Wokingham LPU Strategic Masterplanning – High Level Viability Assessment
Development appraisal assumptions for Ashridge: Basic development appraisal assumptions

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

Ashridge		Unit types						
split	**Unit numbers**	**1 bed**	**2 bed F**	**2 bed H**	**3 bed H**	**4 bed**	**5 bed**	**Averages**
Total No	**3,000**							
Private 65%		9.90%	6.63%	19.88%	41.60%	16.50%	5.5%	
Affordable 35%		45.60%	14.70%	14.70%	22.00%	2.25%	0.8%	
Social rented	**70%**							
Intermediate	**30%**							
Floorspace	**GIA**	50	70	79	93	115	125	
	Gross	59	82	83	98	121	132	
£/M2		£ 5,000	£ 4,500	£ 4,800	£ 4,850	£ 4,550	£ 4,550	£ 4,745
£/M2 affordable SR	**50% omv**	£ 2,500	£ 2,250	£ 2,400	£ 2,425	£ 2,275	£ 2,275	£ 2,412
£/M2 affordable I	**65% omv**	£ 3,250	£ 2,925	£ 3,120	£ 3,153	£ 2,958	£ 2,958	£ 3,135
Price Market		£ 250,000	£ 315,000	£ 379,200	£ 451,050	£ 523,250	£ 568,750	
Price affordable SR		£ 125,000	£ 157,500	£ 189,600	£ 225,525	£ 261,625	£ 284,375	
Price affordable I		£ 162,500	£ 204,750	£ 246,480	£ 293,183	£ 340,113	£ 369,688	
	Density	**% open space/other**	**Total ha**	**Site prep per ha**	**Site prep per ha**			
	35dph	61	220	£ 500,000	£ 14,300			

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 £750,000 for 3000 units
- Site survey £125,000 for 3000 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%
- Highways/infrastructure costs as advised by PBA – see below under phasing assumptions:
- Open space layout: 3000 unit scheme: 5 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)

The 3000 unit option is assumed to be delivered as a series of 5 strategic phases, providing 500, 600, 700, 700, and 500 units respectively.
The development is assumed to be delivered over 170 months (circa 14 years) in total, including lead in periods.

The specific infrastructure which is **assumed to be a cost to the development** aside from that set out above amounts to some £76,621,500 and is as follows:

1. Highways infrastructure (Costed by PBA) Total £53,500,000

- Pedestrian footbridge for interchange £2,000,000
- A329M Improvements £10,000,000
- New A329 Junction £40,000,000
- Improvements to existing roads £1,500,000

2. Utility costs Total £14,759,000

- Electricity £6,350,000
- Gas £2,250,000
- Water £1,871,000
- Foul Water £4,288,000

3. Sustainable transport measures (Costed by PBA) Total £6,470,000

- New footways/cycleways £500,000
- Bus stop infrastructure £120,000
- New/improved bus services £1,500,000
- My Journey Travel Plan contributions £1,350,000

4. Open space allowances Total £5,892,500

- SANG £1,440,000
- Open space management £877,500
- Children’s play £2,925,000
- Playing pitches £650,000

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 plus 1 x 3 fe Primary schools	£17,000,000
• Community facilities	£2,700,000
• Park & Walk MRT interchange and car park	£4,000,000
Total	£23,700,000

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 insufficiently above existing use value to encourage a landowner to sell for development. This indicates that based on these assumptions the development would not be considered viable. However, if the A329 junction and A329 improvements were to be covered by CIL, then viability could be improved and could achieve a figure closer to the anticipated benchmark land value. This analysis also assumes that a total site area of 220 ha needs to be acquired to account for open space, SANG, employment areas etc. therefore if a lesser amount of land is required, overall viability could be improved per ha.