				0				0							
COSTS BEFORE LAND INT AND	292,170				0				311,063				341,632				569,420				663,304				706,730				730,156							
For Residual Value																																				
Land	1,037,171				0				0				0				0				0				0				0							
Interest	23,263				23,671				29,528				36,024				45,619				59,393				61,087				51,508							
Profit on Costs	0				0				0				0				0				0				0				0							
Profit on GDV	0				0				0				0				0				0				0				0							
Cash Flow	-1,329,342				-23,263				-384,734				-371,180				605,444				-729,923				-96,808				547,387							
Opening Bal	0				0				0				0				0				0				0				0							
Closing Bal	-1,329,342				-1,352,605				-1,687,339				-2,058,520				-2,363,964				-3,393,887				-3,450,695				-2,943,308				-2,187,044			

CASH FLOW FOR CL ADDITIONAL PROFIT	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
INCOME																												
INCOME	0				0				669,315				1,338,631				1,338,631				1,338,631				1,338,631			
EXPENDITURE																												
Land	720,000				0				0				0				0				0				0			
Stamp Duty	36,000				0				0				0				0				0				0			
Esasements etc.	0				0				0				0				0				0				0			
Legals Acquisition	10,800				0				0				0				0				0				0			
Planning Fee	15,075				0				0				0				0				0				0			
Architects	115,308				115,308				0				0				0				0				0			
QS	9,609				9,609				0				0				0				0				0			
Planning Consultants	19,218				19,218				0				0				0				0				0			
Other Professional	48,045				48,045				0				0				0				0				0			
Built Cost - BCIS Base	0				104,111				312,333				520,555				624,666				624,666				624,666			
POTENTIAL CIL	0				323,534				0				0				0				0				0			
Post CIL s106	0				21,511				43,022				43,022				43,022				43,022				43,022			
Contingency	0				2,603				7,808				13,014				15,617				15,617				11,062			
Abnormals	0				0				0				0				0				0				0			
Finance Fees	10,000				0				0				0				0				0				0			
Legal and Valuation	7,500				0				0				0				0				0				0			
Agents	0				0				0				20,079				40,159				40,159				40,159			
Legals	0				0				0				3,347				6,693				6,693				6,693			
Misc.	0				0				5,000				0				0				0				0			
COSTS BEFORE LAND INT AND	891,554				0				657,927				320,141				599,079				663,304				706,730			
For CL calculation																												
Interest	17,352				17,656				29,472				35,590				45,927				58,688				60,370			
Profit on Costs	0				0				0				0				0				0				0			
Profit on GDV	0				0				0				0				0				0				0			
Cash Flow	-891,554				-17,352				-476,183				-349,613				-590,669				-729,231				-96,103			
Opening Bal	0				0				0				0				0				0				0			
Closing Bal	-891,554				-1,008,806				-1,684,090				-2,033,702				-2,624,372				-3,363,602				-3,449,705			



SITE NAME Site 8							
INCOME	Air Size m2	%	Number	Price £/m2	GDV £	GIA m2	
Market Housing	90.5	74%	57	2,258	11,544,262	5,114	
Shared Ownership	90.5	13%	10	1,465	1,291,590	882	
Affordable Rent	90.5	13%	10	1,173	1,034,154	882	
Social Rent	90.5	0%	0		1,129	0	
Grant and Subsidy	Shared Ownership				0	0	
	Affordable Rent				0	0	
	Social Rent				0	0	
SITE AREA - Net				2.50 ha	30	/ha	13,870,005
SITE AREA - Gross				3.80 ha	20	/ha	6,877

Sales per Quarter	9
Unit Build Time	3 Quarters

Whole Site	Per ha NET	Per ha GROSS	
Residual Land Value	1,771,858	728,743	466,278
Adversive Use Value	25,000	10,000	5,000
Uplift	20%	1,000,000	400,000
Viability Threshold	1,114,000	430,000	
Additional Profit	732,346	141	

RUN Residual MACRO cost/r Closing balance = 0
 RUN CL MACRO cost/r Closing balance = 0
 Check on planning steps are correct

DEVELOPMENT COSTS		
LAND	Unit or m2	Total
Land	23,314	1,771,858
Stamp Duty		88,593
Esasements etc.		0
Legals Acquisition	1.50%	26,578
PLANNING		
Planning Fee		11,310
Architects	6.00%	433,237
QS / PAs	0.00%	36,103
Planning Consultants	1.00%	72,206
Other Professional	2.50%	180,516
CONSTRUCTION		
Build Cost - BCIS Based	961	6,609,691
s106 / CIL		446,687
Contingency	2.50%	165,342
Abnormals		0
FINANCE		
Fees		10,000
Interest	7.00%	7,500
Legal and Valuation		17,500
SALES		
Agents	3.0%	416,100
Legals	0.5%	69,350
Misc.		5,000
Developers Profit		
% of costs (before interest)	0.00%	0
% of GDV	20.00%	2,774,001

Planning fee calc			
No depts	dwgs	rate	
No depts	76	335	8,710
No depts over	26	100	2,600
Total			11,310

Stamp duty calc - Residual			
Land payment	0%	1%	
125,000	0%	1%	
500,000	1%	3%	
500,000	3%	4%	
1,000,000	4%	5%	
above	5%	5%	
Total			88,593

Stamp duty calc - Add Profit			
Land payment	0%	1%	
125,000	0%	1%	
500,000	1%	3%	
500,000	3%	4%	
1,000,000	4%	5%	
above	5%	5%	
Total			55,700

Post CIL s106	0	£/ Unit (a6)	0
Total			0

Post CIL s106	2,500	£/ Unit (a6)	
CIL	50	£/m2	
Total			446,687

RESIDUAL CASH FLOW FOR INTEREST	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INCOME																								
UNITS Started	3				0				0				0				0				0			
Market Housing	0				456,896				1,367,084				1,367,084				1,367,084				1,367,084			
Shared Ownership	0				50,984				152,951				152,951				152,951				152,951			
Affordable Rent	0				40,822				122,466				122,466				122,466				122,466			
Social Rent	0				0				0				0				0				0			
Grant and Subsidy	0				0				0				0				0				0			
INCOME	0				547,500				1,642,501				1,642,501				1,642,501				1,642,501			
EXPENDITURE																								
Stamp Duty	88,593				0				0				0				0				0			
Esasements etc.	0				0				0				0				0				0			
Legals Acquisition	26,578				0				0				0				0				0			
Planning Fee	11,310				0				0				0				0				0			
Architects	216,619				0				0				0				0				0			
QS	18,052				0				0				0				0				0			
Planning Consultants	36,103				0				0				0				0				0			
Other Professional	90,258				0				0				0				0				0			
Build Cost - BCIS Base	0				86,970				280,909				521,818				695,757				782,727			
s106/CIL	0				5,864				17,593				35,186				46,914				52,779			
Contingency	0				2,174				6,523				13,046				17,394				19,568			
Abnormals	0				0				0				0				0				0			
Finance Fees	10,000				0				0				0				0				0			
Legal and Valuation	7,500				0				0				0				0				0			
Agents	0				0				16,425				32,850				49,275				49,275			
Legals	0				0				2,738				5,475				8,213				8,213			
Misc.	0				5,000				0				0				0				0			
COSTS BEFORE LAND INT AND	555,012				461,839				385,024				570,049				760,065				874,236			
For Residual Value	1,771,858				39,845				40,543				49,320				55,171				66,113			
Interest	0				0				0				0				0				0			
Profit on Costs	0				0				0				0				0				0			
Profit on GDV	0				0				0				0				0				0			
Cash Flow	-2,276,870				-39,845				-501,282				-334,346				-625,220				-826,178			
Opening Bal	0				0				0				0				0				0			
Closing Bal	-2,276,870				-2,316,715				-2,818,297				-3,152,641				-3,777,862				-4,604,039			

CASH FLOW FOR CL ADDITIONAL PROFIT	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INCOME																								
INCOME	0				0				0				0				0				0			
EXPENDITURE																								
Land	1,114,000				0				0				0				0				0			
Stamp Duty	55,700				0				0				0				0				0			
Esasements etc.	0				0				0				0				0				0			
Legals Acquisition	16,710				0				0				0				0				0			
Planning Fee	11,310				0				0				0				0				0			
Architects	216,619				0				0				0				0				0			
QS	18,052				0				0				0				0				0			
Planning Consultants	36,103				0				0				0				0				0			
Other Professional	90,258				0				0				0				0				0			
Build Cost - BCIS Base	0				86,970				280,909				521,818				695,757				782,727			
POTENTIAL CIL	0				5,864				17,593				35,186				46,914				52,779			
Post CIL s106	0				2,174				6,523				13,046				17,394				19,568			
Contingency	0				0				0				0				0				0			
Abnormals	0				0				0				0				0				0			
Finance Fees	10,000				0				0				0				0				0			
Legal and Valuation	7,500				0				0				0				0				0			
Agents	0				0				16,425				32,850				49,275				49,275			
Legals	0				0				2,738				5,475				8,213				8,213			
Misc.	0				5,000				0				0				0				0			
COSTS BEFORE LAND INT AND	1,576,251				1,187,521				987,432				829,256				703,983				619,556			
For CL calculation	27,284				28,067				49,340				54,883				65,512				79,754			
Interest	0				0				0				0				0				0			
Profit on Costs	0				0				0				0				0				0			
Profit on GDV	0				0				0				0				0				0			
Cash Flow	-1,576,251				-27,284				-215,588				-316,771				-607,339				-813,849			
Opening Bal	0				0				0				0				0				0			
Closing Bal	-1,576,251				-1,603,535				-2,819,424				-3,136,195				-3,743,534				-4,557,283			



SITE NAME Site 12							
INCOME	Av Size	%	Number	Price	GDV	GIA	
	m ²			£/m ²	£	m ²	
Market Housing	83.5	100%	4	3,150	1,262,100	334	
Shared Ownership	83.5	0%	0	1,465	0	0	
Affordable Rent	83.5	0%	0	1,245	0	0	
Social Rent	83.5	0%	0	1,575	0	0	
Grant and Subsidy							
Shared Ownership				0	0		
Affordable Rent				0	0		
Social Rent				0	0		
SITE AREA - Net	0.15 ha		27	/ha	1,952,100	334	
SITE AREA - Gross	0.20 ha			/ha			

Sales per Quarter	1
Unit Build Time	3 Quarters

Residual Land Value	Whole Site	Per ha NET	Per ha GROSS
274,010	1,459,737	1,370,023	
Alternative Use Value:	10,000	20,000	
Uplift:	2,000	10,000	
Plus /ha	450,000	450,000	
Viability Threshold	72,000	450,000	

Check on planning steps now correct

RUN Residual MACRO cost/r Closing balance = 0
RUN CL MACRO cost/r Closing balance = 0

Additional Profit	218,997	651
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DEVELOPMENT COSTS			
LAND	Unit	Per m ²	Total
Land	68,503		274,010
Stamp Duty		8,220	
Easements etc.		0	
Legals Acquisition	1.50%	4,110	12,330
PLANNING			
Planning Fee		1,340	
Architects		6,00%	23,541
QS / PA		0.00%	1,962
Planning Consultants		1.00%	3,954
Other Professional		2.50%	9,809
40,576			
CONSTRUCTION			
Build Cost - BCIS Based s106 /CIL	922	307,968	
Contingency	2.50%	7,699	
Abnormals		50,000	392,367
FINANCE			
Fees		10,000	
Interest		7,00%	17,500
Legal and Valuation		7,500	
SALES			
Agents		3.0%	31,563
Legals		0.5%	5,261
Misc.		5,000	41,824
779,997			

Planning fee calc			
dwgs	rate		
No dwgs	4	335	1,340
No drawings	4	100	0
No dwgs over	0	100	0
Total			1,340

Build Cost			(/m ²)
BCIS	782		1.50%
CISH	12		
Energy	0		
Over-extra 1	39		
Over-extra 2	11		
Over-extra 3	0		
Over-extra 4	0		
Infrastructure	78		10%
Total	922		

Stamp duty calc - Residual		
Land payment	274,010	274,010
125,000	0%	1%
250,000	0%	2%
500,000	3%	0%
1,000,000	4%	0%
above	5%	3%
Total	8,220	

Stamp duty calc - Add Profit		
Land payment	72,000	72,000
125,000	0%	1%
250,000	1%	3%
500,000	3%	0%
1,000,000	4%	0%
above	5%	3%
Total	2,160	

Pre CIL s106	0	£/ Unit (a6)
Total	0	

Post CIL s106	2,500	£/ Unit (a6)
CIL	50	£/m ²
Total	26,700	

RESIDUAL CASH FLOW FOR INTEREST	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
INCOME																												
UNITS Started																												
Market Housing	0	0	0	0	0	0	263,025	263,025	263,025	263,025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shared Ownership																												
Affordable Rent																												
Social Rent																												
Grant and Subsidy																												
INCOME	0	0	0	0	0	0	263,025	263,025	263,025	263,025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EXPENDITURE																												
Stamp Duty																												
Easements etc.																												
Legals Acquisition																												
Planning Fee																												
Architects																												
QS																												
Planning Consultants																												
Other Professional																												
Build Cost - BCIS Base s106/CIL																												
Contingency																												
Abnormals																												
Finance Fees																												
Legal and Valuation																												
Agents																												
Legals																												
Misc.																												
COSTS BEFORE LAND INT AND	50,788	0	57,314	65,193	98,089	98,089	74,599	41,902	9,206	9,206	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
For Residual Valuation																												
Land																												
Interest																												
Profit on Costs																												
Profit on GDV																												
Cash Flow	-324,799	-5,684	-63,098	-72,280	-106,242	-108,101	176,523	212,308	248,720	253,073	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-210,420
Opening Bal																												
Closing Bal	-324,799	-330,483	-393,580	-465,861	-672,103	-690,204	-503,681	-291,373	-42,663	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	0

CASH FLOW FOR CL ADDITIONAL PROFIT	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
INCOME																												
As Above																												
INCOME	0	0	0	0	0	0	263,025	263,025	263,025	263,025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EXPENDITURE																												
Land																												
Stamp Duty																												
Easements etc.																												
Legals Acquisition																												
Planning Fee																												
Architects																												
QS																												
Planning Consultants																												
Other Professional																												
Build Cost - BCIS Base s106/CIL																												
POTENTIAL CL																												
Post CIL s106																												
Contingency																												
Abnormals																												
Finance Fees																												
Legal and Valuation																												
Agents																												
Legals																												
Misc.																												
COSTS BEFORE LAND INT AND	113,698	0	274,096	60,943	98,089	98,089	76,824	46,352	9,206	9,206	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
For CL calculation																												
Interest																												
Profit on Costs																												
Profit on GDV																												
Cash Flow	-113,698	-1,990	-276,110	-67,799	-106,132	-107,990	174,411	207,935	248,720	253,073	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-210,420
Opening Bal																												
Closing Bal	-113,698	-115,688	-391,798	-469,597	-665,720	-673,719	-490,308	-291,373	-42,663	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	210,420	0



SITE NAME Site 15						
INCOME	Air Size m2	%	Number	Price £/m2	GDV £	GIA m2
Marked Housing	83.0	100%	3	2,888	718,988	240
Shared Ownership	83.0	0%	0	1,465	0	0
Affordable Rent	83.0	0%	0	1,245	0	0
Social Rent	83.0	0%	0	1,444	0	0
Grant and Subsidy	Shared Ownership			0	0	
	Affordable Rent			0	0	
	Social Rent			0	0	
SITE AREA - Net	0.30 ha		10	/ha	718,988	240
SITE AREA - Gross	0.30 ha		10	/ha		

Sales per Quarter	1
Unit Build Time	3 Quarters

Residual Land Value	Whole Site	Per ha NET	Per ha GROSS
	148,847	496,158	496,158

Alternative Use Value	15,000	50,000	
Uplift	3,000	10,000	
Price /ha	450,000	120,000	400,000
Viability Threshold	138,000		460,000

Additional Profit	£/m2	-41
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DEVELOPMENT COSTS		
LAND	Unit or m2	Total
Land	49,616	148,847
Stamp Duty		1,488
Esasements etc.		0
Legals Acquisition	1.50%	2,233
PLANNING		
Planning Fee		1,005
Architects	6.00%	18,235
QS / P/A	0.50%	1,520
Planning Consultants	1.00%	3,799
Other Professional	2.50%	7,598
CONSTRUCTION		
Built Cost - BCIS Based	1,113	277,044
s106 / CIL		19,959
Contingency	2.50%	6,952
Abnormals		0
FINANCE		
Fees		10,000
Interest	7.00%	7,500
Legal and Valuation		17,500
SALES		
Agents	3.0%	21,570
Legals	0.5%	3,595
Misc.	5.00%	30,165
Developers Profit		143,798
% of costs (before interest)	0.00%	
% of GDV	20.00%	

Planning fee calc			
No dsgs	dwgs	rate	
No dsgs	3	335	1,005
No dsgs over	0	100	0
Total			1,005

Stamp duty calc - Residual			
Land payment	Stamp Duty	Rate	Total
125,000	0%	1%	1,250
250,000	0%	1%	2,500
500,000	3%	0%	15,000
1,000,000	4%	0%	40,000
above	5%	1%	14,000
Total			148,847

Stamp duty calc - Add Profit			
Land payment	Stamp Duty	Rate	Total
125,000	0%	1%	1,250
250,000	1%	0%	2,500
500,000	3%	0%	15,000
1,000,000	4%	0%	40,000
above	5%	1%	14,000
Total			138,000

Pre CIL s106	0	£ / Unit (a6)	
CIL	50	£/m2	19,959
Total			19,959

Build Cost		
Item	Rate	m2
BCIS	946	240
CSH	14	1.50%
Energy	0	
Over-extra 1	47	
Over-extra 2	11	
Over-extra 3	0	
Over-extra 4	0	
Infrastructure	95	10%
Total		1,113

RESIDUAL CASH FLOW FOR INTEREST	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INCOME																								
UNITS Started	1				0				0				0				0				0			
Marked Housing	0				239,663				239,663				239,663				239,663				239,663			
Shared Ownership	0				0				0				0				0				0			
Affordable Rent	0				0				0				0				0				0			
Social Rent	0				0				0				0				0				0			
Grant and Subsidy	0				0				0				0				0				0			
INCOME	0				239,663				239,663				239,663				239,663				239,663			
EXPENDITURE																								
Stamp Duty	1,488				0				0				0				0				0			
Esasements etc.	0				0				0				0				0				0			
Legals Acquisition	2,233				0				0				0				0				0			
Planning Fee	1,005				0				0				0				0				0			
Architects	9,118				0				0				0				0				0			
QS	760				0				0				0				0				0			
Planning Consultants	1,520				0				0				0				0				0			
Other Professional	3,799				0				0				0				0				0			
Built Cost - BCIS Base	0				30,783				61,565				30,783				0				0			
s106/CIL	0				2,217				4,433				2,217				0				0			
Contingency	0				770				1,539				770				0				0			
Abnormals	0				0				0				0				0				0			
Finance Fees	10,000				0				0				0				0				0			
Legal and Valuation	7,500				0				0				0				0				0			
Agents	0				0				7,190				7,190				7,190				7,190			
Legals	0				0				1,198				1,198				1,198				1,198			
Misc.	0				5,000				0				0				0				0			
COSTS BEFORE LAND INT AND	37,422				53,985				67,538				42,157				8,388				8,388			
For Residual Value	148,847				3,260				3,317				4,319				5,577				7,447			
Interest	3,260				3,317				4,319				5,577				7,447				8,759			
Profit on Costs	0				0				0				0				0				0			
Profit on GDV	0				0				0				0				0				0			
Cash Flow	-186,270				-3,260				-67,282				-71,867				-106,883				-74,985			
Opening Bal	-186,270				-189,529				-246,811				-318,668				-426,651				-520,636			
Closing Bal	-186,270				-189,529				-246,811				-318,668				-426,651				-520,636			

CASH FLOW FOR CL ADDITIONAL PROFIT	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INCOME																								
As Above	0				0				0				0				0				0			
EXPENDITURE																								
Land	138,000				0				0				0				0				0			
Stamp Duty	1,380				0				0				0				0				0			
Esasements etc.	0				0				0				0				0				0			
Legals Acquisition	2,070				0				0				0				0				0			
Planning Fee	1,005				0				0				0				0				0			
Architects	9,118				0				0				0				0				0			
QS	760				0				0				0				0				0			
Planning Consultants	1,520				0				0				0				0				0			
Other Professional	3,799				0				0				0				0				0			
Built Cost - BCIS Base	0				30,783				61,565				30,783				0				0			
POTENTIAL CIL	0				15,844				0				0				0				0			
Post CIL s106	0				6,650				6,650				6,650				0				0			
Contingency	0				770				1,539				770				0				0			
Abnormals	0				0				0				0				0				0			
Finance Fees	10,000				0				0				0				0				0			
Legal and Valuation	7,500				0				0				0				0				0			
Agents	0				0				7,190				7,190				7,190				7,190			
Legals	0				0				1,198				1,198				1,198				1,198			
Misc.	0				5,000				0				0				0				0			
COSTS BEFORE LAND INT AND	175,151				63,993				83,104				101,307				69,754				46,590			
For CL calculation	3,065				3,119				4,286				5,466				7,334				8,683			
Interest	3,065				3,119				4,286				5,466				7,334				8,683			
Profit on Costs	0				0				0				0				0				0			
Profit on GDV	0				0				0				0				0				0			
Cash Flow	-175,151				-3,066				-46,711				-47,301				-106,772				-77,080			
Opening Bal	-175,151				-178,216				-244,928				-312,318				-410,011				-496,179			
Closing Bal	-175,151				-178,216				-244,928				-312,318				-410,011				-496,179			

			Site 1	Site 2	Site 3	Site 4	Site 5	Site 6	Site 7	Site 8	Site 9	Site 10	Site 11	Site 12	Site 13	Site 14	Site 15	Site 16
Location			Kendal	Kendal	Kendal	Kendal	Arnside	Grange	Ulverston	Milnthorpe	Allithwaite	Endmoor	Penny Bridge	Lune Valley	Central SLDC	rtmel Peninsula	Eastern Area	Rural west
Green/brown field Use			Green Agricultural	Green Agricultural	Brown Offices	Green Scrub	Green Paddock	Green Paddock	Brown Industrial	Green Agricultural	Green Paddock	Green Paddock	Green Paddock	Green Paddock	Brown Garage	Green Paddock	Green Paddock	Green Paddock
Site Area	Gross	ha	7.5	8.33	0.31	0.43	1.1	2	0.25	3.8	1	0.7	0.93	0.2	0.2	0.8	0.3	1
	Net	ha	5.25	5.8	0.31	0.3	1	1.5	0.25	2.5	0.75	0.5	0.7	0.15	0.2	0.4	0.3	1
Units		0 0	168	174	13	12	35	45	12	76	24	15	21	4	5	10	3	1
Mix	Market		74.36%	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%	100.00%	74.36%	74.36%	100.00%	100.00%
	Intermediate to Buy		12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	0.00%	12.82%	12.82%	0.00%	0.00%
	Affordable Rent		12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	12.82%	0.00%	12.82%	12.82%	0.00%	0.00%
	Social Rent		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Alternative Land Value	£/ha		25,000	25,000	400,000	50,000	50,000	50,000	300,000	25,000	50,000	50,000	50,000	50,000	400,000	50,000	50,000	50,000
	£ site		187,500	208,250	124,000	21,500	55,000	100,000	75,000	95,000	50,000	35,000	46,500	10,000	80,000	40,000	15,000	50,000
Uplift	£/ha		405,000	405,000	80,000	410,000	410,000	410,000	60,000	405,000	410,000	410,000	410,000	410,000	80,000	410,000	410,000	260,000
	£ site		2,137,500	2,361,650	24,800	124,300	411,000	620,000	15,000	1,019,000	310,000	207,000	289,300	62,000	16,000	168,000	123,000	260,000
Viability Threshold	£/ha		430,000	430,000	480,000	460,000	460,000	460,000	360,000	430,000	460,000	460,000	460,000	460,000	480,000	460,000	460,000	310,000
	£ site		2,325,000	2,569,900	148,800	145,800	466,000	720,000	90,000	1,114,000	360,000	242,000	335,800	72,000	96,000	208,000	138,000	310,000
Residual V. Gross	£/ha		579,703	443,554	24,165	643,011	507,242	518,586	-732,419	466,278	798,294	524,224	729,975	1,370,052	-107,642	422,344	496,158	68,788
	£/ha		828,147	637,036	24,165	921,649	557,966	691,448	-732,419	708,743	1,064,392	733,913	969,824	1,826,737	-107,642	844,688	496,158	68,788
	£ site		4,347,773	3,694,807	7,491	276,495	557,966	1,037,171	-183,105	1,771,858	798,294	366,957	678,876	274,010	-21,528	337,875	148,847	68,788
Additional Profit	£ site		2,244,033	1,254,502	-147,382	142,484	103,453	353,634	-282,456	732,346	481,082	136,555	376,691	218,997	-123,032	141,512	11,844	-253,322
	£/m2		221	114	-217	204	52	137	-386	143	288	150	272	656	-390	197	48	-1,949

Base Sites % adjusted GIA 35% Aff.xlsn Cover



V2 Post Consultation

28/07/2014
16:50



Number	Units	NET Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/ Brown rnative Use
Castle Green Road	60	3.08	19.48	83	5,005	1,625	3,913,910	782.00	Kendal Green Paddock

	Beds	No	m2	Total	BCIS	COST
Det 1	3		83.50	0.00	782	0
Det 2	3		90.50	0.00	782	0
Det 3	4	3	92.00	276.00	782	215,832
Det 4	4	5	111.00	555.00	782	434,010
Det 5	5	3	130.00	390.00	782	304,980
Det 6 Small Sc	4		92.00	0.00	1,149	0
Det 7 Small Sc	4		111.00	0.00	1,149	0
Det 8 Single	5		130.00	0.00	1,149	0
Semi 1	2		69.00	0.00	782	0
Semi 2	2	6	75.00	450.00	782	351,900
Semi 3	3	16	76.00	1,216.00	782	950,912
Semi 4	3	20	83.50	1,670.00	782	1,305,940
Semi 5	4		110.00	0.00	782	0
Ter 1	2		59.00	0.00	782	0
Ter 2	2	7	64.00	448.00	782	350,336
Ter 3	3		72.00	0.00	782	0
Ter 4	3		86.00	0.00	782	0
Flat 1	1		61.00	0.00	10%	885
Flat 2	2		74.00	0.00	10%	885
Flat 3	3		90.00	0.00	10%	885
Flat 1 High	1		61.00	0.00	10%	1,173
Flat 2 High	2		74.00	0.00	10%	1,173
Flat 3 High	3		90.00	0.00	10%	1,173



Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
South Ulverston	747	22.18	33.68	84	62,759	2,830	49,077,538	782.00	Ulverston Green Agricultural

	Beds	No	m2	Total	BCIS	COST
Det 1	3		83.50	0.00	782	0
Det 2	3		90.50	0.00	782	0
Det 3	4		92.00	0.00	782	0
Det 4	4	100	111.00	11,100.00	782	8,680,200
Det 5	5	50	130.00	6,500.00	782	5,083,000
Det 6 Small Sc	4		92.00	0.00	1,149	0
Det 7 Small Sc	4		111.00	0.00	1,149	0
Det 8 Single	5		130.00	0.00	1,149	0
Semi 1	2		69.00	0.00	782	0
Semi 2	2	150	75.00	11,250.00	782	8,797,500
Semi 3	3	150	76.00	11,400.00	782	8,914,800
Semi 4	3	150	83.50	12,525.00	782	9,794,550
Semi 5	4		110.00	0.00	782	0
Ter 1	2		59.00	0.00	782	0
Ter 2	2	75	64.00	4,800.00	782	3,753,600
Ter 3	3	72	72.00	5,184.00	782	4,053,888
Ter 4	3		86.00	0.00	782	0
Flat 1	1		61.00	0.00	10%	885
Flat 2	2		74.00	0.00	10%	885
Flat 3	3		90.00	0.00	10%	885
Flat 1 High	1		61.00	0.00	10%	1,173
Flat 2 High	2		74.00	0.00	10%	1,173
Flat 3 High	3		90.00	0.00	10%	1,173

Number	Units	Area ha	Density erage Units/ha	Unit Size m2	Developed m2	Density m2/ha	Total Cost	Rate £/m2	Locality een/Brown rnative Use
NEW LSC Edge	50	1.65	30.30	83	4,130	2,503	3,229,269	782.00	Furness Per Green Paddock

	Beds	No	m2	Total	BCIS	COST
Det 1	3		83.50	0.00	782	0
Det 2	3		90.50	0.00	782	0
Det 3	4	2	92.00	184.00	782	143,888
Det 4	4	4	111.00	444.00	782	347,208
Det 5	5	2	130.00	260.00	782	203,320
Det 6 Small Sc	4		92.00	0.00	1,149	0
Det 7 Small Sc	4		111.00	0.00	1,149	0
Det 8 Single	5		130.00	0.00	1,149	0
Semi 1	2		69.00	0.00	782	0
Semi 2	2	6	75.00	450.00	782	351,900
Semi 3	3	13	76.00	988.00	782	772,616
Semi 4	3	17	83.50	1,419.50	782	1,110,049
Semi 5	4		110.00	0.00	782	0
Ter 1	2		59.00	0.00	782	0
Ter 2	2	6	64.00	384.00	782	300,288
Ter 3	3		72.00	0.00	782	0
Ter 4	3		86.00	0.00	782	0
Flat 1	1		61.00	0.00	10%	885
Flat 2	2		74.00	0.00	10%	885
Flat 3	3		90.00	0.00	10%	885
Flat 1 High	1		61.00	0.00	10%	1,173
Flat 2 High	2		74.00	0.00	10%	1,173
Flat 3 High	3		90.00	0.00	10%	1,173

Base Sites % adjusted GIA 35% Aff.xlsm
For Apps



Location			Site 1	Site 2	Site 3	Site 4
Green/brown field Use			Kendal Paddock		Ulverston ; Agricultural	Peninsula Paddock
Site Area	Gross	ha	4.11		44.35	2.30
	Net	ha	3.08		22.18	1.65
Units			60		747	50
Average Unit Size	m2		83.42		84.01	82.59
Mix	Intermediate to Buy		12.82%		12.82%	12.82%
	Affordable Rent		12.82%		12.82%	12.82%
	Social Rent					
Price	Market	£/m2	2,678		2,074	2,150
	Intermediate	£/m2	1,465		1,465	1,465
	Affordable	£/m2	1,137		1,050	1,050
	Social Rent	£/m2	1,339		1,037	1,075
						5.00%
Grant and	Intermediate	£/unit				
	Affordable	£/unit				
	Social Rent	£/unit				
Sales per Quarter			8		60	0
Unit Build Time			3		0	0
Alternative Use Value	£/ha		25,000		25,000	25,000
Up Lift %	%		20%		0%	0%
Additional Uplift	£/ha		400,000		400,000	400,000
Easements etc	£		0		0	0
Legals Acquisition	% land		1.5%		0.0%	0.0%
Planning F <50	£/unit		335		0	0
>50	£/unit		100		0	0
Architects	%		7.00%		0.00%	0.00%
QS / PM	%		0.50%		0.00%	0.00%
Planning Consultants	%		1.00%		0.00%	0.00%
Other Professional	%		2.50%		0.00%	0.00%
Build Cost - BCIS Base	£/m2		782		782	782
CfSH	%		1.50%		1.50%	1.50%
Flood	£/m2				0	0
Design	£/m2					
Lifetime	£/m2		11		11	11
Over-extra 3	£/m2					
Over-extra 4	£/m2					
Infrastructure	%		15%		20%	15%
Pre CIL s106	£/Unit				0	0
Post CIL s106	£/Unit		2,500		0	0
	£/m2		50		20	0
Contingency	%		2.50%		10.00%	2.50%
Abnormals	%					
	£/site		400,000		1,000,000	
FINANCE	Fees	£	25,000		0	0
	Interest	%	7.00%		0.00%	0.00%
	Legal and	£	10,000		0	0
SALES	Agents	%	3.00%		0.00%	0.00%
	Legals	%	0.50%		0.00%	0.00%
	Misc.	£	5,000		0	0
Developer:	% of costs (before inte		0%		0%	0%
	% of GDV		20%		0%	0%

Location			Site 1	Site 2	Site 3	Site 4
Green/brown field Use			Kendal Green Paddock		Ulverston Green Agricultural	Widnes Peninsula Green Paddock
Site Area	Gross	ha	4.11		44.35	2.3
	Net	ha	3.08		22.18	1.65
Units		0 0	60		747	50
Mix	Market		74.36%		74.36%	74.36%
	Intermediate to Buy		12.82%		12.82%	12.82%
	Affordable Rent		12.82%		12.82%	12.82%
	Social Rent		0.00%		0.00%	0.00%
Alternative Land Value	£/ha		25,000		25,000	25,000
	£ site		102,750		1,108,750	57,500
Uplift	£/ha		405,000		400,000	400,000
	£ site		1,252,550		8,872,000	660,000
Viability Threshold	£/ha		430,000		425,000	425,000
	£ site		1,355,300		9,980,750	717,500
Residual Value	Gross	£/ha	483,921		134,209	393,211
	Net	£/ha	645,752		268,357	548,112
		£ site	1,988,916		5,952,166	904,385
Additional Profit	£ site		703,985		-5,116,162	195,904
	£/m2		189		-110	64

Affordable Housing as LCHO		Greenfield SHELTERED	0%	20%	30%	35%	40%	EXTRA-CARE	0%	Brownfield SHELTERED	0%	20%	30%	35%	40%	EXTRA-CARE	0%	
	AFORDABLE %																	
Units	1 bed 2 bed	50 m2 75 m2	20 25	20 25	20 25	20 25	20 25	24 16		20 25	20 25	20 25	20 25	20 25	20 25	24 16		
	Saleable Area		2,875	2,875	2,875	2,875	2,875	2,400		2,875	2,875	2,875	2,875	2,875	2,875	2,400		
	Non-saleable	25%	719	719	719	719	719	720		719	719	719	719	719	719	720		
	GIA		3,594	3,594	3,594	3,594	3,594	3,120		3,594	3,594	3,594	3,594	3,594	3,594	3,120		
	E/m2	Market E/m2	3,000	3,000	3,000	3,000	3,000	2,800		3,000	3,000	3,000	3,000	3,000	3,000	2,800		
		Market m2	2,875	2,300	2,013	1,869	1,725	2,400		2,875	2,300	2,013	1,869	1,725	2,400	2,400		
		Market E	8,625,000	6,907,500	6,037,500	5,606,250	5,175,000	6,000,000		8,625,000	6,907,500	6,037,500	5,606,250	5,175,000	6,000,000	6,000,000		
		Affordable E/m2	2,100	2,100	2,100	2,100	2,100	2,100		2,100	2,100	2,100	2,100	2,100	2,100	2,100		
		Affordable m2	0	575	863	1,006	1,150	0		0	575	863	1,006	1,150	0	0		
		Affordable E	0	1,207,500	1,811,250	2,113,125	2,415,000	0		0	1,207,500	1,811,250	2,113,125	2,415,000	0	0		
	Capital Value		8,625,000	8,107,500	7,848,750	7,719,375	7,590,000	6,000,000		8,625,000	8,107,500	7,848,750	7,719,375	7,590,000	6,000,000	6,000,000		
	Costs	Land Used	0.50	0.50	0.50	0.50	0.50	0.50		0.50	0.50	0.50	0.50	0.50	0.50	0.50		
		E/ha	25,000	25,000	25,000	25,000	25,000	25,000		25,000	25,000	25,000	25,000	25,000	25,000	25,000		
		Uplift E/ha	400,000	400,000	400,000	400,000	400,000	400,000		400,000	400,000	400,000	400,000	400,000	400,000	400,000		
		20%	5,000	5,000	5,000	5,000	5,000	5,000		5,000	5,000	5,000	5,000	5,000	5,000	5,000		
	Cost		215,000	215,000	215,000	215,000	215,000	215,000		215,000	215,000	215,000	215,000	215,000	215,000	215,000		
	Strategic Promotion		10,000	10,000	10,000	10,000	10,000	10,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000		
	Planning		25,000	25,000	25,000	25,000	25,000	25,000		25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Construction	/m2	939	939	939	939	939	1,047		939	939	939	939	939	939	1,047		
		E	3,374,531	3,374,531	3,374,531	3,374,531	3,374,531	3,266,640		3,374,531	3,374,531	3,374,531	3,374,531	3,374,531	3,374,531	3,266,640		
	Infrastructure	10.00%	337,453	337,453	337,453	337,453	337,453	326,664		337,453	337,453	337,453	337,453	337,453	337,453	326,664		
	Abnormals	0.00%	0	0	0	0	0	0		0	0	0	0	0	0	0		
	Fees	10.00%	337,453	337,453	337,453	337,453	337,453	326,664		337,453	337,453	337,453	337,453	337,453	337,453	326,664		
	s106		0	0	0	0	0	0		0	0	0	0	0	0	0		
	Contingency	2.50%	84,363	84,363	84,363	84,363	84,363	81,666		168,727	168,727	168,727	168,727	168,727	168,727	163,332		
	Finance Costs		25,000	25,000	25,000	25,000	25,000	25,000		25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Sales	4.00%	345,000	324,300	313,950	308,775	303,600	240,000		345,000	324,300	313,950	308,775	303,600	240,000	240,000		
	Misc. financial		10,000	10,000	10,000	10,000	10,000	10,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000		
	Subtotal		4,548,801	4,528,101	4,517,751	4,512,576	4,507,401	4,311,634		4,970,617	4,949,917	4,939,567	4,934,392	4,929,217	4,719,964	4,719,964		
	Interest	7.00%	159,208	158,484	158,121	157,940	157,759	150,907		173,972	173,247	172,885	172,704	172,523	165,099	165,099		
	Profit % GDV	20.00%	1,756,842	1,653,197	1,601,374	1,575,463	1,549,932	1,230,181		1,759,794	1,656,149	1,604,337	1,578,416	1,552,505	1,233,940	1,233,940		
	COSTS		6,679,850	6,554,781	6,492,246	6,460,979	6,429,712	5,907,723		7,054,383	6,929,314	6,866,779	6,835,512	6,804,244	6,268,202	6,268,202		
	Residual Land Worth		1,945,150	1,552,719	1,356,504	1,258,396	1,160,288	92,277		1,570,617	1,178,186	981,971	883,863	785,756	-268,202	-268,202		
	Additional Profit	E/m2	1,730,150	1,337,719	1,141,504	1,043,396	945,288	-122,723		1,420,617	1,028,186	831,971	733,863	635,756	-418,202	-418,202		
			481	372	318	290	263	-39		395	286	232	204	177	-134	-134		
	Existing Use Value		25,000	25,000	25,000	25,000	25,000	25,000		25,000	25,000	25,000	25,000	25,000	25,000	25,000		
	Viability Threshold		430,000	430,000	430,000	430,000	430,000	430,000		300,000	300,000	300,000	300,000	300,000	300,000	300,000		
	Residual Value		3,890,299	3,105,438	2,713,007	2,516,792	2,320,577	184,555		3,141,234	2,356,373	1,963,942	1,767,727	1,574,511	-536,405	-536,405		

HDH Planning & Development (HDH) Ltd is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers.

The firm is led by Simon Drummond-Hay who is a Chartered Surveyor, Associate of Chartered Institute of Housing and senior development professional with a wide experience of both development and professional practice. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments
- Future Housing Numbers Analysis (post RSS target setting)

HDH Planning & Development have clients throughout England and Wales.

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