
**East Devon District
Council**

**CIL Review and
Cranbrook Plan DPD
Viability Study**

January 2019

**Three Dragons with
Ward Williams
Associates**



Item		Programme
L	Professional Fees	In line with housing and other cost items above

6.3 Other Development Costs and Value Testing Assumptions

6.3.1 In addition to the Cranbrook-specific costs noted above, many of the testing assumptions for the generic typologies are the same as the testing assumptions noted in section 4.

Table 6.7 Other development costs

Type	Cost	Comment
Finance	6%	of development costs overall although varied between different cost elements
Marketing fees	3%	of GDV
Developer return	15-20%	of GDV
Contractor return	6%	of build costs
Affordable Housing	25%	70% affordable rented and 30% shared ownership
Agents and legal	1.75%	
DCF debit rate	6%	
DCF credit rate	0%	
Annual Discount Rate	0%	

6.3.2 The market and affordable values for Cranbrook are in Table 4.5 and 4.7. In addition to the values from the general market and affordable housing there are also values associated with the gypsy and traveller pitches, the self-build plots and the commercial land to be provided:

- Self-build plot values at £72,000/plot = £12.24m, split evenly between years 3 and year 7 inclusive. Self-build plot values are estimated as the residual value for custom build three/four bed houses⁵⁴.
- Employment land at £0.8m/ha (as per Exeter area employment land benchmark) for 9.5ha employment and mixed use totalling £7.6m split 50:50 in years 5 and 7.
- Gypsy and traveller plot values £825,000 split 50:50 years 6 and 13⁵⁵.

6.4 Cranbrook Testing Results

6.4.1 The extension to Cranbrook is tested at different proportions of affordable housing and at different amounts of developer return for market housing:

- 25% affordable housing with 20% developer return
- 20% affordable housing with 20% developer return
- 20% affordable housing with 17.5% developer return
- 15% affordable housing with 20% developer return
- 15% affordable housing with 17.5% developer return

⁵⁴ Sales values at 5% over general estate housing, build costs at 5% over median, 10% professional fees, 3% marketing and 15% developer return.

⁵⁵ See Annex C