

Mid Devon District Council



**Viability Assessment:
Community Infrastructure Levy & Local Plan**

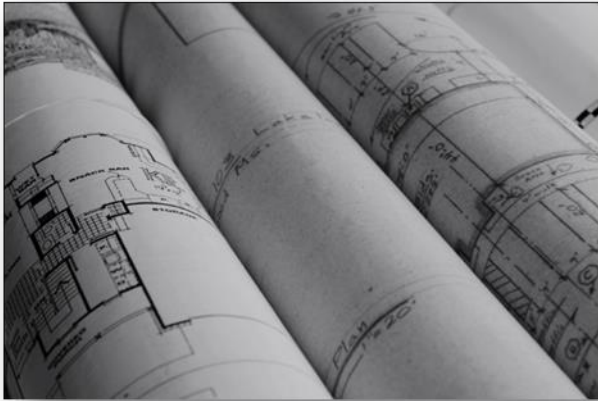
**Self-Build, Public Open Space & Building Regulations
Part M Level 2 (Access) Viability Addendum**

Ref: DSP14244A

December 2014

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Notes and limitations

This has been a desk-top exercise based on information provided by Mid Devon District Council, supplemented with information gathered by and assumptions made by DSP appropriate to the current stage of review. This is to inform the Council's on-going work with regard to the potential Public Open Space financial contributions, introduction of a policy to require 30% of new dwellings to meet the requirements of Level 2 of Part M of the Building Regulations (accessible and adaptable dwellings) and the introduction of a policy to require a proportion of self-build plots on developments of 20 residential units or more.

This high level study has been carried out using well recognised residual valuation techniques by consultants highly experienced in the production of strategic viability assessments for local authority policy development. In order to carry out this type of study a large number of assumptions are required alongside a large quantity of data which rarely fits all eventualities. Small changes in assumptions can have a significant individual or cumulative effect on the residual land value (RLV) generated – the RLVs generated by the development appraisals for this study will not necessarily reflect site specific circumstances. Therefore this assessment (as with similar studies of its type) is not intended to prescribe land values or otherwise substitute for the usual considerations and discussions that will continue to be needed as particular developments having varying characteristics come forward. Nevertheless, the assumptions used within this study reflect the policy requirements of the Council as known the time of carrying out this study and therefore take into account the cumulative cost effects of policy where those are relevant.

It must be recognised that this planning based tool for securing affordable housing relies on market-led processes. We have to place an emphasis on the need for a practical approach to be taken by Council, bearing in mind development.

In carrying out this assessment from the necessary strategic viewpoint, it is assumed that there will be a variety of market conditions during the life of the Local Plan, including periods in which we will see more stable and confident economic and property market conditions.

The review of development viability is not an exact science. There can be no definite viability cut off point owing to variation in site specific circumstances. These include the land ownership situation. It is not appropriate to assume that because a development appears to produce some land value (or in some cases even value equivalent to an existing / alternative

use), the land will change hands and the development proceed. This principle will in some cases extend to land owners expecting or requiring the land price to reach a higher level, perhaps even significantly above that related to an existing or alternative land use. This might be referred to as a premium, “overbid” or sufficient level of incentive to sell. In some specific cases, whilst weighing up overall planning objectives to be achieved, therefore, the proposals may need to be viewed alongside the owner’s enjoyment / use of the land, and a potential “overbid” relative to existing use value or perhaps to an alternative use that the site may be put to. In practice, whether and to what extent an active market exists for an existing or alternative use will be a key part of determining whether or how site discussions develop. This could result in highly variable circumstances and requirements. Land value expectations will need to be realistic and reflective of the opportunities offered by, and constraints associated with, particular sites and schemes.

It should be noted that every scheme is different and no study of this nature can reflect the variances seen in site specific cases. Specific assumptions and values applied for our schemes are unlikely to be appropriate for all developments and a degree of professional judgment is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and informing the Council’s policy decision making processes.

In this instance, ‘high level viability’ means a test of site viability at a level based on generic assumptions rather than site specific matters as may become known with the progression of detailed proposals in due course. Assumptions have been based on a mixture of market norms, local knowledge and recent research within the District for the Community Infrastructure Levy (CIL) and Local Plan viability work also undertaken by DSP in recent months. The high level viability testing is intended to indicate to the Council if there is any potential for the collection of financial contributions towards Public Open Space whilst also reviewing the viability of the introduction of policies on accessible and adaptable dwellings through Part M of the Building Regulations and Self Build policies.

This review does not in any way provide formal valuation advice. This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of Dixon Searle LLP (DSP); we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

To the extent that the document is based on information supplied by others, Dixon Searle LLP accepts no liability for any loss or damage suffered by the client or others who choose rely on it.

1 Introduction

- 1.1.1. Mid Devon District Council adopted its Core Strategy in 2007, setting the strategic policies to guide development within the district until 2026. In 2010 the Council adopted the Allocations and Infrastructure Development Plan Document (AIDPD), which allocated sites across the district and set out details of infrastructure requirements to be provided by new development.
- 1.1.2. Following the adoption of the AIDPD the Council began preparing the evidence required to introduce the Community Infrastructure Levy (CIL). In 2013 the Council adopted the Local Plan Part 3: Development Management Policies which guide the determination of planning applications across the district including a number of standards covering areas such as minimum dwelling sizes, Lifetime Homes and the Code for Sustainable Homes.
- 1.1.3. All parts of the Plan were adopted by late 2013 and the council is now in the process of reviewing the Plan in its entirety; setting the strategic direction of development to 2033. The document will contain strategic policies, site allocations and development management policies all of which will supersede the three existing parts of the adopted Local Plan.
- 1.1.4. Mid Devon District Council commissioned Dixon Searle LLP to carry out a new Viability Assessment to assess the financial viability of site typologies typical of the sites set out within the draft Local Plan. The assessment took into account the policies contained within the Local Plan Development Management Policies document including those relating to affordable housing and other housing standards.
- 1.1.5. The Council has subsequently asked Dixon Searle LLP to carry out further work reviewing the viability of a policy to introduce a requirement to provide serviced self-build plots on sites of 20 or more dwellings; the likely impact on viability of introducing a requirement to provide a financial contribution towards Public Open Space and the likely impact on viability of introducing a policy that would require 30% of new dwellings to meet new Category 2 standards (accessible and adaptable dwellings) set out in Part M of the Building Regulations (Regulation M4 – Access to and Use of Buildings).

- 1.1.6. The policy on self-build housing is contained within the Council's housing policy stating: "To support self-build housing on sites of 20 dwellings or more developers will supply at least 5% of serviced dwelling plots for sale to self-builders for a period of 12 months per plot and any plots subsequently developed for self-build must be completed within 3 years of purchase by a self-builder."
- 1.1.7. Consultants have prepared an Open Space and Play Area Strategy for Mid Devon District Council, which sets out costs that developers should be charged for the provision of Public Open Space (POS) when it is to be provided off-site. This equates to an additional £1,441 per person from all developments.
- 1.1.8. Finally, following the results of the Housing Standards Review, the Government wishes to replace the Lifetime Homes standards through enhancement of Building Regulations (Part M – Access to and Use of Buildings). There are two optional requirements within Regulation M4 of Part M as follows:
- M4(2) Category 2 'Accessible and Adaptable Dwellings';
 - M4(3) Category 3 'Wheelchair User Dwellings'.
- 1.1.9. Any inclusion of local policies requiring compliance with Part M (M4) optional categories can only be included where they have been viability tested. Mid Devon DC are considering replacing current Lifetime Homes policies (where 20% of dwellings are required to meet the Lifetime Homes standards) with a requirement for 30% of new dwellings to meet Category 2 above. For the purposes of this report, any policies relating to optional categories of Part M of the Building Regulations shall be referred to just as 'Part M Level 2'
- 1.1.10. The aim of this report is therefore to consider the potential impact of the above policies / requirements on scheme viability through sensitivity testing a number of development viability appraisals previously carried out to support the Council's previous viability assessments.

2 Methodology & Findings

- 2.1.1 This addendum follows the same principles, assumptions (except where stated) and methodology set out in detail in the Council's previous viability study¹. This addendum therefore does not repeat the methodology and assumptions again here. The following section briefly sets out our approach to sensitivity testing the appraisals from the previous study by the introduction of additional costs (in respect of POS and Part M Level 2) and an explanation of the approach to testing the new self-build housing policy.
- 2.1.2 For the POS and Part M Level 2 sensitivity testing, appraisals based on 10 and 15 unit schemes from the Council's CIL and Local Plan Viability Assessment (VA) from June 2014 were used. In all cases we also removed the cost of complying with the Council's renewable energy policy (a cost allowance was made within the original modelling). This is was to match the likely direction of travel with regard to CIL policy. Linked to this we have also included CIL at £60/m² rather than £40/m² (where £60/m² is allied to the removal of the policy requirement on renewable energy).
- 2.1.3 We have carried out the additional modelling at both Value Levels 3 (representative of main settlement values generally) and 4 (representative of some of the higher value locations / villages) with 25% affordable housing applied (representing proposed urban settlement policy approach) and 30% (representing policy approach within rural areas). It should be noted that for the 10 unit scheme the actual affordable housing proportion used was 30% as it is not possible to test 25% on a scheme of 10 units and as such the resultant affordable housing number was rounded up from 2.5 units to 3 units. For the self-build review, schemes of 20 units (likely to form the threshold at which the policy is applied) and 100 units (to test a larger scale scheme) were tested.
- 2.1.4 A summary of the results showing the impact of the additional costs is shown below with results of both with and without the additional costs included.

¹ Dixon Searle LLP - Viability Assessment: Community Infrastructure Levy & Local Plan (June 2014)

Public Open Space & Lifetime Homes

- 2.1.5 The Council's Open Space and Play Area Strategy provided a formula to determine the level of financial contribution that should be sought for off-site POS provision. The following table (provided by MDDC) shows the calculation:

Figure 1: Open Space and Play Area Strategy Calculations

Typology	Standard (m ²) per person	Cost of provision	
		Cost / m ²	Contribution per person
Allotments	2.5	£30.00	£75.00
Children's Play Areas	0.6	£170.00	£102.00
Teenage Facilities	0.2	£170.00	£34.00
Parks and Recreation grounds	15.0	£72.00	£1080.00
Amenity/Natural green space	10.0	£15.00	£150.00
Total	28.3		£1,441

- 2.1.6 To calculate the financial contribution per new dwelling, the above figure (£1,441) needs to be multiplied by the average household size for Mid Devon. Devon County Council (via MDDC) indicated that this figure should be 2.35. The total sum per new dwelling is therefore calculated to be £3,386 and this is the figure we included within the sensitivity appraisals carried out for this addendum in addition to the allowance for residual s106 costs already included within the appraisals. Although the £1,000 residual s106 cost has been applied to all dwellings, it is understood from Council officers that the POS contribution would only apply to the market dwellings on a scheme (i.e. not to the affordable housing units).
- 2.1.7 Within the Council's CIL and Local Plan Viability Assessment (VA) from June 2014, an allowance was included within the viability appraisals to account for the Council's policy to require 20% of all new dwellings to meet Lifetime Homes standards. Data was taken from the Department for Communities and Local Government (DCLG) Housing Standards Review Impact Assessment with those costings indicating an average extra over cost of complying with LTH to be £1,045 (works cost) and £930 (additional space cost) – a total average for LTH of £1,975 per unit. Within the appraisal this was included by applying 20% of the LTH cost to the total number of dwellings.

2.1.11 The results of the sensitivity appraisals indicate that overall there is a fall in residual land value of between 6% and 12% dependent on the scheme type, size and value level. The results can be seen to produce marginal looking residual land values at Value Level 3 (main settlements) when compared to lower end commercial / employment existing use values. At Value Level 4 the residual land values appear to be able to support the additional cost. Greenfield development with lower benchmark land values again would look like supporting the additional cost without taking up the buffering scope³. However, in the main settlements and rural areas with benchmark land values based on PDL, the results do not appear strong enough to support the additional POS costs. Overall therefore we would recommend that the policy if introduced should be applied with flexibility and reference to viability. It should be seen more of a maximum rather than an absolute given the impact on viability on some more marginal scenarios.

2.1.12 With regard to Part M Level 2, the impact on viability is marginal and we are of the opinion that the sensitivity of the results to an approximate £240/dwelling change in costs is not one that can be easily differentiated. On that basis it is unlikely that an additional £240 per dwelling (compared to the costs of complying with the Council's previous requirement to achieve Life time Homes standards on 20% of new dwellings) would lead to a viable scheme becoming unviable. However, the Council still need to bear in mind the cumulative or collective impact of policy on development viability as with any other policy requirement.

Self-Build

2.1.13 With regard to self-build policy, we have undertaken modelling on a site of 20 dwellings (likely starting point for the introduction of policy and the first point at which 5% produces a whole number) and 100 units (to test what happens over a range of sizes). The use of a 20 unit scheme involved the creation of a new scenario compared to the existing VA (a 20 unit scheme was not modelled in the June 2014 VA). For the purposes of this exercise we took the existing 10 unit scenario and doubled the number of units, both market and affordable housing units. For the 100 unit scheme we used the same scheme as within the VA. Again all of the assumptions used within the VA were applied again here with the exception of renewables policy which has been removed and CIL applied at £60/m² as discussed above.

³ For discussion on land value benchmarks please refer to the Council's Viability Assessment: Community Infrastructure Levy & Local Plan (June 2014).

- 2.1.14 To test the viability of the policy, it was considered that the best approach would be to run the modelling both with the policy 'switched on' and with it 'switched off'. That way, in a relative rather than an absolute sense it is possible to see the direct impact of the policy and whether it has a negative or positive effect on viability. This seemed to us to be the most appropriate approach.
- 2.1.15 To that end the modelling assumed that the self-build plot or plots are sold as serviced parcels of land (i.e. land sold with the benefit of planning permission but also serviced up to the boundaries of the plot(s) generating revenue for the developer as part of the wider scheme after expending the cost of achieving that revenue). Effectively, the developer would expend all the necessary costs of planning and servicing the plots but would stop short of actually building the units. Because the plots are 'with planning' and serviced they would command a greater value than the overall residual land value that has been compared for the purposes of the strategic viability studies (for which it is assumed un-serviced sites with no planning permission for residential development).
- 2.1.16 From the work undertaken for the VA we have assumed a serviced plot value of £50,000 per plot but this is a very high level assumption and in reality the value of the plots may well be higher depending on location and not least the market and demand.
- 2.1.17 Although not prescribed within the new policy, we have assumed that from an affordability perspective (for the end customer) that smaller plots are sold. On both site types modelled we have therefore taken the 2-bed houses from the overall mix and made those the self-build plots but again assuming that they are plots for 2-bed houses. Although plots for any size unit could be made available, taking a uniform approach for the purposes of this addendum helps to ensure a fair comparison can be made between the impact of the policy 'switched on' and with it 'switched off'.
- 2.1.18 For the purposes of the self-build appraisals alone, it was easier for this addendum to use a more sophisticated software package (Argus Developer), the output of which is appended to this report to this e-mail. There are four appraisal summaries (two each for 20 and 100 unit schemes respectively). In each case there is an appraisal that models the base scheme (assuming no self-build plots) and another that models the

scheme with an equivalent number of 2-bed house plots removed from the scheme mix and used for self-build.

2.1.19 The results indicate that, based on the assumptions we have used, although they show that the self-build route is marginally more viable than the standard route, the difference is not great. This is probably most likely to do with the relatively conservative plot values we have assigned to the serviced self-build plots and higher plot values would produce a larger gap in the viability difference between the with and without self-build scenarios. Overall however we are of the opinion that the self-build route is at least just as viable as the non-self-build route and potentially significantly so. This is further endorsed by anecdotal information we have been party to in other areas of the country whilst carrying out viability studies and discussing such matters with property agents.

Main addendum report text ends.

December 2014.

Appendices follow.

Appendix I
Self-Build Appraisal Summaries

Mid Devon DC - Self Build Policy Viability

20 Unit Housing Scheme - No Self Build - Base

Development Appraisal
Dixon Searle Partnership
08 December 2014

Mid Devon DC - Self Build Policy Viability

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales
2BH - Private	9	675.00	2,500.00	187,500	1,687,500
3BH - Private	4	380.00	2,500.00	237,500	950,000
4BH - Private	2	250.00	2,500.00	312,500	625,000
2BH - Affordable Rent	3	225.00	1,213.91	91,043	273,129
2BH - Shared Ownership	<u>2</u>	<u>150.00</u>	1,500.00	112,500	<u>225,000</u>
Totals	20	1,680.00			3,760,629

NET REALISATION

3,760,629

OUTLAY

ACQUISITION COSTS

Residualised Price		145,459		
Fixed Price		330,000		
Total Acquisition (0.66 Ha 623,816.75 pHect)			475,459	
Residualised Price (Negative land)			(63,740)	
				411,719
Stamp Duty			14,264	
Agent Fee		1.50%	7,132	
Legal Fee		0.75%	3,566	
Survey	20.00 un	500.00 /un	10,000	
				34,962

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
2BH - Private	675.00 m ²	1,011.00 pm ²	682,425	
3BH - Private	380.00 m ²	1,011.00 pm ²	384,180	
4BH - Private	250.00 m ²	1,011.00 pm ²	252,750	
2BH - Affordable Rent	225.00 m ²	1,011.00 pm ²	227,475	
2BH - Shared Ownership	<u>150.00 m²</u>	1,011.00 pm ²	<u>151,650</u>	
Totals	1,680.00 m²		1,698,480	1,698,480

Contingency		5.00%	84,924	
Site Costs	20.00 un	4,500.00 /un	90,000	
S106	20.00 un	1,000.00 /un	20,000	
CIL	1,305.00 m ²	60.00 pm ²	78,300	
CfSH L4	20.00 un	1,932.00 /un	38,640	
POS	15.00 un	3,386.00 /un	50,790	
Part M L2	20.00 un	638.00 /un	12,760	
				375,414
Other Construction				
Externals		10.00%	131,935	
Externals		10.00%	22,748	

This appraisal report does not constitute a formal valuation.

Mid Devon DC - Self Build Policy Viability

Externals	10.00%	15,165	169,848
PROFESSIONAL FEES			
Professional Fees	10.00%	145,129	
Professional Fees	10.00%	25,022	
Professional Fees	10.00%	16,681	186,833
DISPOSAL FEES			
Sales Agent Fee	3.00%	97,875	
Sales Legal Fee	20.00 un	750.00 /un	15,000
			112,875
MISCELLANEOUS FEES			
Arrangement Fee	1.00%	19,904	
Arrangement Fee	1.00%	3,627	
Arrangement Fee	1.00%	2,038	25,568
FINANCE			
Debit Rate 6.500%, Credit Rate 6.500% (Nominal)			
Land		31,620	
Construction		29,444	
Other		1,478	
Total Finance Cost			62,542
TOTAL COSTS			3,078,241
PROFIT			682,388
Performance Measures			
Profit on Cost%	22.17%		
Profit on GDV%	18.15%		

This appraisal report does not constitute a formal valuation.

Mid Devon DC - Self Build Policy Viability

20 Unit Housing Scheme - 1 x 2BH Self Build Plot

Development Appraisal
Dixon Searle Partnership
08 December 2014

Mid Devon DC - Self Build Policy Viability

Summary Appraisal for Merged Phases 1 2 3 4

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales
2BH - Private	8	600.00	2,500.00	187,500	1,500,000
3BH - Private	4	380.00	2,500.00	237,500	950,000
4BH - Private	2	250.00	2,500.00	312,500	625,000
2BH - Affordable Rent	3	225.00	1,213.91	91,043	273,129
2BH - Shared Ownership	2	150.00	1,500.00	112,500	225,000
1 x Plot for 2BH	1	100.00	500.00	50,000	50,000
Totals	20	1,705.00			3,623,129

NET REALISATION

3,623,129

OUTLAY

ACQUISITION COSTS

Residualised Price		154,005		
Fixed Price		330,000		
Total Acquisition (0.67 Ha 627,261.22 pHect)			484,005	
Residualised Price (Negative land)			(63,740)	
				420,265
Stamp Duty			13,637	
Agent Fee		1.50%	7,260	
Legal Fee		0.75%	3,630	
Survey	20.00 un	500.00 /un	10,000	
				34,527

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
2BH - Private	600.00 m ²	1,005.00 pm ²	603,000
3BH - Private	380.00 m ²	1,010.00 pm ²	383,800
4BH - Private	250.00 m ²	1,010.00 pm ²	252,500
2BH - Affordable Rent	225.00 m ²	1,011.00 pm ²	227,475
2BH - Shared Ownership	150.00 m ²	1,011.00 pm ²	151,650
Totals	1,705.00 m²		1,618,425

Contingency		5.00%	81,300	
Site Costs	20.00 un	4,500.00 /un	90,000	
S106	20.00 un	1,000.00 /un	20,000	
CIL	1,230.00 m ²	60.00 pm ²	73,800	
CfSH L4	19.00 un	1,932.00 /un	36,708	
POS	14.00 un	3,386.00 /un	47,404	
Part M L2	19.00 un	638.00 /un	12,122	
				361,334

Other Construction

Externals		10.00%	123,930
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This appraisal report does not constitute a formal valuation.

Mid Devon DC - Self Build Policy Viability

Externals	10.00%	22,748	
Externals	10.00%	15,165	
Externals		7,582	
			169,425

PROFESSIONAL FEES

Professional Fees	10.00%	136,323	
Professional Fees	10.00%	25,022	
Professional Fees	10.00%	16,681	
Professional Fees	10.00%	758	
			178,785

DISPOSAL FEES

Sales Agent Fee	3.00%	93,750	
Sales Legal Fee	20.00 un 750.00 /un	15,000	
			108,750

MISCELLANEOUS FEES

Arrangement Fee	1.00%	18,575	
Arrangement Fee	1.00%	3,627	
Arrangement Fee	1.00%	2,038	
Arrangement Fee	1.00%	442	
			24,681

FINANCE

Debit Rate 6.500%, Credit Rate 6.500% (Nominal)			
Land		32,207	
Construction		28,289	
Other		1,553	
Total Finance Cost			62,049

TOTAL COSTS

2,978,241

PROFIT

644,888

Performance Measures

Profit on Cost%	21.65%
Profit on GDV%	17.80%

This appraisal report does not constitute a formal valuation.

Mid Devon DC - Self Build Policy Viability

100 Unit Scheme - No Self Build - Base

Mid Devon DC - Self Build Policy Viability

Summary Appraisal for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales
1BF - Private	5	225.00	2,500.00	112,500	562,500
2BF Private	10	600.00	2,500.00	150,000	1,500,000
2BH Private	30	2,250.00	2,500.00	187,500	5,625,000
3BH Private	22	2,090.00	2,500.00	237,500	5,225,000
4BH Private	8	1,000.00	2,500.00	312,500	2,500,000
1BF - AR	4	180.00	1,586.18	71,378	285,512
2BF - AR	2	120.00	1,517.38	91,043	182,086
2BH - AR	2	150.00	1,213.91	91,043	182,086
3BH - AR	4	380.00	1,134.68	107,795	431,180
4BH - AR	3	375.00	1,095.43	136,929	410,787
1BF - SO	2	90.00	1,500.00	67,500	135,000
2BF - SO	4	240.00	1,500.00	90,000	360,000
2BH - SO	4	300.00	1,500.00	112,500	450,000
Totals	100	8,000.00			17,849,151

NET REALISATION

17,849,151

OUTLAY

ACQUISITION COSTS

Residualised Price		447,908			
Fixed Price		1,666,666			
Total Acquisition (3.33 Ha 459,965.87 pHect)			2,114,574		
Residualised Price (Negative land)			(582,887)		
				1,531,686	
Stamp Duty			84,583		
Agent Fee		1.50%	31,719		
Legal Fee		0.75%	15,859		
Survey	100.00 un	500.00 /un	50,000		
				182,161	

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
1BF - Private	250.00 m ²	1,011.00 pm ²	252,750
2BF Private	666.67 m ²	1,011.00 pm ²	674,000
2BH Private	2,250.00 m ²	1,011.00 pm ²	2,274,750
3BH Private	2,090.00 m ²	1,011.00 pm ²	2,112,990
4BH Private	1,000.00 m ²	1,011.00 pm ²	1,011,000
1BF - AR	200.00 m ²	1,011.00 pm ²	202,200
2BF - AR	133.33 m ²	1,011.00 pm ²	134,800
2BH - AR	150.00 m ²	1,011.00 pm ²	151,650
3BH - AR	380.00 m ²	1,011.00 pm ²	384,180
4BH - AR	375.00 m ²	1,011.00 pm ²	379,125

This appraisal report does not constitute a formal valuation.

Mid Devon DC - Self Build Policy Viability

1BF - SO	100.00 m²	1,011.00 pm²	101,100	
2BF - SO	266.67 m²	1,011.00 pm²	269,600	
2BH - SO	<u>300.00 m²</u>	1,011.00 pm²	<u>303,300</u>	
Totals	8,161.67 m²		8,251,445	8,251,445
Contingency		5.00%	412,572	
Site Costs	100.00 un	4,500.00 /un	450,000	
S106	100.00 un	1,000.00 /un	100,000	
CIL	6,256.67 m²	60.00 pm²	375,400	
CfSH L4	100.00 un	1,932.00 /un	193,200	
POS	75.00 un	3,386.00 /un	253,950	
Part M L2	100.00 un	638.00 /un	63,800	1,848,922
Other Construction				
Externals		10.00%	632,549	
Externals		10.00%	125,195	
Externals		10.00%	67,400	825,145
PROFESSIONAL FEES				
Professional Fees		10.00%	632,549	
Professional Fees		10.00%	125,195	
Professional Fees		10.00%	67,400	825,145
DISPOSAL FEES				
Sales Agent Fee		3.00%	535,475	
Sales Legal Fee	100.00 un	750.00 /un	75,000	610,475
MISCELLANEOUS FEES				
Arrangement Fee		1.00%	92,648	
Arrangement Fee		1.00%	20,825	
Arrangement Fee		1.00%	10,328	123,801
FINANCE				
Debit Rate 6.500%, Credit Rate 6.500% (Nominal)				
Land			280,950	
Construction			31,999	
Other			108,724	
Total Finance Cost				421,673
TOTAL COSTS				14,620,452
PROFIT				3,228,699
Performance Measures				
Profit on Cost%		22.08%		
Profit on GDV%		18.09%		

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Mid Devon DC - Self Build Policy Viability

100 Unit Scheme - Self Build

Development Appraisal
Dixon Searle Partnership
08 December 2014

Mid Devon DC - Self Build Policy Viability

Summary Appraisal for Phase 1 Private

Currency in £

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales
1BF - Private	5	225.00	2,500.00	112,500	562,500
2BF Private	10	600.00	2,500.00	150,000	1,500,000
2BH Private	25	1,875.00	2,500.00	187,500	4,687,500
3BH Private	22	2,090.00	2,500.00	237,500	5,225,000
4BH Private	8	1,000.00	2,500.00	312,500	2,500,000
Totals	70	5,790.00			14,475,000

NET REALISATION

14,475,000

OUTLAY

ACQUISITION COSTS

Residualised Price		318,005			
Fixed Price		1,666,666			
Total Acquisition (3.33 Ha 595,997.42 pHect)			1,984,671		
				1,984,671	
Stamp Duty			79,387		
Agent Fee		1.50%	29,770		
Legal Fee		0.75%	14,885		
Survey	70.00 un	500.00 /un	35,000		
				159,042	

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
1BF - Private	250.00 m ²	1,011.00 pm ²	252,750	
2BF Private	666.67 m ²	1,011.00 pm ²	674,000	
2BH Private	1,875.00 m ²	1,011.00 pm ²	1,895,625	
3BH Private	2,090.00 m ²	1,011.00 pm ²	2,112,990	
4BH Private	1,000.00 m ²	1,011.00 pm ²	1,011,000	
Totals	5,881.67 m²		5,946,365	5,946,365
Contingency		5.00%	297,318	
Site Costs	70.00 un	4,500.00 /un	315,000	
S106	70.00 un	1,000.00 /un	70,000	
CIL	5,881.67 m ²	60.00 pm ²	352,900	
CfSH L4	70.00 un	1,932.00 /un	135,240	
POS	70.00 un	3,386.00 /un	237,020	
Part M L2	95.00 un	638.00 /un	60,610	
				1,468,088
Other Construction				
Externals		10.00%	594,637	
				594,637

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Mid Devon DC - Self Build Policy Viability

PROFESSIONAL FEES

Professional Fees		10.00%	594,637	
				594,637

DISPOSAL FEES

Sales Agent Fee		3.00%	434,250	
Sales Legal Fee	70.00 un	750.00 /un	52,500	
				486,750

MISCELLANEOUS FEES

Arrangement Fee		1.00%	86,032	
				86,032

FINANCE

Debit Rate 6.500%, Credit Rate 6.500% (Nominal)				
Land			303,305	
Construction			(19,296)	
Other			(24,231)	
Total Finance Cost				259,778

TOTAL COSTS

11,580,000

PROFIT

2,895,000

Performance Measures

Profit on Cost%		25.00%		
Profit on GDV%		20.00%		

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