



Ipswich Community Infrastructure Levy Viability Study

Final Report

On behalf of **Ipswich Borough Council**






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1 INTRODUCTION

1.1.1 Ipswich Borough Council is planning to introduce a Community Infrastructure Levy (CIL), and have appointed Peter Brett Associates to assess development viability in their areas and recommend CIL charging rates accordingly. This report provides our analysis and recommendations.

1.1.2 Following this introduction:

- In Chapter 2 we introduce the Community Infrastructure Levy and set out the legal requirements that a CIL charging schedule must comply with.
- Chapter 3 examines the planning and development context, in order to ensure that CIL supports development in the Borough as proposed in the Core Strategy.
- Chapters 4 and 5 set out the method and assumptions used in our viability assessments.
- Chapters 6-12 provide these assessments for different land uses and recommend CIL charges accordingly.
- Chapter 13 recommends a standard charge for uses not separately covered.
- Chapter 14 provide analysis of site testing.
- Chapter 15 pulls together the suggested charges and recommends a proposed CIL Charging Schedule.

2 LEGAL REQUIREMENTS

2.1 Introduction

- 2.1.1 The Community Infrastructure Levy (CIL) is a new planning charge that came into force on 6 April 2010. The levy allows local authorities in England and Wales to raise contributions from development to help pay for infrastructure that is needed to support planned development. Local authorities who wish to charge the levy must produce a draft charging schedule setting out CIL rates for their areas – which are to be expressed as pounds (£) per square metre, as CIL will be levied on the gross internal floorspace of the net additional liable development. Before it is approved by the Council, the draft schedule has to be tested by an independent examiner.
- 2.1.2 The requirements which a CIL charging schedule has to meet are set out in:
- The Planning Act 2008 as amended by the Localism Act 2011.
 - The CIL Regulations 2010¹, as amended in 2011², 2012³ and 2013⁴.
 - The CIL Guidance issued under S221 of the Planning Act 2008, which is statutory guidance, i.e. it has the force of law and the authority must have regard to the guidance⁵.
- 2.1.3 To help charging authorities meet these requirements, the government has also produced non-statutory information documents, comprising:
- CIL overview documents⁶.
 - Documents on CIL relief and on collection and enforcement⁷.
- 2.1.4 Below, we summarise the key points from these various documents.

2.2 Striking the appropriate balance

- 2.2.1 Regulation 14 requires that a charging authority '*aim to strike what appears to the charging authority to be an appropriate balance*' between:
- a) The desirability of funding from CIL (in whole or in part) the... cost of infrastructure required to support the development of its area... and
 - b) The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

¹ http://www.legislation.gov.uk/ukdsi/2010/9780111492390/pdfs/ukdsi_9780111492390_en.pdf

² http://www.legislation.gov.uk/ukdsi/2011/9780111506301/pdfs/ukdsi_9780111506301_en.pdf

³ http://www.legislation.gov.uk/uksi/2012/2975/pdfs/uksi_20122975_en.pdf

⁴ http://www.legislation.gov.uk/uksi/2013/982/pdfs/uksi_20130982_en.pdf

⁵ DCLG (April 2013) Community Infrastructure Levy Guidance

⁶ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1897278.pdf>

⁷ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/19021101.pdf>;
<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1995794.pdf>

- 2.2.2 By itself, this statement is not easy to interpret. The statutory guidance explains its meaning. This explanation is important and worth quoting at length:

'By providing additional infrastructure to support development of an area, the levy is expected to have a positive economic effect on development across an area. In deciding the rate(s) of the levy for inclusion in its draft charging schedule, a key consideration is the balance between securing additional investment for infrastructure to support development and the potential economic effect of imposing the levy upon development across their area. The Community Infrastructure Levy regulations place this balance of considerations at the centre of the charge-setting process. In meeting the requirements of regulation 14(1), charging authorities should show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant Plan and support the development of their area. As set out in the National Planning Policy Framework in England, the ability to develop viably the sites and the scale of development identified in the Local Plan should not be threatened.'

- 2.2.3 In other words, the 'appropriate balance' is the level of CIL which maximises the delivery of development in the area. If the CIL charging rate is above this appropriate level, there will be less development than planned, because CIL will make too many potential developments unviable. Conversely, if the charging rates are below the appropriate level, development will also be compromised, because it will be constrained by insufficient infrastructure.

- 2.2.4 Achieving an appropriate balance is a matter of judgement. It is not surprising, therefore, that charging authorities are allowed discretion in this matter. This is set out in the legislation and guidance. For example, Regulation 14 requires that in setting levy rates, the Charging Authority (our underlinings highlight the discretion):

'must aim to strike what appears to the charging authority to be an appropriate balance...'

and the statutory guidance says

'The legislation... requires a charging authority to use appropriate available evidence to inform the draft charging schedule'. A charging authority's proposed levy rate (or rates) should be reasonable given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence... there is room for some pragmatism.'⁸

- 2.2.5 The Statutory Guidance sets the delivery of development in the area firmly in the context of implementing the Core Strategy. This is linked to the plan viability requirements of the NPPF, particularly paragraphs 173 and 174. This point is given emphasis throughout the Guidance. For example, in guiding examiners, the Guidance makes it clear that the independent examiner should establish that:

'.....evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole.'

- 2.2.6 This also makes the point that viability is not simply a site specific issue but one for the plan as a whole.

- 2.2.7 Regulation 14 effectively recognises that the introduction of CIL may put some potential development sites at risk. The focus is on seeking to ensure development envisaged by the Core Strategy can be delivered. Accordingly, when considering evidence the guidance requires that charging authorities should '*use an area based approach, which involves a broad test of viability across their area*', supplemented by sampling '*...an appropriate range of sites*

⁸ DCLG (April 2013) *Community Infrastructure Levy Guidance* (para 28)

across its area... with the focus *'...in particular on strategic sites on which the relevant Plan relies...'*⁹

- 2.2.8 This reinforces the message that charging rates do not need to be so low that CIL does not make any individual development schemes unviable. The levy may put some schemes at risk in this way, so long as, in aiming strike an appropriate balance overall it avoids threatening the ability to develop viably the sites and scale of development identified in the Core Strategy.

2.3 Keeping clear of the ceiling

- 2.3.1 The guidance advises that CIL rates should not be set at the very margin of viability, partly in order that they may remain robust over time as circumstances change:

*'Charging authorities should avoid setting a charge right up to the margin of economic viability across the vast majority of sites in their area. Charging authorities should show, using appropriate available evidence, including existing published data, that their proposed charging rates will contribute positively towards and not threaten delivery of the relevant Plan as a whole at the time of charge setting and throughout the economic cycle..'*¹⁰

- 2.3.2 We would add two further reasons for a cautious approach to rate-setting, which stops short of the margin of viability:

- Values and costs vary widely between individual sites and over time, in ways that cannot be fully captured by the viability calculations in the CIL evidence base.
- A charge that aims to extract the absolute maximum would be strenuously opposed by landowners and developers, which would make CIL difficult to implement and put the overall development of the area at serious risk.

2.4 Varying the charge

- 2.4.1 CIL Regulations (Regulation 13) currently allows the charging authority to introduce charge variations by geographical zone in its area, by use of buildings, or both. (It is worth noting that the phrase 'use of buildings' indicates something distinct from 'land use').¹¹ As part of this, some rates may be set at zero. But variations must reflect differences in viability; they cannot be based on policy boundaries. Nor should differential rates be set by reference to the costs of infrastructure.

- 2.4.2 The guidance also points out that there are benefits in keeping a single rate, because that is simpler, and charging authorities should avoid 'undue complexity'.¹²

- 2.4.3 Moreover, generally speaking, *'it would not be appropriate to seek to differentiate in ways that impact disproportionately on particular sectors, or specialist forms of development'*; otherwise the CIL may fall foul of State Aid rules.¹³

⁹ DCLG (April 2013) *Community Infrastructure Levy Guidance* (Paras 23 and 27)

¹⁰ DCLG (April 2013) *Community Infrastructure Levy Guidance* (Para 30)

¹¹ The Regulations allow differentiation by "uses of development". "Development" is specially defined for CIL to include only 'buildings', it does not have the wider 'land use' meaning from TCPA 1990, except where the reference is to development of the area, in which case it does have the wider definition. See S 209(1) of PA 2008, Reg 2(2), and Reg 6.

¹² DCLG (April 2013) *Community Infrastructure Levy Guidance* (Para 37)

¹³ DCLG (April 2013) *Community Infrastructure Levy Guidance* (Para 37)

2.4.4 It is worth noting, however, that the guidance is clear that *'In some cases, charging authorities could treat a major strategic site as a separate geographical zone where it is supported by robust evidence on economic viability.'*¹⁴

¹⁴ DCLG (April 2013) *Community Infrastructure Levy Guidance* (Para 34)

Differential rates by size of development

- 2.4.5 The Government has consulted on further regulatory reforms, the findings of which were reported in October 2013¹⁵. Amongst other updates to the CIL regulations, the Government is now proposing to implement changes to *'allow authorities to set differential rates by reference to the proposed size of development, or the proposed number of units or dwellings'*.
- 2.4.6 Statutory guidance¹⁶ states that the consultation on the Preliminary Draft Charging Schedule should go *'beyond proposals'* and should be one *'that is evidence based and that will reduce the need for subsequent modifications'*. This study is to form the evidence base for Ipswich Borough Council's Preliminary Draft Charging Schedule. To reduce the need for *'subsequent modifications'* it is necessary for this study to give consideration to likely future updates to CIL regulations which may take effect before consultation on a Draft Charging Schedule.

2.5 Supporting evidence

- 2.5.1 The legislation requires a charging authority to use *'appropriate available evidence'* to inform their charging schedules¹⁷. The statutory guidance expands on this, explaining that the available data *'is unlikely to be fully comprehensive or exhaustive'*.¹⁸
- 2.5.2 These statements are important, because they indicate that the evidence supporting CIL charging rates should be proportionate, avoiding excessive detail. One implication of this is that we should not waste time and cost analysing types of development that will not have significant impacts, either on total CIL receipts or on the overall development of the area as set out in the Core Strategy. This suggests that the viability calculations may leave aside geographical areas and types of development which are expected to see little or no development over the plan period.

2.6 Chargeable floorspace

- 2.6.1 CIL will be payable on *'most buildings that people normally use'*¹⁹. It will be levied on the net additional floorspace created by any given development scheme²⁰. Any new build that replaces existing floorspace that has been in recent use on the same site will be exempt from CIL, even if the new floorspace belongs to a higher-value use than the old.

2.7 What the examiner will be looking for

- 2.7.1 According to statutory guidance, the independent examiner should check that:
- The charging authority has complied with the requirements set out in legislation.
 - The charging authority's draft charging schedule is supported by background documents containing appropriate available evidence.
 - The proposed rate or rates are informed by and consistent with, the evidence on economic viability across the charging authority's area.

¹⁵ DCLG (Oct 2013) *Community Infrastructure Levy: Consultation on further Regulatory Reforms - Government Response*

¹⁶ (April 2013) *Community Infrastructure Levy Guidance* (Paragraph 46)

¹⁷ Section 211 (7A) of the Planning Act 2008

¹⁸ (April 2013) *Community Infrastructure Levy Guidance* (Paragraph 25)

¹⁹ DCLG (Nov 2010) *Community Infrastructure Levy – An Overview* (paragraph 37)

²⁰ DCLG (Nov 2010) *Community Infrastructure Levy – An Overview* (paragraph 38)

- Evidence has been provided that shows the proposed rate would not threaten delivery of the relevant Plan as a whole.²¹

2.8 Policy and other requirements

2.8.1 Above, we have dealt with legal and statutory guidance requirements which are specific to establishing a CIL. More broadly, the CIL Guidance says that charging authorities '*should consider relevant national planning policy (including the NPPF in England) when drawing up their charging schedules*'. In addition, where consideration of development viability is concerned, the CIL Guidance draws specific attention to paragraphs 173 to 177 of the NPPF.

2.8.2 The only policy requirements which relate directly to CIL are set out at paragraph 175 of the NPPF, covering, firstly, working up CIL alongside the plan making where practical; and secondly placing control over a meaningful proportion of funds raised with neighbourhoods where development takes place. Since April 2013²² this policy requirement has been complemented with a legal duty on charging authorities to pass a specified proportion of CIL receipts to local councils, to spend it on behalf of the neighbourhood if there is no local council for the area where development takes place. Whilst important considerations, these two points are outside the immediate remit of this study.

2.9 Summary

2.9.1 To meet legal requirements and satisfy the independent examiner, a CIL charging schedule should:

'Aim to strike what appears to the charging authority to be an appropriate balance' between the need to fund infrastructure and the impact of CIL; and

'Not threaten delivery of the relevant plan as a whole'.

2.9.2 As explained in statutory guidance, this means that the net effect of the levy on total development across the area should be positive. CIL may reduce development by making certain schemes which are not plan priorities unviable. Conversely, it may increase development by funding infrastructure that would not otherwise be provided, which in turn supports development that otherwise would not happen. The law requires that, in the judgment of the local authority, the net outcome of these two impacts should be positive. This judgment is at the core of the charge-setting process.

2.9.3 Legislation and guidance also set out that:

- Authorities should avoid setting charges up to the margin of viability for the bulk of sites.
- CIL charging rates may vary across geographical zones and building uses (and only across these two factors). But there are restrictions on this differential charging. It must be justified by differences in development viability, not by policy or by varying infrastructure costs; it should not introduce undue complexity; and it should have regard to State Aid rules.
- Charging rates should be informed by 'appropriate available evidence', which need not be 'fully comprehensive or exhaustive'.

²¹ DCLG (April 2013) Community Infrastructure Levy Guidance (Para 9)

²² http://www.legislation.gov.uk/ukxi/2013/982/pdfs/ukxi_20130982_en.pdf

- 2.9.4 While charging rates should be consistent with the evidence, they are not required to ‘mirror’ the evidence²³. In this, and other ways, charging authorities have discretion in setting charging rates.
- 2.9.5 In our analysis and recommendations, we aim both to meet these legal and statutory guidance requirements and to maximise achievement of the Councils’ own priorities, using the discretion that the legislation and guidance allow.

²³ Planning Act 2008 (Section 212 (4) (b))

3 PLANNING AND DEVELOPMENT CONTEXT

3.1 Introduction

- 3.1.1 We need to ensure that the CIL supports development in general, and delivery of the Council's priorities. In this chapter we therefore review recent patterns of development and the objectives and proposals of the Borough's Core Strategy²⁴.
- 3.1.2 At the end of this chapter, we look at the implications of this analysis for the charging schedule.

3.2 Development in Ipswich

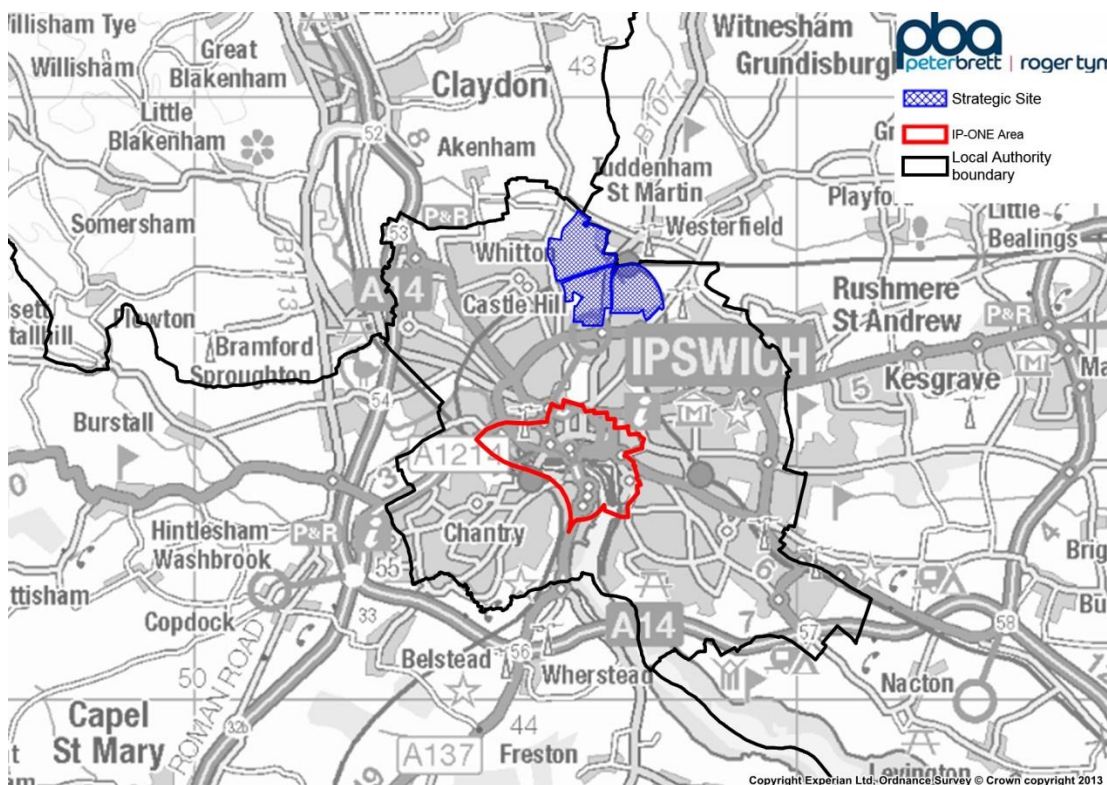
- 3.2.1 Below we analyse land uses which are central to delivery of the Core Strategy or otherwise likely to be significant forms of development.

Residential

- 3.2.2 The Ipswich Borough Core Strategy was adopted in December 2011. This requires 14,000 dwellings to be provided between 2001 and 2021. It also requires the same rate of housing to be delivered over the six years after this date, leaving a total requirement of 18,200 to 2027.
- 3.2.3 As at April 2013, a total of 7,282 dwellings had been completed, leaving just fewer than 11,000 dwellings to be delivered over the remainder of the plan period.
- 3.2.4 The largest strategic residential allocation is for 3,500 dwellings in the Northern Fringe Garden Suburb. The map below shows the location of this proposed development, approximately 1 mile north of the Ipswich Town Centre.
- 3.2.5 Of the remaining housing requirement, the large majority is expected to come on a number of sites falling within the IP-One boundary as identified in the emerging Site Allocations and Policies (incorporating IP-One Area Action Plan) Development Plan Document. Policy CS3 of the Core Strategy indicates that IP-One will deliver approximately 2,000 homes. The map below also shows the location of IP-One, which is positioned around Ipswich Town Centre.

²⁴ Ipswich Borough Council (2011), *Core Strategy & Policies Development Plan Document*

Figure 3.1 Location of main strategic residential development sites in Ipswich



Source: PBA/IBA

Employment

- 3.2.6 The Annual Monitoring Review (AMR)²⁵ sets out how much employment space has been developed in Ipswich over the period March 2011 to March 2012. The following accommodation was developed: 1,052 sq m of B1, 345 sq m of B2. No B8 accommodation was developed. The vast majority of this gain in floorspace was predominantly outside of the town centre and mainly accounted for by development at Haven Power and Ransomes Europark.
- 3.2.7 The Core Strategy makes the following strategic allocations in order to deliver at least 18,000 new jobs between 2001 and 2025:
- At least 30 ha through the Site Allocations and Policies (Incorporating IP-One Area Action Plan) development plan document.
 - 16.7 ha at the former Cranes factory, Nacton Road, which will be safeguarded for B1, B2 and B8 uses.
- 3.2.8 The majority of B1 office space will be directed to Ipswich town centre and this will further be reflected in site allocations to be made in Site Allocations and Policies (incorporating IP-One Area Action Plan) Development Plan Document.

²⁵ Ipswich Borough Council (2013), *Ipswich Local Plan - Authority Monitoring Report 8, 2011/2012*

Retail

- 3.2.9 In terms of recent retail development, the 2011/2012 AMR states that there was 1,423 sq m of A1 and 144 sq m of A2 accommodation developed in the Borough. 722 sq m of the A1 accommodation was developed within the town centre, mainly accounted for by the development of Little Waitrose in the Corn Exchange.
- 3.2.10 With regards to planned retail development, there are proposals on Grafton Street for a supermarket of 9,422 sq m in addition to A1/A3 units of 1,498 sq m.
- 3.2.11 The Core Strategy seeks to deliver at least 35,000 sq m of net additional retail floorspace across the Borough, with this focused within Ipswich Town Centre. The Core Strategy states that any major retail development in edge of centre or out of centre locations will be considered in light of national policy.

Student Accommodation

- 3.2.12 The Core Strategy states that the Council will continue to support the development of educational facilities at Suffolk New College and University Campus Suffolk.
- 3.2.13 There has been no recent student accommodation developed and the 2011/2012 AMR reports that no student accommodation units were completed during the monitoring period. However, the aspiration to expand higher education facilities in the Borough, through the growth of University Campus Suffolk and Suffolk New College, will place an increasing expectation on the provision of additional student accommodation.

Care Homes

- 3.2.14 Ipswich has seen a number of care home developments over recent years. However, it is recognised as a growth sector and, with the ageing population, it is likely that the need for additional care home schemes will increase in the coming years.

Hotels

- 3.2.15 The Core Strategy states that hotel development will be supported and focused in Ipswich town centre. The emerging Site Allocations and Policies (incorporating IP-One Area Action Plan) Development Plan Document also allocated sites for mixed use development to include hotels.
- 3.2.16 The Core Strategy also states that the tourism sector is a significant sector in Ipswich and the development of cultural and leisure facilities are supported by the Core Strategy and the emerging Site Allocations and Policies (incorporating IP-One Area Action Plan) Development Plan Document. Therefore there is likely to be growth in the tourism sector which could warrant the development of more hotels.

3.3 Summary

- 3.3.1 The land uses which are central to delivery of the Core Strategy or otherwise likely to be significant forms of development, comprise:
- Residential.
 - Offices.
 - Industrial.

- Retail.
- Student Accommodation.
- Care Homes.
- Hotel.

3.3.2 In our viability assessments and the resulting recommendations, we have focussed on these types of development, aiming to ensure that they remain broadly viable after the CIL charge is levied.

4 VIABILITY ASSESSMENT METHOD

4.1 Development appraisal

- 4.1.1 Viability assessment is at the core of the charge-setting process. The purpose of the assessment is to identify charging rates at which the bulk of the development proposed in the development plan is financially viable, in order to ensure that the CIL does not put at risk the overall level of development planned for the area.
- 4.1.2 Our viability assessments are based on development appraisals of hypothetical schemes, using the residual valuation method. This approach is in line with accepted practice and as recommended by RICS guidance²⁶ and the Harman report.²⁷ Residual valuation is applied to different land uses and where relevant to different parts of the Borough and district, aiming to show typical values for each. It is based on the following formula:

Value of completed development scheme

Less development costs - including build costs, fees, finance costs etc

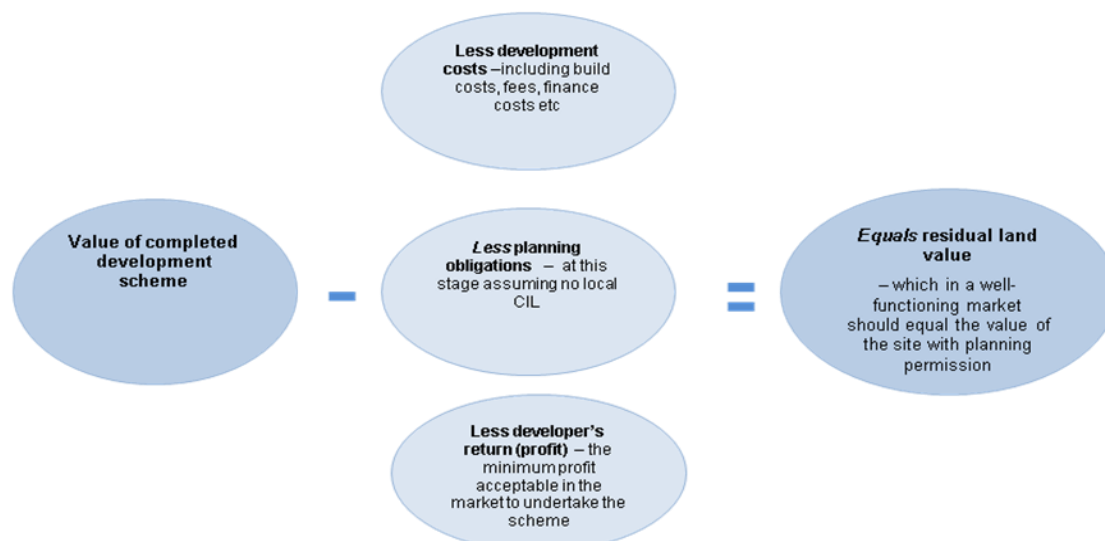
Less developer's return (profit) – the minimum profit acceptable in the market to undertake the scheme

Less policy costs – building in (for example) Section 106 costs and other policy requirements

Equals residual land value

– which in a well-functioning market should equal the value of the site with planning permission

Figure 4.1 Method diagram



Source: PBA

²⁶ RICS (2012), *Financial Viability in Planning, RICS First Edition Guidance Note*

²⁷ Local Housing Delivery Group Chaired by Sir John Harman (2012) *Viability Testing Local Plans*

- 4.1.3 For each of the hypothetical schemes tested, we use this formula to estimate typical residual land values, which is what the site should be worth once it has full planning permission. The residual value calculation requires a wide range of inputs, or assumptions, including the costs of development and the required developer's return.
- 4.1.4 The arithmetic of residual appraisal is straightforward (we use a bespoke spreadsheet model for residential appraisals, and the popular Argus Developer software for most other building uses). However, the inputs for the calculation are hard to determine for a specific site (as demonstrated by the complexity of many S106 negotiations). The difficulties grow when we are required to make calculations that represent a typical or average site – which is what we need to do for CIL purposes. Therefore our viability assessments are necessarily broad approximations, subject to a margin of uncertainty.
- 4.1.5 Detailed individual appraisals are at Appendix A.

4.2 The summary tables

- 4.2.1 Having estimated the residual value, we compare this residual value with the 'benchmark land value' or 'land cost', which is the minimum land value the landowner is likely to accept to release their land for the development specified.
- 4.2.2 This process of comparison takes place in what we call the 'viability summary' table. These summary tables can be found in the relevant sections. The first example in this report is found at Table 6.2.
- 4.2.3 Benchmark values will vary to reflect the landowner's judgements, which might include the contextual nature of development, the site density achievable, the approach to the delivery of affordable housing (in the context of residential development) and so on. There are a wide range of permutations here. In order to make progress, we have to assume a central value, even though there could be a margin of error in practice. These values are discussed further in Chapter 5.
- If the residual land value shown by the appraisals is below the benchmark value, the development is not financially viable, even without CIL. That means that unless the circumstances change it will not happen.
 - If the residual value and the benchmark values are equal, the development is just viable, but there is no surplus value available for CIL.
 - If the residual land value shown by the appraisals is above the benchmark value, the development is viable. The excess of residual over benchmark value measures the maximum amount that may be potentially captured by CIL. The summary table then converts this amount available for CIL into a per square metre charge in the column at the far right.
- 4.2.4 It is important to bear in mind that these calculations are no more than approximations, surrounded by margins of uncertainty but are based on best available evidence and judgement. In drawing the implications for CIL, we take account of this uncertainty and use professional judgment to interpret the figures. We explain below.

4.3 Recommending a CIL charge

- 4.3.1 The summary table discussed above indicate that CIL charges of a given amount may be capable of being sustained in the area. However, we are likely to recommend that the charge is set well under this point. The principal reasons for this are that:
- Markets fluctuate over time. There must be sufficient latitude for fluctuations to happen without rendering the CIL charge unviable.
 - Individual site costs and values vary. Developments should remain viable after CIL charge is paid in the bulk of cases.
- 4.3.2 It is conceivable that a simple, arithmetical approach could be used to take us from the 'overage' that the summary table suggests is available for CIL, to a recommended CIL Charge. For example, it would be possible to set a CIL at 50% of the overage indicated in the viability testing, and to mechanically apply this deflator.
- 4.3.3 However, we have intentionally avoided this approach, because the viability tests necessarily cannot take account of developers' market understanding of risk, or of institutional investors' willingness to invest. These are important components of the judgement on a sensible level of CIL charge, but they cannot emerge arithmetically from the viability model. Instead, we use our market judgement in arriving at a sensible charge.

5 VIABILITY ASSESSMENT ASSUMPTIONS

5.1.1 In this chapter we discuss the main assumptions used in our development appraisals. A number of these assumptions require detailed explanation and are discussed in the next section. Other assumptions will be set out briefly in Table 5.1 below.

5.2 Benchmark land values

5.2.1 Our estimates of benchmark values are based on both serviced land sales with consent and disposals of land (existing use) without the benefit of planning permission. We have examined a wide variety of land transactions in Ipswich and the surrounding area, using three main sources:

- Land currently being marketed on the UK Land Directory website and EG Property Link.
- Consultations with local property agents and developers.
- Values reported in viability studies submitted to the council as part of recent S106 negotiations.

5.2.2 Our consultees are listed at Appendix B. The actual comparables we have used were provided in confidence and cannot be made public.

5.2.3 It is important to appreciate that assumptions on benchmark land values can only be broad approximations, subject to a wide margin of uncertainty. We take account of this uncertainty in drawing conclusions and recommendations from our analysis.

Residential

5.2.4 We have analysed a cross section of residential land comparables across Ipswich and the wider sub-region.

5.2.5 Over recent years there has only been limited residential development within Ipswich, and a dearth of land transactions. It was therefore necessary to supplement transactional information through consultation with local property agents and developers.

5.2.6 The comparable evidence collated generally relates to urban and edge of urban infill sites, which are mainly serviced with roads and major utilities to the site boundary. We understand this is reflective of residential sites coming forward in the plan period.

5.2.7 It was notable that there are variations in land value dependent upon location within Ipswich, with land value fluctuating in line with house price. It was deemed appropriate to use three bands of land value: low, mid and high. However, as detailed below, there are also variances within these bands.

5.2.8 Generally, smaller sites providing 9 units or less are worth more than larger sites, on a £ per ha basis. These patterns are significant; schemes providing 10 units and above are required to make a contribution to affordable housing whereas for schemes providing 9 units or less there is no requirement towards affordable housing. To accommodate for such variations (dependent upon number of units to be delivered) allowances within the three value bands have been made.

5.2.9 Based on the analysis above we have used the following benchmark land values:

- Low value - For sites providing 9 units or less land values of £750,000 per ha, for sites providing 10 to 14 units £625,000 per ha and for sites providing 15 units or more land values of £500,000 per ha.
- Mid value - For sites providing 9 units or less land values of £1,000,000 per ha, for sites providing 10 to 14 units £875,000 per ha and for sites providing 15 units or more land values of £750,000 per ha.
- High value - For sites providing 9 units or less land values of £1,500,000 per ha, for sites providing 10 to 14 units £1,250,000 per ha and for sites providing 15 units or more land values of £1,000,000 per ha.

Offices

5.2.10 There is a dearth of comparable evidence for office land values within Ipswich with the Borough seeing limited levels of transactions and development over recent years. We have therefore utilised our experience of land values across the wider region in deriving a suitable benchmark land value. We estimate that a serviced development plot suitable for office development would have a value of circa £750,000 per ha.

Industrial

5.2.11 Similarly to offices, there have only been limited levels of transactions and development for industrial uses. We have therefore utilised our experience of land values across the wider region in deriving a suitable benchmark land value. We estimate that a serviced development plot suitable for industrial development would have a value of circa £430,000 per ha.

Retail

5.2.12 We have examined the convenience and comparison retail sector separately. While comparable evidence is scarce for both sectors we have concluded that benchmark values are as follows:

- Comparison - £2,000,000 per ha.
- Convenience - £2,500,000 per ha.

5.2.13 There is a lack of transactional evidence to directly support these values within Ipswich. We have therefore collated evidence from local agents, including information on local rent and yields, together with evidence from outside the Borough in arriving at these values.

Student Accommodation

5.2.14 Land values for student accommodation are broadly in line with residential development. We estimate that a serviced development plot for student accommodation would have a value of circa £750,000 per ha.

Care Home

5.2.15 Care home operators often compete with residential developers for the same sites; as such land values are broadly similar, albeit both uses have price ceilings that cannot be exceeded due to the economics of development. We estimate that a serviced development plot suitable for care home development would have a value of circa £750,000 per ha.

Hotel

5.2.16 Hotels are expected to compete with offices and residential developers for the same town centre sites; as such land values are similar. We estimate that a serviced development plot suitable for hotel development would have a value of circa £750,000 per ha.

5.3 S106 contributions

5.3.1 In order to assess development viability, we need to make assumptions about the broader policy costs faced by development. S106 is one of these policy costs, and so these costs need to be allowed for in our viability calculations.

5.3.2 Section 106 will continue to exist after CIL begins to be charged. However, under the CIL Regulations (which also cover S106) the use of S106 will be scaled back. Under recent changes to the statutory CIL Guidance (which also cover the relationship between CIL and Section 106), the government now expects Section 106 to be solely targeted at mitigating the site specific impacts of individual developments.

5.3.3 In general, we expect that Section 106 agreements, together with Section 278 highways agreements and planning conditions, will still be used to secure the following elements:

- Site-specific mitigation. These might be local improvements/infrastructure necessary to enable the grant of planning permission such as access roads, on-site open space, archaeology, and some off-site requirements directly related to support individual sites.
- Development-specific infrastructure on large-scale major development sites (of around 200-300 or more dwellings). In these instances, developers frequently prefer the use of S106 agreements, because they provide comfort that key infrastructure (which is frequently essential to sales) will be delivered. The Northern Fringe represents the largest site within Ipswich.
- Affordable housing. Under the Regulations, Section 106 agreements will be used to secure affordable housing.

5.3.4 Based on the above, and in agreement with the client team, our residential appraisals allow £1,000 per housing unit for S106 and S278 contributions, excluding affordable housing. This is consistent with CIL viability appraisals done in other districts around the country.

5.3.5 Assumed S106 and S278 contributions for commercial appraisals are detailed within Appendix A.

5.3.6 This estimate is made for the sole purpose of the CIL viability assessment. It does not commit Ipswich Borough Council to allocating CIL receipts or S106 receipts to any infrastructure theme or stakeholder.

5.4 Other assumptions

5.4.1 The other assumptions underlying our residential development appraisals are in Table 5.1 below. Our other assumptions for the commercial development appraisals are detailed within the appraisals, contained within Appendix A.

5.4.2 Inevitably, these assumptions are broad estimates. We have aimed to model typical new build schemes, as opposed to high-specification or particularly complex schemes that require particular construction techniques or materials.

Table 5.1 Residential Viability testing assumptions

Assumption	Source	Notes																								
Revenue																										
Sales value of completed scheme	Land Registry & Consultation	<p>For housing, Land Registry data forms a basis for analysis. This provides a full record of all individual transactions.²⁸ This data is then supplemented following conversations with agents and house builders' sales representatives, which allows us to form a view on new build sales values. Values used are as follows:</p> <table border="0"> <tr> <td>Low value</td> <td>Houses -</td> <td>£1,800</td> <td>sq m</td> </tr> <tr> <td></td> <td>Flats -</td> <td>£1,700</td> <td>sq m</td> </tr> <tr> <td>Mid value</td> <td>Houses -</td> <td>£2,000</td> <td>sq m</td> </tr> <tr> <td></td> <td>Flats -</td> <td>£1,900</td> <td>sq m</td> </tr> <tr> <td>High Value</td> <td>Houses -</td> <td>£2,500</td> <td>sq m</td> </tr> <tr> <td></td> <td>Flats -</td> <td>£2,400</td> <td>sq m</td> </tr> </table> <p>A full explanation of house prices used in the study is provided in Chapter 5.</p>	Low value	Houses -	£1,800	sq m		Flats -	£1,700	sq m	Mid value	Houses -	£2,000	sq m		Flats -	£1,900	sq m	High Value	Houses -	£2,500	sq m		Flats -	£2,400	sq m
Low value	Houses -	£1,800	sq m																							
	Flats -	£1,700	sq m																							
Mid value	Houses -	£2,000	sq m																							
	Flats -	£1,900	sq m																							
High Value	Houses -	£2,500	sq m																							
	Flats -	£2,400	sq m																							
Affordable housing	HCA policy, Core Strategy & consultation with RP's.	<p>In line with planning policy we have tested schemes with requirements for 20% (sites of 10-14 dwellings) and 35% (15 dwellings or more) affordable housing.</p> <p>Policy for Ipswich states that the council will seek a tenure split of 80% social rent and 20% intermediate. However, after consultation with RP's it was established the social rent in the Borough is now being delivered as affordable rent. We understand the Council are to update policy to reflect such changes in delivery; as such, we have assumed social rent in Ipswich is being delivered as affordable rent.</p> <p>In all our residential appraisals we have assumed that affordable rent properties are 55% of capital market value and intermediate are 65% of capital market value.</p>																								
Densities	Core Strategy	<p>Densities have been used in line with the Core Strategy, as follows:</p> <table border="0"> <tr> <td>Houses -</td> <td>35</td> <td>dwellings per ha</td> </tr> <tr> <td>Flats -</td> <td>65</td> <td>Dwellings per ha</td> </tr> </table>	Houses -	35	dwellings per ha	Flats -	65	Dwellings per ha																		
Houses -	35	dwellings per ha																								
Flats -	65	Dwellings per ha																								

²⁸ Land Registry data is aggregated onto www.home.co.uk and mouseprice.co.uk. This is collated by postcode.

Construction costs		
Construction	BCIS Online	<p>BCIS is published by RICS on a quarterly basis. BCIS offers a range of prices dependent on the final specification.</p> <p>The following build costs used are derived from recent data of actual prices in the marketplace, rebased for Ipswich:</p> <p>Houses - £760 sq m</p> <p>Flats - £863 sq m</p> <p>In line with the Council's instructions we have adopted an additional cost over BCIS to allow for achieving Code of Sustainable Homes - Code Level 4. The following costs have been allowed in line with DCLG's Housing Standards Review Consultation - Impact Assessment (August 2013):</p> <p>Houses - £2,004 per unit</p> <p>Flats - £1,319 per unit</p>
Floorspace size assumptions	Industry standards	<p>We have assumed average floorspaces of:</p> <p>Houses - 90 sq m</p> <p>Flats - 65 sq m</p>
Contingency	Industry standards	Contingency is an expression of risk relating to a specific scheme and will vary from site to site. We have adopted a generic average of 5% though in practice it will vary.
Plot external	Industry standards	On-site preparation for internal access roads and other external works. This will vary from site to site, but we have assumed the 10% of build costs.
Section 106/278	Ipswich Borough analysis	See text above this table in Section 5.3.
Fees		
Professional fees	Industry standards	We have assumed 8% of development costs based on accepted industry standards.
Sale costs	Industry standards	<p>These rates are based on industry accepted scales at the following rates:</p> <p>Legal - £500 per unit</p> <p>Sales agents fee - 1.25% of private sale value</p> <p>Marketing cost - £1,000 per private unit</p>
Finance costs	Industry standards	Finance costs assume an interest rate of 7%.

Stamp Duty on Land Purchase	HMRC	Stamp duty has been charged on the land purchase at the prevailing rate.
Professional fees on Land Purchase	Industry standards	<p>Fees associated with the land purchase are based upon the following industry standards:</p> <p>Surveyor - 1.00%</p> <p>Legal - 0.75%</p>
Profit		
Profit	Industry standards	<p>Developers profit has been calculated as follows:</p> <p>Private - 20% of gross development value</p> <p>Affordable - 6% of gross development value</p>

Source: PBA; various

6 RESIDENTIAL

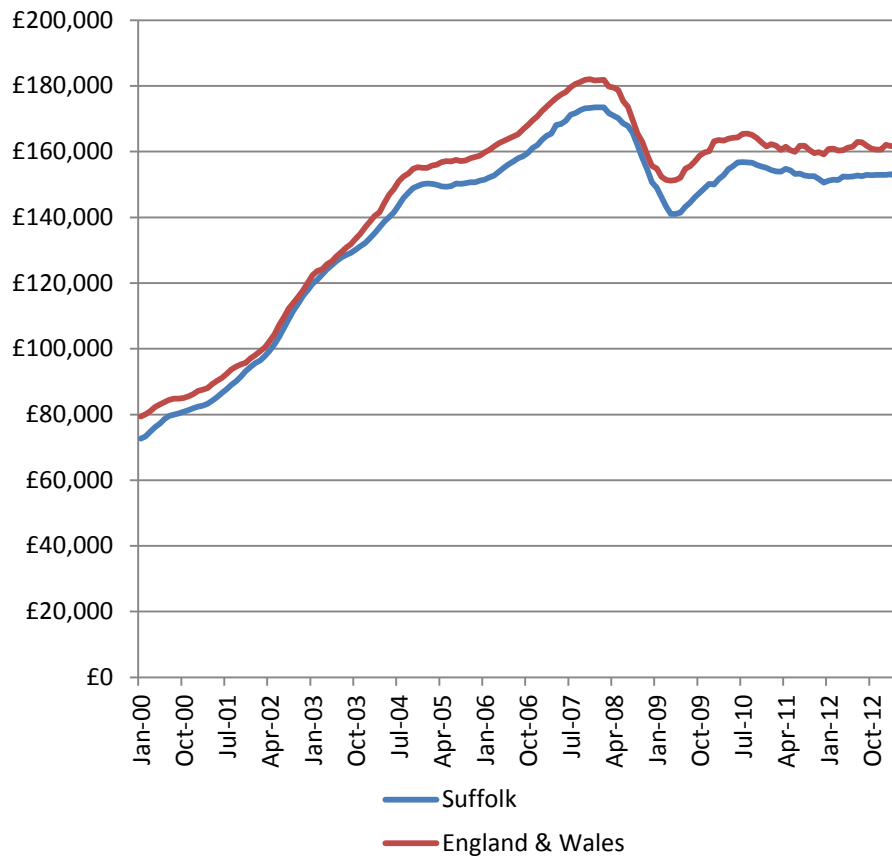
6.1 Introduction

- 6.1.1 In this section, we review the potential for setting a CIL charge in Ipswich. We follow the following process:
- We undertake a high level market review.
 - We then deal with whether setting up different charging zones is worthwhile, given the CIL Regulations and legislation and the planning and market context. We use Land Registry data and analysis of plans for future development in this process.
 - New build values and market evidence from agents and developers are then used to inform this working hypothesis.
 - Formal viability testing is then undertaken in order to understand a level of CIL charge that will strike the balance between retaining development viability and raising money for local infrastructure.

6.2 Market overview

- 6.2.1 Figure 6.1 below illustrates the longer-term changes in house prices across the whole of Suffolk. It is notable that average house prices in Suffolk have broadly fluctuated in line with England & Wales – though generally falling below the national average. The average house price in Suffolk is currently £153,198 (July 2013) compared to the average for England & Wales of £164,098.
- 6.2.2 Average house prices in Suffolk are significantly below their 2008 peak of £173,407; however, the graph below illustrates that house prices in Suffolk have remained relatively constant since 2010.

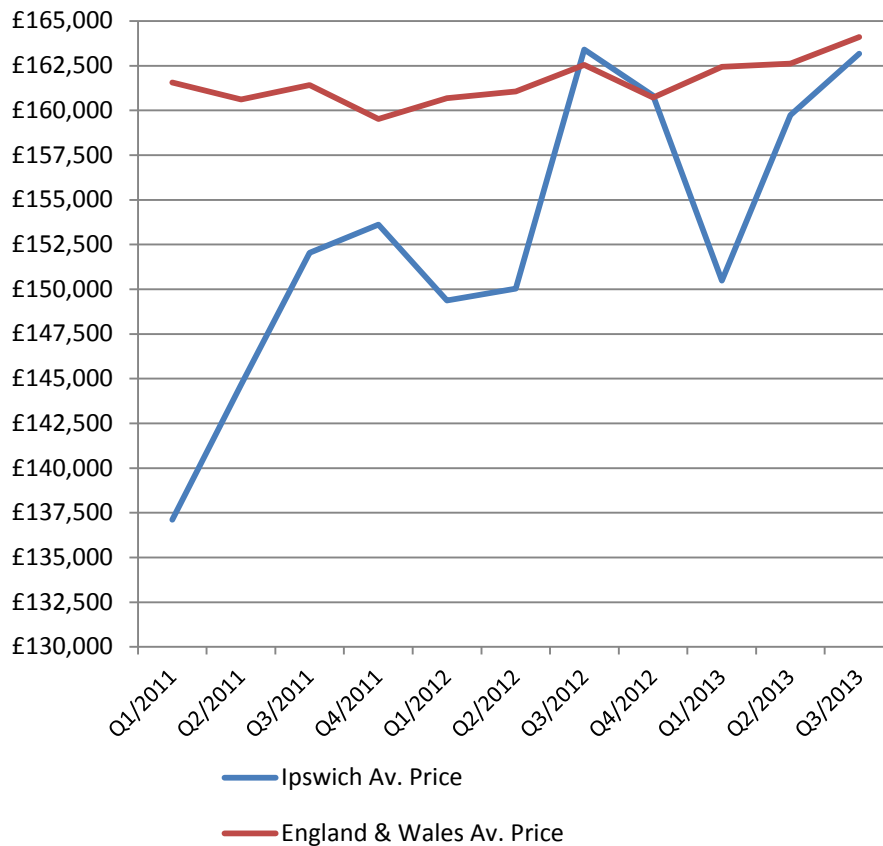
Figure 6.1 Average House Prices in Suffolk and the UK



Source: PBA, Land Registry

- 6.2.3 Figure 6.2 below illustrates the price differential between Ipswich and England & Wales; in Q3 2013 the average house price achieved in Ipswich was £163,179, in comparison to the average for England & Wales of £164,098.
- 6.2.4 On a quarterly basis the average house price has fluctuated; however prices in Ipswich do appear to be steadily rising, although generally (excluding Q3 2013) below that of England and Wales.

Figure 6.2 Average House Prices in Ipswich and England & Wales



Source: PBA, Land Registry

6.3 Charging zones

- 6.3.1 As we showed in Chapter 2 above, CIL Regulations (Regulation 13) allow the charging authority to introduce charge variations by geographical zone within its area, by intended use of buildings, or both. All differences in rates need to be justified by reference to the economic viability of development.
- 6.3.2 Setting up a CIL which levies different amounts on development in different places increases the complexity of the CIL, and is only worthwhile if the additional complexity generates significant additional revenues.

Principles

- 6.3.3 Identifying different charging zones for CIL has inherent difficulties. One reason for this is that house prices are an imperfect indicator; we are not necessarily comparing like with like. Even within a given type of dwelling, such as terraced houses, there will be variations in, say, quality or size which will impact on price.
- 6.3.4 Another problem is that even a split that is correct 'on average' may produce anomalies when applied to individual houses – especially around the zone boundaries. Even between areas with very different average prices, the prices of similar houses in different areas may considerably overlap.
- 6.3.5 A further problem with setting charging area boundaries is that they depend on how the boundaries are defined, as well as the reality of actual house prices. Boundaries drawn in a different place might alter the average price of an area within the boundary, even with no change in individual house prices.
- 6.3.6 To avoid these statistical and boundary problems, it is our view that a robust set of differential charging zones should ideally meet two conditions:
- i The zones should be separated by substantial and clear-cut price differences.
 - ii They should also be separated by substantial and clear-cut geographical boundaries – for example with zones defined as individual settlements or groups of settlements, as urban or rural parts of the authority. We avoid any charging boundaries which might bisect a strategic site or development area.
- 6.3.7 We have held to these principles in devising zone boundaries.

Method

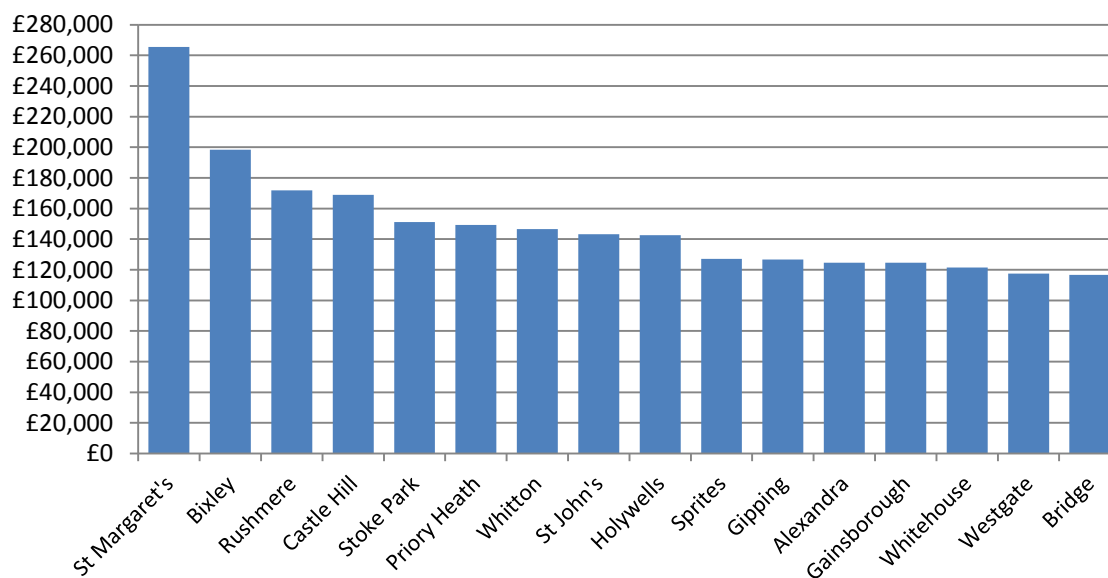
- 6.3.8 Setting zones requires us to marshal the 'appropriate available evidence' from a range of sources in order to advise on the best way forward. We took the following steps.
- Our first step was to look at house prices. These are a good proxy for viability. We downloaded Land Registry data to do this. This was only a first step, and generated a range of options or hypotheses.
 - Secondly, we talked to agents, developers and officers. Together with Land Registry data, this allowed us to generate a main hypothesis.
 - Thirdly, we tested this main hypothesis through formal development appraisals.
- 6.3.9 We explain this process below.

We looked at residential sales prices

- 6.3.10 In advising on charging zones, our first step was to look at average sales prices over a two year period. We used data on both new and second hand homes because, firstly, datasets on sales values for new homes only would be very much smaller, covering a small geographical area (and so more unstable), and secondly, because at this stage it is the differentials between areas that we are seeking to identify, not the absolute price levels. There were therefore good reasons to look at both new and second hand data, and no compelling reasons to avoid it.

6.3.11 As detailed in Figure 6.3 average prices are shown for each Census Standard Table (ST) ward²⁹.

Figure 6.3 Average house price by ward (January 2011 to August 2013)



Source: PBA, Land Registry

6.3.12 Borough. St Margaret's is significantly higher value than the other wards within the Borough with an average house price of £265,544; elsewhere, Bixley ward is closest in terms of value with an average house price of £198,409, some £65,000 lower.

We mapped sales prices

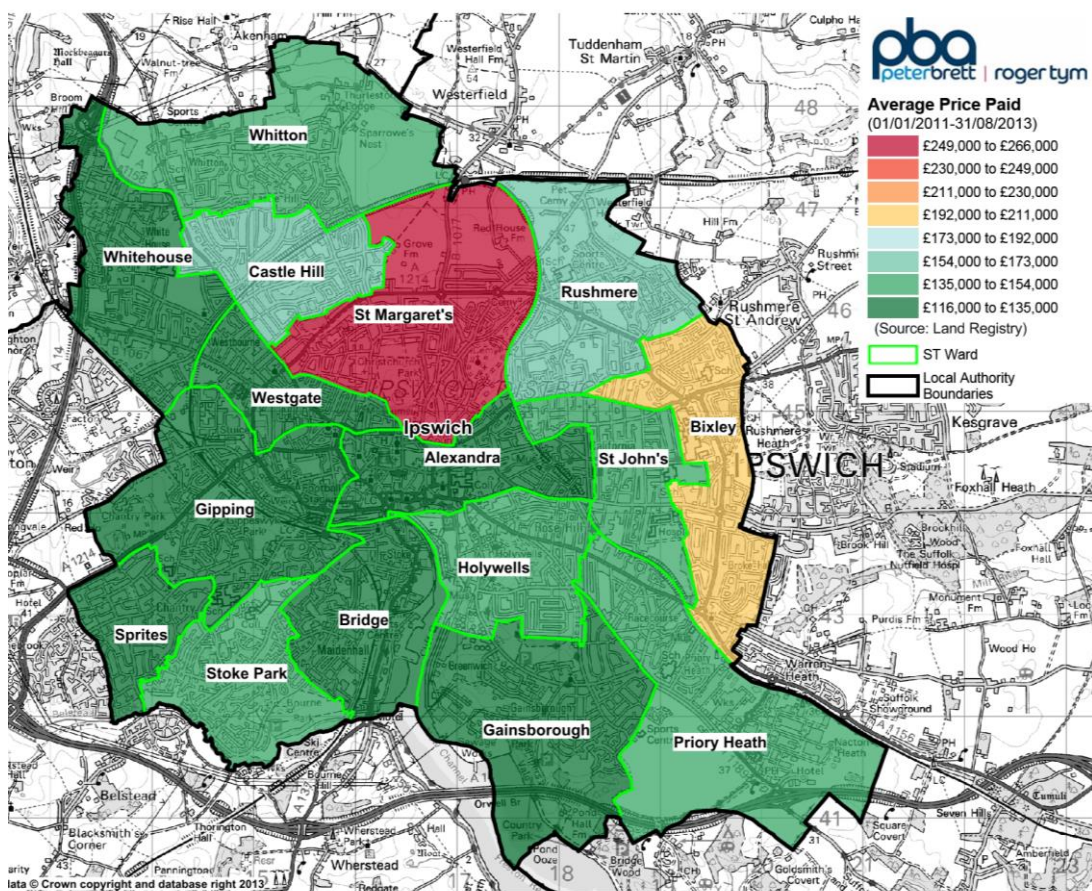
6.3.13 We have also presented this data on a map, with average prices for each ward broken into eight equal bands, because it allows us to understand the broad contours of residential prices in the area. Sales prices are a reasonable, though imperfect, proxy for development viability, so the map provides us with a broad idea of which areas would tend to have more viable housing developments, other things being equal.

6.3.14 Figure 6.4 helps illustrate patterns in house prices across the Borough:

- St Margaret's ward, directly north of the town centre, is the highest value area, as shown by the red colour. This ward is significantly higher value than other wards in the Borough.
- The central, southern and western wards are the lowest value, as shown by the darker green colours.
- In general the northern and eastern wards are higher value than the central and western wards. In the main the northern and eastern wards are light green in colour, in comparison to the lower value, dark green areas.

²⁹ ST wards are used because very precise boundary mapping exists which shows ward boundaries, and is not subject to the degree of change that electoral wards or postcode boundaries are subject to.

Figure 6.4 Map: Average house prices across Ipswich



Source: Land Registry, PBA

We looked at the likely location of new development

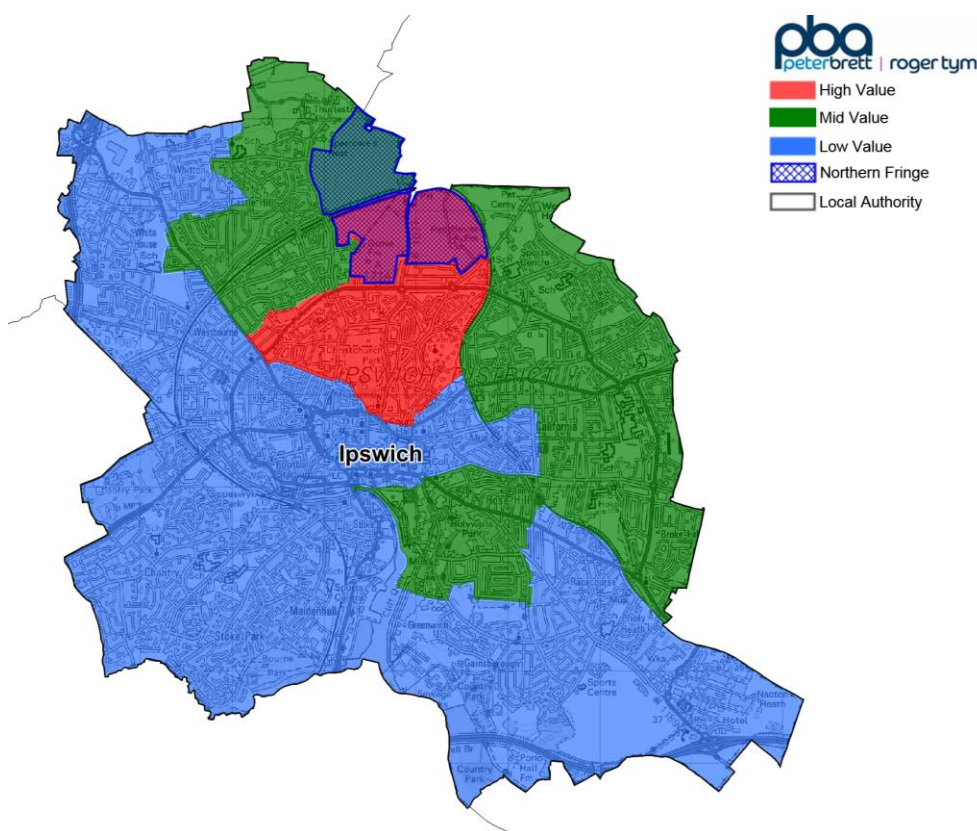
- 6.3.15 Understanding the patterns of development is the next stage in our analysis.
- 6.3.16 During the next five year period the Council only expect two large scale developments, currently without planning permission, to be delivered: the Northern Fringe in the north of the Borough (St Margaret's and Whitton wards) and St Clement's in the east (St John's ward). St Clement's can be excluded from further analysis as planning permission is likely to be determined before the introduction of CIL.
- 6.3.17 The Northern Fringe is the largest site in Ipswich, expected to deliver approximately 3,500 dwellings. This large scale scheme is not typical of development in Ipswich which generally sees much smaller scale development.
- 6.3.18 There are a number of site specific S106/S278 requirements required to enable development at the Northern Fringe. We understand that these will not be provided from CIL funds and the R123 list will reflect this. Such requirements include three primary schools, a secondary school, a country park, playing fields, a sports hall, a library and two community centres. Ultimately, these requirements affect the viability of the Northern Fringe.

- 6.3.19 These planning requirements are to be detailed in a forthcoming Supplementary Planning Document (SPD) for the Northern Fringe. The SPD is due to be adopted in 2014, before the expected implementation of a CIL charge within the Borough.
- 6.3.20 Excluding the Northern Fringe, there are 11 residential/residential-led sites (without planning permission or resolution to grant) identified within the draft SHLAA³⁰, as deliverable in the next five years. These sites are pepper potted around the Borough, although, at this stage of analysis, nine of the sites fall within lower value wards.
- 6.3.21 In the higher value wards the Council expect the remainder of development to come from small-scale windfall sites, typically of 14 dwellings or less.

The emerging working hypothesis: a three tiered charging structure

- 6.3.22 At this stage, then, we had an initial emerging hypothesis on geographical charging bands. The hypothesis was that Ipswich should have a three tiered CIL: a low, mid and high charge (as shown in Figure 6.5 below).
- 6.3.23 We then used findings from interviews with developers and agents to test this hypothesis, to see if their views broadly agreed (we did not ask them to confirm the hypothesis directly). We were particularly interested in using the interview process to understand the values of new development, and how these values might fit with the bands suggested in our emerging hypothesis.

Figure 6.5 Map: Emerging hypothesis



Source: PBA

³⁰ Ipswich Borough Council (2013), *Strategic Housing Land Availability Assessment - Draft Update Report*

6.4 Consultation

We looked at the local market with agents and developers

6.4.1 We talked to a range of sources on residential markets, including local agents and local housebuilders active in the area. The consultation explored a number of issues, focussing on broad areas within the Borough. The general sentiment was that:

- The market appears to be more buoyant than recent years with steady levels of demand. However, vendors have to be realistic on asking price and units will only sell quickly if priced correctly. There is still demand for family housing but no demand for flats.
- Prices fluctuate greatly across Ipswich with the south east and south west of the Borough generally being lower value. Conversely, the area surrounding Christchurch Park is the most affluent.
- The vast majority of flatted development is in the town centre and along the waterfront southwards. New build units would be expected to achieve £90,000 for a one bed and £110,000 for a two bed.
- New build houses in west Ipswich would be expected to achieve circa £1,800 to £1,900 per sq m. On the basis of an average dwelling size of 90 sq m this would equate to a sales price of £162,000 to £171,000.
- New build houses in east Ipswich would be expected to achieve circa £1,900 to £2,250 per sq m. On the basis of an average dwelling size of 90 sq m this would equate to a sales price of £171,000 to £202,500.
- New build houses in north Ipswich (Christchurch Park) would be expected to achieve circa £2,000 to £3,200 per sq m. On the basis of an average dwelling size of 90 sq m this would equate to a sales price of £180,000 to £288,000.

6.4.2 A copy of our consultees are detailed within Appendix B.

We looked at current developments

6.4.3 There is limited large scale development activity within Ipswich. There are two major housing developments within Ipswich which are currently marketing units, with Charles Church and Crest Nicholson acting as developers. We summarise each development as follows:

- Latitude, Ravenswood (Charles Church) - Phase two comprises four, five and six bedroom detached family houses. The agent was unable to comment on achieved prices on the development.

Four bed detached units are marketed from £344,950; with a size of circa 170 sq m this equates to £2,029 per sq m. Five bed detached houses are marketed from £365,000; with a size of circa 180 sq m this equates to £2,028 per sq m. Six bed detached houses are marketed from £479,950; with a size of circa 260 per sq m this equates to £1,846 per sq m.

Incentives on certain homes within the development currently comprise £20,000 cash discount, £500 towards legal fees, standard carpets/flooring throughout, £1,000 towards Christmas shopping and turf to rear garden.

- Vista, Woodbridge Road (Crest Nicholson) - A development of one and two bedroom flats, and two, three and four bedroom houses. The one and two bed units were sold

historically. A three bed semi-detached unit of 81 sq m has recently sold for £195,000, equating to £2,407 per sq m and a three bed detached unit of 96 sq m for £220,000 equating to £2,292 per sq m. Four bed units have sold for a wider price range; a 4 bed semi-detached of 106 sq m has recently sold for £220,000 equating to £2,075 per sq m and a 4 bedroom detached of 129 sq m for £315,000 equating to £2,442 per sq m.

The working hypothesis following consultation

- 6.4.4 Discussions with agents and developers helped us arrive at a 'firmed up' working hypothesis regarding the geographical CIL charges.
- 6.4.5 Ipswich should have a three tiered charge; there are price differences across the Borough. In particular the area surrounding Christchurch Park is the most expensive, followed by the eastern part of the Borough. The centre, west and south of the Borough are the lowest value areas.
- 6.4.6 Nonetheless, there was evidence that the charging boundaries (as proposed in Figure 6.5) should be adjusted slightly. During consultation it was noted that the town centre property market includes areas along the waterfront to the south. In particular, the west of the Holywells ward (separated by Holywells Park) forms a natural extension of the town centre property market. As these areas share the same characteristics it was deemed appropriate to group them together. As such, the boundaries were altered; land to the west of Holywells Park, (within the Holywells Ward) was incorporated in the low value charging boundary.

6.5 Viability analysis

- 6.5.1 We then tested this approach by undertaking a viability analysis. Development appraisals are necessary to set a CIL, because the data used so far is only a proxy for viability testing, rather than a viability test in itself. Only development appraisals can properly combine the receipts and costs of development to arrive at an overall picture of viability.
 - First, development appraisals use recent sales prices as a basis, and relate to new dwellings specifically. To arrive at these prices we consulted with developers and agents who have been selling new housing over the last six months. (By contrast, Land Registry prices presented cover the last two years and include second-hand as well as new houses).
 - Secondly, the results of the development appraisal (which shows the price that a developer can afford to pay for land) can be compared with prevailing benchmark land values (in effect, what the landowner will accept in order to sell the land). Benchmark values have an important bearing on the amount of CIL assumed to be available.

Residential scenarios tested

- 6.5.2 To assess the capacity of different types of development to pay CIL in Ipswich, we have produced indicative development appraisal of hypothetical schemes, comprising the following:
 - 1 house
 - 5 houses
 - 10 houses
 - 14 houses
 - 3 flats
 - 25 flats
 - 50 flats

- 25 houses
- 50 houses

6.5.3 This mix of schemes was selected in discussion with the Council, making use of their local knowledge, to create a representative but focused profile of residential development likely to come forward in the area for the foreseeable future. The schemes selected will test the viability of development falling below and above affordable housing thresholds.

6.5.4 It is considered that little in the way of flatted development is expected. Whilst there will be pockets of flatted development in the town centre, this is not expected to be significant and certainly would not represent the bulk of new residential development. During the economic boom years, there was a significant amount of flatted development either built or permitted in Ipswich, and as a result, the market is relatively saturated. In undertaking analysis of the viability results we have therefore given little weight to the findings of flatted development scenarios as these will not be essential to delivery of the plan.

6.5.5 Furthermore, as detailed in Paragraph 6.3.15 to 6.3.21, excluding the Northern Fringe, the majority of expected development in mid value and high value zones is to be from windfall sites of 14 dwellings or less. In recommending appropriate charges in line with current CIL regulations, we have given greater weight to the scenarios with smaller housing numbers.

6.5.6 We expect that some sites which come forward will have a mixture of houses and flats. We have not modelled these mixed schemes separately because we are attempting to understand the viable CIL rates payable on individual components of the schemes. If we were to model a mixed house and flat scheme, one housing type might cross subsidise another, and provide a misleading result about the level of CIL which could be viably afforded.

Findings

6.5.7 Table 6.2 summarises the residential development appraisals; individual detailed appraisals are contained within Appendix A.

6.5.8 Our objective in these summary tables is to show, for each notional development scenario, how much money might be theoretically available for a CIL charge. Reading Table 6.2 from left to right, successive columns are as follows:

- a) Number and type of units
- b) Net site area
- c) Total Floorspace: this is the total floorspace created by the development, including both market and affordable housing.
- d) CIL chargeable floorspace: the accommodation within the scheme on which CIL will be paid, equal to the floorspace of market housing (CIL is not charged on affordable housing as it receives 100% relief).
- e) Residual value before after policy contributions - £ per hectare, and £ per sq m: the residual value is produced by an indicative appraisal after S106, affordable housing and all other policy costs have been taken into account. The method and assumptions used in this appraisal to arrive at this number are described in the report. Briefly, the residual site value is the difference between the value of the completed development and the cost of that development, and developer's profit.

- f) Benchmark land value per ha and per sq m: the estimated minimum a developer would typically need to pay to secure a site of this kind, expressed in £ per ha or divided by its chargeable floorspace.
- g) Overage per ha and per sq m: this column identified the amount of money which is, in theory, available for CIL. It is expressed per ha and per sq m of chargeable development. Note that this sum is derived from the difference between the residual value after policy contributions and the benchmark land value. As noted earlier, this overage is an estimate of the CIL ‘ceiling’ – the maximum CIL that could be charged consistent with the development being financially viable, expressed per ha. Given the uncertainties surrounding viability appraisal, it is of course an approximate indicator, which should be used cautiously.

6.5.9 The theoretical maximum CIL charge per square metre for each development is therefore shown in the far right column of the summary table below. As we explain below, though, we do not recommend that this theoretical maximum be directly translated into a CIL charge.

Table 6.2 Residential Summary Table

No of dwellings	Net site area ha	Total Floor Space per sq.m	CIL Chargeable Floor Space per sq.m	Residual land value after policy contributions		Benchmark		Overage		
		Floor Space	Floor Space	Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm	
Ipswich - Low Value										
Houses –	1	0.03	90	90	£1,129,957	£359	£750,000	£238	£379,957	£121
Houses –	5	0.14	450	450	£1,036,232	£329	£750,000	£238	£286,232	£91
Houses –	10	0.29	900	720	£751,694	£239	£625,000	£198	£126,694	£50
Houses -	14	0.40	1,260	1,008	£780,685	£248	£625,000	£198	£155,685	£62
Houses –	25	0.71	2,250	1,463	£571,997	£182	£500,000	£159	£71,997	£35
Houses –	50	1.43	4,500	2,925	£552,157	£175	£500,000	£159	£52,157	£25
Flats -	3	0.05	228	228	£321,984	£65	£500,000	£101	£821,984	£166
Flats -	25	0.38	1,900	1,235	£993,118	£201	£500,000	£101	£1,493,118	£465
Flats -	50	0.77	3,800	2,470	£1,213,668	£246	£500,000	£101	£1,713,668	£534
Ipswich - Mid Value										
		Total Floor Space per sq.m	CIL Chargeable Floor Space per sq.m	Residual land value after policy contributions		Benchmark		Overage		
		Floor Space	Floor Space	Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm	
Houses –	1	0.03	90	90	£1,615,018	£513	£1,000,000	£317	£615,018	£195
Houses –	5	0.14	450	450	£1,503,899	£477	£1,000,000	£317	£503,899	£160
Houses –	10	0.29	900	720	£1,177,467	£374	£875,000	£278	£302,467	£120
Houses -	14	0.40	1,260	1,008	£1,222,146	£388	£875,000	£278	£347,146	£138
Houses –	25	0.71	2,250	1,463	£983,888	£312	£750,000	£238	£233,888	£114
Houses –	50	1.43	4,500	2,925	£950,588	£302	£750,000	£238	£200,588	£98
Flats -	3	0.05	228	228	£309,885	£63	£750,000	£152	£440,115	£89
Flats -	25	0.38	1,900	1,235	£450,173	£91	£750,000	£152	£1,200,173	£374
Flats -	50	0.77	3,800	2,470	£710,386	£144	£750,000	£152	£1,460,386	£455

No of dwellings	Net site area ha	Total Floor Space per sq.m	CIL Chargeable Floor Space per sq.m	Residual land value after policy contributions		Benchmark		Overage		
		Floor Space	Floor Space	Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm	
Ipswich - High Value										
Houses –	1	0.03	90	90	£2,827,671	£898	£1,500,000	£476	£1,327,671	£421
Houses –	5	0.14	450	450	£2,673,068	£849	£1,500,000	£476	£1,173,068	£372
Houses –	10	0.29	900	720	£2,241,898	£712	£1,250,000	£397	£991,898	£394
Houses –	14	0.40	1,260	1,008	£2,325,798	£738	£1,250,000	£397	£1,075,798	£427
Houses –	25	0.71	2,250	1,463	£2,013,615	£639	£1,000,000	£317	£1,013,615	£495
Houses –	50	1.43	4,500	2,925	£1,946,664	£618	£1,000,000	£317	£946,664	£462
Flats -	3	0.05	228	228	£1,885,947	£382	£1,000,000	£202	£885,947	£179
Flats -	25	0.38	1,900	1,235	£894,025	£181	£1,000,000	£202	-£105,975	-£33
Flats -	50	0.77	3,800	2,470	£523,665	£106	£1,000,000	£202	-£476,335	-£148

Source: PBA

6.6 The Northern Fringe

Background

6.6.1 As detailed earlier in this chapter, the Northern Fringe has significant S106/S278 costs (over and above our standard assumption detailed in Paragraph 5.3.4) which may affect viability. Furthermore, at present, the Northern Fringe falls within both the high and mid value zones; as detailed in 6.3 we want to avoid charging boundaries which might bisect a strategic site.

6.6.2 It is considered necessary to carry out testing for a single phase of the Northern Fringe to broadly understand whether development has capacity for a CIL charge. It is not our objective to make a definitive statement of site viability. This is because there is currently a lack of detail how the Northern Fringe will be delivered, and the economic conditions that will prevail at the time of development. This testing is first and foremost a supporting, high level analysis to inform the drafting of the CIL evidence base.

6.6.3 Planning obligations are to be detailed in a forthcoming SPD for the Northern Fringe, due to be adopted in 2014. To date, analysis for the preparation of the SPD has estimated that costs for S106/S278 obligations (excluding affordable housing) are to be in the region of £60 million. Although not exhaustive, such planning obligations include:

- 24.5 ha Country Park with visitor centre (and maintenance for 10 years).
- 15 ha formal open space, parks & gardens, play areas and youth provision (and maintenance).
- 22 ha natural, semi-natural and amenity green space (and maintenance).
- 3 ha allotments (and maintenance).
- Indoor sports hall.
- Three Primary Schools with nurseries & 1,200 place secondary school.
- Library & two community centres.

Scenario Tested

6.6.4 S106/S278 costs are to be spread across different phases of development. Single phases of development may come forward by more than one developer simultaneously.

- 6.6.5 An appraisal has been undertaken assuming development by a single developer of 100 homes. The estimated S106/S278 costs of £60 million have been proportioned per dwelling at £17,140. All other residential assumptions have remained constant.
- 6.6.6 At present the Northern Fringe falls within the high and mid value bands. We want to avoid a charging boundary which might bisect the site. Nonetheless, at this stage an appraisal at each value band has been undertaken.
- 6.6.7 In addition to residential uses the Northern Fringe is to deliver an element of commercial floor space within a district centre and two local centres. For the purposes of the appraisals we have assumed a local centre is to be delivered. In line with proposals to be detailed within the SPD we have assumed 250 sq m of convenience retail and 550 sq m of comparison retail floorspace. The land take of the local centre is 0.75 ha. Cost and value assumptions have been made in line with Table 9.1 Retail testing assumptions.

Benchmark Land Value

- 6.6.8 To calculate the viability of the Northern Fringe an appropriate benchmark land value is needed, incorporating both residential and retail land uses.
- 6.6.9 Land values detailed in Chapter 5 have been used; these values assume the land is fully serviced and free of abnormal development costs.
- 6.6.10 Residential development requires 2.86 ha (at a density of 35 dwellings per ha) and the local centre 0.75 ha (a proportional split of 0.52 ha for comparison and 0.23 ha for convenience). The total site area is 3.61 ha.
- 6.6.11 Benchmark land values for the mid value and high value zones were calculated at £1,041,564 per ha and £1,239,427 per ha, respectively.

Findings

- 6.6.12 Below we detail the viability results for the Northern Fringe, analysing the residual land value against the benchmark land value. Ultimately, if the residual land value is greater than the benchmark land value, there may be capacity for a CIL charge.

Table 6.3 Northern Fringe Viability Results

Value Zone	Residual Land Value per ha	Benchmark Land Value per ha
Mid Value	£324,272	£1,041,564
High Value	£1,063,620	£1,239,427

Source: PBA

- 6.6.13 As shown in the table above, the residual value is not greater than the benchmark in either the mid value or high zone. There is no capacity for a CIL charge when accounting for full affordable housing provision and estimated S106/S278 costs of £17,240 per dwelling.
- 6.6.14 We have included a detailed appraisal within Appendix A.

Recommendations

6.6.15 The findings indicate that both the mid and high value areas within the Northern Fringe have no capacity for a CIL charge. A nil charge for the Northern Fringe is recommended for residential and commercial uses.

6.7 The recommended residential CIL charge

6.7.1 Although the analysis suggests that in some development scenarios a high theoretical CIL charge might be levied, we strongly recommend that the charge be set under this viability ceiling. The principal reasons for this are that:

- Costs and values are likely to fluctuate over time and vary between different sites, which could make the charge unsustainable without a contingency margin.
- Site-specific issues will adversely affect costs or values in some cases. In particular, some sites developments may involve significant abnormal costs.

6.7.2 Furthermore, as detailed in 6.5.4 and 6.5.5, we have given greater weight to the results of scenarios likely to come forward in Ipswich over the plan period. Under the current CIL regulations, we suggest the following residential charges be adopted:

Table 6.4 Recommended residential charging rates

Value Zone	CIL charge per sq m
Low	£0
Mid	£50
High	£120
Northern Fringe	£0

Source: PBA

6.7.3 As detailed from Paragraph 2.4.5 onwards, the Government has reported its findings following consultation on further regulatory reforms. The Government now proposes to update the CIL regulations to allow authorities to set differential rates by proposed number of dwellings.

6.7.4 On this basis we would suggest the following charges to be adopted:

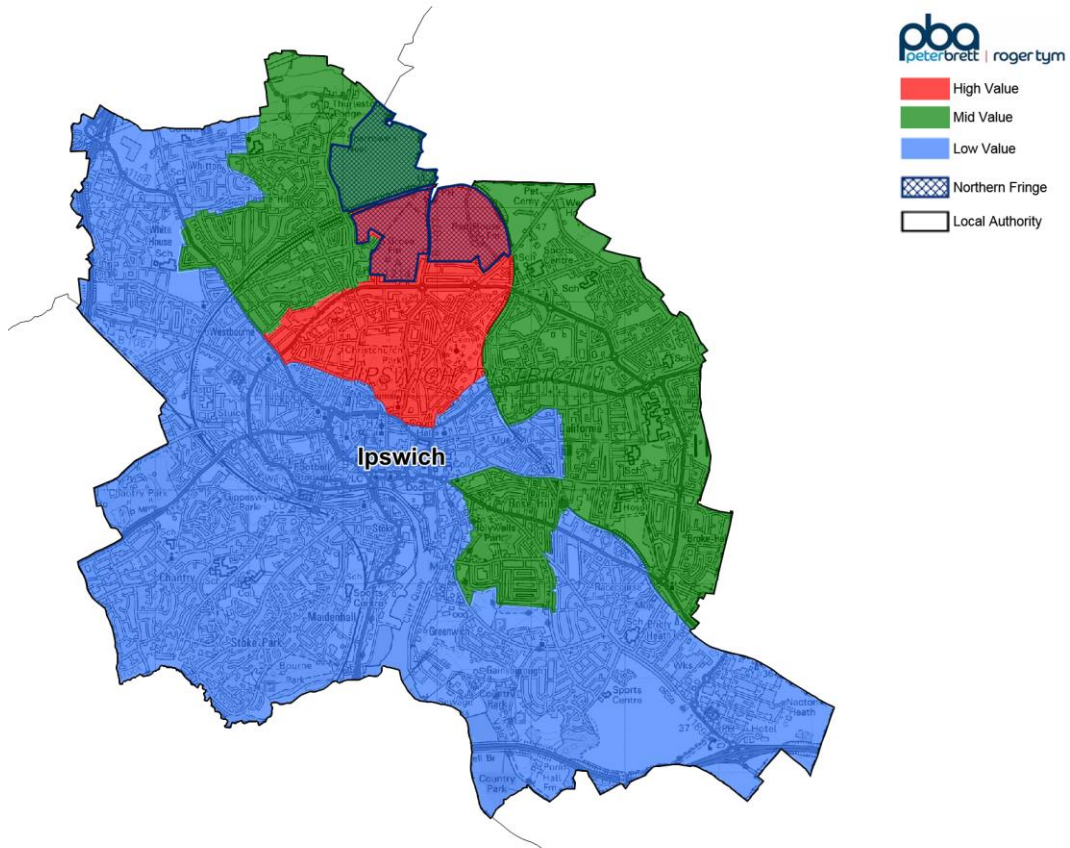
Table 6.5 Recommended residential charging rates in line with proposed CIL regulatory reform

Value Zone	CIL charge per sq m	
	1-9 dwellings	10+ dwellings
Low	£50	£0
Mid	£85	£50
High	£120	£120
Northern Fringe	£0	

Source: PBA

6.7.5 We believe these charges to be reasonable given the current residential market within Ipswich. The recommended charge would, in our view, not put the majority of development at risk.

Figure 6.6 Map: Residential Charging Zones



Source: PBA

7 OFFICES

7.1 Market overview

- 7.1.1 In general the office sector within Ipswich has seen low tenant demand and limited development activity; ultimately this has led to an increasing supply of poorer quality office stock and a scarcity of new Grade A office accommodation. In order to secure tenants landlords are obliged to offer incentives in a numbers of forms including reduced rents, rent free periods, shorter lease terms and break options.
- 7.1.2 Rents for new build Grade A office accommodation in Ipswich would be expected to achieve circa £161 per sq m before incentives. As expected secondary office units in Ipswich achieve lower rents, varying in terms of condition and specification. Rents for such accommodation in Ipswich range greatly, typically between £60 and £120 per sq m.

7.2 Viability analysis

Scenarios tested

- 7.2.1 We have produced indicative development appraisals of hypothetical development, comprising a 929 sq m scheme, typical 2-3 storey business park style scheme.

Findings

- 7.2.2 We have produced an outline development appraisal based on current values, yields and development costs and concluded that the speculative office development produces a negative land value. The development therefore does not generate a surplus that could be captured by CIL.
- 7.2.3 We have included a detailed appraisal within Appendix A.

Table 7.1 Viability summary offices

Zone	Site area		Floorspace sq m		Residual land value		Benchmark land value		Overage (CIL Ceiling)	
	Ha	Gross (GIA)	Net (NIA)	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m	
Ipswich	0.40	929	790	-£528,285	-£227	£750,000	£323	-£1,278,285	-£550	

Source: PBA

7.3 The recommended CIL charge

- 7.3.1 Based on our research, office development is not viable. We therefore recommend that a nil CIL Charge should be set for office floorspace.

8 LIGHT INDUSTRIAL

8.1 Market Overview

- 8.1.1 Ipswich benefits from being the main commercial location in Suffolk. Within Ipswich the industrial property market is perhaps a little more buoyant than the office sector. There appears to be a steady level of transactions, albeit in order to attract tenants incentives are being offered by landlords in various guises, including rent free periods and reduced rents.
- 8.1.2 There are a number of design and build opportunities available in Ipswich (including Futura Park and Harris Business Park); however, short lease terms, poor covenant strength and relatively low rental levels have not made such development significant.
- 8.1.3 Rental levels for modern industrial accommodation vary in Ipswich, although typically fall between £59 and £65 per sq m, before incentives.

8.2 Viability analysis

Scenarios tested

- 8.2.1 We have tested indicative schemes of 3,500 sq m which could be potentially either let as a single unit or subdivided into smaller units.

Findings

- 8.2.2 We have produced outline development appraisals based on current values, yields and development costs and concluded that the speculative industrial development produces negative land values. The developments therefore do not generate an overage that could be captured by CIL.
- 8.2.3 We have included a detailed appraisal in Appendix A.

Table 8.1 Viability summary light industrial

Zone	Nº of units	Site area		Floorspace		Residual land value		Benchmark land value		Overage (CIL Ceiling)	
		Ha	Total GA sq m	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m		
Ipswich	3.0	1	3,500	£49,847	£14	£430,000	£123	-£380,153	-£109		

Source: PBA

8.3 The recommended CIL charge

- 8.3.1 We concluded that industrial/warehouse development in Ipswich is generally not viable. We therefore recommend that a nil CIL Charge should be set for industrial floorspace.

9 RETAIL

9.1 Defining retail categories

- 9.1.1 As shown above at paragraph 2.4.1 onwards, the Regulations allow charge distinctions to be made by use of buildings where there are distinct uses which can be clearly defined on the charging schedule.
- 9.1.2 In this analysis of retail viability, we are setting out the distinct retail building use categories we have used in this analysis: these are, firstly, convenience uses, and secondly, comparison uses.
- 9.1.3 These distinctions between convenience and comparison uses are based on the definitions provided at Annex B of PPS4³¹, which we have slightly reworded to fit the present context (the Annex B definition discussion applies to goods, but we wish to define the sales units in which those goods are sold).
- A convenience unit is a shop or store where the planning permission allows selling wholly or mainly everyday essential items, including food, drinks, newspapers/magazines and confectionary
 - A comparison unit is a shop or store selling wholly or mainly goods which are not everyday essential items. Such items include clothing, footwear, household and recreational goods.
- 9.1.4 In March 2012, PPS 4 was superseded by the National Planning Policy Framework (NPPF). The NPPF does not define different categories of retail goods. This does not cause difficulties for this study, because the definitions provided below do not rely on PPS4. We do not rely on PPS4 to support a particular policy stance, or use it to justify a particular definition. Instead, we use PPS4 as analytical support to help us clearly distinguish between particular types of retailing commonly observable in the marketplace, and to provide reassurance that these distinctions are not ours alone.
- 9.1.5 Some stores sell a mixture of convenience and comparison goods. In those instances, a store should be categorised as having convenience or comparison status according to its main use (our definition above defines convenience and comparison units as shops or stores selling *wholly or mainly* these types of items). We have used this phrasing carefully, and in this have taken the lead from the way that PPS4 defines superstores.³²
- 9.1.6 Additional precision on the types of goods sold in convenience and comparison stores can be taken from Appendix A of the PPS4 companion document *Practice guidance on need, impact and the sequential approach*.³³ It is worth noting that this document remains in use following the March 2012 introduction of the NPPF.

³¹ DCLG (2009) *Planning Policy Statement 4: Planning for Sustainable Economic Growth*

³² DCLG (2009) *Planning Policy Statement 4: Planning for Sustainable Economic Growth* (27) Annex B provides the following definition. 'Superstores: Self-service stores selling mainly food, or food and non-food goods...'

³³ DCLG (2009) *Practice guidance on need, impact and the sequential approach*. Appendix A lists Convenience goods as follows: food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), newspapers and periodicals, non-durable household goods. Appendix A lists Comparison goods as follows: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets

9.2 Market overview

Comparison retailing

- 9.2.1 Work by Deloitte on the future for retailing is pessimistic, suggesting that 'reductions in store numbers of 30-40% are foreseeable over the next 3-5 years'.³⁴ The effects are seen to be increased vacancy rates, decreasing prime rents, and increasingly flexible rental terms, including shorter rental terms, lease free periods, shorter break clauses and monthly, as opposed to quarterly, rents. Other reports describe a similar picture.
- 9.2.2 Town centre (high street) comparison retailing in the UK is in a period of transition. The majority of comparison retail-led regeneration schemes have stalled due to a combination of weak consumer demand, constraints on investment capital and poor retail occupier demand and performance. There have been a number of insolvencies, and the traditional high-street operators are frequently struggling, particularly in more secondary retail locations.
- 9.2.3 Colliers retail market report (Autumn 2011) states that 'secondary retail locations will continue to suffer as a result of the growing consumer trend of fewer shopping trips and the focus on the large retail destinations and online. Furthermore, daily/weekly shopping that would once have taken place in the local town centre is increasingly shifting to supermarkets, which now provide a wide range of comparison goods and services alongside the traditional convenience offer'.
- 9.2.4 Observations in Ipswich indicate that in general rental levels have reduced over recent years (consultees indicated a fall of some 20%) along with increased levels of vacancy. Prime rents along Tavern Street and the surrounding area appear to be in the order of £150 per sq m.

Convenience retail

- 9.2.5 Despite the economic downturn the grocery market has been very resilient; it has seen growth where other aspects of the retail sector have seen contraction. Many foodstore operators have taken advantage of the gap created in the market, by the collapse of speculative development following the 'credit crunch' in 2007/08, and they have used this opportunity to increase expansion activity.
- 9.2.6 More recently major operators appear less focused on delivering non-food retail and are building fewer 'mega-stores' (stores over circa 9,290 sq m). Instead expansion strategies appear to be focused on the acquisition of smaller sites and the refurbishment/expansion of existing stores.
- 9.2.7 Nonetheless, research by CBRE indicates that the development pipeline remains robust with approximately 274,000 sq m under construction in 2013; furthermore, the report states that 'Tesco's early 2012 announcement that they were paring back their ambitious hypermarket expansion programme has, to date, had little impact on the overall grocery pipeline figures'³⁵.
- 9.2.8 According to the IPD & Briant Champion Long, 2012 saw more than £1.2 billion of supermarket assets changing hands last year, as predominantly institutional investors sought long-term, index-linked income accounting for 90% of investment purchases³⁶.

& related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.

³⁴ Deloitte (2012) *The changing face of retail: The store of the future* (2) see https://www.deloitte.com/view/en_GB/uk/industries/consumer-business/28098047f3685310VgnVCM3000001c56f00aRCRD.htm

³⁵ CBRE (2013) *UK Grocery Outlets in the Pipeline - MarketView*

³⁶ IPD/Briant Champion (2012) *Long UK Supermarket Investment Report*

9.2.9 Within convenience retail, viability is remarkably insensitive to precise location. Data from CBRE shows that grocery viability is similar in locations throughout the UK with a premium being paid for schemes in London. There is very little investment adjustment (around 1% on yield) between major supermarket developments based on the transactional evidence for leases of similar length and terms. Leases to the main supermarket operators (often with fixed uplifts) command premiums with investment institutions.

9.3 Retail scenarios tested

9.3.1 It is difficult to model the viability of town centre comparison retail development, as values are usually much more sensitive to location, footfall patterns and sizes of unit than, say, office or residential development.

9.3.2 These variations may therefore make it necessary to carry out viability analysis for each retail centre within the Borough. However, as detailed in Chapter 3, comparison retail development is expected to be within Ipswich Town Centre; as such, we feel it appropriate to only test a CIL charge within this area.

9.3.3 As detailed earlier, convenience retail is less sensitive to precise location. As such we have not tested a variety of locations within the Borough.

9.3.4 We have tested a number of different size stores to analyse potential impact on viability, including a store of 9,400 sq m, in line with the proposed supermarket on Grafton Way.

9.3.5 As detailed from Paragraph 2.4.5 onwards, the Government has reported its findings following consultation on further regulatory reforms. The Government now proposes to update the CIL regulations to allow authorities to set differential rates by proposed size of development.

9.3.6 We have produced indicative development appraisals of hypothetical schemes which are relevant to the Ipswich context, as follows:

- Comparison retailing:
 - a 465 sq m in-town high street scheme.
- Convenience retailing:
 - a grocery store of 465 sq m scheme gross;
 - a grocery store of 4,000 sq m gross;
 - a grocery store of 9,400 sq m gross.

9.4 Viability Analysis

Retail assumptions

9.4.1 We have utilised the following assumptions in our appraisals:

Table 9.1 Retail testing assumptions

Assumption	Source	Notes						
Revenue								
Sales value of completed scheme	EGI & Consultation	<p>Comparison - £151 per sq m capitalised at 8%. Convenience (465 sq m) - £161 per sq m capitalised at 6%. Convenience (4,000 sq m) - £188 per sq m capitalised at 5.75%. Convenience (9,400 sq m) - £188 per sq m capitalised at 5.75%.</p> <p>Comparable evidence for convenience retail is detailed within Appendix C.</p>						
Construction costs								
Construction	BCIS Online	<p>BCIS is published by RICS on a quarterly basis. BCIS offers a range of prices dependent on the final specification. The following build costs used are derived from recent data of actual prices in the marketplace, rebased for Ipswich:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">Comparison</td> <td style="text-align: right;">£635 per sq m</td> </tr> <tr> <td>Convenience (465 sq m)</td> <td style="text-align: right;">£897 per sq m</td> </tr> <tr> <td>Convenience (4,000 & 9,400 sq m)</td> <td style="text-align: right;">£1,047 per sq m</td> </tr> </table>	Comparison	£635 per sq m	Convenience (465 sq m)	£897 per sq m	Convenience (4,000 & 9,400 sq m)	£1,047 per sq m
Comparison	£635 per sq m							
Convenience (465 sq m)	£897 per sq m							
Convenience (4,000 & 9,400 sq m)	£1,047 per sq m							
Contingency	Industry standard	Contingency is an expression of risk relating to a specific scheme and will vary from site to site. We have adopted a generic average of 5% though in practice it will vary.						
Plot external	Industry standard	On-site preparation for internal access roads and other external works. This will vary from site to site, but we have assumed 10% of build costs, which we believe appropriate.						
Section 106	IBC & PBA	<p>For convenience retail we have allowed £5,000 for the 415 sq m scenario and £10,000 for the 4,000 sq m & 9,400 sq m scenario.</p> <p>Changes in the legislation make clear that all future S106 costs are to be immediately related to development in question. As such, strategic infrastructure costs will be dealt with through CIL in future. Relatively modest amounts can therefore be allocated to S106 in future.</p>						
Fees								
Professional fees	Industry standards	We have assumed 10% of development costs based on accepted industry standards.						

Sale costs/Letting Fees	Industry standards	<p>With regards to comparison retail we have allowed 10% for marketing, 10% for letting agents' fees and 5% for sales agents' fees. We have not allowed for marketing or letting fees for the convenience retail scenarios as we have assumed the development would be pre-let.</p> <p>Fees associated with the investment sale are based upon the following industry standards:</p> <p>Surveyor - 1.00% Legal - 0.75%</p> <p>Stamp duty has been charged at the prevailing rate.</p>
Finance costs	Industry standards	Finance costs assume an interest rate of 7%.
Stamp Duty on Land Purchase	HMRC	Stamp duty has been charged on the land purchase at the prevailing rate.
Professional fees on Land Purchase	Industry standards	<p>Fees associated with the land purchase are based upon the following industry standards:</p> <p>Surveyor - 1.00% Legal - 0.75%</p>
Profit		
Profit	Industry standards	A developer's profit of 20% on total development costs has been allowed in all retail appraisals.

Source: PBA; various

Findings

9.4.2 The results of our viability assessment are summarised in the table below. The theoretical maximum CIL charge is shown on the far right column of the table.

Table 9.2 Viability summary, comparison retail development (in-town high street scheme of 465 sq m)

Zone	Site area Ha	Floorspace Sq m	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
			Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Ipswich	0.08	465	£1,462,320	£252	£2,000,000	£344	-£537,680	-£93

Source: PBA

Table 9.3 Viability summary, convenience retail development (grocery store of 465 sq m)

Zone	Site area Ha	Floorspace Sq m	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
			Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Ipswich	0.09	465	£3,851,259	£770	£2,500,000	£500	£1,351,259	£270

Source: PBA

Table 9.4 Viability summary, convenience retail development (grocery store of 4,000 sq m)

Zone	Site area Ha	Floorspace Sq m	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
			Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Ipswich	0.80	4,000	£4,687,579	£938	£2,500,000	£500	£2,187,579	£438

Source: PBA

Table 9.5 Viability summary, convenience retail development (grocery store of 9,400 sq m)

Zone	Site area Ha	Floorspace Sq m	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
			Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Ipswich	1.88	9,400	£4,330,182	£866	£2,500,000	£500	£1,830,182	£366

Source: PBA

9.4.3 We have included detailed appraisals within Appendix A.

9.5 The recommended CIL charge

9.5.1 Given the evidence above, we have therefore recommended the following rates for convenience and comparison retailing:

Table 9.6 Recommended retail charging rates

Development type	CIL charge per sq m
Wholly or mainly comparison retail (all areas)	£0
Wholly or mainly convenience retail (all areas excluding Northern Fringe ³⁷)	£120

Source: PBA

9.5.2 The recommended CIL charge for convenience retail is significantly below all overages produced, allowing for a significant buffer. Our results show that there are some differences in viability of development for different sized units. However, only limited levels of convenience retail are expected in Ipswich. We want to avoid undue complexity and therefore recommend a single rate charge.

9.5.3 The charging schedule should use the definitions at paragraph 9.1.3. It may also be helpful to clarify that where no particular form of retail use is conditioned, the LPA will assume that the 'intended use' for CIL charging purposes may encompass "wholly or mainly" convenience retail, since this is what the permission would allow, and that CIL will be charged accordingly.

9.5.4 Supporting text from the main viability report may be used in justification, should that be necessary.

³⁷ Note that viability analysis has been undertaken separately for the Northern Fringe (as detailed in Chapter 6); a nil CIL charge is recommended.

10 STUDENT ACCOMMODATION

10.1 Market overview

- 10.1.1 Despite the effects of higher tuition fees and the recent administration of one student housing developer, Opal, the purpose built student accommodation market appears resilient. Research indicates that the market for student accommodation remains undersupplied, with strong demand and high occupancy rates, resulting in strengthening yields³⁸.
- 10.1.2 CBRE indicate that the new development of halls has not kept pace with the growth in students, particularly in London³⁹. Whilst there have been a number of developments in the major university towns, a shortage of viable sites, with increased competition from commercial and residential use, together with planning difficulties, has contributed to reduced levels of supply.
- 10.1.3 Investment demand in purpose built student housing remains strong; student accommodation is one of the few property sectors where long leases to a partner or occupiers is guaranteed, providing the investor with a stronger annuity-style investment.
- 10.1.4 Location, competition and quality play a vital role in the size of yield, as well as lease length and strength of covenant. Yields for direct let student accommodation vary between 6% and 7.5% with university let accommodation achieving between 5% and 6.5%.
- 10.1.5 Demand for student accommodation with the Borough is specifically generated from University Campus Suffolk and Suffolk New College.

10.2 Viability analysis

Scenarios tested

- 10.2.1 We have produced indicative development appraisals for a hypothetical 60 bed scheme with no affordable housing requirement, in line with likely development coming forward within the Borough.

Findings

- 10.2.2 The results of our viability assessment are summarised in the table below. The theoretical maximum CIL charge is shown on the far right column of the table.
- 10.2.3 We have included detailed appraisals within Appendix A.

Table 10.1 Viability summary student accommodation

Zone	Site area	Floorspace	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
	Ha	Sq m	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Ipswich	0.20	1,028	£903,826	£176	£750,000	£146	£153,826	£30

Source: PBA

³⁸ GVA (2012), *Student housing market overview*

³⁹ CBRE (2012), *Student housing viewpoint*

10.3 The recommended CIL charge

- 10.3.1 We concluded that student accommodation development in Ipswich is viable. However, the overages produced by such development are not significant enough to sustain a CIL charge. We therefore recommend that a nil CIL Charge should be set for student accommodation.

11 CARE HOMES

11.1 Introduction

11.1.1 Over recent years there have been a number of planning applications for care homes within the Borough. Given projected growth in older population it is likely that more development of this nature will come forward in Ipswich in the future.

11.2 Defining the sector

11.2.1 We have defined this sector as follows⁴⁰:

- Residential care homes (now generally referred to simply as care homes) are residential settings where a number of older people live, usually in single rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only - help with washing, dressing and giving medication. Some care homes are registered to meet a specific care need, for example dementia or terminal illness.
- What used to be called nursing homes are now called care homes with nursing. These settings will provide the same personal care but also have a qualified nurse on duty twenty-four hours a day to carry out nursing tasks. These homes are for people who are physically or mentally frail or people who need regular attention from a nurse.⁴¹ Homes registered for nursing care may accept people who just have personal care needs but who may need nursing care in the future.

11.2.2 These uses fall under the C2 (residential institutions) Use Class.

11.2.3 We carefully distinguish this type of provision from retirement flats and quasi-retirement accommodation sometimes known as assisted living apartments. The term assisted living or 'extra care housing' is used to describe developments that comprise self-contained homes with design features and support services available to enable self-care and independent living. These types of development are included in the C3 category and are chargeable under the residential rate.

11.3 Market overview

11.3.1 Research by Knight Frank in 2013 found that 'there remains strong appetite among several major operators to develop new care homes, albeit focused in relatively affluent areas offering strong demographics'.⁴² However, the restricted availability of finance has slowed development, and operators are increasingly turning to pre-let arrangements to satisfy requirements.

11.3.2 Knight Frank also report that rental levels in the care home sector have become more polarised. In London and the south-east, typical modern future-proofed care homes range from £9,400 to £9,850 per bed⁴³. These rental levels are considerably higher than the UK's other regions.

⁴⁰ Definition derived from the Elderly Accommodation Counsel <http://www.housingcare.org/jargon-residential-care-homes.aspx>

⁴¹ <http://www.firststopcareadvice.org.uk/jargon-care-home.aspx>

⁴² Knight Frank (2012), *UK Healthcare – Development Opportunities*

⁴³ Knight Frank (2013), *Healthcare Investment*

11.3.3 We understand five forward funded care homes (each of between 60 and 80 beds) in Suffolk were purchased in February 2013 for £28 million with Care UK acting as tenant. The investment produced a yield of 7%; allowing for purchasers costs, and assuming an average care home size of 70 beds, the rent roll equates to circa £5,300 per bed.

11.3.4 In summary, then, the market is in flux. There appears to be greater appetite for development in particularly prosperous local markets, whereby higher rents can be achieved, but development within less affluent location appears more limited. Nonetheless, transactions in less affluent locations are still happening, as highlighted by the Care UK deal above.

11.4 Viability analysis

Scenarios tested

11.4.1 We have modelled a 60 bedroom 2,400 sq m (gross) care home development for the private market.

Findings

11.4.2 The results of our viability assessment are summarised in the table below. The theoretical maximum CIL charge is shown on the far right column of the table.

11.4.3 We have included detailed appraisals within Appendix A.

Table 11.1 Viability summary care home

Zone	Site area Ha	Floorspace Sq m	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
			Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Ipswich	0.40	2,400	£502,194	£84	£500,000	£83	£2,194	£0

Source: PBA

11.5 The recommended CIL charge

11.5.1 We concluded that care development in Ipswich is broadly viable. However, such development does not produce a significant overage to sustain a CIL charge. We therefore recommend that a nil CIL Charge should be set for care home floorspace.

12 HOTELS

12.1 Market overview

- 12.1.1 Savills reported in Quarter 3 2012 that UK hotel investment volumes have been relatively resilient during 2012, with investors focusing their attention to prime hotels in the face of weakening UK economic performance⁴⁴.
- 12.1.2 Overseas investors are dominating transactions in London; their focus is on top-end/luxury segment. Savills indicate that as a result over half the top end hotels in central London are owned by overseas entities. Prime hotel yields in London are between 4% and 5%, resulting in excess of £200,000 per bed space for a simple 3 star hotel.
- 12.1.3 Moving away from central London investment yields move-out. Yields for national operators generally range between 6% and 7%.

12.2 Viability analysis

Scenarios tested

- 12.2.1 We have modelled a 100 bedroom hotel, in line with proposed development on the junction of Ranelagh Road and Princes Street.

Findings

- 12.2.2 The results of our viability assessment are summarised in the table below. The theoretical maximum CIL charge is shown on the far right column of the table.
- 12.2.3 We have included detailed appraisals within Appendix A.

Table 12.1 Viability summary hotel

Zone	Site area Ha	Floorspace Sq m	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
			Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Ipswich	0.15	4,000	-£10,649,467	-£399	£750,000	£28	-£11,399,467	-£427

Source: PBA

12.3 The recommended CIL charge

- 12.3.1 We concluded that hotel development in Ipswich is generally not viable. We therefore recommend that a nil CIL Charge should be set for hotel floorspace.

⁴⁴ Savills research UK Hotels – UK Hotel Investment Monitor – Autumn 2012

13 THE STANDARD CHARGE

13.1 Introduction

13.1.1 In the earlier chapters above, we outlined the key development types that will be central to the delivery of the Core Strategy or otherwise likely to be significant forms of development. Where relevant, we have then undertaken viability testing of the principal types of development that will come forward in future, and have shown that CIL charges at the stated levels will not render the main components of growth unviable. We have therefore undertaken the tests required by the CIL Regulations.

13.1.2 The question now is how to use this analysis to help us to set a charge for development types that are *not* central to the delivery of the Core Strategy. These peripheral types of development might be as diverse as laundrettes, youth hostels, cinemas, health centres and so on.

13.1.3 We have not undertaken individual viability testing of this range of possible uses, for the following reasons.

- i These uses are not critical to the delivery of the Core Strategy, and historical evidence suggests that they have not been particularly important in the past.
- ii Because limited amounts of net new floorspace will be delivered in these categories, they would generate relatively little revenue if CIL were charged on them.
- iii These uses will often move into second-hand rather than new build premises, so they would not be liable to CIL anyway.
- iv A robust viability assessment of these uses would be complex, partly because there are many possible combinations of type of development (building) and type of use and these combinations are impossible to predict. This kind of assessment would need specialist valuation, involving disproportionate cost and effort, and the results would be inconclusive.

13.1.4 The CIL Regulations require us to use 'appropriate available evidence' in suggesting charges.

13.2 Recommendations

13.2.1 While we have not undertaken individual viability testing for these non-principal uses, we can use the work carried out in this report on the principal development types to indicate the level of values which might be achievable by sui generis uses and other development not specifically covered in our research.

13.2.2 Of the sui generis uses, for example:

- Laundrettes, nightclubs, taxi businesses and amusement centres are likely to be in the same type of premises as small comparison uses and covering similar purchase or rental costs. (We note that these types of development are not particularly prevalent in Ipswich now, nor are likely to be in the future, but we mention them here in order to cover unforeseen future scenarios). Mindful that the lowest of the recommended charges for comparison retail is zero, a precautionary approach here would suggest that a zero charging rate is appropriate.

- Scrapyards and the selling and/or displaying of motor vehicles are likely to occupy the same sorts of premises and locations as many B2 uses.

13.2.3 Based on the scale of charges assessed for the various peripheral uses we have looked at, and the general tone of value in the area, we recommend that zero CIL is charged on building uses not specifically dealt with on the charging schedule.

14 SITE TESTING

14.1 Introduction

- 14.1.1 CIL guidance emphasises the importance of ensuring that strategic sites remain viable after all policy costs (which includes CIL and affordable housing) are taken into account⁴⁵. The guidance also clarifies the point that strategic site infrastructure may be delivered through S106, and that CIL rates charged may be altered on strategic sites to reflect this fact⁴⁶.
- 14.1.2 This chapter aims to pick up these points. Our first objective here is to broadly understand whether development on strategic sites is compliant with the levels of CIL recommended with other policy costs (such as affordable housing) which fall on development.
- 14.1.3 It is not our objective to make a definitive statement of site viability. This is because there is currently a lack of information about how sites will be developed, and the economic conditions that will prevail at the time of development.
- 14.1.4 This testing is first and foremost a supporting, high level analysis to inform the drafting of the CIL evidence base and planning policy.
- 14.1.5 As per Valuation Standards 1 of the RICS Valuation Standards – Global and UK Edition⁴⁷, the advice expressly given in the preparation for, or during the course of negotiations or possible litigation does not form part of a formal “Red Book” valuation and should not be relied upon as such.
- 14.1.6 Furthermore, this testing does not substitute for detailed viability work for S106, affordable housing negotiation or other purposes. This work may be undertaken separately when sites come forward.

14.2 Sites Tested

- 14.2.1 As set out above, the April 2013 CIL Statutory Guidance states that additional viability testing should be undertaken ‘in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant’⁴⁸.
- 14.2.2 The guidance does not define ‘strategic sites’. Although PPS12 is no longer current, it has a useful definition of strategic sites. It states that ‘strategic sites...[are] those sites considered central to achievement of the strategy’⁴⁹.
- 14.2.3 Under this definition Ipswich Borough Council’s planning strategy sees only one ‘strategic’ site to be delivered: the Northern Fringe. As detailed in Chapter 6, viability analysis of the site has been undertaken; there is no capacity for a CIL charge due to site specific planning obligations required.
- 14.2.4 Nonetheless, in agreement with the Council, it was decided that residential sites allocated within the draft Site Allocations Document as deliverable in the next 5 years, and two commercial-led developments (IP035 & IP040) would be reviewed.

⁴⁵ DCLG (April 2013) *Community Infrastructure Levy Guidance* (para 27)

⁴⁶ DCLG (April 2013) *Community Infrastructure Levy Guidance* (para 34).

⁴⁷ RICS (March 2012) *Valuation – Professional Standards, VS1 Professional and Ethical Requirements*

⁴⁸ DCLG (April 2013) *Community Infrastructure Levy Guidance* (para 27)

⁴⁹ DCLG *Planning Policy Statement 12* (para 4.6)

Table 14.1 Allocated sites in draft Site Allocations Document

Ipswich Ref.	Address	Value Zone
IP005	Former Tooks Bakery, Old Norwich Road	Low
IP009	Victoria Nurseries, Westerfield Road	High
IP029	Land opposite 674-734 Bramford Road	Low
IP059a	Elton Park Industrial Estate, Hadleigh Road	Low
IP061	School Site, Lavenham Road	Low
IP080	240 Wherstead Road	Low
IP096	Car Park Handford Road East	Low
IP142	Land at Duke Street	Low
IP150c	Land south of Ravenswood	Low
IP165	Eastway Business Park, Europa Way	Low
IP259	Former Holywells High School	Low
IP035	Key Street/Star Lane/Burtons Site	Low
IP040	Civic Centre Area/Civic Drive	Low

Source: PBA

14.2.5 All but one of the residential sites allocated within the draft Site Allocations Document fall within the Low Value Zone. As no charge has been proposed in this zone it is not necessary to test viability. IP009: Victoria Nurseries, Westerfield Road, falls within the high value zone; as such is it necessary to undertake viability analysis.

14.2.6 A large proportion of development at IP040 is expected to be non-chargeable floorspace:

- 20% of the site is allocated for residential development; the site falls within the low value zone, for which no residential CIL charge is proposed.
- Remainder of development is expected to comprise a mix of convenience and comparison uses. No charge is proposed for comparison retail.
- A number of occupied building are currently situated on-site; existing floorspace may be netted of the CIL chargeable area.

14.2.7 Taking into account that a significant proportion of development will not be CIL chargeable, and the absence of any detailed proposals, we believe it superfluous to test such a scheme.

14.2.8 IP035 is allocated by the Council to comprise predominantly B1 office and hotel/leisure development, accounting for 80% of development. A nil charge is proposed for both of these uses. Other uses are to include small scale retail and car parking. As a significant proportion of development is not to be CIL chargeable, and in the absence of detailed proposals, it is not considered necessary to run viability analysis for the site.

14.3 Findings

14.3.1 Below we detail the viability results for IP009: Victoria Nurseries, Westerfield Road, analysing the residual land value (after policy contributions including CIL) against the benchmark land value, as detailed within Chapter 5. Ultimately, if the residual land value is greater than the benchmark land value development is shown to be viable.

- 14.3.2 We would stress again that this figure assumes the land is fully serviced and free of abnormal development costs. In practice however this site to a greater or lesser degree will have some abnormal development costs. We would expect a prudent purchaser of the sites to reflect these costs in the acquisition value from the current owner once detailed site investigations have been completed; and to take fully into account the planning policy context based on retention of employment floorspace or redevelopment maximising affordable housing.
- 14.3.3 It is assumed in our appraisals that the CIL payment is made on commencement of construction, although in reality this may be made later on in the development process which has a positive effect on viability.
- 14.3.4 Furthermore, no deduction has been made to the CIL payment to reflect the existing floorspace, where applicable. In fact, developers would be able to net CIL payments off against existing floorspace, assuming that that existing buildings had been in lawful use in six out of the previous 12 months. In this respect we are modelling a worst-case scenario.
- 14.3.5 As shown in the table below, the residual land value is greater than the benchmark; development is viable with the implementation of CIL.

Table 14.2 IP009 Viability Results

Use	No.	Density per ha	Size (Ha)	Residual land value after policy contributions & CIL Per Ha	Benchmark Per Ha
Residential	14	35	0.39	£2,069,653	£1,000,000

Source: PBA

- 14.3.6 We have included a detailed appraisal within Appendix A.

14.4 Summary

- 14.4.1 Using the assumptions detailed above we have shown that CIL will not negatively affect deliverability of allocated sites in Ipswich. Thus, the recommended CIL charges are appropriate and importantly affordable to the private sector.

15 RECOMMENDATIONS

15.1.1 We recommend the following CIL charging rates. As recommended by guidance, these rates reflect viability at the present time. If viability improves, a new CIL charge could be set, or higher levels of affordable housing could be negotiated.

Table 15.1 Proposed CIL charging rates in line with current Regulations

Development type	CIL charge per sq m
Residential development - low value	£0
Residential development - mid value	£50
Residential development - high value	£120
Northern Fringe	£0
Offices	£0
Wholly or mainly comparison retail	£0
Wholly or mainly convenience retail	£120
Student accommodation	£0
Care homes	£0
Hotels	£0
Standard charge (all other uses not covered)	£0

Source: PBA

Table 15.2 Proposed CIL charging rates in line with proposed CIL regulatory reform

Development type	CIL charge per sq m
Residential development - low value - 1 to 9 dwellings	£50
Residential development - low value - 10+ dwellings	£0
Residential development - mid value - 1 to 9 dwellings	£85
Residential development - mid value - 10+ dwellings	£50
Residential development - high value	£120
Northern Fringe	£0
Offices	£0
Wholly or mainly comparison retail	£0
Wholly or mainly convenience retail	£120
Student accommodation	£0
Care homes	£0
Hotels	£0
Standard charge (all other uses not covered)	£0

Source: PBA

15.1.2 These may be simplified as follows.

Table 15.3 Proposed CIL charging rates in line with current Regulations

Development type	CIL charge per sq m
Residential development - mid value	£50
Residential development - high value	£120
Wholly or mainly convenience retail	£100

Source: PBA

Table 15.4 Proposed CIL charging rates in line with proposed CIL regulatory reform

Development type	CIL charge per sq m
Residential development - low value - 1 to 9 dwellings	£50
Residential development - mid value - 1 to 9 dwellings	£85
Residential development - mid value - 10+ dwellings	£50
Residential development - high value	£120
Wholly or mainly convenience retail	£120

Source: PBA

Appendix A Development Appraisals

These appraisals have been prepared by Peter Brett Associates on behalf of Ipswich Borough Council in line with the RICS valuation guidance. The purpose of the appraisals is to inform Ipswich Borough Council on potential overages generated from residential and commercial development. These appraisals do not a formal 'Red Book' (RICS Valuation – Professional Standards March 2012) valuation and should not be relied upon as such.

Houses –	10.0	Units	Ipswich - Low Value			
ITEM						
Net Site Area	<input type="text" value="0.29"/>					
Yield	<input type="text" value="10.00"/>	Private	Affordable			
		8.00	2.00			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		8.00	90	720	£1,800	<input type="text" value="£1,296,000"/>
		8.00		720		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.00	90	0	£810	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		1.60	90	144	£990	<input type="text" value="£142,560"/>
		1.60		144		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.40	90	36	£1,170	<input type="text" value="£42,120"/>
		0.40		36		
		10.00		900		<input type="text" value="£1,480,680"/>
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£220,843"/>
						Less Purchaser Costs
						2.75%
						<input type="text" value="£214,770"/>
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		8.00	720	£760		<input type="text" value="£547,200"/>
		8.00				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.00	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		1.60	144	£760		<input type="text" value="£109,440"/>
		1.60				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.40	36	£760		<input type="text" value="£27,360"/>
		0.40				
		10.00	900			<input type="text" value="£684,000"/>
Additional Costs						
Plot external		15%				<input type="text" value="£102,600"/>
Code Level		£2,004	per unit			<input type="text" value="£20,040"/>
						<input type="text" value="£122,640"/>
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£64,531"/>
						<input type="text" value="£64,531"/>
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£40,332"/>
						<input type="text" value="£40,332"/>
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£10,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						<input type="text" value="£10,000"/>
Sale cost						
Legals -			<input type="text" value="£500"/>	per unit		<input type="text" value="£5,000"/>
Sales agents fee -			<input type="text" value="1.25%"/>			<input type="text" value="£16,200"/>
Marketing cost -			<input type="text" value="£1,000"/>	per private unit		<input type="text" value="£8,000"/>
						<input type="text" value="£29,200"/>
TOTAL DEVELOPMENT COSTS						
						<input type="text" value="£1,165,473"/>
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£259,200"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£11,081"/>
						<input type="text" value="£270,281"/>
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						<input type="text" value="£1,435,754"/>
Finance Costs		APR		PCM		
		<input type="text" value="7.00%"/>		<input type="text" value="0.565%"/>		<input type="text" value="£46,530"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						<input type="text" value="£1,482,283"/>

Houses –	25.0	Units	Ipswich - Low Value			
ITEM						
Net Site Area	<input type="text" value="0.71"/>					
Yield	<input type="text" value="25.00"/>	Private	Affordable			
		<input type="text" value="16.25"/>	<input type="text" value="8.75"/>			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>16.25</u>	90	<u>1,463</u>	£1,800	<input type="text" value="£2,632,500"/>
		16.25		1463		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>0.00</u>	90	<u>0</u>	£810	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>7.00</u>	90	<u>630</u>	£990	<input type="text" value="£623,700"/>
		7.00		630		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>1.75</u>	90	<u>158</u>	£1,170	<input type="text" value="£184,275"/>
		1.75		158		
	25.00			2250		£3,440,475
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£428,944"/>
						Less Purchaser Costs
						4.75%
						£408,569
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>16.25</u>	1,463	£760		<input type="text" value="£1,111,500"/>
		16.25				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>0.00</u>	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>7.00</u>	630	£760		<input type="text" value="£478,800"/>
		7.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>1.75</u>	158	£760		<input type="text" value="£119,700"/>
		1.75				
	25.00		2,250			£1,710,000
Additional Costs						
Plot external		15%				<input type="text" value="£256,500"/>
Code Level		£2,004	per unit			<input type="text" value="£50,100"/>
						£306,600
Professional Fees						
as percentage of construction costs		<input type="text" value="8%"/>				<input type="text" value="£161,328"/>
						£161,328
Contingency						
as percentage of construction costs		<input type="text" value="5%"/>				<input type="text" value="£100,830"/>
						£100,830
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£25,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£25,000
Sale cost						
Legals -		<input type="text" value="£500"/>	per unit			<input type="text" value="£12,500"/>
Sales agents fee -		<input type="text" value="1.25%"/>				<input type="text" value="£32,906"/>
Marketing cost -		<input type="text" value="£1,000"/>	per private unit			<input type="text" value="£16,250"/>
						£61,656
TOTAL DEVELOPMENT COSTS						
						£2,773,984
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -		<input type="text" value="20%"/>				<input type="text" value="£526,500"/>
Affordable -		<input type="text" value="6%"/>				<input type="text" value="£48,479"/>
						£574,979
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£3,348,962
Finance Costs		APR	PCM			
		<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>			<input type="text" value="£95,521"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£3,444,483

Houses –	50.0	Units	Ipswich - Low Value			
ITEM						
Net Site Area	<input type="text" value="1.43"/>					
Yield	<input type="text" value="50.00"/>	Private	Affordable			
		<input type="text" value="32.50"/>	<input type="text" value="17.50"/>			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>32.50</u>	90	<u>2,925</u>	£1,800	<input type="text" value="£5,265,000"/>
		32.50		2925		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>0.00</u>	90	<u>0</u>	£810	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>14.00</u>	90	<u>1,260</u>	£990	<input type="text" value="£1,247,400"/>
		14.00		1260		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>3.50</u>	90	<u>315</u>	£1,170	<input type="text" value="£368,550"/>
		3.50		315		
		50.00		4500		£6,880,950
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£836,919"/>
						Less Purchaser Costs
						5.75%
						£788,796
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>32.50</u>	2,925	£760		<input type="text" value="£2,223,000"/>
		32.50				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>0.00</u>	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>14.00</u>	1,260	£760		<input type="text" value="£957,600"/>
		14.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>3.50</u>	315	£760		<input type="text" value="£239,400"/>
		3.50				
		50.00	4,500			£3,420,000
Additional Costs						
Plot external		15%				<input type="text" value="£513,000"/>
Code Level		£2,004	per unit			<input type="text" value="£100,200"/>
						£613,200
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£322,656"/>
						£322,656
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£201,660"/>
						£201,660
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£50,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£50,000
Sale cost						
Legals -		<input type="text" value="£500"/>	per unit			<input type="text" value="£25,000"/>
Sales agents fee -		<input type="text" value="1.25%"/>				<input type="text" value="£65,813"/>
Marketing cost -		<input type="text" value="£1,000"/>	per private unit			<input type="text" value="£32,500"/>
						£123,313
TOTAL DEVELOPMENT COSTS						
						£5,519,625
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£1,053,000"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£96,957"/>
						£1,149,957
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£6,669,582
Finance Costs		APR		PCM		
		<input type="text" value="7.00%"/>		<input type="text" value="0.565%"/>		<input type="text" value="£219,384"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£6,888,966

Flats -		3.0	Units		Ipswich - Low Value		
ITEM							
Net Site Area		<input type="text" value="0.09"/>					
Yield		<input type="text" value="3.00"/>	Private	Affordable			
			3.00	0.00			
Development Value							
Private Units	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		<u>3.00</u>	65	<u>194</u>	£1,700	<input type="text" value="£329,460"/>	
		3.00		194			
Social Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		<u>0.00</u>	65	<u>0</u>	£765	<input type="text" value="£0"/>	
		0.00		0			
Affordable Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		<u>0.00</u>	65	<u>0</u>	£935	<input type="text" value="£0"/>	
		0.00		0			
Intermediate	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		<u>0.00</u>	65	<u>0</u>	£1,105	<input type="text" value="£0"/>	
		0.00		0			
		3.00		194		£329,460	
Development Cost							
Site Acquisition							
Site Value						<input type="text" value="-£15,125"/>	
						Less Purchaser Costs	
						1.75%	
						-£14,861	
Build Costs							
Private units	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		<u>3.00</u>	228	£863		<input type="text" value="£196,764"/>	
		3.00					
Social Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		<u>0.00</u>	0	£863		<input type="text" value="£0"/>	
		0.00					
Affordable Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		<u>0.00</u>	0	£863		<input type="text" value="£0"/>	
		0.00					
Intermediate	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		<u>0.00</u>	0	£863		<input type="text" value="£0"/>	
		0.00					
		3.00	228			£196,764	
Additional Costs							
Plot external		15%				<input type="text" value="£29,515"/>	
Code Level		£1,319	per unit			<input type="text" value="£3,957"/>	
						£33,472	
Professional Fees							
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£18,419"/>	
						£18,419	
Contingency							
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£11,512"/>	
						£11,512	
Developer contributions							
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£3,000"/>	
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>	
						£3,000	
Sale cost							
Legals -			<input type="text" value="£500"/>	per unit		<input type="text" value="£1,500"/>	
Sales agents fee -			<input type="text" value="1.25%"/>			<input type="text" value="£4,118"/>	
Marketing cost -			<input type="text" value="£1,000"/>	per private unit		<input type="text" value="£3,000"/>	
						£8,618	
TOTAL DEVELOPMENT COSTS							
						£256,924	
Developers' Profit							
Based upon percentage of gross development value				Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£65,892"/>	
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£0"/>	
						£65,892	
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						£322,816	
Finance Costs			APR	PCM			
			<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>		<input type="text" value="£6,961"/>	
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£329,777	

Flats -		25.0	Units	Ipswich - Low Value		
ITEM						
Net Site Area		0.71				
Yield		25.00	Private	Affordable		
			16.25	8.75		
Development Value						
Private Units	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		16.25	65	1,050	£1,700	£1,784,575
		16.25		1050		
Social Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		0.00	65	0	£765	£0
		0.00		0		
Affordable Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		7.00	65	452	£935	£422,807
		7.00		452		
Intermediate	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		1.75	65	113	£1,105	£124,920
		1.75		113		
		25.00		1615		£2,332,302
Development Cost						
Site Acquisition						
Site Value						-£388,772
						Less Purchaser Costs
						1.75%
						-£381,969
Build Costs						
Private units	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		16.25	1,235	£863		£1,065,805
		16.25				
Social Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		0.00	0	£863		£0
		0.00				
Affordable Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		7.00	532	£863		£459,116
		7.00				
Intermediate	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		1.75	133	£863		£114,779
		1.75				
		25.00	1900			£1,639,700
Additional Costs						
Plot external		15%				£245,955
Code Level		£1,319	per unit			£32,975
						£278,930
Professional Fees						
as percentage of construction costs			8%			£153,490
						£153,490
Contingency						
as percentage of construction costs			5%			£95,932
						£95,932
Developer contributions						
S.106				£1,000	per unit	£25,000
CIL				£0	per sq.m	£0
						£25,000
Sale cost						
Legals -			£500	per unit		£12,500
Sales agents fee -			1.25%			£22,307
Marketing cost -			£1,000	per private unit		£16,250
						£51,057
TOTAL DEVELOPMENT COSTS						
						£1,862,141
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£356,915
Affordable -			6%			£32,864
						£389,779
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£2,251,919
Finance Costs			APR	PCM		
			7.00%	0.565%		£83,021
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£2,334,940

Flats -		50.0	Units	Ipswich - Low Value		
ITEM						
Net Site Area		<input type="text" value="1.43"/>				
Yield		<input type="text" value="50.00"/>	Private	Affordable		
			<input type="text" value="32.50"/>	<input type="text" value="17.50"/>		
Development Value						
Private Units	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<u>32.50</u>	65	<u>2,100</u>	£1,700	<input type="text" value="£3,569,150"/>
		32.50		2100		
Social Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<u>0.00</u>	65	<u>0</u>	£765	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<u>14.00</u>	65	<u>904</u>	£935	<input type="text" value="£845,614"/>
		14.00		904		
Intermediate	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<u>3.50</u>	65	<u>226</u>	£1,105	<input type="text" value="£249,841"/>
		3.50		226		
		50.00		3230		£4,664,605
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="-£950,220"/>
			Less Purchaser Costs			<input type="text" value="1.75%"/>
						-£933,591
Build Costs						
Private units	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<u>32.50</u>	2,470	£863		<input type="text" value="£2,131,610"/>
		32.50				
Social Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<u>0.00</u>	0	£863		<input type="text" value="£0"/>
		0.00				
Affordable Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<u>14.00</u>	1,064	£863		<input type="text" value="£918,232"/>
		14.00				
Intermediate	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<u>3.50</u>	266	£863		<input type="text" value="£229,558"/>
		3.50				
		50.00	3800			£3,279,400
Additional Costs						
Plot external		15%				<input type="text" value="£491,910"/>
Code Level		£1,319	per unit			<input type="text" value="£65,950"/>
						£557,860
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£306,981"/>
						£306,981
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£191,863"/>
						£191,863
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£50,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£50,000
Sale cost						
Legals -			<input type="text" value="£500"/>	per unit		<input type="text" value="£25,000"/>
Sales agents fee -			<input type="text" value="1.25%"/>			<input type="text" value="£44,614"/>
Marketing cost -			<input type="text" value="£1,000"/>	per private unit		<input type="text" value="£32,500"/>
						£102,114
TOTAL DEVELOPMENT COSTS						
						£3,554,627
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£713,830"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£65,727"/>
						£779,557
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£4,334,184
Finance Costs			APR	PCM		
			<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>		<input type="text" value="£335,696"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£4,669,881

Houses –	10.0	Units	Ipswich - Mid Value			
ITEM						
Net Site Area	<input type="text" value="0.29"/>					
Yield	<input type="text" value="10.00"/>	Private	Affordable			
		8.00	2.00			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		8.00	90	720	£2,000	<input type="text" value="£1,440,000"/>
		8.00		720		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.00	90	0	£900	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		1.60	90	144	£1,100	<input type="text" value="£158,400"/>
		1.60		144		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.40	90	36	£1,300	<input type="text" value="£46,800"/>
		0.40		36		
		10.00		900		<input type="text" value="£1,645,200"/>
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£353,196"/>
					Less Purchaser Costs	4.75%
						<input type="text" value="£336,419"/>
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		8.00	720	£760		<input type="text" value="£547,200"/>
		8.00				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.00	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		1.60	144	£760		<input type="text" value="£109,440"/>
		1.60				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.40	36	£760		<input type="text" value="£27,360"/>
		0.40				
		10.00	900			<input type="text" value="£684,000"/>
Additional Costs						
Plot external		15%				<input type="text" value="£102,600"/>
Code Level		£2,004	per unit			<input type="text" value="£20,040"/>
						<input type="text" value="£122,640"/>
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£64,531"/>
						<input type="text" value="£64,531"/>
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£40,332"/>
						<input type="text" value="£40,332"/>
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£10,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						<input type="text" value="£10,000"/>
Sale cost						
Legals -			<input type="text" value="£500"/>	per unit		<input type="text" value="£5,000"/>
Sales agents fee -			<input type="text" value="1.25%"/>			<input type="text" value="£18,000"/>
Marketing cost -			<input type="text" value="£1,000"/>	per private unit		<input type="text" value="£8,000"/>
						<input type="text" value="£31,000"/>
TOTAL DEVELOPMENT COSTS						
						<input type="text" value="£1,288,922"/>
Developers' Profit						
Based upon percentage of gross development value				Rate		
Private -				<input type="text" value="20%"/>		<input type="text" value="£288,000"/>
Affordable -				<input type="text" value="6%"/>		<input type="text" value="£12,312"/>
						<input type="text" value="£300,312"/>
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						<input type="text" value="£1,589,234"/>
Finance Costs			APR	PCM		
			<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>		<input type="text" value="£57,569"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						<input type="text" value="£1,646,803"/>

Houses –	25.0	Units	Ipswich - Mid Value			
ITEM						
Net Site Area	<input type="text" value="0.71"/>					
Yield	<input type="text" value="25.00"/>	Private	Affordable			
		<input type="text" value="16.25"/>	<input type="text" value="8.75"/>			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>16.25</u>	90	<u>1,463</u>	£2,000	<input type="text" value="£2,925,000"/>
		16.25		1463		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>0.00</u>	90	<u>0</u>	£900	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>7.00</u>	90	<u>630</u>	£1,100	<input type="text" value="£693,000"/>
		7.00		630		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>1.75</u>	90	<u>158</u>	£1,300	<input type="text" value="£204,750"/>
		1.75		158		
		25.00		2250		£3,822,750
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£745,652"/>
						Less Purchaser Costs
						5.75%
						£702,777
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>16.25</u>	1,463	£760		<input type="text" value="£1,111,500"/>
		16.25				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>0.00</u>	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>7.00</u>	630	£760		<input type="text" value="£478,800"/>
		7.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>1.75</u>	158	£760		<input type="text" value="£119,700"/>
		1.75				
		25.00	2,250			£1,710,000
Additional Costs						
Plot external		15%				<input type="text" value="£256,500"/>
Code Level		£2,004	per unit			<input type="text" value="£50,100"/>
						£306,600
Professional Fees						
as percentage of construction costs		<input type="text" value="8%"/>				<input type="text" value="£161,328"/>
						£161,328
Contingency						
as percentage of construction costs		<input type="text" value="5%"/>				<input type="text" value="£100,830"/>
						£100,830
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£25,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£25,000
Sale cost						
Legals -		<input type="text" value="£500"/>	per unit			<input type="text" value="£12,500"/>
Sales agents fee -		<input type="text" value="1.25%"/>				<input type="text" value="£36,563"/>
Marketing cost -		<input type="text" value="£1,000"/>	per private unit			<input type="text" value="£16,250"/>
						£65,313
TOTAL DEVELOPMENT COSTS						
						£3,071,848
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -		<input type="text" value="20%"/>				<input type="text" value="£585,000"/>
Affordable -		<input type="text" value="6%"/>				<input type="text" value="£53,865"/>
						£638,865
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£3,710,713
Finance Costs		APR	PCM			
		<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>			<input type="text" value="£116,045"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£3,826,758

Houses –	50.0	Units	Ipswich - Mid Value			
ITEM						
Net Site Area	<input type="text" value="1.43"/>					
Yield	<input type="text" value="50.00"/>	Private	Affordable			
		<input type="text" value="32.50"/>	<input type="text" value="17.50"/>			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>32.50</u>	90	<u>2,925</u>	£2,000	<input type="text" value="£5,850,000"/>
		32.50		2925		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>0.00</u>	90	<u>0</u>	£900	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>14.00</u>	90	<u>1,260</u>	£1,100	<input type="text" value="£1,386,000"/>
		14.00		1260		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>3.50</u>	90	<u>315</u>	£1,300	<input type="text" value="£409,500"/>
		3.50		315		
		50.00		4500		£7,645,500
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£1,440,830"/>
						Less Purchaser Costs
						5.75%
						£1,357,983
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>32.50</u>	2,925	£760		<input type="text" value="£2,223,000"/>
		32.50				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>0.00</u>	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>14.00</u>	1,260	£760		<input type="text" value="£957,600"/>
		14.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>3.50</u>	315	£760		<input type="text" value="£239,400"/>
		3.50				
		50.00	4,500			£3,420,000
Additional Costs						
Plot external		15%				<input type="text" value="£513,000"/>
Code Level		£2,004	per unit			<input type="text" value="£100,200"/>
						£613,200
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£322,656"/>
						£322,656
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£201,660"/>
						£201,660
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£50,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£50,000
Sale cost						
Legals -		<input type="text" value="£500"/>	per unit			<input type="text" value="£25,000"/>
Sales agents fee -		<input type="text" value="1.25%"/>				<input type="text" value="£73,125"/>
Marketing cost -		<input type="text" value="£1,000"/>	per private unit			<input type="text" value="£32,500"/>
						£130,625
TOTAL DEVELOPMENT COSTS						
						£6,096,124
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£1,170,000"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£107,730"/>
						£1,277,730
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£7,373,854
Finance Costs						
			APR	PCM		
			<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>		<input type="text" value="£279,662"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£7,653,516

Flats -	25.0	Units	Ipswich - Mid Value			
ITEM						
Net Site Area	<input type="text" value="0.71"/>					
Yield	<input type="text" value="25.00"/>	Private	Affordable			
		<input type="text" value="16.25"/>	<input type="text" value="8.75"/>			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Flats -		<u>16.25</u>	65	<u>1,050</u>	£1,900	<input type="text" value="£1,994,525"/>
		16.25		1050		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Flats -		<u>0.00</u>	65	<u>0</u>	£855	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Flats -		<u>7.00</u>	65	<u>452</u>	£1,045	<input type="text" value="£472,549"/>
		7.00		452		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Flats -		<u>1.75</u>	65	<u>113</u>	£1,235	<input type="text" value="£139,617"/>
		1.75		113		
		25.00		1615		£2,606,691
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="-£176,227"/>
						Less Purchaser Costs
						1.75%
						-£173,143
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Flats-		<u>16.25</u>	1,235	£863		<input type="text" value="£1,065,805"/>
		16.25				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Flats-		<u>0.00</u>	0	£863		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Flats-		<u>7.00</u>	532	£863		<input type="text" value="£459,116"/>
		7.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Flats-		<u>1.75</u>	133	£863		<input type="text" value="£114,779"/>
		1.75				
		25.00	1900			£1,639,700
Additional Costs						
Plot external		15%				<input type="text" value="£245,955"/>
Code Level		£1,319	per unit			<input type="text" value="£32,975"/>
						£278,930
Professional Fees						
as percentage of construction costs		<input type="text" value="8%"/>				<input type="text" value="£153,490"/>
						£153,490
Contingency						
as percentage of construction costs		<input type="text" value="5%"/>				<input type="text" value="£95,932"/>
						£95,932
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£25,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£25,000
Sale cost						
Legals -		<input type="text" value="£500"/>	per unit			<input type="text" value="£12,500"/>
Sales agents fee -		<input type="text" value="1.25%"/>				<input type="text" value="£24,932"/>
Marketing cost -		<input type="text" value="£1,000"/>	per private unit			<input type="text" value="£16,250"/>
						£53,682
TOTAL DEVELOPMENT COSTS						
						£2,073,590
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -		<input type="text" value="20%"/>				<input type="text" value="£398,905"/>
Affordable -		<input type="text" value="6%"/>				<input type="text" value="£36,730"/>
						£435,635
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£2,509,225
Finance Costs		APR	PCM			
		<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>			<input type="text" value="£100,104"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£2,609,329

Flats -		50.0	Units		Ipswich - Mid Value		
ITEM							
Net Site Area		1.43					
Yield		50.00	Private	Affordable			
			32.50	17.50			
Development Value							
Private Units	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		32.50	65	2,100	£1,900	£3,989,050	
		32.50		2100			
Social Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		0.00	65	0	£855	£0	
		0.00		0			
Affordable Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		14.00	65	904	£1,045	£945,098	
		14.00		904			
Intermediate	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		3.50	65	226	£1,235	£279,234	
		3.50		226			
		50.00		3230		£5,213,382	
Development Cost							
Site Acquisition							
Site Value						-£556,184	
						Less Purchaser Costs	
						1.75%	
						-£546,451	
Build Costs							
Private units	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		32.50	2,470	£863		£2,131,610	
		32.50					
Social Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		0.00	0	£863		£0	
		0.00					
Affordable Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		14.00	1,064	£863		£918,232	
		14.00					
Intermediate	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		3.50	266	£863		£229,558	
		3.50					
		50.00	3800			£3,279,400	
Additional Costs							
Plot external		15%				£491,910	
Code Level		£1,319	per unit			£65,950	
						£557,860	
Professional Fees							
as percentage of construction costs			8%			£306,981	
						£306,981	
Contingency							
as percentage of construction costs			5%			£191,863	
						£191,863	
Developer contributions							
S.106				£1,000	per unit	£50,000	
CIL				£0	per sq.m	£0	
						£50,000	
Sale cost							
Legals -		£500	per unit			£25,000	
Sales agents fee -		1.25%				£49,863	
Marketing cost -		£1,000	per private unit			£32,500	
						£107,363	
TOTAL DEVELOPMENT COSTS						£3,947,016	
Developers' Profit							
Based upon percentage of gross development value			Rate				
Private -			20%			£797,810	
Affordable -			6%			£73,460	
						£871,270	
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						£4,818,286	
Finance Costs			APR	PCM		£400,372	
			7.00%	0.565%			
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£5,218,658	

Houses –	5.0	Units	Ipswich - High Value			
ITEM						
Net Site Area	<input type="text" value="0.14"/>					
Yield	<input type="text" value="5.00"/>	Private	Affordable			
		5.00	0.00			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		5.00	90	450	£2,500	<input type="text" value="£1,125,000"/>
		5.00		450		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.00	90	0	£1,125	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.00	90	0	£1,375	<input type="text" value="£0"/>
		0.00		0		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.00	90	0	£1,625	<input type="text" value="£0"/>
		0.00		0		
		5.00		450		<input type="text" value="£1,125,000"/>
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£400,910"/>
						Less Purchaser Costs
						4.75%
						<input type="text" value="£381,867"/>
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		5.00	450	£760		<input type="text" value="£342,000"/>
		5.00				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.00	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.00	0	£760		<input type="text" value="£0"/>
		0.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.00	0	£760		<input type="text" value="£0"/>
		0.00				
		5.00	450			<input type="text" value="£342,000"/>
Additional Costs						
Plot external		15%				<input type="text" value="£51,300"/>
Code Level		£2,004	per unit			<input type="text" value="£10,020"/>
						<input type="text" value="£61,320"/>
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£32,266"/>
						<input type="text" value="£32,266"/>
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£20,166"/>
						<input type="text" value="£20,166"/>
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£5,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						<input type="text" value="£5,000"/>
Sale cost						
Legals -			<input type="text" value="£500"/>	per unit		<input type="text" value="£2,500"/>
Sales agents fee -			<input type="text" value="1.25%"/>			<input type="text" value="£14,063"/>
Marketing cost -			<input type="text" value="£1,000"/>	per private unit		<input type="text" value="£5,000"/>
						<input type="text" value="£21,563"/>
TOTAL DEVELOPMENT COSTS						
						<input type="text" value="£864,181"/>
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£225,000"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£0"/>
						<input type="text" value="£225,000"/>
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						<input type="text" value="£1,089,181"/>
Finance Costs		APR	<input type="text" value="7.00%"/>	PCM	<input type="text" value="0.565%"/>	<input type="text" value="£36,621"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						<input type="text" value="£1,125,802"/>

Houses –	10.0	Units	Ipswich - High Value			
ITEM						
Net Site Area	<input type="text" value="0.29"/>					
Yield	<input type="text" value="10.00"/>	Private	Affordable			
		8.00	2.00			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		8.00	90	720	£2,500	<input type="text" value="£1,800,000"/>
		8.00		720		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.00	90	0	£1,125	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		1.60	90	144	£1,375	<input type="text" value="£198,000"/>
		1.60		144		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		0.40	90	36	£1,625	<input type="text" value="£58,500"/>
		0.40		36		
		10.00		900		<input type="text" value="£2,056,500"/>
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£679,621"/>
					Less Purchaser Costs	5.75%
						<input type="text" value="£640,542"/>
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		8.00	720	£760		<input type="text" value="£547,200"/>
		8.00				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.00	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		1.60	144	£760		<input type="text" value="£109,440"/>
		1.60				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		0.40	36	£760		<input type="text" value="£27,360"/>
		0.40				
		10.00	900			<input type="text" value="£684,000"/>
Additional Costs						
Plot external		15%				<input type="text" value="£102,600"/>
Code Level		£2,004	per unit			<input type="text" value="£20,040"/>
						<input type="text" value="£122,640"/>
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£64,531"/>
						<input type="text" value="£64,531"/>
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£40,332"/>
						<input type="text" value="£40,332"/>
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£10,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						<input type="text" value="£10,000"/>
Sale cost						
Legals -			<input type="text" value="£500"/>	per unit		<input type="text" value="£5,000"/>
Sales agents fee -			<input type="text" value="1.25%"/>			<input type="text" value="£22,500"/>
Marketing cost -			<input type="text" value="£1,000"/>	per private unit		<input type="text" value="£8,000"/>
						<input type="text" value="£35,500"/>
TOTAL DEVELOPMENT COSTS						
						<input type="text" value="£1,597,546"/>
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£360,000"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£15,390"/>
						<input type="text" value="£375,390"/>
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						<input type="text" value="£1,972,936"/>
Finance Costs			APR	PCM		
			<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>		<input type="text" value="£85,168"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						<input type="text" value="£2,058,103"/>

Houses –	25.0	Units	Ipswich - High Value			
ITEM						
Net Site Area	<input type="text" value="0.71"/>					
Yield	<input type="text" value="25.00"/>	Private	Affordable			
		<input type="text" value="16.25"/>	<input type="text" value="8.75"/>			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>16.25</u>	90	<u>1,463</u>	£2,500	<input type="text" value="£3,656,250"/>
		16.25		1463		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>0.00</u>	90	<u>0</u>	£1,125	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>7.00</u>	90	<u>630</u>	£1,375	<input type="text" value="£866,250"/>
		7.00		630		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>1.75</u>	90	<u>158</u>	£1,625	<input type="text" value="£255,938"/>
		1.75		158		
		25.00		2250		£4,778,438
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£1,526,044"/>
						Less Purchaser Costs
						5.75%
						£1,438,296
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>16.25</u>	1,463	£760		<input type="text" value="£1,111,500"/>
		16.25				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>0.00</u>	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>7.00</u>	630	£760		<input type="text" value="£478,800"/>
		7.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>1.75</u>	158	£760		<input type="text" value="£119,700"/>
		1.75				
		25.00	2,250			£1,710,000
Additional Costs						
Plot external		15%				<input type="text" value="£256,500"/>
Code Level		£2,004	per unit			<input type="text" value="£50,100"/>
						£306,600
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£161,328"/>
						£161,328
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£100,830"/>
						£100,830
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£25,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£25,000
Sale cost						
Legals -		<input type="text" value="£500"/>	per unit			<input type="text" value="£12,500"/>
Sales agents fee -		<input type="text" value="1.25%"/>				<input type="text" value="£45,703"/>
Marketing cost -		<input type="text" value="£1,000"/>	per private unit			<input type="text" value="£16,250"/>
						£74,453
TOTAL DEVELOPMENT COSTS						
						£3,816,508
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£731,250"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£67,331"/>
						£798,581
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£4,615,089
Finance Costs		APR		PCM		
		<input type="text" value="7.00%"/>		<input type="text" value="0.565%"/>		<input type="text" value="£167,357"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£4,782,446

Houses –	50.0	Units	Ipswich - High Value			
ITEM						
Net Site Area	<input type="text" value="1.43"/>					
Yield	<input type="text" value="50.00"/>	Private	Affordable			
		<input type="text" value="32.50"/>	<input type="text" value="17.50"/>			
Development Value						
Private Units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>32.50</u>	90	<u>2,925</u>	£2,500	<input type="text" value="£7,312,500"/>
		32.50		2925		
Social Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>0.00</u>	90	<u>0</u>	£1,125	<input type="text" value="£0"/>
		0.00		0		
Affordable Rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>14.00</u>	90	<u>1,260</u>	£1,375	<input type="text" value="£1,732,500"/>
		14.00		1260		
Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
Houses -		<u>3.50</u>	90	<u>315</u>	£1,625	<input type="text" value="£511,875"/>
		3.50		315		
		50.00		4500		£9,556,875
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£2,950,609"/>
						Less Purchaser Costs
						5.75%
						£2,780,949
Build Costs						
Private units		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>32.50</u>	2,925	£760		<input type="text" value="£2,223,000"/>
		32.50				
Social Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>0.00</u>	0	£760		<input type="text" value="£0"/>
		0.00				
Affordable Rent		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>14.00</u>	1,260	£760		<input type="text" value="£957,600"/>
		14.00				
Intermediate		No. of units	Size sq.m	Cost per sq.m		Total Costs
Houses -		<u>3.50</u>	315	£760		<input type="text" value="£239,400"/>
		3.50				
		50.00	4,500			£3,420,000
Additional Costs						
Plot external		15%				<input type="text" value="£513,000"/>
Code Level		£2,004	per unit			<input type="text" value="£100,200"/>
						£613,200
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£322,656"/>
						£322,656
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£201,660"/>
						£201,660
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£50,000"/>
CIL				<input type="text" value="£0"/>	per sq.m	<input type="text" value="£0"/>
						£50,000
Sale cost						
Legals -		<input type="text" value="£500"/>	per unit			<input type="text" value="£25,000"/>
Sales agents fee -		<input type="text" value="1.25%"/>				<input type="text" value="£91,406"/>
Marketing cost -		<input type="text" value="£1,000"/>	per private unit			<input type="text" value="£32,500"/>
						£148,906
TOTAL DEVELOPMENT COSTS						
						£7,537,371
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£1,462,500"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£134,663"/>
						£1,597,163
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						£9,134,533
Finance Costs		APR	<input type="text" value="7.00%"/>	PCM	<input type="text" value="0.565%"/>	<input type="text" value="£430,358"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						£9,564,891

Flats -		25.0	Units	Ipswich - High Value		
ITEM						
Net Site Area		0.71				
Yield		25.00	Private	Affordable		
			16.25	8.75		
Development Value						
Private Units	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		16.25	65	1,050	£2,400	£2,519,400
		16.25		1050		
Social Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		0.00	65	0	£1,080	£0
		0.00		0		
Affordable Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		7.00	65	452	£1,320	£596,904
		7.00		452		
Intermediate	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		1.75	65	113	£1,560	£176,358
		1.75		113		
		25.00		1615		£3,292,662
Development Cost						
Site Acquisition						
Site Value						£361,003
						Less Purchaser Costs
						4.75%
						£343,856
Build Costs						
Private units	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		16.25	1,235	£863		£1,065,805
		16.25				
Social Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		0.00	0	£863		£0
		0.00				
Affordable Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		7.00	532	£863		£459,116
		7.00				
Intermediate	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs
		1.75	133	£863		£114,779
		1.75				
		25.00	1900			£1,639,700
Additional Costs						
Plot external		15%				£245,955
Code Level		£1,319	per unit			£32,975
						£278,930
Professional Fees						
as percentage of construction costs			8%			£153,490
						£153,490
Contingency						
as percentage of construction costs			5%			£95,932
						£95,932
Developer contributions						
S.106				£1,000	per unit	£25,000
CIL				£0	per sq.m	£0
						£25,000
Sale cost						
Legals -			£500	per unit		£12,500
Sales agents fee -			1.25%			£31,493
Marketing cost -			£1,000	per private unit		£16,250
						£60,243
TOTAL DEVELOPMENT COSTS						
						£2,597,150
Developers' Profit						
Based upon percentage of gross development value				Rate		
Private -				20%		£503,880
Affordable -				6%		£46,396
						£550,276
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						£3,147,426
Finance Costs			APR	PCM		
			7.00%	0.565%		£147,874
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£3,295,300

Flats -		50.0	Units		Ipswich - High Value		
ITEM							
Net Site Area		1.43					
Yield		50.00	Private	Affordable			
			32.50	17.50			
Development Value							
Private Units	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		32.50	65	2,100	£2,400	£5,038,800	
		32.50		2100			
Social Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		0.00	65	0	£1,080	£0	
		0.00		0			
Affordable Rent	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		14.00	65	904	£1,320	£1,193,808	
		14.00		904			
Intermediate	Flats -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		3.50	65	226	£1,560	£352,716	
		3.50		226			
		50.00		3230		£6,585,324	
Development Cost							
Site Acquisition							
Site Value						£422,908	
						Less Purchaser Costs	
						4.75%	
						£402,820	
Build Costs							
Private units	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		32.50	2,470	£863		£2,131,610	
		32.50					
Social Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		0.00	0	£863		£0	
		0.00					
Affordable Rent	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		14.00	1,064	£863		£918,232	
		14.00					
Intermediate	Flats-	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		3.50	266	£863		£229,558	
		3.50					
		50.00	3800			£3,279,400	
Additional Costs							
Plot external		15%				£491,910	
Code Level		£1,319	per unit			£65,950	
						£557,860	
Professional Fees							
as percentage of construction costs			8%			£306,981	
						£306,981	
Contingency							
as percentage of construction costs			5%			£191,863	
						£191,863	
Developer contributions							
S.106				£1,000	per unit	£50,000	
CIL				£0	per sq.m	£0	
						£50,000	
Sale cost							
Legals -			£500		per unit	£25,000	
Sales agents fee -			1.25%			£62,985	
Marketing cost -			£1,000		per private unit	£32,500	
						£120,485	
TOTAL DEVELOPMENT COSTS							
						£4,909,408	
Developers' Profit							
Based upon percentage of gross development value				Rate			
Private -				20%		£1,007,760	
Affordable -				6%		£92,791	
						£1,100,551	
TOTAL PROJECT COSTS [EXCLUDING INTEREST]							
						£6,009,960	
Finance Costs			APR	PCM			
			7.00%	0.565%		£580,640	
TOTAL PROJECT COSTS [INCLUDING INTEREST]							
						£6,590,600	

Houses –	100.0	Units	Ipswich - Northern Fringe - High Value				
ITEM							
Net Site Area	3.61		£1,063,620 per ha				
Yield	100.00	Private	Affordable				
		65.00	35.00				
Development Value							
Private Units	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		65.00	90	5,850	£2,500	£14,625,000	
		65.00		5850			
Social Rent	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		0.00	90	0	£1,125	£0	
		0.00		0			
Affordable Rent	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		28.00	90	2,520	£1,375	£3,465,000	
		28.00		2520			
Intermediate	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value	
		7.00	90	630	£1,625	£1,023,750	
		7.00		630			
Comparison Retail		No. of units	Size sq.m	Rent	Yield	Rent Free/Void (yrs)	Total Value
		1.00	468	£70,452	8.0%	1	£815,420
		1.00		less sales fees @	5.75%		£46,887
Convenience Retail		No. of units	Size sq.m	Rent	Yield	Rent Free/Void (yrs)	Total Value
		1.00	250	£34,310	6.0%	0.5	£555,418
		1.00		less sales fees @	5.75%		£31,937
		100.00		9000			£20,405,764
Development Cost							
Site Acquisition							
Site Value							£4,070,694
							Less Purchaser Costs 5.75%
							£3,836,629
Build Costs							
Private units	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		65.00	5,850	£760		£4,446,000	
		65.00					
Social Rent	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		0.00	0	£760		£0	
		0.00					
Affordable Rent	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		28.00	2,520	£760		£1,915,200	
		28.00					
Intermediate	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs	
		7.00	630	£760		£478,800	
		7.00					
Comparison Retail		No. of units	Size sq.m	Cost per sq.m		Total Costs	
		1.00	550	£760		£418,000	
		1.00					
Convenience Retail		No. of units	Size sq.m	Cost per sq.m		Total Costs	
		1.00	250	£897		£224,250	
		1.00					
		100.00	9,000			£7,482,250	
Additional Costs							
Plot external - residential		15%				£1,026,000	
Code Level		£2,004	per unit			£200,400	
Plot external - retail		10%				£64,225	
						£1,290,625	
Professional Fees							
as percentage of construction costs - residential		8%				£645,312	
as percentage of construction costs - retail		10%				£70,648	
						£715,960	
Contingency							
as percentage of construction costs - residential		5%				£403,320	
as percentage of construction costs - retail		5%				£35,324	
						£438,644	
Developer contributions							
S.106				£17,140	per unit	£1,714,000	
CIL				£0	per sq.m	£0	
						£1,714,000	
Sale cost							
Legals -		£500	per unit			£50,000	
Sales agents fee -		1.25%				£182,813	
Marketing cost -		£1,000	per private unit			£65,000	
						£297,813	
TOTAL DEVELOPMENT COSTS							
£15,775,920							
Developers' Profit							
			Rate				
Private		20%	of GDV			£2,925,000	
Affordable -		6%	of GDV			£269,325	
Private -		20%	of TDC			£162,489	
						£3,356,814	
TOTAL PROJECT COSTS [EXCLUDING INTEREST]							
£19,132,734							
Finance Costs							
		APR		PCM			
		7.00%		0.565%		£1,273,030	
TOTAL PROJECT COSTS [INCLUDING INTEREST]							
£20,405,764							

Houses –	14.0	Units	Ipswich -Victoria Nurseries			
ITEM						
Net Site Area	<input type="text" value="0.39"/>		<input type="text" value="£2,069,653 per ha"/>			
Yield	<input type="text" value="14.00"/>	Private	Affordable			
		<input type="text" value="11.20"/>	<input type="text" value="2.80"/>			
Development Value						
Private Units	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<input type="text" value="11.20"/>	<input type="text" value="90"/>	<input type="text" value="1,008"/>	<input type="text" value="£2,500"/>	<input type="text" value="£2,520,000"/>
		<input type="text" value="11.20"/>		<input type="text" value="1008"/>		
Social Rent	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<input type="text" value="0.00"/>	<input type="text" value="90"/>	<input type="text" value="0"/>	<input type="text" value="£1,125"/>	<input type="text" value="£0"/>
		<input type="text" value="0.00"/>		<input type="text" value="0"/>		
Affordable Rent	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<input type="text" value="2.24"/>	<input type="text" value="90"/>	<input type="text" value="202"/>	<input type="text" value="£1,375"/>	<input type="text" value="£277,200"/>
		<input type="text" value="2.24"/>		<input type="text" value="202"/>		
Intermediate	Houses -	No. of units	Size sq.m	Total sq.m	£psm	Total Value
		<input type="text" value="0.56"/>	<input type="text" value="90"/>	<input type="text" value="50"/>	<input type="text" value="£1,625"/>	<input type="text" value="£81,900"/>
		<input type="text" value="0.56"/>		<input type="text" value="50"/>		
		<input type="text" value="14.00"/>		<input type="text" value="1260"/>		<input type="text" value="£2,879,100"/>
Development Cost						
Site Acquisition						
Site Value						<input type="text" value="£856,408"/>
						Less Purchaser Costs
						<input type="text" value="5.75%"/>
						<input type="text" value="£807,165"/>
Build Costs						
Private units	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<input type="text" value="11.20"/>	<input type="text" value="1008"/>	<input type="text" value="£760"/>		<input type="text" value="£766,080"/>
		<input type="text" value="11.20"/>				
Social Rent	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<input type="text" value="0.00"/>	<input type="text" value="0"/>	<input type="text" value="£760"/>		<input type="text" value="£0"/>
		<input type="text" value="0.00"/>				
Affordable Rent	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<input type="text" value="2.24"/>	<input type="text" value="202"/>	<input type="text" value="£760"/>		<input type="text" value="£153,216"/>
		<input type="text" value="2.24"/>				
Intermediate	Houses -	No. of units	Size sq.m	Cost per sq.m		Total Costs
		<input type="text" value="0.56"/>	<input type="text" value="50"/>	<input type="text" value="£760"/>		<input type="text" value="£38,304"/>
		<input type="text" value="0.56"/>				
		<input type="text" value="14.00"/>	<input type="text" value="1260"/>			<input type="text" value="£957,600"/>
Additional Costs						
Plot external		15%				<input type="text" value="£143,640"/>
Code Level		£2,004	per unit			<input type="text" value="£28,056"/>
						<input type="text" value="£171,696"/>
Professional Fees						
as percentage of construction costs			<input type="text" value="8%"/>			<input type="text" value="£90,344"/>
						<input type="text" value="£90,344"/>
Contingency						
as percentage of construction costs			<input type="text" value="5%"/>			<input type="text" value="£56,465"/>
						<input type="text" value="£56,465"/>
Developer contributions						
S.106				<input type="text" value="£1,000"/>	per unit	<input type="text" value="£14,000"/>
CIL				<input type="text" value="£120"/>	per sq.m	<input type="text" value="£120,960"/>
						<input type="text" value="£134,960"/>
Sale cost						
Legals -			<input type="text" value="£500"/>	per unit		<input type="text" value="£7,000"/>
Sales agents fee -			<input type="text" value="1.25%"/>			<input type="text" value="£31,500"/>
Marketing cost -			<input type="text" value="£1,000"/>	per private unit		<input type="text" value="£11,200"/>
						<input type="text" value="£49,700"/>
TOTAL DEVELOPMENT COSTS						
						<input type="text" value="£2,267,929"/>
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			<input type="text" value="20%"/>			<input type="text" value="£504,000"/>
Affordable -			<input type="text" value="6%"/>			<input type="text" value="£21,546"/>
						<input type="text" value="£525,546"/>
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						
						<input type="text" value="£2,793,475"/>
Finance Costs			APR	PCM		
			<input type="text" value="7.00%"/>	<input type="text" value="0.565%"/>		<input type="text" value="£85,625"/>
TOTAL PROJECT COSTS [INCLUDING INTEREST]						
						<input type="text" value="£2,879,100"/>

Peter Brett Associates

Development Appraisal

Offices - 929 sq m

Report Date: 11 November 2013

Offices - 929 sq m

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Offices	1	789.65	£161.46	£127,497	127,497	127,497

Investment Valuation

Offices					
Market Rent	127,497	YP @	8.0000%	12.5000	
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	8.0000%	0.9623	1,533,549

GROSS DEVELOPMENT VALUE

Purchaser's Costs 5.75% (88,179) 1,533,549

NET DEVELOPMENT VALUE

1,445,370

NET REALISATION

1,445,370

OUTLAY

ACQUISITION COSTS

Residualised Price (211,314) (211,314)

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Offices	929.00	£1,139.00	1,058,131	1,058,131

Contingency 5.00% 52,907 52,907

Other Construction

External 10.00% 105,813 105,813

PROFESSIONAL FEES

Architect 10.00% 116,394 116,394

MARKETING & LETTING

Letting Agent Fee	10.00%	12,750
Marketing	10.00%	12,750
Letting Legal Fee	5.00%	6,375

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Offices - 929 sq m**

31,874

DISPOSAL FEES

Sales Agent Fee	1.00%	14,454
Sales Legal Fee	0.50%	7,227

21,681

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)

Land	(11,986)
Construction	40,975

Total Finance Cost 28,989

TOTAL COSTS**1,204,475****PROFIT****240,895****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	10.59%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%

IRR 75.50%

Rent Cover 1 yr 11 mths
Profit Erosion (finance rate 7.000%) 2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Industrial - 3,500 sq m

Report Date: 11 November 2013

Industrial - 3,500 sq m

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Industrial	1	3,500.00	£59.20	£207,200	207,200	207,200

Investment Valuation

Industrial

Market Rent	207,200	YP @	7.5000%	13.3333		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	7.5000%	0.9645	2,664,552	

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.75%	(153,212)		2,664,552		
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NET DEVELOPMENT VALUE

2,511,341

NET REALISATION

2,511,341

OUTLAY

ACQUISITION COSTS

Residualised Price (1.00 Ha £49,846.84 pHect)				49,847		
Agent Fee		1.00%		498		
Legal Fee		0.50%		249		
					50,595	

CONSTRUCTION COSTS

Construction

	m²	Rate m²	Cost	
Industrial	3,500.00	£431.00	1,508,500	1,508,500

Contingency		5.00%	75,425	75,425
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Other Construction

External		10.00%	150,850	150,850
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PROFESSIONAL FEES

Architect		10.00%	165,935	165,935
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MARKETING & LETTING

Letting Agent Fee		10.00%	20,720	
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APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Industrial - 3,500 sq m**

Marketing	5.00%	10,360	
Letting Legal Fee	5.00%	10,360	
			41,440

DISPOSAL FEES

Sales Agent Fee	1.00%	25,113	
Sales Legal Fee	0.50%	12,557	
			37,670

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		3,954	
Construction		58,415	
Total Finance Cost			62,369

TOTAL COSTS**2,092,784****PROFIT****418,557****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	9.90%
Equivalent Yield% (Nominal)	7.50%
Equivalent Yield% (True)	7.87%
IRR	49.59%
Rent Cover	2 yrs
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Comparison Retail - 465 sq m

Report Date: 11 November 2013

Comparison Retail - 465 sq m

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Retail High Street	1	395.25	£150.70	£59,564	59,564	59,564

Investment Valuation

Retail High Street

Market Rent	59,564	YP @	8.0000%	12.5000		
(1yr Rent Free)		PV 1yr @	8.0000%	0.9259	689,400	

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.75%	(39,641)		689,400	
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NET DEVELOPMENT VALUE

649,760

NET REALISATION

649,760

OUTLAY

ACQUISITION COSTS

Residualised Price (0.08 Ha £1,462,319.70 pHect)				116,986		
Agent Fee		1.00%		1,170		
Legal Fee		0.50%		585		
					118,740	

CONSTRUCTION COSTS

Construction

	m²	Rate m²	Cost	
Retail High Street	465.00	£635.00	295,275	295,275
Contingency S106		5.00%	14,764	
			5,000	
				19,764

Other Construction

External		10.00%	29,527	
				29,527

PROFESSIONAL FEES

Architect		10.00%	32,480	
				32,480

MARKETING & LETTING

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Comparison Retail - 465 sq m**

Letting Agent Fee	10.00%	5,956	
Marketing	10.00%	5,956	
Letting Legal Fee	5.00%	2,978	
			14,891

DISPOSAL FEES

Sales Agent Fee	1.00%	6,498	
Sales Legal Fee	0.50%	3,249	
			9,746

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		9,279	
Construction		11,763	
Total Finance Cost			21,042

TOTAL COSTS**541,466****PROFIT****108,293****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	11.00%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
IRR	39.43%
Rent Cover	1 yr 10 mths
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Retail Convenience - 465 sq m

Report Date: 11 November 2013

Retail Convenience - 465 sq m

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Convenience Retail	1	465.00	£161.46	£75,079	75,079	75,079

Investment Valuation

Convenience Retail

Market Rent	75,079	YP @	6.0000%	16.6667		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	6.0000%	0.9713	1,215,385	

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.75%	(69,885)		1,215,385	
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NET DEVELOPMENT VALUE

1,145,500

NET REALISATION

1,145,500

OUTLAY

ACQUISITION COSTS

Residualised Price (0.09 Ha £3,851,258.88 pHect)				346,613		
Stamp Duty				10,398		
Agent Fee		1.00%		3,466		
Legal Fee		0.50%		1,733		
					362,211	

CONSTRUCTION COSTS

Construction

	m²	Rate m²	Cost	
Convenience Retail	465.00	£897.00	417,105	417,105
Contingency		5.00%	20,855	
S106			5,000	
				25,855

Other Construction

External		10.00%	41,710	
				41,710

PROFESSIONAL FEES

Architect		10.00%	45,882	
				45,882

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Retail Convenience - 465 sq m****MARKETING & LETTING**

Letting Agent Fee	10.00%	7,508	
Letting Legal Fee	5.00%	3,754	
			11,262

DISPOSAL FEES

Sales Agent Fee	1.00%	11,455	
Sales Legal Fee	0.50%	5,727	
			17,182

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		21,589	
Construction		11,786	
Total Finance Cost			33,376

TOTAL COSTS**954,583****PROFIT****190,917****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	7.87%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	43.26%
Rent Cover	2 yrs 7 mths
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Retail Convenience - 4,000 sq m

Report Date: 11 November 2013

Retail Convenience - 4,000 sq m

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Convenience Retail	1	4,000.00	£188.37	£753,480	753,480	753,480

Investment Valuation

Convenience Retail

Market Rent	753,480	YP @	5.7500%	17.3913		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.7500%	0.9724	12,742,766	

GROSS DEVELOPMENT VALUE

Purchaser's Costs		5.75%	(732,709)		12,742,766	
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NET DEVELOPMENT VALUE

12,010,057

NET REALISATION

12,010,057

OUTLAY

ACQUISITION COSTS

Residualised Price (0.80 Ha £4,687,578.97 pHect)				3,750,063		
Stamp Duty				150,003		
Agent Fee		1.00%		37,501		
Legal Fee		0.50%		18,750		
					3,956,317	

CONSTRUCTION COSTS

Construction

	m²	Rate m²	Cost	
Convenience Retail	4,000.00	£1,047.00	4,188,000	4,188,000
Contingency		5.00%	209,400	
S106			10,000	
				219,400

Other Construction

External		10.00%	418,800	
				418,800

PROFESSIONAL FEES

Architect		10.00%	460,680	
				460,680

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Retail Convenience - 4,000 sq m****MARKETING & LETTING**

Letting Agent Fee	10.00%	75,348	
Letting Legal Fee	5.00%	37,674	
			113,022

DISPOSAL FEES

Sales Agent Fee	1.00%	120,101	
Sales Legal Fee	0.50%	60,050	
			180,151

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		309,176	
Construction		162,833	
Total Finance Cost			472,009

TOTAL COSTS**10,008,379****PROFIT****2,001,678****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	7.53%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
IRR	33.77%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Retail Convenience - 9,400 sq m

Report Date: 11 November 2013

Retail Convenience - 9,400 sq m

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Convenience Retail	1	9,400.00	£188.37	£1,770,678	1,770,678	1,770,678

Investment Valuation

Convenience Retail

Market Rent	1,770,678	YP @	5.7500%	17.3913		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.7500%	0.9724	29,945,499	

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.75%	(1,721,866)		29,945,499		
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NET DEVELOPMENT VALUE

28,223,633

NET REALISATION

28,223,633

OUTLAY

ACQUISITION COSTS

Residualised Price (1.88 Ha £4,330,182.26 pHect)				8,140,743		
Stamp Duty				325,630		
Agent Fee		1.00%		81,407		
Legal Fee		0.50%		40,704		
					8,588,484	

CONSTRUCTION COSTS

Construction

	m²	Rate m²	Cost			
Convenience Retail	9,400.00	£1,047.00	9,841,800	9,841,800		
Contingency		5.00%	492,090			
S106			10,000			
					502,090	

Other Construction

External		10.00%	984,180			
					984,180	

PROFESSIONAL FEES

Architect		10.00%	1,082,598			
					1,082,598	

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Retail Convenience - 9,400 sq m****MARKETING & LETTING**

Letting Agent Fee	10.00%	177,068	
Letting Legal Fee	5.00%	88,534	
			265,602

DISPOSAL FEES

Sales Agent Fee	1.00%	282,236	
Sales Legal Fee	0.50%	141,118	
			423,354

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)			
Land		998,091	
Construction		833,493	
Total Finance Cost			1,831,584

TOTAL COSTS**23,519,691****PROFIT****4,703,942****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	7.53%
Equivalent Yield% (Nominal)	5.75%
Equivalent Yield% (True)	5.96%
IRR	23.24%
Rent Cover	2 yrs 8 mths
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Student Accommodation - 60 beds

Report Date: 11 November 2013

Student Accommodation - 60 beds

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
	60	719.88	£315.05	£3,780	158,760	226,800	158,760

Investment Valuation

Current Rent	158,760	YP @	7.2500%	13.7931	2,189,793		
GROSS DEVELOPMENT VALUE						2,189,793	
Purchaser's Costs		5.75%	(125,913)				
NET DEVELOPMENT VALUE						<u>2,063,880</u>	

NET REALISATION

2,063,880

OUTLAY

ACQUISITION COSTS

Residualised Price (0.20 Ha	£903,825.86 pHect)			180,765			
Agent Fee		1.00%		1,808			
Legal Fee		0.75%		1,356			
						183,929	

CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
	1,028.40	£1,141.00	1,173,404	1,173,404

Contingency		5.00%	58,670	58,670
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Other Construction

Externals		10.00%	117,340	117,340
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PROFESSIONAL FEES

Professional Fees		10.00%	129,074	129,074
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FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)				
Land			12,087	

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Student Accommodation - 60 beds**

Construction	45,395	
Total Finance Cost		57,482

TOTAL COSTS **1,719,900**

PROFIT **343,980**

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	9.23%
Equivalent Yield% (Nominal)	7.25%
Equivalent Yield% (True)	7.59%

IRR 44.84%

Rent Cover 2 yrs 2 mths
Profit Erosion (finance rate 7.000%) 2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Care Home - 60 beds

Report Date: 11 November 2013

Care Home - 60 beds

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
60	£5,300	318,000	318,000

Investment Valuation

Current Rent	318,000	YP @	7.0000%	14.2857	4,542,857
GROSS DEVELOPMENT VALUE					4,542,857
Purchaser's Costs		5.75%	(261,214)		
NET DEVELOPMENT VALUE					<u>4,281,643</u>

NET REALISATION

4,281,643

OUTLAY

ACQUISITION COSTS

Residualised Price (0.40 Ha £502,194.46 pHect)			200,878	
Stamp Duty			2,009	
Agent Fee		1.00%	2,009	
Legal Fee		0.75%	1,507	
				206,402

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost	
	2,400.00	£1,054.00	2,529,600	2,529,600
Contingency		5.00%	126,480	126,480
Other Construction				
Externals		10.00%	252,960	252,960

PROFESSIONAL FEES

Professional Fees		10.00%	278,256	278,256
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FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Care Home - 60 beds**

Land	21,330	
Construction	153,008	
Total Finance Cost		174,337

TOTAL COSTS**3,568,035****PROFIT****713,608****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.91%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
IRR	32.72%
Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Peter Brett Associates

Development Appraisal

Hotel - 100 beds

Report Date: 11 November 2013

Hotel - 100 beds

Summary Appraisal for Phase 1

REVENUE

Rental Area Summary

	Units	m²	Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Hotel	1	4,645.00	£1,369.86	£500,000	500,000	500,000

Investment Valuation

Hotel					
Current Rent	500,000	YP @	7.0000%	14.2857	7,142,857

GROSS DEVELOPMENT VALUE

Purchaser's Costs	5.75%	(410,714)	7,142,857
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NET DEVELOPMENT VALUE			<u>6,732,143</u>
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NET REALISATION

6,732,143

OUTLAY

ACQUISITION COSTS

Residualised Price		(1,597,420)	(1,597,420)
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CONSTRUCTION COSTS

Construction	m²	Rate m²	Cost	
Hotel	4,645.00	£1,207.00	5,606,515	5,606,515

Contingency		5.00%	280,326	280,326
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Other Construction

Externals		10.00%	560,651	560,651
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PROFESSIONAL FEES

Architect		10.00%	560,651	560,651
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MARKETING & LETTING

Letting Agent Fee		10.00%	50,000	
Letting Legal Fee		5.00%	25,000	
				75,000

FINANCE

APPRAISAL SUMMARY**PETER BRETT ASSOCIATES****Hotel - 100 beds**

Debit Rate 7.000% Credit Rate 0.000% (Nominal)

Land	(72,655)	
Construction	197,051	
Total Finance Cost		124,396

TOTAL COSTS**5,610,120****PROFIT****1,122,023****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	15.71%
Profit on NDV%	16.67%
Development Yield% (on Rent)	8.91%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
IRR	99.06%
Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 7.000%)	2 yrs 8 mths

Appendix B Consultees

Residential Agents

- Fenn Wright
- Blake Mayhew
- Goddard & Co
- Abbots
- Abbots – Land and New Homes
- Strutt and Parker – Land Development
- Clarke & Simpson – Land Team

Developers

- Bellway
- Abbey Developments
- Persimmon
- Crest Nicholson

Registered Providers

- Havebury Housing
- Red Box Partnerships (consultant)
- Flagship Housing
- Orbit Group

Commercial Agents

- Bidwells
- Frost and Partners
- Penn Commercial
- Savills
- Gerald Eve

Appendix C Convenience Retail - Comparable Evidence

Address	Date	Size (sq m)	Rent (per annum)	Rent (sq m)	Sales Price	Yield	Sale Value (sq m)
Tesco, Tiptree	01/12	2,880	£679,000	£236	£13,110,000	4.9%	£4,552
Tesco, Chatteris	09/13	4,290	NA	NA	£22,000,000	NA	£5,128
Sainsbury's, Colchester	12/10	13,657	£3,940,000	£288	NA	NA	NA
Sainsbury's, Chadwell Heath	06/12	4,951	£1,062,946	£215	£20,000,000	5.0%	£4,040
Tesco, Colchester	01/12	2,600	NA	NA	£13,110,000	NA	£5,042
Tesco, Braintree	01/12	5,063	c. £1,170,000	c. £231	£25,000,000	4.85%	£4,938