**East Hampshire District Council
EH-08**

**25 September 2015
Examination Response to the letter to the Council from the
Examiner (ID-07) on 18 September 2015**

Examiner's questions of 18th September 2015.

"Thank you for putting together the Examination Response to the Examiner dated 4 September 2015 (EH-07). With regards to issue 2, I note that you have adopted a methodology for calculating the maximum CIL rate which appears to involve applying notional CIL rates and reducing land values. However, the method I have typically seen adopted by other authorities (and which you appear to have broadly adopted for retail and commercial development) involves subtracting the threshold land value from the residual land value to obtain the 'overage' or monies left over and available for a CIL charge (X). The maximum CIL rate per m2 is then calculated by dividing X by the floorspace of a scheme (general market).

It may be that the two methods lead to the same result. However, I would request clarification on this matter, and ask you to explain the reasons for the approach you have adopted. In addition, it would be appreciated if you provide me with 3 figures, relating to the residual land value, the threshold land value and the floorspace of a worked example, so that viability buffers can be calculated and can be compared. Appendices 4 and 5 in EH-07 contain a lot of figures, and I would appreciate your clarification as to which figure is the residual land value.

In my original letter I requested viability buffer information for schemes of 1, 3, 5, 10, 25, 75, 100 and 200 units. Your updated Appendix 11 (as set out in Appendix 2 of EH-07) only appears to cover schemes of 10, 25 and 75 units. As previously stated, I will need this information in order to progress the Examination.

It would be appreciated if you could respond with the requested information by Friday 25 September 2015, via the Programme Officer."

The points requiring a response, therefore, are:
1. Reasons for the approach that was adopted for Issue 2 of EH-07.

2. Adopt the examiner's preferred methodology for calculating the buffers.

3. Provide the three figures, as above.

4. Clarify which figure is the residual land value in appendices 4 and 5.

5. Provide buffer information for 1,3,5,10,25,75,100 and 200 units.

Council's responses.

The Council is supporting these responses with the following attachments:

Attachment 1:

Tables of viability buffer percentages for 1,3,5,10,25,75,100 and 200 units.

Attachment 2:

Appraisal for 100 units at 35dph, value point 3, showing a residual land value of £4,328,240.

Response to point 1:

With regard to the methodology for calculating the viability buffers, the Examiner's note to the Council of 2nd June 2015, at Information Request 11, set out a formula, by which the buffer should be calculated. The Council's subsequent response to this note, dated 4th September 2015 (EH-07), attached tables that showed a maximum CIL rate that would result from a residual land value, that was set at a level close to the threshold value. The formula was then used to calculate the buffer percentage between the proposed CIL rate and the maximum CIL rate. The Council believed that this was the methodology being sought by the Examiner.

Response to point 2:

The Examiner's preferred methodology was then set out in the above message to the Council dated 18th September 2015. The Council's response is shown in the tables at Attachment 1 and can be summarised as follows:

1. The tables show viability buffer outcomes for all unit numbers, in different scenarios and at all value points.
2. Columns are numbered for ease of reference.
3. Column 3 shows the proposed CIL rates.
4. Column 4 shows the residual land values with CIL set at zero, used to calculate the "overage" or surplus available for CIL.

5. This surplus will vary, depending upon the threshold land value that is applied. It will be seen that the 100 and 200 unit sites are compared to an agricultural threshold of £450,000 per hectare, while the smaller sites are compared to both the agricultural threshold and an employment threshold of £945,000 per hectare. This is because the Council is assuming that some smaller sites will come from existing employment uses.

6. Column 5 shows the surpluses, being the difference between the residual land value and the threshold land value.

7. Column 6 shows the surplus expressed as a sum per square metre of the floor area, to which CIL would apply.

8. Column 7 shows the viability buffer percentage, using the formula provided by the Examiner on 2nd June 2015.

It will be seen that, when related to the lower threshold land value, there are significant buffer percentages. When related to the higher threshold land value, it will be seen that there are still good buffer percentages to most scenarios, with the exception of some at VP2. This is consistent with the findings in the Addendum Report of January 2015 (Appendix 3A), document CIL12, as presented for the CIL examination.

The Council does not, however, consider the VP2 issue to be significant to the delivery of housing, since it is not relying upon a supply from Whitehill/Bordon (VP2 location) outside the regeneration area. Furthermore, the strategic sites, upon which the Council is relying for its supply, are existing Greenfield uses.

Response to point 3
With reference to the tables at Attachment 1, it will be seen that the items requested by the Examiner have been highlighted in blue. These are the residual land value, the threshold land value and the floor areas.

Response to point 4

In the Council's previous responses, of 4th September 2015, the Council provided two appraisals, the first including a CIL cost and the second excluding this cost, to show the maximum CIL rate. The residual land values for these latest responses have been calculated to exclude the CIL cost, so a single appraisal is attached as Attachment 2. This is the appraisal for 100 units at VP3, 35 dwellings per hectare. From the tables at Attachment 1, the residual land value for this scenario will be seen as £4,328,240. On the appraisal, this figure can be seen at the top of "Input 1 Site" and also in the summary, referred to as "Output Full", under the heading Finance and Acquisition Costs.

Response to point 5

The buffer information to all unit numbers is included in the tables provided at Attachment 1.

Adams Integra
25th September 2015

Attachment 1 (revised 09.15)

East Hampshire
Table of CIL buffers following the hearing
Calculating the buffer against an agricultural threshold land value of £450,000 per hectare.

10, 25 and 75 units

	1	2	3	4	5	6	7
Scenario 1		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	10	VP2	£65	£352,147	£172,147	£195	67
Total floor area sqm	1366	VP3	£110	£712,247	£532,247	£603	82
CIL floor area sqm	882	VP4	£180	£1,013,354	£833,354	£945	81
Density dph	25	VP5	£180	£1,299,394	£1,119,394	£1,269	86
Gross site area ha	0.4						
Threshold value per ha	£450,000						
Threshold land value	£180,000						

		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
Scenario 2							
No. of units	10	VP2	£65	£400,006	£269,506	£406	84
Total floor area sqm	1024	VP3	£110	£587,988	£457,488	£689	84
CIL floor area sqm	664	VP4	£180	£775,268	£644,768	£971	81
Density dph	35	VP5	£180	£1,045,652	£915,152	£1,378	87
Gross site area ha	0.29						
Threshold value per ha	£450,000						
Threshold land value	£130,500						

		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
Scenario 3							
No. of units	25	VP2	£65	£859,246	£485,746	£233	72
Total floor area sqm	3081	VP3	£110	£1,588,767	£1,215,267	£582	81
CIL floor area sqm	2088	VP4	£180	£2,238,121	£1,864,621	£893	80
Density dph	30	VP5	£180	£2,913,874	£2,540,374	£1,217	85
Gross site area ha	0.83						
Threshold value per ha	£450,000						
Threshold land value	£373,500						

		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
Scenario 4							
No. of units	25	VP2	£65	£799,815	£516,315	£358	82
Total floor area sqm	2363	VP3	£110	£1,159,284	£875,784	£607	82
CIL floor area sqm	1443	VP4	£180	£1,622,702	£1,339,202	£928	81
Density dph	40	VP5	£180	£2,232,058	£1,948,558	£1,350	87
Gross site area ha	0.63						
Threshold value per ha	£450,000						
Threshold land value	£283,500						

		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
Scenario 5							
No. of units	75	VP2	£65	£2,097,796	£747,796	£129	49
Total floor area sqm	8761	VP3	£110	£3,909,212	£2,559,212	£440	75
CIL floor area sqm	5813	VP4	£180	£5,582,993	£4,232,993	£728	75
Density dph	30	VP5	£180	£7,461,920	£6,111,920	£1,051	83
Gross site area ha	3.00						
Threshold value per ha	£450,000						
Threshold land value	£1,350,000						

		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
Scenario 6							
No. of units	75	VP2	£65	£1,911,683	£899,183	£208	69
Total floor area sqm	7160	VP3	£110	£3,011,278	£1,998,778	£462	76
CIL floor area sqm	4330	VP4	£180	£4,278,768	£3,266,268	£754	76
Density dph	40	VP5	£180	£5,920,634	£4,908,134	£1,134	84
Gross site area ha	2.25						
Threshold value per ha	£450,000						
Threshold land value	£1,012,500						

Items highlighted in blue were specifically asked for by the examiner

Attachment 1 (revised 09.15)

East Hampshire
Table of CIL buffers following the hearing
Calculating the buffer against an employment threshold land value of £945,000 per hectare.

1, 3 and 5 units

	1		2	3	4	5	6	7
Scenario 1			Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	1		VP2	£65	£48,948	£11,148	£92	29
Total floor area sqm	121		VP3	£110	£74,922	£37,122	£307	64
CIL floor area sqm	121		VP4	£180	£101,994	£64,194	£531	66
Density dph	25		VP5	£180	£137,286	£99,486	£822	78
Gross site area ha	0.04							
Threshold value per ha	£945,000							
Threshold land value	£37,800							

	1		2	3	4	5	6	7
Scenario 2			Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	3		VP2	£65	£138,126	£24,726	£68	5
Total floor area sqm	363		VP3	£110	£211,889	£98,489	£271	59
CIL floor area sqm	363		VP4	£180	£249,273	£135,873	£374	52
Density dph	25		VP5	£180	£350,001	£236,601	£652	72
Gross site area ha	0.12							
Threshold value per ha	£945,000							
Threshold land value	£113,400							

	1		2	3	4	5	6	7
Scenario 3			Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	3		VP2	£65	£126,362	£31,862	£96	32
Total floor area sqm	332		VP3	£110	£211,889	£117,389	£354	69
CIL floor area sqm	332		VP4	£180	£237,641	£143,141	£431	58
Density dph	30		VP5	£180	£304,001	£209,501	£631	71
Gross site area ha	0.10							
Threshold value per ha	£945,000							
Threshold land value	£94,500							

	1		2	3	4	5	6	7
Scenario 4			Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	5		VP2	£65	£131,437	-£57,563	-£120	0
Total floor area sqm	722		VP3	£110	£336,296	£147,296	£307	64
CIL floor area sqm	480		VP4	£180	£520,627	£331,627	£691	74
Density dph	25		VP5	£180	£667,457	£478,457	£997	82
Gross site area ha	0.20							
Threshold value per ha	£945,000							
Threshold land value	£189,000							

	1		2	3	4	5	6	7
Scenario 5			Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	5		VP2	£65	£201,807	£69,507	£191	66
Total floor area sqm	543		VP3	£110	£317,517	£185,217	£510	78
CIL floor area sqm	363		VP4	£180	£411,295	£278,995	£769	77
Density dph	35		VP5	£180	£549,172	£416,872	£1,148	84
Gross site area ha	0.14							
Threshold value per ha	£945,000							
Threshold land value	£132,300							

Items highlighted in blue were specifically asked for by the examiner

Attachment 1 (revised 09.15)

East Hampshire
Table of CIL buffers following the hearing
Calculating the buffer against an employment threshold land value of £945,000 per hectare.

10, 25 and 75 units

	1	2	3	4	5	6	7
Scenario 1		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	10	VP2	£65	£352,147	-£25,853	-£29	0
Total floor area sqm	1366	VP3	£110	£712,247	£334,247	£379	71
CIL floor area sqm	882	VP4	£180	£1,013,354	£635,354	£720	75
Density dph	25	VP5	£180	£1,299,394	£921,394	£1,045	83
Gross site area ha	0.4						
Threshold value per ha	£945,000						
Threshold land value	£378,000						

	1	2	3	4	5	6	7
Scenario 2		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	10	VP2	£65	£400,006	£125,956	£190	66
Total floor area sqm	1024	VP3	£110	£587,988	£313,938	£473	77
CIL floor area sqm	664	VP4	£180	£775,268	£501,218	£755	76
Density dph	35	VP5	£180	£1,045,652	£771,602	£1,162	85
Gross site area ha	0.29						
Threshold value per ha	£945,000						
Threshold land value	£274,050						

	1	2	3	4	5	6	7
Scenario 3		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	25	VP2	£65	£859,246	£74,896	£36	45
Total floor area sqm	3081	VP3	£110	£1,588,767	£804,417	£385	71
CIL floor area sqm	2088	VP4	£180	£2,238,121	£1,453,771	£696	74
Density dph	30	VP5	£180	£2,913,874	£2,129,524	£1,020	82
Gross site area ha	0.83						
Threshold value per ha	£945,000						
Threshold land value	£784,350						

	1	2	3	4	5	6	7
Scenario 4		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	25	VP2	£65	£799,815	£204,465	£142	54
Total floor area sqm	2363	VP3	£110	£1,159,284	£563,934	£391	72
CIL floor area sqm	1443	VP4	£180	£1,622,702	£1,027,352	£712	75
Density dph	40	VP5	£180	£2,232,058	£1,636,708	£1,134	84
Gross site area ha	0.63						
Threshold value per ha	£945,000						
Threshold land value	£595,350						

	1	2	3	4	5	6	7
Scenario 5		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	75	VP2	£65	£2,097,796	-£737,204	-£127	0
Total floor area sqm	8761	VP3	£110	£3,909,212	£1,074,212	£185	40
CIL floor area sqm	5813	VP4	£180	£5,582,993	£2,747,993	£473	62
Density dph	30	VP5	£180	£7,461,920	£4,626,920	£796	77
Gross site area ha	3.00						
Threshold value per ha	£945,000						
Threshold land value	£2,835,000						

	1	2	3	4	5	6	7
Scenario 6		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	75	VP2	£65	£1,911,683	-£214,567	-£50	0
Total floor area sqm	7160	VP3	£110	£3,011,278	£885,028	£204	46
CIL floor area sqm	4330	VP4	£180	£4,278,768	£2,152,518	£497	64
Density dph	40	VP5	£180	£5,920,634	£3,794,384	£876	79
Gross site area ha	2.25						
Threshold value per ha	£945,000						
Threshold land value	£2,126,250						

Items highlighted in blue were specifically asked for by the examiner

Attachment 1 (revised 09.15)

East Hampshire
Table of CIL buffers following the hearing
Calculating the buffer against a greenfield threshold land value of £450,000 per hectare.

100 and 200 units

	1	2	3	4	5	6	7
Scenario 1		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	100	VP2	£65	£2,533,446	£989,946	£154	58
Total floor area sqm	9496	VP3	£110	£4,328,240	£2,784,740	£432	75
CIL floor area	6441	Alton	£150	£4,858,717	£3,315,217	£515	71
Density dph	35	VP4	£180	£6,273,369	£4,729,869	£734	75
Gross site area ha	3.43	VP5	£180	£8,121,655	£6,578,155	£1,021	82
Threshold value per ha	£450,000						
Threshold land value	£1,543,500						

	1	2	3	4	5	6	7
Scenario 2		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	200	VP2	£65	£4,930,894	£1,074,394	£85	23
Total floor area sqm	18806	VP3	£110	£8,222,340	£4,365,840	£344	68
CIL floor area	12696	Alton	£150	£9,309,673	£5,453,173	£430	65
Density dph	35	VP4	£180	£12,022,460	£8,165,960	£643	72
Gross site area ha	8.57	VP5	£180	£15,603,601	£11,747,101	£925	81
Threshold value per ha	£450,000						
Threshold land value	£3,856,500						

	1	2	3	4	5	6	7
Scenario 3		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
No. of units	100	VP2	£65	n/a	n/a	n/a	n/a
Total floor area sqm	10241	VP3	£110	£4,280,404	£2,120,404	£295	63
CIL floor area	7186	Alton	£150	£4,758,760	£2,598,760	£362	59
Density dph	25	VP4	£180	£6,490,360	£4,330,360	£603	70
Gross site area ha	4.80	VP5	£180	£8,356,630	£6,196,630	£862	79
Threshold value per ha	£450,000						
Threshold land value	£2,160,000						

		Value Points	Proposed CIL rate per sqm	Residual land value at zero CIL	Surplus for CIL over threshold land value	Surplus for CIL per square metre	Buffer %
Scenario 4							
No. of units	200	VP2	£65	n/a	n/a	n/a	n/a
Total floor area sqm	20596	VP3	£110	£8,124,008	£2,724,008	£190	42
CIL floor area	14372	Alton	£150	£9,050,067	£3,650,067	£254	41
Density dph	25	VP4	£180	£12,418,365	£7,018,365	£488	63
Gross site area ha	12.00	VP5	£180	£16,339,313	£10,939,313	£761	76
Threshold value per ha	£450,000						
Threshold land value	£5,400,000						

Items highlighted in blue were specifically asked for by the examiner

Residual Land Valuation @ 30/4/2015 £4,328,240 £0

HCA Development Appraisal Tool
INPUT SHEET 1 - SITE DETAILS

Basic Site Details

RESIDUAL VALUATION COMPUTED

Site Address	**East Hampshire Notional site 100 units VP3**
OS X coordinate	
OS Y coordinate	
Site Reference	
File Source	
Scheme Description	**100 units with 40% affordable**
Date of appraisal	30/04/2015
Gross Site Area (hectares)	3.43
Net Residential Site Area (hectares)	2.86
Author & Organisation	**James Sinclair Adams Integra**
Local Planning Authority	East Hampshire
Land Purchase Price	**4,328,240**
Land Purchase date	01/01/2015
Most recent valuation of the site £	**4,328,240**
Basis of valuation	**Residual**
Date of valuation	30/04/2015
Any note on valuation	
Developer of sale units	
Developer of affordable units	
Manager of affordable units	
HCA Investment Partner (where applicable)	
Note on applicant (eg sub partner status)	

Residual Land Valuation @ 30/4/2015					£0	

THIS SHEET IS THE FASTEST WAY TO INPUT A KNOWN DETAILED PROPERTY SCHEDULE

Once input below is complete PRESS BUTTON >>>> | TRANSFER to DAT |

INPUT SHEET 2 - 'GLA TOOLKIT STYLE' INPUT   May be run multiple times for revised versions **CLEARS PREVIOUS DATA**

Enter check total no of residential units here	100	Populates unit numbers, sizes, values and rents AND annual costs
The number of units remaining to be entered is	0	May copy/paste but NOT CUT Transfer COMPLETED Ok

Description of Property type	No units	m2	DAT category	Tenure/phase	Sales Valuation £	Weekly Rent Chargeable
2 bed house market	6	76	2 Bed House	Open Market Build phase 1	235,000	
3 bed house market	8	90	3 Bed House	Open Market Build phase 1	285,000	
4 bed house market	12	121	4 Bed + House	Open Market Build phase 1	400,000	
5 bed house market	6	160	4 Bed + House	Open Market Build phase 1	470,000	
2 bed house market	5	76	2 Bed House	Open Market Build phase 2	235,000	
3 bed house market	10	90	3 Bed House	Open Market Build phase 2	285,000	
4 bed house market	13	121	4 Bed + House	Open Market Build phase 2	400,000	
1 bed flat AR	6	46	1 Bed Flat Low rise	Affordable Rent phase 1		130.00
2 bed house AR	10	76	2 Bed House	Affordable Rent phase 1		200.00
3 bed house AR	11	90	3 Bed House	Affordable Rent phase 1		240.00
4 bed house AR	1	121	4 Bed + House	Affordable Rent phase 1		330.00
1 bed flat SO	2	46	1 Bed Flat Low rise	Shared Ownership phase 1	150,000	
2 bed house SO	6	76	2 Bed House	Shared Ownership phase 1	235,000	
3 bed house SO	4	90	3 Bed House	Shared Ownership phase 1	285,000	
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Annual Costs %	Manage ment %	Void & Bad Debt%	R&M inc sink Fund%	Yield %	Initial tranche sold %	Rent % unsold equity	Affordable % Market
Social Rented							
Shared Ownership	0.0%	3.0%		7.0%	35.0%	2.75%	
Affordable Rent	2.0%	3.0%	1.0%	7.0%			80%
Private Rent							

Costs £ per home pa	M'gmt		R & M
Social Rented	-		-
Affordable Rent phase 1	214		107
Affordable Rent phase 2	-		-
Private Rent phase 1	-		-
Private Rent phase 2	-		-

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100

Residual Land Valuation @ 30/4/2015	£0	

HCA Development Appraisal Tool
INPUT SHEET 2 - PHASING

Note: A Tenure/Phase must have units entered in order to display on this sheet

Date of scheme appraisal	30-Apr-15	from Site Sheet

BUILDING PERIOD   Any valid Excel Date format (if entry is not recognised: use DD/MM/YY)

	Construction Start Date	Construction End Date
Affordable Low rise flats	01-Jul-15	01-Dec-16
Affordable Houses	01-Jul-15	01-Dec-16
OM 1:Build phase 1	01-Jul-15	01-Mar-17
OM 2:Build phase 2	01-Jan-16	01-Jun-17

	RP Purchase (transfer) start date	Purchase end date
Shared Ownership phase 1 Purchase Payment	01-Jul-16	01-Dec-16
Affordable Rent phase 1 Purchase Payment	01-Jul-16	01-Dec-16

	Open Market Sale Start Date	Sale End Date	Monthly Sales rate
OM Sales1:Build phase 1	01-Jul-16	01-May-17	2.91
OM Sales2:Build phase 2	01-Dec-16	01-Aug-17	3.11

Residual Land Valuation @ 30/4/2015	£0	

HCA Development Appraisal Tool
INPUT SHEET 4 - OTHER FUNDING
Note: Social Housing Grant is not an input in DAT. It will be assessed in relation to this nil grant case.

Other sources of funding

	Must be between	30-Apr-15
	and	30-Apr-25

	Value (£)	Date of receipt
RP Cross Subsidy (use of own assets)		
LA s106 commuted in lieu		
RP Re-cycled SHG		
Other source of funding 2		
Land Remediation Tax Relief		

Implied Present Value of Affordable Housing	5,223,235

		Building Cost £ per Sq m GROSS area	Net to Gross Adjustment		Maximum height in floors (flats only)	Avg Cost pu
Shared Ownership phase 1	Low rise flats	1,470.00	15%		3	67,620
	Houses	1,231.00				100,450
Affordable Rent phase 1	Low rise flats	1,470.00	15%		3	67,620
	Houses	1,231.00				104,691
Open Market Phase 1:	Houses	1,231.00				138,026
Open Market Phase 2:	Houses	1,231.00				125,430

** In blocks of flats to reflect the difference between GIA & NIA (i.e. common parts such as lifts, stairs, corridors etc) : **0%** in houses which have no common areas*

Fees & Contingencies as % of Building Costs	%
Design and Professional Fees % (Architects, QS, Project Management)	9.00%
Building Contingencies (% of Building Costs)	4.00%

* This section excludes Affordable Housing section 106 payments   All dates must be between   30-Apr-15   30-Apr-25

External Works & Infrastructure Costs (£)	Comment on nature of issue	Cost (£)	Payment Start Date	Payment end date	Cost per unit (all tenures)
Site Preparation/Demolition	Assume £1500 per unit	£150,000	01-Jul-15	01-Sep-15	1,500
Roads and Sewers	Assume £500,000 x 2.86 ha	£1,430,000	01-Jul-15	01-Jul-16	14,300
Services (Power, Water, Gas, Telco and IT)					
Strategic Landscaping					
Off Site Works					
Public Open Space	0.57 x £175000	£99,750	01-Nov-16	01-Jun-17	998
Site Specific Sustainability Initiatives					
Plot specific external works					
Other 2					
Other 3					

Site Abnormals (£)	Comment on nature of issue	Cost (£)	Payment Start Date	Payment end date	Cost per unit (all tenures)
De-canting tenants					
Decontamination					
Other					
Other 2					

	Building Costs (£ / car parking space)	Payment Date	
Residential Car Parking Building Costs (average cost / car parking space)			
Total number of residential car parking spaces		*(Open Market and Affordable)*	

Sustainability

	Additional information	
Enter the Code level to which the affordable rented units are to be built	4	
Enter the Code level to which the intermediate tenure units are to be built	4	
Enter the Code level to which the market sale units are to be built	4	
Certification Costs		

Statutory Payments (£)	Additional information	**Cost (£)**	Payment start date	Payment end date	*Per unit*
Education					
Sport & Recreation					
Social Infrastructure					
Public Realm					
Affordable Housing					
Transport					
Highway					
Health					
Public Art					
Flood work					
Community Infrastructure Levy	per sq metre	£0	01-Jul-15	01-Jun-17	
Other Tariff	per sq metre				
S106	£2000 per unit	£200,000	01-Jul-16	01-Aug-17	*2,000*
Other 2					

OTHER COSTS

SITE PURCHASE COSTS	%	
Agents Fees (% of site cost)	0.00%	
Legal Fees (% of site cost)	0.75%	
Stamp Duty (% of site cost)	8.00%	**Expected 4%**

	Comment on nature of issue	Cost (£)	Payment start date	Payment end date
Other Acquisition Costs (£)				

FINANCE COSTS

Arrangement Fee (£)		£20,000
Interest Rate (%)		7.00%
Misc Fees - Surveyors etc (£)		£20,000
Credit balance reinvestment %		7.00%

MARKETING COSTS

Affordable Housing Marketing Costs

	Cost (£)	Payment start date	Payment end date
Developer cost of sale to RP (£)	£0		
RP purchase costs (£)	£0		
Intermediate Housing Sales and Marketing (£)	£0		

Open Market Housing Marketing Costs

Sales Fees (agents fees & marketing fees) - %	3.50%
Legal Fees (per Open Market unit) - £	£650
Agents Private Rental Intial Letting fees - %	0.00%

DEVELOPER'S OVERHEAD AND RETURN FOR RISK (before taxation)

Developer O/head (£)			
Open Market Housing (% GDV)	20.00%	20.0%	*inc Overheads*
		68,450	*per open market home*
Private Rental (% Cost)			
Affordable Housing (% Cost)	6.00%		

Scheme Results
'GLA toolkit' style Scheme Results

Site Reference Details	
Site Reference	0
Local Planning Authority	East Hampshire
HCA Investment Partner (	0

Site Details	
Site Address	East Hampshire Notion
Scheme Description	100 units with 40% affordable

TOTAL NUMBER OF UNITS	
Dwellings	100

AFFORDABLE UNITS		
	Quantity	% all units
Total	40	40%
Social Rented	0	0%
Affordable Rent	28	28%
Shared Ownership	12	12%

DENSITY (per hectare)	
Dwellings	35.0

REVENUES AND COSTS		
Total Scheme Revenues		26,267,476
Total Scheme Costs	26,267,476	

Surplus/(Deficit) *Present Value*	
Whole Scheme	-
Per net hectare	-
Per dwelling	-
Per market dwelling	-

Contribution to Revenue from		
Market Housing		20,535,000
Affordable Housing		5,732,476
Social Rent	-	
Shared Ownership	1,703,435	
Affordable Rent	4,029,041	
Other Contributions		0
Non Residential Values		0

Alternative Site Value	
Residual	4,328,240

Contribution to Costs from		
Market Housing		7,928,871
Affordable Housing		3,944,121
Social Rent	-	
Shared Ownership	1,163,602	
Affordable Rent	2,780,519	
Other Construction costs		3,265,982
Planning Obligations		200,000
Fees		757,725
Non Residential Costs		-
Finance and Acquisition Costs		5,827,131
Developer's return for risk and profit		4,343,647

SCHEME

Site Address   East Hampshire Notional site 100 units VP3
Site Reference
File Source
Scheme Description   100 units with 40% affordable
Date of appraisal   30/04/2015
Net Residential Site Area (hectares)   2.86
Author & Organisation   James Sinclair Adams Integra
HCA Investment Partner (where applicable) 0

Housing Mix (Affordable + Open Market)

Total Number of Units	100	units
Total Number of Open Market Units	60	units
Total Number of Affordable Units	40	units
Total Net Internal Area (sq m)	9,496	sq m
Total Habitable Rooms	133	habitable rooms
% Affordable by Unit	40.0%	
% Affordable by Area	32.2%	
% Affordable by Habitable Rooms	0.0%	
% Social Rented within the Affordable Hous	-	by number of units
% Social Rented within the Affordable Hous	-	by NIA of Units (sq m)
% Social Rented within the Affordable Hous	-	by habitable rooms
Density	35	units/ hectare
Total Number of A/H Persons	0	Persons
Number of Social and Affordable Rent	0	Persons
Number of Intermediate	0	Persons
Total Number of Open Market Persons	161	Persons
Total Number of Persons	161	Persons
Gross site Area	3.43	hectares
Net Site Area	2.86	hectares
Net Internal Housing Area / Hectare	3,320	sq m / hectare

AH Residential Values
Full term yield based

Type of Unit	Social Rented	Shared Ownership phase 1	Affordable Rent phase 1	Shared Ownership phase 2	Affordable Rent phase 2
1 Bed Flat Low rise	£0	£179,309	£546,548	£0	£0
2 Bed Flat Low rise	£0	£0	£0	£0	£0
3 Bed Flat Low rise	£0	£0	£0	£0	£0
4 Bed + Flat Low rise	£0	£0	£0	£0	£0
1 Bed Flat High rise	£0	£0	£0	£0	£0
2 Bed Flat High rise	£0	£0	£0	£0	£0
3 Bed Flat High rise	£0	£0	£0	£0	£0
4 Bed + Flat High rise	£0	£0	£0	£0	£0
2 Bed House	£0	£842,752	£1,401,406	£0	£0
3 Bed House	£0	£681,374	£1,849,856	£0	£0
4 Bed House	£0	£0	£231,232	£0	£0
5 Bed House	£0	£0	£0	£0	£0
6 Bed+ House	£0	£0	£0	£0	£0
	£0	£1,703,435	£4,029,041	£0	£0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)   £5,732,476
RP Cross Subsidy (use of own assets)   £0
LA s106 commuted in lieu   £0
RP Re-cycled SHG   £0
Other source of funding 2   £0
Land Remediation Tax Relief   £0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING   £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)   £5,732,476

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)		
Open Market Phase 1:	3,588	£3,152	£11,310,000	Monthly Sales rate	
Open Market Phase 2:	2,853	£3,233	£9,225,000	2.91	
Open Market Phase 3:	-	-	£0	3.11	
Open Market Phase 4:	-	-	£0		
Open Market Phase 5:	-	-	£0		
Total	6,441	-	£20,535,000		

	Average value (£ per unit)
Open Market Phase 1:	£353,438
Open Market Phase 2:	£329,464
Open Market Phase 3:	£0
Open Market Phase 4:	£0
Open Market Phase 5:	£0

Capital Value of Private Rental   £0

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING   **£20,535,000**

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING   **£0**

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£0
Affordable Rent	£0
Open market (all phases)	£0
TOTAL CAPITALISED ANNUAL GROUND RENT	**£0**

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME	**£26,267,476**

Non-Residential Values

Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community Use	£0	**£0**

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME	**£0**

TOTAL VALUE OF SCHEME	**£26,267,476**

Residential Building, Marketing & Section 106 Costs

				Per sq meter
Affordable Housing Build Costs	£3,944,121		-	1,260
Open Market Housing Build Costs	£7,928,871		-	1,231
		£11,872,992		
Residential Car Parking Build Costs		**£0**		

External Works & Infrastructure Costs (£)		Per unit
Site Preparation/Demolition	£150,000	1,500
Roads and Sewers	£1,430,000	14,300
Services (Power, Water, Gas, Telco and IT)	£0	
Strategic Landscaping	£0	
Off Site Works	£0	
Public Open Space	£99,750	998
Site Specific Sustainability Initiatives	£0	
Plot specific external works	£0	
Other 2	£0	
Other 3	£0	

Other site costs			
Building Contingencies	4.0%	£474,920	4,749
Fees and certification		£1,111,312	11,113
Other Acquisition Costs (£)		£0	

Site Abnormals (£)	
De-canting tenants	£0
Decontamination	£0
Other	£0
Other 2	£0

Total Building Costs inc Fees	**£15,138,973**	151,390

Statutory 106 Costs (£)	
Education	£0
Sport & Recreation	£0
Social Infrastructure	£0
Public Realm	£0
Affordable Housing	£0
Transport	£0
Highway	£0
Health	£0
Public Art	£0
Flood work	£0
Community Infrastructure Levy	£0

Other Tariff		£0	
S106		£200,000	2,000
Other 2		£0	

Statutory 106 costs   **£200,000**

Marketing (Open Market Housing ONLY)   per OM unit
| Sales/letting Fees | 3.5% | £718,725 | 11,979 |
| Legal Fees (per Open Market unit): | £650 | £39,000 | 650 |

Marketing (Affordable Housing)   per affordable unit
Developer cost of sale to RP (£)		£0	
RP purchase costs (£)		£0	
Intermediate Housing Sales and Marketing (£)		£0	

Total Marketing Costs   **£757,725**

Non-Residential Building & Marketing Costs

Building Costs
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	**£0**

Professional Fees (Building, Letting & Sales)
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	**£0**

Total Non-Residential Costs   **£0**

TOTAL DIRECT COSTS: **£16,096,698**

Finance and acquisition costs

		1,261,878	per Gross ha	1,513,371
Land Value	£4,328,240	72,137	per OM home	43,282
Arrangement Fee	£20,000	1.9%	of interest	
Misc Fees (Surveyors etc)	£20,000	0.08%	of scheme value	
Agents Fees	£0			
Legal Fees	£32,462			
Stamp Duty	£346,259			
Total Interest Paid	£1,080,170			

Total Finance and Acquisition Costs   **£5,827,131**

Developer's return for risk and profit

Residential
Market Housing Return (inc OH) on Value	20.0%	£4,107,000	68,450	per OM unit
Affordable Housing Return on Cost	6.0%	£236,647	5,916	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit

Non-residential
Office	£0	
Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	**£0**

Total Operating Profit   **£4,343,647**
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

| **Surplus/(Deficit) at completion 1/8/2017** | **£0** |

| **Present Value of Surplus (Deficit) at 30/4/2015** | | per unit |

| **Scheme Investment IRR** | **29.6%** | (before Developer's returns and interest to avoid double counting |

Measures

| Site Value as a Percentage of Total Scheme Value | 16.5% |

| Site Value per hectare | £0 |

Notes and Memos

It is suggested notes on detailed cost, revenue and other calculations be entered here

Affordable Rent Computation Pro Forma: may be used for the computation of affordable rent levels

Property type	Net Market Rent	Service Charge	Gross Inclusive Market Rent	Percentage of market	Total Chargeable	Service Charge	Affordable Rent
e.g.	100.00	20.00	120.00	80%	96.00	20.00	76.00
			0	80%	0	-	0
			0	80%	0	-	0
			0	80%	0	-	0
			0	80%	0	-	0
			0	80%	0	-	0
			0	80%	0	-	0

Phasing Summary

	Phase End date	No of units	Average Sales Value
Phase 1	01-Mar-17	32	353,438
Phase 2	01-Jun-17	28	329,464
Phase 3	00-Jan-00	0	#DIV/0!
Phase 4	00-Jan-00	0	#DIV/0!
Phase 5	00-Jan-00	0	#DIV/0!