**Wokingham LPU Strategic Masterplanning – High Level Viability Assessment**

**Development appraisal assumptions for Hall Farm: Basic development appraisal assumptions**

1. Assumed mix of unit types, sizes, values, density and site preparation costs:

<table>
<thead>
<tr>
<th>Hall Farm</th>
<th>Unit types</th>
</tr>
</thead>
<tbody>
<tr>
<td>split</td>
<td>Unit numbers</td>
</tr>
<tr>
<td>Total No</td>
<td>1,000</td>
</tr>
<tr>
<td>Private 65%</td>
<td></td>
</tr>
<tr>
<td>Affordable 35%</td>
<td></td>
</tr>
<tr>
<td>Social rented</td>
<td></td>
</tr>
<tr>
<td>Intermediate</td>
<td></td>
</tr>
<tr>
<td>Floorspace</td>
<td></td>
</tr>
<tr>
<td>GIA</td>
<td></td>
</tr>
<tr>
<td>Gross</td>
<td></td>
</tr>
</tbody>
</table>

   | £/M2       |             | £ 4,500 | £ 4,500 | £ 5,000 | £ 4,500 | £ 4,550 | £ 4,500 | £ 4,605 |
   | £/M2 affordable SR | 50% omv | £ 2,250 | £ 2,250 | £ 2,500 | £ 2,250 | £ 2,275 | £ 2,250 | £ 2,323 |
   | £/M2 affordable I  | 65% omv    | £ 2,925 | £ 2,925 | £ 3,250 | £ 2,925 | £ 2,958 | £ 2,925 | £ 3,019 |

   | Price Market |             | £ 225,000 | £ 315,000 | £ 395,000 | £ 418,500 | £ 523,250 | £ 562,500 |
   | Price affordable SR |             | £ 112,500 | £ 157,500 | £ 197,500 | £ 209,250 | £ 261,625 | £ 281,250 |
   | Price affordable I  |             | £ 146,250 | £ 204,750 | £ 256,750 | £ 272,025 | £ 340,113 | £ 365,625 |

<table>
<thead>
<tr>
<th>Density</th>
<th>% open space</th>
<th>Total ha</th>
<th>Site prep per ha</th>
<th>Site prep per ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>35dph</td>
<td></td>
<td>40 48</td>
<td>£ 500,000</td>
<td>£ 14,300</td>
</tr>
</tbody>
</table>

Ground rents for all flats assumed at £250 per annum, valued at 5% YP in perpetuity

2. Land acquisition Costs

- 4% stamp duty
- 1% agents fee
- 0.5% legal fee
3 Planning and site survey costs
- Planning £300,000 for 1000 units,
- Site survey £60,000 for 1000 units,

4 Construction costs – based on BCIS figures, average cost per M2 for various unit types
- Build costs £1,474 per M2
- Contingency 7.5%
- Developer’s contingency 5%
- Open space layout: 1000 unit scheme: 3 phases £1,000,000 each
- NHBC costs £1,000 per unit

5 CIL – Indexed to June 2018
- £450 per M2 for private units

6 Professional fees
- 5% for architect
- 5% for others including CDM etc

7 Marketing
- 2.5% of build costs for private units

8 Sales and Legal fees
- Sales fees 1.25%
- Legal fees 0.25%

9 Finance
- 7% on debt, 0% on credit

10 Developer’s return per phase
- 18.5% on GDV per phase (Representing a blend of circa 20% on private and circa 6% on affordable)
Phasing, delivery and infrastructure assumptions – 1,000 units

The 1,000 unit option is assumed to be delivered as 3 strategic phases of 250, 400 and 350 units respectively delivered over a total circa 5.5 year period including lead in time.

The specific infrastructure which is assumed to be a cost to the development aside from that set out above amounts to some £10,169,520 and is as follows:

1. Highways infrastructure (Costed by PBA)  
   • Arm off Arborfield Relief Road roundabout  £50,000  
   • Improvements to the existing network  £150,000  
   • Internal Spine road  £2,500,000  
   • New footways/cycleways  £250,000  
   Total  £2,950,000

2. Utility costs  
   • Electricity  £1,180,000  
   • Gas  £732,100  
   • Water  £673,920  
   • Foul Water  £1,543,500  
   Total  £4,129,520

3. Sustainable transport measures (Costed by PBA)  
   • Bus stop infrastructure  £90,000  
   • My Journey Travel Plan contributions  £450,000  
   • Improved bus services  £700,000  
   Total  £1,240,000

4. Open space allowances  
   • SANG  £480,000  
   • Open space management  £270,000  
   • Children’s play  £900,000  
   • Playing pitches  £200,000  
   Total  £1,850,000
Areas assumed to be delivered through CIL/alternative forms of funding/third parties (i.e. not included as a cost to the developer in the financial appraisal):

- Educational facilities (1 x 2fe school) £7,000,000
- Community facilities £900,000

Total £7,900,000
Current exclusions for discussion:

- Electric vehicle infrastructure
- Flood alleviation costs
- Waste/recycling costs
- Any commercial development

Outcome of initial baseline viability assessment:

Scheme generates the following:

1. The required level of developer’s profit
2. The required level of CIL
3. The required level and mix of affordable housing
4. A land value which exceeds existing use value and benchmark land value and is therefore viable based on the assumptions set out above.