

Report for Fareham Borough Council

# HA55 Land South of Longfield Avenue

## CIL viability review – November 2023

Three Dragons



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<b>Quality statement</b>	In preparing this report, the authors have followed national and professional standards, acted with objectivity, impartially, without interference and with reference to appropriate available sources of information. No performance-related or contingent fees have been agreed and there is no known conflict of interest in advising the client group.
<b>Use of this report</b>	This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons Toolkit and is based on council data and information supplied by the applicant and quoted published data sources. The toolkit provides a review of the development economics of illustrative schemes and the results depend on the data inputs provided. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed.

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# Chapter 1 Context

## Introduction

- 1.1** Three Dragons has prepared this viability review to inform Community Infrastructure Levy (CIL) rate setting for HA55 Land South of Longfield Avenue. The policy area of HA55 is made up of two separate land interests. The majority of the allocation in terms of land area and dwellings (1,200) is being promoted through a scheme submitted for outline approval reference P/20/0646/OA. Other development land within the allocation, suitable for c.50 dwellings, is wholly surrounded by P/20/0646/O in an area of land to the east of Peak Lane (see figure 2.1).
- 1.2** The CIL draft Charging Schedule for FBC proposes a range of rates:
- £195 per square metre for all standard residential development apart from:
    - Welborne Plan area with a rate of £0 per square metre
    - Flats in Fareham Town Centre with a rate of £0 per square metre
  - £28 per square metre for older persons sheltered accommodation (greenfield)
  - £80 per square metre for Class E(a) retail outside of town centres
  - £0 per square metre for all other forms of development not specified above
- 1.3** With the exception of Welborne Plan area there are no site-specific allocation CIL rates proposed in the draft Charging Schedule. Therefore, any standard residential development within HA55 (or any other allocation) would be charged at £195 per square metre should FBC bring forward the draft Charging Schedule. If FBC were minded not to bring forward the draft Charging Schedule then the current CIL Charging Schedule with a rate of £167.15/sq m will remain in place, including for any standard residential development permitted at HA55.

## Preparation of supplementary evidence

- 1.4** The evidence within this report has been produced at the request of Fareham Borough Council (FBC) in response to the CIL draft Charging Schedule Examination Report<sup>1</sup> and to supplement the viability assessment submitted for examination. In summary, it provides viability evidence for HA55 as part of the following consideration:
- The draft Charging Schedule was submitted in June and examined in September 2023.
  - The CIL viability evidence, which followed the same generic typology format as the recent Local Plan viability evidence, was considered generally robust.
  - The examiner recommended that a separate charge was appropriate for HA55 and that this should be £0/sq m - but this proposed new rate was not based on any form of detailed viability evidence for HA55.

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<sup>1</sup> [https://www.fareham.gov.uk/pdf/planning/local\\_plan/FINAL\\_Examiners\\_Report\\_Oct23.pdf](https://www.fareham.gov.uk/pdf/planning/local_plan/FINAL_Examiners_Report_Oct23.pdf)

- A HA55 specific assessment will fill the gap in the viability evidence and inform the Council’s decision about a separate CIL charge for HA55.
- For thoroughness and completeness, FBC has also requested that as well as testing the HA55 allocation (1,250 dwellings), that a separate viability test on the same basis is undertaken for the planning application P/20/0646/OA for the proposed 1,200 dwellings to also help inform a suitable CIL rate.

### **Response to the examination report**

- 1.5** Whilst the Examiner found the “*viability assessment to be robust*” (para 43) and in respect to infrastructure “*the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate*” (para 27) and (in terms of value assumptions) that “*no convincing contrary evidence has been presented to this examination*” (para16), a recommendation was made to separately identify the HA55 policy area, with a £0 CIL rate.
- 1.6** However, in considering whether the HA55 should, like Welbourne Plan area “*be treated as a strategic site which is excluded from the CIL*”<sup>2</sup> (para 37), the Examiner notes that “*No detailed viability evidence was provided or considered in relation to any other level of charge, including a zero charge*” (para 37).
- 1.7** Neither FBC nor Three Dragons consider that the circumstances at the Welborne Plan area are the same as those at HA55. HA55 is not considered, at 1250 dwellings, to be a strategic allocation on the same scale as Welborne (6,000 dwellings, a new motorway junction and other infrastructure).
- 1.8** The CIL viability evidence, as per PPG, followed the approach used for the Local Plan. The Local Plan, which was examined in 2022, relied on a generic viability assessment based on typologies as advocated in PPG – in respect of the HA55 it was considered that RES14, a large mixed scheme of 1,000 residential units, was sufficiently reflective to demonstrate the site was deliverable. This assessment included the existing CIL (at that time £149.73/sqm rate) and a range of other policy requirements proportionate for the size of development. At no time did FBC indicate that they were intending to reduce the CIL rate that would apply at HA55. There was no concern expressed at this approach (using a typology to demonstrate that delivery was not put at risk by either the CIL rate or other policies within the plan) through representations or by the Local Plan Inspector. Therefore, effectively a CIL rate of c£150/sqm was accepted at the Local Plan Examination in 2022 as reasonable at HA55, with potential to increase (as suggested in the viability evidence) following a CIL review.

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<sup>2</sup> Welborne Plan Area has a £0/sq m CIL rate

- 1.9** In preparing for the CIL Examination FBC was not asked to produce any site-specific testing for HA55 allocation, with the Examiner expressly advising no further evidence was required. As set out in para 37 of the Examination report it is acknowledged that no site-specific viability evidence has been provided (by either FBC or HA55 site promoters) or considered by the Examiner in relation to any other level of CIL charge. On this basis FBC concludes that there is no site-specific viability evidence to support a different CIL charge, including the £0/sq m charge recommended in the Examination Report.
- 1.10** The objective of this report is therefore to provide detailed evidence to enable FBC to consider the implications for CIL on HA55 taking into account site-specific requirements, including the site-specific mitigation and s106 costs highlighted by the Examination Report (para 39) and whether an alternative CIL rate could be supported and should therefore be proposed.

### Viability evidence and testing

- 1.11** Whilst site specific, this is a high-level review based on information submitted by the HA55 site promoter as part of the planning application, provided by FBC or drawn from the Local Plan/CIL viability assessments evidence base. Please note that costs are based on broad estimates taken from the named sources above but have not been subject to any consideration by quantity surveyors appointed by FBC – therefore the review has not been informed by any detailed cost plan. This viability review has been undertaken on behalf of FBC to inform their understanding of any viability issues to assist in setting an appropriate level of CIL.
- 1.12** The proposals for the scheme include affordable housing and a range of required environmental mitigation, community benefits and aspirations to ensure long term security of management and maintenance of the environmental and community assets arising from the proposals. The viability review is intended to help determine whether it is reasonable in viability terms to seek the proposed levels of mitigation and community betterment alongside a site-specific CIL rate. FBC has requested that application P/20/0646/OA is separately tested as it forms the majority of the HA55 allocation.
- 1.13** The viability assessment has been undertaken using the Three Dragons Toolkit 2023. For this assessment, land value is an input to the modelling and the residual or headroom is what is potentially available for CIL. The review has been undertaken with objectivity, impartially,

without interference and with reference to all appropriate available sources of information. No performance related or contingent fees have been sought.

## Planning guidance

**1.14** This assessment has been undertaken in accordance with National Planning Practice Guidance on viability which was updated 1<sup>st</sup> September 2019 and can be found at <https://www.gov.uk/guidance/viability>.

**1.15** Abridged versions of key components of the guidance relevant to decision taking are shown below, with some Three Dragons commentary on their applicability to setting a CIL rate:

- Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage (para 007 Reference ID: 10-007-20190509). The Fareham Local Plan (and its associated evidence base) is up to date having been found sound and adopted in 2023.
- Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. (para 010 Reference ID: 10-010-20180724). Engagement was undertaken as part of the Local Plan process, the planning application submission and through the CIL consultation and Examination.
- Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments... (abridged) and (abridged) ...For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. (para 011 Reference ID: 10-011-20180724). The data and its source are described later in this report;
- Assessment of costs should be based on evidence which is reflective of local market conditions (012 Reference ID: 10-012-20180724) to include:
  - build costs based on appropriate data, for example that of the Building Cost Information Service;
  - abnormal costs;
  - site-specific infrastructure costs;
  - the total cost of all relevant policy requirements including contributions towards affordable housing and the Community Infrastructure Levy (noting that CIL is an output in the process);
  - general finance costs;
  - professional, project management, sales, marketing and legal costs;
  - contingency costs with a justification for contingency relative to project risk and developers return;

- 1.16** We note that abnormal costs should be taken into account when identifying a benchmark land value – this would include for example the provision of significant open space such as the new nature reserve;
- A benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. (para 013 Reference ID: 10-013-20190509). We note that there is no guidance on the scale of the premium.
  - Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. (para 014 Reference ID: 10-014-20190509).
- 1.17** For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. (Para 018 Reference ID: 10-018-20190509). We discuss this further in relation to the viability findings.
- 1.18** Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances. Even in those circumstances an executive summary should be made publicly available. (para 021 Reference ID: 10-021-20190509).
- 1.19** PPG also states that, “Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then”.(para 008 Reference ID: 10-008-20190509). We take the same approach in terms of this site-specific assessment and how it relates back to the Local Plan and more recent CIL viability evidence, noting that both were found to be sound and robust.

### Local planning policy requirements

- 1.20** Longfield Avenue has its own specific policy HA55 Land South of Longfield Avenue in the recently adopted Fareham Local Plan. The allocation is described as residential and mixed use including primary school, local centre, natural spaces and sports hub, with an indicative yield of 1,250 dwellings.
- 1.21** Key requirements of the policy include:
- the need for development to maximise the open nature of the existing landscape between the settlements of Fareham and Stubbington
  - no development to take place west of Peak Lane as this is the land set aside for the new nature reserve for Solent waders and Brent Goose habitat
  - provision of a compact, walkable, landscaped, low speed and low trafficked neighbourhood
  - primary access from Longfield Avenue and Peak Lane
  - connectivity with Fareham
  - accessible and managed green infrastructure



- provision of open space to provide alternative recreational areas
- contribution to health, education and transport requirements including:
  - 2 form entry primary school
  - Local centre (commercial, residential, community and health space)
  - Sports hub
  - Extra care scheme of between 50 – 100 units

**1.22** Policy HP5 Provision of Affordable Housing requires greenfield sites such as Longfield Avenue to provide 40% of dwellings as affordable housing, with at least 10% as social rent, 55% as affordable rent and with the remainder providing a minimum of 10% affordable home ownership. Policy HP9 requires that on sites of 40 dwellings or more, 10% of the overall dwellings shall be the provision of plots for sale to address local self or custom build need.

## Chapter 2 Assumptions

### Introduction

**2.1** This section summarises information about the application site and the proposed scheme. This is based upon the information provided by the applicant as part of the planning application submission, Fareham Borough Council and the Local Plan/CIL viability studies. HA55 Land at Longfield Avenue comprises of 1,250 dwellings on c.91ha land. At the request of FBC, planning application P/20/0646/OA (1,200 dwellings) has also been tested. The assumptions set out below apply to both tests as appropriate and with the exception of the local centre are proportionate in terms of values and costs attributed to mix, floorspace and dwellings.

### Site area and land budget

**2.2** The largest land interest at HA55 Land South of Longfield Avenue is 77.77ha greenfield site, planning application P/20/0646/OA (please note that 1.5ha of this is outside the HA55 allocation). The outline application proposes up to 1,200 New Homes, 80 bed care home, primary school, local centre (up to 800 sqm), community centre, health care facility, access onto Longfield Avenue and Peak Lane, new open space including country park, nature reserve and sports facilities and associated infrastructure works.

**2.3** Other land interests within the H55 allocation include 6.02ha on land east of Peak Lane which FBC considers for the remaining 50 dwellings, associated open space requirements and some land which will remain in existing use. There is also a further 8.3ha on land south of Stroud Green, which FBC considers will remain in existing use.

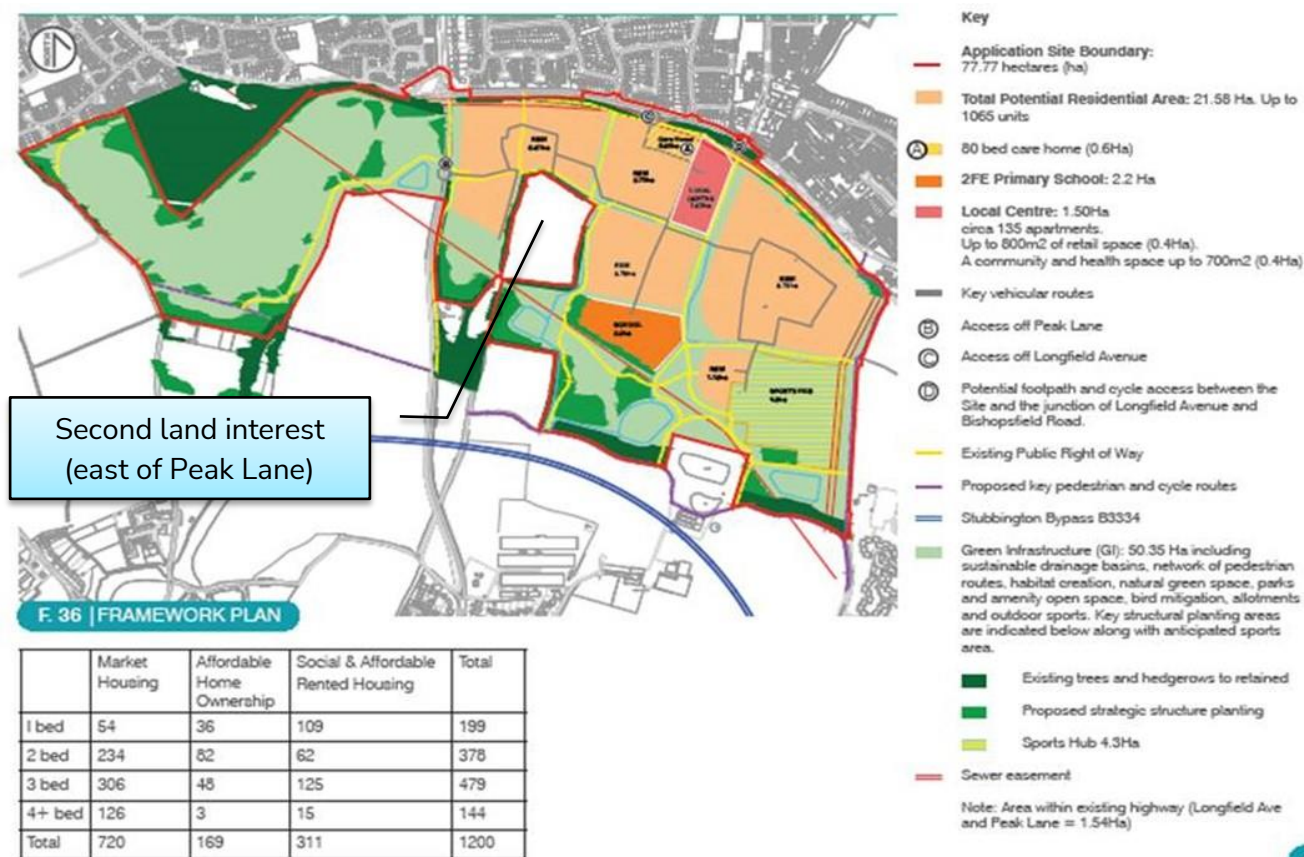
### Table 2.1 proposed scheme land budget

**2.4** Table 2.1 below, draws upon information set out in Figure 2.1 framework plan as well as clarifications provided by FBC as to the breakdown of some of the green/recreation infrastructure.

Table 2.1 Allocation land budget

Land South of Longfield Avenue	Planning Application P/20/0646/OA (x-highway works outside allocation) ha	Land east of Peak Lane ha	South of Stroud Green Lane/other ha	Allocation total ha	Planning Application P/20/0646/OA (highway works outside allocation) ha
<b>Allocation boundary</b>	76.2	6.0	8.3	90.6	1.5
<b>Developable area</b>	44.0	2.4	0.0	46.5	0.0
Non-developable (excluding highway)	32.2	0.0	0.0	32.2	0.0
Highways land	0.0	0.0	0.0	0.0	1.5
<b>Land budget breakdown</b>					
<b>Gross residential area (ha)*</b>	21.6	1.3	0.0	22.9	0.0
Care home (ha)*	0.6	0.0	0.0	0.6	0.0
Local centre (ha)*	1.5	0.0	0.0	1.5	0.0
Primary school*	2.2	0.0	0.0	2.2	0.0
Existing highway land and unchanged land***	0.0	3.6	8.3	11.9	1.5
<b>Green/recreation infrastructure breakdown</b>	50.4	1.2	0.0	51.6	0.0
<b>General open space (ha)*</b>	13.9	1.2	0.0	15.0	0.0
Alternative recreational open space/habitat creation area (ha)**	16.7	0.0	0.0	16.7	0.0
Parkland/Nature reserve (Brent Geese)**	15.5	0.0	0.0	15.5	0.0
Sports Hub*	4.3	0.0	0.0	4.3	0.0
* Residential land value					
** Alternative recreational open space/habitat land value					
*** No land value					

Figure 2.1 Planning application framework plan



Housing mix and floor area

2.5 The housing mix and floor areas shown below are based on the table in Figure 2.1, the Local Plan policy and the viability evidence base. The dwelling numbers include the area covered by planning application P/20/0646/OA as well as the land east of Peak Lane.

Table 2.2 Housing mix and floor area

	Tenure	Floor area sqm (net)	Number
<b>Market housing</b>			
	Flats 1 bed	61	56.3
	Flats 2 bed	70	28.1
	House 2 bed	70	215.6
	House 3 bed	98	230.2
	House 4 bed	124	94.8
	CSB 3 bed	98	88.5
	CSB 4 bed	124	36.5
<b>Social rent</b>			
	Flats 1 bed	56	17.5
	Flats 2 bed	-	-
	House 2 bed	70	9.9

Tenure	Floor area sqm (net)	Number
House 3 bed	84	20.0
House 4 bed	106	2.4
<b>Affordable rent</b>		
Flats 1 bed	56	96.0
Flats 2 bed	-	-
House 2 bed	70	54.7
House 3 bed	84	110.2
House 4 bed	106	13.2
<b>Intermediate</b>		
Flats 1 bed	56	37.5
Flats 2 bed	61	27.1
House 2 bed	70	58.3
House 3 bed	84	50.0
House 4 bed	106	3.1
<b>Total flats</b>		262.5
<b>Total houses</b>		987.5
<b>Total dwellings</b>		1,250.0

## Market homes values

**2.6** Dwelling sales values have been estimated using evidence from the Fareham CIL viability assessment. The summary sales values are shown in Table 2.3.

**Table 2.3 Residential sales values (rounded)**

Transaction type	Flats	Houses
New build transactions £/sq m (£ unit value)	£4,140/sq m (1 bed - £253,000; 2 bed - £290,000)	£4,283/sq m (2 bed £300,000, 3 bed £418,000, 4 bed £531,000)
Custom build £/sq m (£ unit value)		£4,845/sq m (3 bed £472,000, 4 bed £601,000)

Source: Land Registry/EPC

**2.7** The viability work that supported the local plan and the proposed CIL rates both used one value area for residential sales. It is accepted that there may be localised variances on any single scheme but for this initial review the standard Fareham wide figure is used. A premium of 5% is added to the standard open market values for custom build, in line with previous viability work.

## Affordable homes values

**2.8** For the previous viability study that informed the revised local plan, discussion with the council's housing team, a review of schemes and a survey of local Registered Providers identified a range of transfer values for affordable homes as a percentage of full market value (i.e. an estimate of how much the RPs may pay for the affordable units). These transfer values are used for this

assessment.

- 2.9** In terms of **shared ownership**, the transfer values agreed were 70% of market value. For rented the **affordable rent** is at 57.5% of market value and for **social rent** it is 42.5% of market value.

**Table 2.4 Affordable homes values<sup>3</sup>**

Home type	Affordable rent	Social rent	Shared ownership
1 bed flat	£132,000 per unit	£98,000 per unit	£161,000 per unit
2 bed flat			£177,000 per unit
2 bed house	£172,000 per unit	£127,000 per unit	£210,000 per unit
3 bed house	£207,000 per unit	£153,000 per unit	£252,000 per unit
4 bed house	£261,000 per unit	£193,000 per unit	£318,000 per unit

- 2.10** Retail values have been drawn from the Fareham CIL viability assessment. Whilst potentially there could be value in the health provision for the purpose of this assessment, only the cost of provision is included (as a separate cost within the s106). For care homes values are bespoke and linked to the care home provider and their investment model, therefore only the value associated with the sale of a serviced plot is assumed for the viability review. Summary values are shown in Table 2.5.

**Table 2.5 Non-residential sales values**

Type	Rent £/sq m	Yield %
Retail (800 sqm)	£190	6.88%
Community and health (700 sqm)	£0	0%
Care home	Serviced site – cost neutral, assumes no return	

## Development costs

- 2.11** Development costs are either drawn from the CIL viability assessment, FBC or specific research from published data applicable to this site-specific test. It should be noted that many of the cost assumptions are standard figures used for these types of reviews and have previously been found acceptable.

**Table 2.5 Development costs**

Cost item	Cost £	Metric
<b>Build costs</b>		
Flats 1-2 storey	£1,822.70	per sqm (BCIS+10% plot costs)
Flats 3-5 storey (local centre) <sup>4</sup>	£1,835.90	per sqm (BCIS+10% plot costs)
House	£1,357.40	per sqm (BCIS+10% plot costs)
Self-build	£1,732.76	per sqm (BCIS+10% plot costs)
Garages <sup>5</sup>	£7,750.00	per single garage (18sqm)

<sup>3</sup> Figures shown in the table are rounded

<sup>4</sup> Build costs for flats with 1-2 storeys include circulation space and non-saleable space (10%) and higher for 3-5 storeys (15%)

<sup>5</sup> Garages are included 50% 3 bed and 100% 4 bed for all market and CSB dwellings

Cost item	Cost £	Metric
Sprinklers (local centre flats only)*	£1,500.00	per flats (135 flats total)
Future homes (houses)*	£12,000.00	per house
Future homes (flats)*	£8,000.00	per flat
Accessibility M4 Cat 2*	£1,400	per dwelling
Accessibility M4 Cat 3*	£1,661,584	total – breakdown varies between £17k-£56k/dwelling depending on dwelling types and tenure
Electric charging vehicle*	£865	per dwelling
Biodiversity Net Gain	£948	per dwelling
<b>Other development costs</b>		
Plot costs	10.00%	of build costs
Professional Fees	6.00%	of build costs
Finance Rate	8.00%	
Marketing Fees	3.00%	of market GDV for mkt and custom
Affordable legal costs	£500.00	per AH dwelling
Agents & Legals	1.75%	of land value
SDLT	prevailing rate	
Contingency	3.00%	of build costs
	10.00%	of infrastructure costs
Developer & Contractor Return	17.5%	market/custom GDV
	6%	affordable GDV
<b>Infrastructure costs</b>		
Site infrastructure (General)	£25,000	per dwelling
Site preparation for alternative recreational open space & nature reserve	£35,000	per ha
<b>Local policy costs</b>		
Transport	£6,537,687	Indexed FBC estimate based on HCC Developer contributions 2007
Education	£20,891,928	Indexed FBC estimate based on HCC response to P/20/0646/OA
Open space/recreation/alternative recreational set up	£3,559,183	Indexed FBC estimate based on Open Space and Sports Provision draft SPD
Nature reserve & geese reserve set up	£271,628	Indexed FBC estimate based on DEFRA habitat creation costs 2015
Open space/recreation/alternative recreational plus nature reserve & geese reserve management & maintenance	£7,114,391	Indexed FBC estimate based on various
Habitats mitigation	£1,107,666	Solent and New Forest mitigation strategies
Health facilities	£682,279	Indexed FBC estimate based on ICB response to P/20/0646/OA
Care home serviced land	£214,680	P/20/0646/OA & 3D estimates
Local centre /community facility	£3,395,238	P/20/0646/OA & 3D estimates

Cost item	Cost £	Metric
* These figures are incorporated within 'Build Cost (£) (inc garages)' in the summary appraisals within the Appendix to this report. Within this, the blended combined EV and accessibility cost for AH units is £4,428/dwg (£5,928/dwg with sprinklers); and £3,038/dwg for market units (£4,538 with sprinklers).		

- 2.12** The transport costs are understood to be in advance of detailed transport plans and it is acknowledged that these may be subject to change. The testing includes a sensitivity test with higher transport costs of £9,414,269 to explore what the viability impact might be. This reflects less certainty about these costs and uses the suggested infrastructure optimism bias upper adjustment of 44% set out in the supplementary Green Book guidance<sup>6</sup>.
- 2.13** The local centre and health facilities cost estimates are based on a local centre comprising of retail floorspace of 800sq. m and a community building of c507sq. m – the remaining c193sq.m is accounted for as the 'health' cost in table 2.5 as per the response to the planning application by the ICB.
- 2.14** Three benchmark land values are used for this assessment and are applied to the land budget as set out in table 2.1, with the following figures:
- Developable land (including general open space) - £250,000/ha
  - Alternative recreation open space/nature reserve - £25,000/ha
  - Highway land and unchanged use land - £0/ha
- 2.15** The developable land benchmark value is that used within both the local plan and CIL viability assessment prepared for FBC. The alternative recreation open space/nature reserve figure is based on similar (and accepted at Examination) figures for such land in other areas<sup>7</sup>. The highway land is part of the application red line as there are changes to road layout, but within these there is no change of use as per the other areas where land use is unchanged – hence the £0 land value within this assessment.

## Development programme

- 2.16** A twelve-year development programme has been used for the viability assessment (as agreed at the local plan Examination). This includes initial site works in year 1 as well as building some of the houses in the first development parcel in year 2. House sales are assumed to commence in year 2, with a lag of 9 months between the start of house construction and completion.

<sup>6</sup> <https://www.gov.uk/government/publications/green-book-supplementary-guidance-optimism-bias>

<sup>7</sup> <https://eastdevon.gov.uk/planning/planning-policy/cranbrook-plan/cranbrook-plan-inspector-s-report/#article-content>



## Chapter 3 Viability testing results

### Introduction

- 3.1** The viability testing uses the values and costs in the previous section as the basis for the viability test. The testing includes an allowance for Future Homes 2025, finance costs at 8% and a substantial policy and mitigation packaging including relatively high contributions towards education and transport provision as well as a substantial allowance for long term management and maintenance of the open space including the nature reserve.
- 3.2** As well as the base case, the testing includes a sensitivity scenario with higher transport costs. The higher transport cost in the sensitivity test is £9.4m (compared to the base estimate of £6.5m).

### Assessment results

- 3.3** The headline finding is that it is viable to develop this site and deliver the extensive package of mitigation and policy costs - whether statutory, national or local including the policy compliant affordable housing and a CIL contribution at the proposed draft charging schedule rate of £195/sq. m - as can be seen in base test column (4) in Table 3.1 below where the £195/sq m is below the available headroom of £333/sq m. This HA55 specific test result indicates that the generic test in the November 2022 assessment remains broadly suitable for recommending a CIL rate that could be applied to HA55.
- 3.4** As set out in the Fareham CIL viability assessment (November 2022), guidance does not include a method for setting CIL rates. The recommended approach to setting CIL rates in the November 2022 assessment was to maintain at least a 50% buffer<sup>8</sup> for the CIL rate or a CIL rate that is less than 5% of GDV and therefore unlikely to a significant effect on delivery. In the November 2022 assessment, the proposed £195/sq m met both of these 'tests' for the generic R14 typology, which is the most similar to HA55.
- 3.5** Were FBC mindful to continue with the proposed £195/sq m rate that would apply HA55, this would result in a lower buffer of c.41% and as a proportion of GDV it would be at 3% (i.e. within the 5% of GDV threshold). This scale of buffer has been accepted when setting CIL rates elsewhere.
- 3.6** However, a lower rate with an increase in the buffer may be preferable given the timescale for the development, the current rate that would apply in absence of not taking forward the proposed rates, the FBC desire for delivery and consistency with the other rate setting in the November 2022 assessment.
- 3.7** Table 3.1 below shows the residual value or total headroom (3), headroom expressed as £/sq m of CIL liable floorspace (4), the CIL rate if a 50% buffer is assumed (5) and CIL rate as a percentage of GDV.

Table 3.1 viability results

Scenario (1)	GDV (2)	Residual value (3)	CIL Headroom/ sq m (4)	CIL rate/ sq m with 50% buffer (5)	CIL rate as % GDV (6)
HA55 base test	£386,303,753	£19,770,937	£333	£166	2.6%
HA55 sensitivity test	£386,303,753	£15,510,581	£261	-	-
P/20/0646/OA ONLY base test	£370,938,856	£18,893,720	£331	£166	2.5%
P/20/0646/OA ONLY sensitivity test	£370,938,856	£14,837,304	£260	-	-

- 3.8** The HA55 base viability test shows that a CIL rate of £166/sq m, assuming a 50% buffer and based on the specific assumptions set out in this report would be both viable and not pose a risk to delivery of allocation HA55. FBC could consider this £166/sq m as a separate CIL rate for HA55 which addresses the concerns set out in the CIL Examination Report (October 2023) about specific viability evidence for this allocation<sup>9</sup>.
- 3.9** The sensitivity test with higher transport costs has a reduced residual value and this lowers the headroom for a CIL rate to £261/sq m. However, this headroom remains above both the proposed standard CIL rate of £195/sq m as well as the reduced rate of £166/sq m discussed above for the base test. With the higher transport costs, at £166/ sq m there would be a reduced buffer of 36%, which is within the acceptable range of minimum buffers (30% to 50%).
- 3.10** In terms of the planning application P/20/0646/OA, the results are very similar in terms of the £/ sq m headroom due to the majority of assumptions being proportionate (to those used for HA55 test) to the number of dwellings.
- 3.11** The viability assessment set out in this report shows that a rate of £166/ sq m is viable and consistent in both terms of the setting of other CIL rates and the current CIL rate. However, £195/sq m could also be supported, albeit at a lower buffer. Whilst this viability assessment provides a framework for setting a CIL for HA55, ultimately the decision on which rate to set rests with FBC.
- 3.12** In approaching the question of a CIL rate to the meet the Examiner’s recommendation for allocation HA55, FBC will need to determine the balance of risks to delivery of the new Local

<sup>8</sup> CIL set at a 50% buffer is based on a calculation whereby the total residual value (which is the total value or GDV of the scheme minus all the costs including land cost and developer return) is expressed as a £/CIL liable sq m headroom and to reflect potential risk and future market changes, is reduced by 50% to produce the CIL charging rate on a £/sq m basis.

<sup>9</sup> This £166/sq m CIL rate is also very close to the indexed current £167.15/sq m CIL rate applying to the site under the existing adopted charging schedule.

Plan. This will include securing funds to contribute towards the infrastructure funding gap acknowledged at the examination, as well as ensuring housing delivery. In considering this risk FBC may choose to reduce the buffer to increase the proposed CIL or increase the buffer and reduce the rate – either option would comply with guidance as long as a buffer remains in place.

## Conclusion

**3.13** The viability testing in this report shows that:

- the draft Charging Schedule proposed CIL of £195/sq m can be supported by HA55 albeit with a lower buffer (41%).
- with a 50% buffer, FBC could consider a CIL rate of £166/sq m for HA55.
- £166/sq m is similar to the current adopted £167.15/sq m rate applicable to HA55.
- the results of the sensitivity testing that reflects potentially higher transport costs also shows that a rate of £166/sq m can be supported by HA55 albeit with a lower buffer (36%).

# Appendix A S106

Category	Revised cost	Source	Metric	Index approach	Phasing approach
<b>Transport</b>					
Planning application P/20/0646	£6,257,561	HCC Highways Developer Contributions (2007)	Assumes 8204 trips at 7 trips per dwelling (3.5 for 1 beds) and a £535 cost per trip at 2007 prices	Indexed from 2007 to 2Q2022 £800.36 per trip	Frontloaded in first 3 years, with further allowances at mid stage of development
Land east of Peak Lane (50 dwellings)	£280,126	As above	Based on above with 350 trips per unit	Index approach as above	As above
<b>Transport total</b>	<b>£6,537,687</b>				
<b>Education</b>					
Planning application P/20/0646	£20,254,073	HCC Planning application response	2FE primary new school (£8,606,394), 2FE extension to secondary school (£9,807,506), SEND places (£621,870) & school travel plan (£53,000) - all at 4Q2021 prices.	Indexed from 4Q2021 to 2Q2022 £20,254,073 total	In line with completions
Land east of Peak Lane (50) dwellings)	£637,855	No specific advice - allowance based on above	Based on primary (15 places) and secondary (10 places) requirements	Indexing approach as above	As above
<b>Education total</b>	<b>£20,891,928</b>				

Category	Revised cost	Source	Metric	Index approach	Phasing approach
<b>Open space and recreation</b>					
Open space/recreation/alternative recreation set up - Planning application P/20/0646	£3,517,505	FBC SPD Open Space and Sports Provision (proposed)	Open Space (30.55 ha @£10.20 sqm) £3,117,505 - NEAP £250,000 - LAPs (10) £150,000 *Sports pitch requirement will be a site only	Indexed from 2Q2023 to 2Q2022	In line with construction
Open space/recreation set up - Land east of Peak Lane (50 dwellings)	£41,678	As above	Based on the same approach above	Indexing approach as above	As above
Total open space/recreation/alternative recreational set up	£3,559,183				
Nature reserve set up - Planning application P/20/0646	£172,577	2015 DEFRA Cost estimation for habitat creation	Drier Grassland (15.5 ha @£1.11 sqm) £172,577	Indexed from 2015 to 2Q2022	Year 1
Functionally Linked site (Geese) land east of Peak Lane (50 dwellings)	£99,051	FBC bird mitigation	N/A	N/A	Year 1
Alternative recreational space & nature reserve set up - Land east of Peak Lane (50 dwellings)	N/A	N/A	N/A	N/A	N/A
Total nature reserve & geese set up	£271,628				

Category	Revised cost	Source	Metric	Index approach	Phasing approach
Management and maintenance (all) - Planning application P/20/0646	£7,020,925	Bird Aware Mitigation Strategy for Bird Reserve management; FBC SPD Open Space and Sports Provision (proposed); Local Authority examples for natural/semi natural parkland	- Bird Mitigation (15.5 ha @ £4 sqm) £627,750 - Southern Parkland (16.7 ha @ £12 sqm) £2,004,000 - General Open Space (13.85 ha @£24 sqm) £3,300,455 - Sports Provision (3.1* ha - SPD requirement @£35 sqm) £1,088,720	Costs drawn from SPD indexed from 2Q2023 to 2Q2022	2 tranches of payment towards the middle and end of development
Management and maintenance (all) -Land east of Peak Lane (50 dwellings)	£93,466	As above	Based on the same approach above	As above	As above
Total management and maintenance (all)	£7,114,391				
<b>Open space total</b>	<b>£10,846,151</b>				
<b>Habitats</b>					
Solent mitigation - Planning application P/20/0646	£766,905	Solent Recreation Mitigation Strategy	1 bed - £390 2 bed - £563 3 bed - £735 4 bed - £864	No indexing required as FBC consider base dates the same	In line with completions
Solent mitigation - Land east of Peak Lane (50 dwellings)	£31,954	As above	As above	As above	As above
Solent mitigation total	£798,859				

Category	Revised cost	Source	Metric	Index approach	Phasing approach
New Forest mitigation - Planning application P/20/0646	£296,454	New Forest Mitigation Strategy	£247.05 / unit	No indexing required as FBC consider base dates the same	In line with completions
New Forest mitigation - Land east of Peak Lane (50 dwellings)	£12,352.5	As above	As above	As above	As above
New Forest mitigation total	£308,807				
<b>Habitats total</b>	<b>£1,107,666</b>				
<b>Other requirements</b>					
Health facilities - Planning application P/20/0646	£653,479	ICB Planning application response	193.2 sqm of provision equivalent to a contribution of £576 / dwelling	Indexed from 2Q2023 to 2Q2022	Middle of development
Health facilities - Land east of Peak Lane	£28,800	Based on above	£576 / dwelling	As above	As above
Total health facilities	£682,279				
Care home (serviced land costs)	£214,680	Planning application & 3D cost estimates	Serviced land cost	No indexing required - cost base is at 2Q2022	Middle of development
Local centre /community development costs	£3,395,238	Planning application & 3D cost estimates	Standard development costs. Note that floorspace has been reduced (by 193.2 sqm) to account for health provision cost attributed separately.	No indexing required - cost base is at 2Q2023	Middle of development



## Appendix B Viability appraisal summaries HA55 & P/20/0644/OA

## Summary Report 1

Site Name		HA55 Longfield Avenue						Land and Developer Returns						
Site Information		Based on policy HA55 Fareham Local Plan & planning application P/20/0646/OA						Land & associated costs included in						
Description								Developer & contractor returns						
Date	22/11/2023	Updated		Compiled by	gate & D. Hd	Reference		CIL v2						
Summary Details					Dwellings	NIA (Exc garages & circ space)	Garages	Circ space	Total GIA (inc circ space & garages)					
	Net Area	46.47	hectares		1,250.00	103,610.9	5,231.3	2,252.5	111,094.7					
	Gross Area	90.57	hectares	Market	750.00	67,846.9	5,231.3	938.8	74,016.9					
	Net to Gross %	51.31%		Affordable	500.00	35,764.1	-	1,313.7	37,077.8					
Density	26.90	per net ha	% Affordable	40.00%										
Scheme Revenue														
		Total	Market Sale	Not Selected	Custom Build	Not Selected	Social Rent	Affordable Rent	Not Selected	Not Selected	Shared Ownership	Not Selected		
Total No of Units		1,250.00	625.00	-	125.00	-	49.79	274.17	-	-	176.04	-		
Total NIA exc garages & circ space (sq m)		103,610.9	54,693.2	-	13,153.6	-	3,597.9	19,818.2	-	-	12,347.9	-		
Garages (sq m)		5,231.3	3,778.1	-	1,453.1	-	-	-	-	-	-	-		
Total NIA inc garages exc circ space (sq m)		108,842.2	58,471.4	-	14,606.8	-	3,597.9	19,818.2	-	-	12,347.9	-		
Tenure Split (by %)		50.00%	50.00%	-	10.00%	-	3.98%	21.93%	-	-	14.08%	-		
Sales Revenue (£)		384,122,440	233,478,901	-	59,153,965	-	6,494,167	48,349,688	-	-	36,645,721	-		
Average Revenue per unit (£)		307,298	373,566	-	473,232	-	130,427	176,351	-	-	208,165	-		
Average Revenue (£ per sq m) GIA		3,707	4,269	-	4,497	-	1,805	2,440	-	-	2,968	-		
Capital Contributions (£)														
Local centre revenue		1,966,633												
Care home serviced land		214,680												
		0												
Total Capital contributions (£)		2,181,313												
Total Revenue (£)		386,303,753												
Scheme Development Costs (£)														
Land (£)		12,422,500	137,159	per gross ha										
SDLT at prevailing rate (£)		610,625												
Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£)		217,394												
Land & associated fees Total (£)		13,250,519	146,301	per gross ha										
		Total	Market Sale	Not Selected	Custom Build	Not Selected	Social Rent	Affordable Rent	Not Selected	Not Selected	Shared Ownership	Not Selected		
Build Cost (£) (inc garages)		177,922,226	89,354,350	-	25,328,283	-	6,328,870	34,847,326	-	-	22,063,397	-		
Additional Build Costs (£)		-	-	-	-	-	-	-	-	-	-	-		
Total GIA inc circ space (sq m)		105,863	55,632	-	13,154	-	3,725	20,518	-	-	12,834	-		
Total Contingency - 3% Build Costs (£)		5,337,667												
Total Build Cost (£)		183,259,893	89,354,350	-	25,328,283	-	6,328,870	34,847,326	-	-	22,063,397	-		
Policy & Infrastructure Costs (£)														
		-												
General site infrastructure		31,250,000												
General site infrastructure contingency 10%		3,125,000												
Transport		6,537,687												
Education		20,891,928												
Open space, recreation, AROS		3,559,183												
Nature reserve, geese		271,628												
M&M open space, recreation, AROS, reserve		7,114,391												
Habitat mitigation - Solent, New Forest		1,107,666												
Health		682,279												
Care home		214,680												
Local centre		3,395,238												
BNG		1,185,000												
Total Policy & Infrastructure Costs (£)		79,334,680												
Sales & Marketing Costs & Legal Fees Total (Mkt Hsg)		8,778,986	7,004,367	-	1,774,619	-								
Sales & Marketing Costs & Legal Fees Total (Aff Hsg)		250,000							24,896	137,083	-	-	88,021	-
Professional Fees Total (£)		12,239,555	5,361,261	-	3,083,919	-	379,732	2,090,840	-	-	1,323,804	-		
CIL (£)		-												
Total Development Costs (£)		297,113,633												
Development Period														
Development Period		12 Years												
Debit Interest Rate		8.00%												
Credit Interest Rate		0.00%												
Annual Discount Rate		0.00%												
Revenue and Capital Contributions (£)		386,303,753												
Land & associated Fees - inc in interest calc (£)		13,250,519												
Development Costs (£)		283,863,114												
Finance (£)		12,719,057												
ADR Cost (£)		0												
Total Dev Costs Inc Finance & ADR Costs (£)		309,832,690												
Gross Residual Value inc land less finance (£)		76,471,063												
Total Developer/Contractor Return (£)		56,700,126												
Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£)		19,770,937												

Summary Report 1														
Site Name	P/20/0646/OA Longfield Avenue									Land and Developer Returns Assumptions				
Site Information	Based on policy NA55 Fareham Local Plan & planning application P/20/0646/OA									Land & associated costs included in cashflow				
Description										Developer & contractor returns excluded from cashflow				
Date	10/10/2023	Updated		Compiled By	Felgate & D. Houston	Reference		CIL v2						
<b>Summary Details</b>														
	Net Area	44.03	hectares		Dwellings	1,200.00	NIA (Exc garages & circ space)	99,466.5	Garages	5,022.0	Circ space	2,183.9	Total GIA (inc circ space & garages)	106,672.4
	Gross Area	77.77	hectares	Market		720.00		65,133.0		5,022.0		914.8		71,069.8
	Net to Gross %	56.62%		Affordable		480.00		34,333.5		-		1,269.1		35,602.6
	Density	27.25	per net ha	% Affordable		40.00%								
<b>Scheme Revenue</b>														
	<b>Total</b>	<b>Market Sale</b>	<b>Not Selected</b>	<b>Custom Build</b>	<b>Not Selected</b>	<b>Social Rent</b>	<b>Affordable Rent</b>	<b>Not Selected</b>	<b>Not Selected</b>	<b>Shared Ownership</b>	<b>Not Selected</b>			
Total No of Units	1,200.00	600.00	-	120.00	-	47.80	263.20	-	-	169.00	-			
Total NIA exc garages & circ space (sq m)	99,466.5	52,505.5	-	12,627.5	-	3,454.0	19,025.5	-	-	11,854.0	-			
Garages (sq m)	5,022.0	3,627.0	-	1,395.0	-	-	-	-	-	-	-			
Total NIA inc garages exc circ space (sq m)	104,488.5	56,132.5	-	14,022.5	-	3,454.0	19,025.5	-	-	11,854.0	-			
Tenure Split (by %)		50.00%		10.00%		3.98%	21.93%			14.08%				
Sales Revenue (£)	368,757,543	224,139,745	-	56,787,806	-	6,234,400	46,415,700	-	-	35,179,892	-			
Average Revenue per unit (£)	307,298	373,566	-	473,232	-	130,427	176,351	-	-	208,165	-			
Average Revenue (£ per sq m) GIA	3,707	4,269	-	4,497	-	1,805	2,440	-	-	2,968	-			
<b>Capital Contributions (£)</b>														
Local centre revenue	1,966,633													
Care home serviced land	214,680													
0	-													
0	-													
0	-													
0	-													
<b>Total Capital contributions (£)</b>	<b>2,181,313</b>													
<b>Total Revenue (£)</b>	<b>370,938,856</b>													
<b>Scheme Development Costs (£)</b>														
Land (£)	11,812,500	151,890	per gross ha											
SDLT at prevailing rate (£)	580,125													
Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£)	206,719													
<b>Land &amp; associated fees Total (£)</b>	<b>12,599,344</b>	162,008	per gross ha											
	<b>Total</b>	<b>Market Sale</b>	<b>Not Selected</b>	<b>Custom Build</b>	<b>Not Selected</b>	<b>Social Rent</b>	<b>Affordable Rent</b>	<b>Not Selected</b>	<b>Not Selected</b>	<b>Shared Ownership</b>	<b>Not Selected</b>			
Build Cost (£) (inc garages)	170,857,737	85,812,959	-	24,315,152	-	6,077,653	33,464,093	-	-	21,187,879	-			
Additional Build Costs (£)	-	-	-	-	-	-	-	-	-	-	-			
<b>Total GIA inc circ space (sq m) Total</b>	<b>101,650</b>	<b>53,420</b>	<b>-</b>	<b>12,628</b>	<b>-</b>	<b>3,577</b>	<b>19,702</b>	<b>-</b>	<b>-</b>	<b>12,324</b>	<b>-</b>			
Contingency - 3% Build Costs (£)	5,125,733													
<b>Total Build Cost (£)</b>	<b>175,983,470</b>	<b>85,812,959</b>	<b>-</b>	<b>24,315,152</b>	<b>-</b>	<b>6,077,653</b>	<b>33,464,093</b>	<b>-</b>	<b>-</b>	<b>21,187,879</b>	<b>-</b>			
<b>Policy &amp; Infrastructure Costs (£)</b>														
General site infrastructure	30,000,000													
General site infrastructure contingency 10%	3,000,000													
Transport	6,257,561													
Education	20,254,073													
Open space/recreation/alternative recreational set up	3,517,505													
Nature reserve & geese set up	172,577													
M&M open space, recreation ARDS, nature	7,020,925													
Habitats - Solent & New Forest	1,063,359													
Health facilities	653,479													
Care home serviced land	214,680													
Local centre/community facility	3,395,238													
BNG	1,137,600													
<b>Total Policy &amp; Infrastructure Costs (£)</b>	<b>76,686,997</b>													
Sales & Marketing Costs & Legal Fees Total (Mkt Hsg)	8,427,827	6,724,192	-	1,703,634	-									
Sales & Marketing Costs & Legal Fees Total (Aff Hsg)	240,000					23,900	131,600	-	-	84,500	-			
Professional Fees Total (£)	11,753,117	5,148,778	-	2,960,562	-	364,659	2,007,846	-	-	1,271,273	-			
<b>CIL (£)</b>	<b>-</b>													
<b>Total Development Costs (£)</b>	<b>285,690,754</b>													
<b>Development Period</b>														
Development Period	12	Years												
Debit Interest Rate	8.00%													
Credit Interest Rate	0.00%													
Annual Discount Rate	0.00%													
Revenue and Capital Contributions (£)	370,938,856													
Land & associated Fees - inc in interest calc (£)	12,599,344													
Development Costs (£)	273,091,410													
Finance (£)	11,922,260													
ADR Cost (£)	0													
Total Dev Costs Inc Finance & ADR Costs (£)	297,613,014													
<b>Gross Residual Value inc land less finance (£)</b>	<b>73,325,841</b>													
Total Developer/Contractor Return (£)	54,432,121													
<b>Gross Residual Value inc land less finance (£) less Dev &amp; Cont Returns (£)</b>	<b>18,893,720</b>													

## Appendix C Sensitivity viability appraisal summaries

Summary Report 1											
Site Name	HA55 Longfield Avenue sensitivity								Land and Developer Returns		
Site Information	Based on policy HA55 Fareham Local Plan & planning application P/20/0646/OA with 44%								Land & associated costs included in		
Description									Developer & contractor returns		
Date	22/11/2023	Updated		Compiled by	gate & D. Hc	Reference	CIL v2				
Summary Details					Dwellings	NIA (Exc garages & circ space)	Garages	Circ space	Total GIA (inc circ space & garages)		
	Net Area	46.47	hectares		1,250.00	103,610.9	5,231.3	2,252.5	111,094.7		
	Gross Area	90.57	hectares	Market	750.00	67,846.9	5,231.3	938.8	74,016.9		
	Net to Gross %	51.31%		Affordable	500.00	35,764.1	-	1,313.7	37,077.8		
Density	26.90	per net ha	% Affordable	40.00%							
Scheme Revenue											
	Total	Market Sale	Not Selected	Custom Build	Not Selected	Social Rent	Affordable Rent	Not Selected	Not Selected	Shared Ownership	Not Selected
Total No of Units	1,250.00	625.00	-	125.00	-	49.79	274.17	-	-	176.04	-
Total NIA exc garages & circ space (sq m)	103,610.9	54,693.2	-	13,153.6	-	3,597.9	19,818.2	-	-	12,347.9	-
Garages (sq m)	5,231.3	3,778.1	-	1,453.1	-	-	-	-	-	-	-
Total NIA inc garages exc circ space (sq m)	108,842.2	58,471.4	-	14,606.8	-	3,597.9	19,818.2	-	-	12,347.9	-
Tenure Split (by %)		50.00%		10.00%		3.98%	21.93%			14.08%	
Sales Revenue (£)	384,122,440	233,478,901	-	59,153,965	-	6,494,167	48,349,688	-	-	36,645,721	-
Average Revenue per unit (£)	307,298	373,566	-	473,232	-	130,427	176,351	-	-	208,165	-
Average Revenue (£ per sq m) GIA	3,707	4,269	-	4,497	-	1,805	2,440	-	-	2,968	-
Capital Contributions (£)											
Local centre revenue	1,966,633										
Care home serviced land	214,680										
	0										
Total Capital contributions (£)	2,181,313										
Total Revenue (£)	386,303,753										
Scheme Development Costs (£)											
Land (£)	12,422,500	137,159	per gross ha								
SDLT at prevailing rate (£)	610,625										
Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£)	217,394										
Land & associated fees Total (£)	13,250,519	146,301	per gross ha								
	Total	Market Sale	Not Selected	Custom Build	Not Selected	Social Rent	Affordable Rent	Not Selected	Not Selected	Shared Ownership	Not Selected
Build Cost (£) (inc garages)	177,922,226	89,354,350	-	25,328,283	-	6,328,870	34,847,326	-	-	22,063,397	-
Additional Build Costs (£)	-	-	-	-	-	-	-	-	-	-	-
Total GIA inc circ space (sq m)	105,863	55,632	-	13,154	-	3,725	20,518	-	-	12,834	-
Total Contingency - 3% Build Costs (£)	5,337,667										
Total Build Cost (£)	183,259,893	89,354,350	-	25,328,283	-	6,328,870	34,847,326	-	-	22,063,397	-
Policy & Infrastructure Costs (£)											
General site infrastructure	31,250,000										
General site infrastructure contingency 10%	3,125,000										
Transport	9,414,269										
Education	20,891,928										
Open space, recreation, AROS	3,559,183										
Nature reserve, geese	271,628										
M&M open space, recreation, AROS, reserve	7,114,391										
Habitat mitigation - Solent, New Forest	1,107,666										
Health	682,279										
Care home	214,680										
Local centre	3,395,238										
BNG	1,185,000										
Total Policy & Infrastructure Costs (£)	82,211,262										
Sales & Marketing Costs & Legal Fees Total (Mkt Hsg)	8,778,986	7,004,367	-	1,774,619	-						
Sales & Marketing Costs & Legal Fees Total (Aff Hsg)	250,000					24,896	137,083	-	-	88,021	-
Professional Fees Total (£)	12,239,555	5,361,261	-	3,083,919	-	379,732	2,090,840	-	-	1,323,804	-
CIL (£)	-										
Total Development Costs (£)	299,990,215										
Development Period											
Development Period	12	Years									
Debit Interest Rate	8.00%										
Credit Interest Rate	0.00%										
Annual Discount Rate	0.00%										
Revenue and Capital Contributions (£)	386,303,753										
Land & associated Fees - inc in interest calc (£)	13,250,519										
Development Costs (£)	286,739,696										
Finance (£)	14,102,832										
ADR Cost (£)	0										
Total Dev Costs Inc Finance & ADR Costs (£)	314,093,047										
Gross Residual Value inc land less finance (£)	72,210,707										
Total Developer/Contractor Return (£)	56,700,126										
Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£)	15,510,581										

Summary Report 1													
Site Name	P/20/0646/OA Longfield Avenue						Land and Developer Returns Assumptions						
Site Information	Based on policy NA55 Fareham Local Plan & planning application P/20/0646/OA						Land & associated costs included in cashflow						
Description							Developer & contractor returns excluded from cashflow						
Date	10/10/2023	Updated		Compiled by	Felgate & D. Houston	Reference	CIL v2						
<b>Summary Details</b>													
	Net Area	44.03 hectares		Dwellings	1,200.00	NIA (Exc garages & circ space)	99,466.5	Garages	5,022.0	Circ space	2,183.9	Total GIA (inc circ space & garages)	106,672.4
	Gross Area	77.77 hectares	Market		720.00		65,133.0		5,022.0		914.8		71,069.8
	Net to Gross %	56.62%	Affordable		480.00		34,333.5		-		1,269.1		35,602.6
	Density	27.25 per net ha	% Affordable		40.00%								
<b>Scheme Revenue</b>													
	<b>Total</b>	<b>Market Sale</b>	<b>Not Selected</b>	<b>Custom Build</b>	<b>Not Selected</b>	<b>Social Rent</b>	<b>Affordable Rent</b>	<b>Not Selected</b>	<b>Not Selected</b>	<b>Shared Ownership</b>	<b>Not Selected</b>		
Total No of Units	1,200.00	600.00	-	120.00	-	47.80	263.20	-	-	169.00	-		
Total NIA exc garages & circ space (sq m)	99,466.5	52,505.5	-	12,627.5	-	3,454.0	19,025.5	-	-	11,854.0	-		
Garages (sq m)	5,022.0	3,627.0	-	1,395.0	-	-	-	-	-	-	-		
Total NIA inc garages exc circ space (sq m)	104,488.5	56,132.5	-	14,022.5	-	3,454.0	19,025.5	-	-	11,854.0	-		
Tenure Split (by %)		50.00%		10.00%		3.98%	21.93%			14.08%			
Sales Revenue (£)	368,757,543	224,139,745	-	56,787,806	-	6,234,400	46,415,700	-	-	35,179,892	-		
Average Revenue per unit (£)	307,298	373,566	-	473,232	-	130,427	176,351	-	-	208,165	-		
Average Revenue (£ per sq m) GIA	3,707	4,269	-	4,497	-	1,805	2,440	-	-	2,968	-		
<b>Capital Contributions (£)</b>													
Local centre revenue	1,966,633												
Care home serviced land	214,680												
0	-												
0	-												
0	-												
0	-												
<b>Total Capital contributions (£)</b>	<b>2,181,313</b>												
<b>Total Revenue (£)</b>	<b>370,938,856</b>												
<b>Scheme Development Costs (£)</b>													
Land (£)	11,812,500	151.890	per gross ha										
SDLT at prevailing rate (£)	580,125												
Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£)	206,719												
<b>Land &amp; associated fees Total (£)</b>	<b>12,599,344</b>	162.008	per gross ha										
	<b>Total</b>	<b>Market Sale</b>	<b>Not Selected</b>	<b>Custom Build</b>	<b>Not Selected</b>	<b>Social Rent</b>	<b>Affordable Rent</b>	<b>Not Selected</b>	<b>Not Selected</b>	<b>Shared Ownership</b>	<b>Not Selected</b>		
Build Cost (£) (inc garages)	170,857,737	85,812,959	-	24,315,152	-	6,077,653	33,464,093	-	-	21,187,879	-		
Additional Build Costs (£)	-	-	-	-	-	-	-	-	-	-	-		
<b>Total GIA inc circ space (sq m) Total</b>	<b>101,650</b>	<b>53,420</b>	<b>-</b>	<b>12,628</b>	<b>-</b>	<b>3,577</b>	<b>19,702</b>	<b>-</b>	<b>-</b>	<b>12,324</b>	<b>-</b>		
Contingency - 3% Build Costs (£)	5,125,733												
<b>Total Build Cost (£)</b>	<b>175,983,470</b>	<b>85,812,959</b>	<b>-</b>	<b>24,315,152</b>	<b>-</b>	<b>6,077,653</b>	<b>33,464,093</b>	<b>-</b>	<b>-</b>	<b>21,187,879</b>	<b>-</b>		
<b>Policy &amp; Infrastructure Costs (£)</b>													
General site infrastructure	30,000,000												
General site infrastructure contingency 10%	3,000,000												
Transport	9,010,888												
Education	20,254,073												
Open space/recreation/alternative recreational set up	3,517,505												
Nature reserve & geese set up	172,577												
M&M open space, recreation AROS, nature	7,030,925												
Habitats - Solent & New Forest	1,063,359												
Health facilities	653,479												
Care home serviced land	214,680												
Local centre/community facility	3,395,238												
BNG	1,137,600												
-	-												
-	-												
<b>Total Policy &amp; Infrastructure Costs (£)</b>	<b>79,440,324</b>												
Sales & Marketing Costs & Legal Fees Total (Mkt Hsg)	8,427,827	6,724,192	-	1,703,634	-								
Sales & Marketing Costs & Legal Fees Total (Aff Hsg)	240,000					23,900	131,600	-	-	84,500	-		
Professional Fees Total (£)	11,753,117	5,148,778	-	2,960,562	-	364,659	2,007,846	-	-	1,271,273	-		
<b>CIL (£)</b>	<b>-</b>												
<b>Total Development Costs (£)</b>	<b>288,444,081</b>												
<b>Summary</b>													
Development Period	12 Years												
Debit Interest Rate	8.00%												
Credit Interest Rate	0.00%												
Annual Discount Rate	0.00%												
Revenue and Capital Contributions (£)	370,938,856												
Land & associated Fees - inc in interest calc (£)	12,599,344												
Development Costs (£)	275,844,737												
Finance (£)	13,225,350												
ADR Cost (£)	0												
Total Dev Costs Inc Finance & ADR Costs (£)	301,669,431												
<b>Gross Residual Value inc land less finance (£)</b>	<b>69,269,424</b>												
Total Developer/Contractor Return (£)	54,432,121												
<b>Gross Residual Value inc land less finance (£) less Dev &amp; Cont Returns (£)</b>	<b>14,837,304</b>												