The background of the page is a dark grey map with white line art representing streets and building footprints. Overlaid on this map are several large, semi-transparent geometric shapes. A large, light orange rectangle covers the upper left and middle sections. A smaller, solid black rectangle is positioned in the upper right. Another solid black rectangle is located in the lower right. A medium-sized, solid orange rectangle is centered in the lower half of the page, containing the title text.

# **APPENDIX 3:** VIABILITY ASSESSMENT

# **Financial Viability Assessment supporting consideration of two sites at Wokingham for allocation for residential development**

## **1. Introduction**

This report considers the viability of two specific sites in Wokingham being considered for allocation for predominantly housing development within the emerging Wokingham Local Plan. The sites are located at **Hall Farm/Hatch Farm, East of Shinfield**, and **South Wokingham** as an extension to the South Wokingham SDL.

This report should be read in conjunction with the Strategic Masterplanning, Transport Modelling and Air Quality Assessment report, to which this viability assessment contributes.

### **Confirmation of instructions and absence of conflicts of interest**

The Terms of Engagement for the work are set out in a Work Order according to the definitions contained within the provisions of the Supplier Agreement between MATRIX MANAGED MARKETPLACE LTD and David Lock Associates Limited (DLA), authorised on behalf of Wokingham Borough Council (The Contracting Authority). The Work Order specifies the services contracted, including a high-level viability assessment as detailed in the DLA/Stantec Strategic Masterplanning, Transport Modelling and Air Quality Assessment Proposal, dated March 2021, a copy of which is available on request.

DLA confirms and declares that no conflict of interest or risk of conflict of interest exists in relation to the carrying out of this viability work.

## **2. Purpose of the Report**

The purpose of this report is to assess the high-level viability and prospects for deliverability of the proposed housing led developments at the two locations identified above, and more specifically set out in the wider Strategic Masterplanning, Transport Modelling and Air Quality reports.

### **Objectivity, impartiality and reasonableness statement**

The viability assessment has been undertaken in accordance with RICS guidance and reporting requirements

- with objectivity
- impartially
- without interference and
- with reference to all appropriate available sources of information.

### **No contingent fee statement**

In preparing this report, no performance-related or contingent fees have been agreed.

### **Confirmation where the RICS member is acting on area-wide and scheme-specific FVAs**

This viability advice follows on from a previous assessment carried out in respect of Hall Farm for the LPA, and wider viability advice in respect of other specific locations in Wokingham considered by the LPA for potential future residential development. The LPA was fully aware of this involvement prior to the confirmation of the instruction.

### **Evidence and consultation**

All assumptions and inputs adopted for the viability testing have been provide to the promoters of relevant development at Hatch Farm and South Wokingham, and as part of the wider report to the key Landowner at Hall Farm. Comment has been invited on the assumptions, and where forthcoming, this has been taken into account in the development appraisals.

Consultation with landowners and development promoters will be ongoing as part of the Local Plan process.

Specific market evidence to support the assumptions adopted for these viability assessments are set out in Chapter 3 of the Wokingham Strategic Sites Report.

### **3. Policy Context**

The viability assessment accords with the National Planning Policy Framework and Planning Policy Guidance on viability and takes into consideration sector guidance including the Harman Report and updated RICS guidance - Assessing viability in planning under the National Planning Policy Framework 2019 for England.

#### *Local policy*

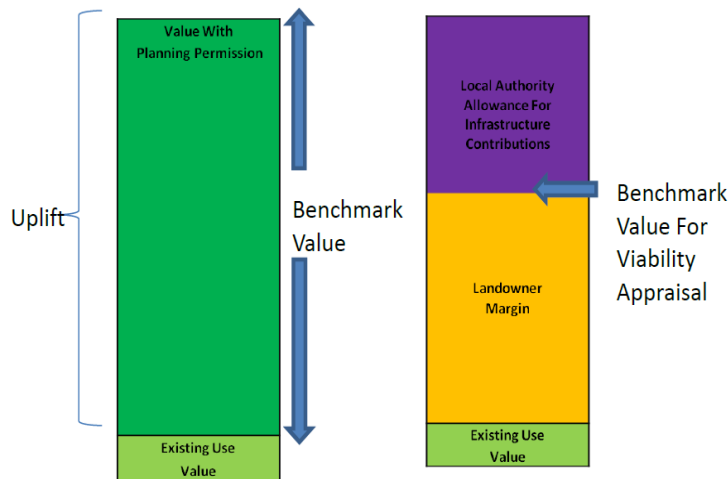
Specific relevant local policy relating to the provision of affordable housing, housing mix, the charging of Community Infrastructure Levy and required development obligations have been reflected in the viability assessment and are set out in detail within the development assumptions and infrastructure schedules.

### **4. Approach to viability**

The residual method of valuation has been adopted to assess viability. The residual method is the recognised process for valuing land with development potential. The sum of money available for the purchase of land (the residual) can be calculated from the value of the completed development minus all costs of development (including planning contributions and profit).

#### *Benchmark land value and supporting evidence*

However, it is not sufficient to establish a positive residual value to exhibit viability. The residual value needs to be benchmarked against the appropriate threshold land value.



The Benchmark Land Value is based on a premium over current use values and credible alternative use values. The exact method of calculation is not fixed but the value will lie somewhere between the current value and the value with planning permission. In assessing the Benchmark Land Value for use in the Wokingham sites appraisals, we have considered the following:

- **current use value** – The land at both Hall Farm/Hatch Farm and the site at South Wokingham is currently in agricultural use. The indicative CUV based on comparables and Government policy guidance is assessed at between £26,000 per ha, and circa £60,000 per ha (but the upper level is expected to reflect an element of development “hope” value)
- **premium** – The premium for agricultural land value, where applied in other Viability Assessments, typically ranges between 10 and 15 x the pure agricultural land value.
- **market evidence** - The market evidence supporting the values adopted for the viability assessment are set out at Appendix 2 to this report. With regard to the assessment of BLV, these have been taken into account in reaching a view on the Current Use Value of the land.
- **all supporting considerations, assumptions and justifications adopted**
  - No supporting specific valuation reports were available for these sites
- **alternative use value** - No Alternative Use Value is relevant to the sites under consideration.

The industry standard, Argus Developer software has been used to undertake the viability assessments and market evidence of values in the area gathered from existing plan viability work and available market data.

## 5. Appraisal assumptions

### 5.1. Details of development at Hall Farm/Hatch Farm

The majority of the assumptions adopted in this report are based on market practice and typical rates/values/timescales adopted for development appraisals for schemes of similar magnitude to those proposed. The Build costs rates are based on Build Cost Information Service figures for the Wokingham area, adjusted to allow for measures to

reduce carbon emissions. Sales Values and Benchmark Land Value are based on a market appraisal as set out at Appendix 1.

Assumed mix of unity types, sizes, values:

Hall Farm / Loddon Valley Residential Mix - Whole								
split	unit numbers	1 bed f	2 bed f	2 bed h	3 bed h	4 bed h	5 bed h	Total
Private 65%	2,925	5%	5%	25%	40%	20%	5%	
		146	146	731	1170	585	146	2925
Affordable remainder	1,181	30%	15%	15%	30%	10%		
		354	177	177	354	118		1181
1st homes 8.75%	394	197	197					394
		30%	15%	15%	30%	10%		
Social rented 70% of 35%	1,103	331	165	165	331	110		1103
Intermediate 30% less FH	79	24	12	12	24	8		79
Size M2 (IPMS2)		50	70	79	102	140	176	
Total M2 private		7312.5	10237.5	57768.75	119340	81900	25740	302298.75
Total M2 SR		16537.5	11576.25	13064.625	33736.5	15435	0	90349.875
Total M2 I		1181.25	826.875	933.1875	2409.75	1102.5	0	6453.5625
Total M2 FH		9,850	13,790	-	-	-	-	23640
Value per M2		£ 4,600	£ 4,600	£ 4,595	£ 4,600	£ 4,600	£ 4,546	£ 4,594
Value per unit		£ 230,000	£ 322,000	£ 363,005	£ 469,200	£ 644,000	£ 800,096	
Value per M2 SR	50% OMV	£ 2,300	£ 2,300	£ 2,298	£ 2,300	£ 2,300	£ 2,273	£ 2,297
Value per m2 I	65% OMV	£ 2,990	£ 2,990	£ 2,987	£ 2,990	£ 2,990	£ 2,955	£ 2,986
Value per M2 FH	70% OMV	£ 3,220	£ 3,220	£ 3,217	£ 3,220	£ 3,220	£ 3,182	£ 3,216
Value per unit FH		£ 161,000	£ 225,400	£ 254,104	£ 328,440	£ 450,800	£ 560,067	
Total	4,500	698	520	908	1524	703	146	4500

The Hall Farm/Hatch Farm opportunity has the capacity for circa 4,500 dwellings

It has been assumed that 25% of the affordable units will be First Homes (8.75% of the whole, with the remaining 1.25% to meet the overall 10% requirement being met from the intermediate provision). As there is a value limit on First Homes, these have to be comprised of 1 and 2 bed flats, and 2 bed houses, as the value of the other units at 30% discount exceeds the £250,000 threshold, as shown above in red.

In accordance with Government Guidance<sup>1</sup> once a minimum of 25% of First Homes has been accounted for, social rent should be delivered in the same percentage as set out in the local plan. The remainder of the affordable housing tenures should be delivered in line with the proportions set out in the local plan policy. The remaining affordable has been apportioned broadly in accordance with the LHNA and the SHMA mix, which with the inclusion of First Homes now skews the development more in favour of smaller flats than would previously have been ideal.

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

<sup>1</sup> [First Homes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/first-homes)

A summary of the key appraisal assumptions is set out below:

### 1 Indicative sales value expectations:

Values circa average £4,600 per M2 based on assessment of local market

Private units					
1 bed flat	2 bed flat	2 bed terraced	3 bed semi	4 bed detached	5 Bed detached
50 M <sup>2</sup>	70 M <sup>2</sup>	79	102	140	176
£230,000	£322,000	£363,005	£469,200	£644,000	£800,096

### 2 Land acquisition Costs

- Benchmark Land Value assumed to be £321,243 per Ha (£130,000 per acre). This is based on existing use value as Agricultural Land reflecting uplift assumed to be required as an incentive for the landowner to sell – i.e. EUV Plus, and considers earlier viability work produced by GL Hearn to support the Local Plan, updated. NB EUV for agricultural use circa £26,000 per ha<sup>2</sup> BLV therefore represents a multiplier of circa 12.36. In many locations a multiplier of circa 10 is used for BLV for agricultural land, reflecting the considerable incentive a landowner may need to forgo the long-term earning potential of farmable land. The multiplier here reflects the strength of demand in the Thames Valley region, and particularly around Wokingham, and the likely impact this might have on the expectations of landowners. It also however reflects the scale of the site, the relatively high percentage of land for non-residential use (open space, schools etc.) within the overall land take, and the additional emerging policy requirements to support the climate change agenda. These all serve to depress the Benchmark Land Value, as does the additional burden of the specific infrastructure requirements in this location. The overall value that a landowner might reasonably anticipate in this location is therefore lower than might be applied to a smaller less constrained site, where nearby development potential is already clearly established.
- Stamp duty in accordance with rates appropriate to land
- 1.5% agents fee
- 0.75% legal fee

### 3 Planning and site survey costs

- Planning assumed at circa £300,000 per 1000 units
- Site survey £30,000 for 1000 units

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<sup>2</sup> Source VOA Land Values for Policy Purposes 2019 (latest edition) Thames Valley region.

#### 4 Construction costs – based on BCIS figures, average/median cost per M2 for various unit types

- Build costs £1,650 per M2 (+ 4% for carbon reduction = £1,716)
- Contingency 7.5% - reflecting current uncertainties
- Developer's contingency 5%
- NHBC costs £1,000 per unit
- EV Charging points £500 per unit, one per unit

#### 5 CIL – Indexed to January 2021

- £469.29 per M2 for private units

#### 6 Professional fees (In addition to planning and survey costs)

- 10% - generous allowance

#### 7 Marketing

- 2.5% of cost for private units

#### 8 Sales and Legal fees

- Sales Agents fees 1.25% of value per unit, Legal fees 0.25% of value per unit

#### 9 Finance

- 5% on debt, 0% on credit

#### 10 Developer's return

- An outturn rate of 18% overall profit on GDV

## 11 Phasing and delivery assumptions

	Phase 1	Phase 2	Phase 3	Sub Phases
	9 years	11 years	9 years	Overall 24 years
Year	1,350	1,900	1,250	
Lead in	30			Sub phase 1
2	60			
3	110			
4	225			Sub Phase 2
5	225			
6	250			
7	225			Sub phase 3
8	225	30		Sub Phase 4
9		120		
10		150		
11		225		Sub Phase 5
12		225		
13		225		
14		225		Sub Phase 6
15		225		
15		225		
17		145	30	Sub Phase 7
18		105	120	Sub Phase 8
19			150	
20			225	Sub phase 9
21			225	
22			225	Sub Phase 10
23			175	
24			100	
Totals	1,350	1,900	1,250	4,500

### Infrastructure costs:

A full schedule of infrastructure costs has been provided by Stantec, this includes on and off-site highways works, open space, public transport provision, drainage, utilities and all other requirements to be met by the development. At this stage in the process the costs are determined by a high-level assessment supported by feasibility designs which include an element of risk. The risk allowance is intended to enable variations identified as the detailed work progresses to be absorbed within the high-level budget envelope. This is in addition to the wider contingencies included within the appraisals

It should be noted that the infrastructure costs do not include the provision of a new M4 Junction as this is considered not to be justified by the residential allocation alone but may be a requirement of a much wider development incorporating commercial uses as currently being promoted at Four Valleys.

The costs used are set out in the table below. It should be noted that any shaded green are excluded as costs in the development appraisal as these are assumed to be met from CIL charges.



Infrastructure Items	Indicative funding source	Indicative Cost	Phasing / triggers
<b>On- site</b>			
<b>Transport and Access</b>			
Bridge over M4 (phase 1 of new junction)	Development cost	£25m	Mid Phase 2
Potential new M4 junction	TBC		
Dual Carriageway road between northern internal development roundabout and Lower Earley Way	Development cost	£11m	10% Phase 1 (£1,100,000) 50% Phase 2 (£5,500,000) 40% Phase 3 (4,400,000)
Eastern villages access road (Approx. 700m)	Development cost	£875,000	Phase 1
Public Transport links	S106	£2.5m	Spread over Phases 1,2,3
Road and pedestrian bridge over River Loddon	Development cost	£20m	Mid Phase 2
Hall Farm - Four Valleys Link Road	Development cost	£1.625m	End of Phase 2
Internal Secondary Road	Development cost	£2.3m	Spread over Phases 2 and 3
Internal link to A327 Junction	Development cost	£875,000	50% Phase 1 50% Phase 2
Loddon Valley pedestrian links	Development cost	£750,000	Spread over Phases 2 and 3
Loddon Valley southern pedestrian bridge	Development cost	£10,000,000	Phase 3
Personal Travel Planning	S106	£3,037,500	£675 per unit
Greenways/Cycle routes	Development cost	£1,000,000	£222 per unit
Internal junctions x 4	Development cost	£2,000,000	£50% Phase 2 £50% Phase 3
Additional southbound lane on South Avenue	Development cost	£72,000	Phase 1
Access on A327 via expanded Arborfield Relief Road roundabout	Development cost	£750,000	Phase 1
Access via expanded Science Park roundabout	Development cost	£400,000	Phase 1
New roundabout access on Mole Road	Development cost	£500,000	Phase 2
New roundabout access on Mill Lane	Development cost	£500,000	Phase 1
<b>Utilities</b>			
On-Site Cable Undergrounding	Development cost	£2,800,000	Phases 2 and 3
Utility connections	Development cost	£16,900,000	Per dwelling basis
EV Charging points	Development cost	£2,250,500	£500 Per unit
<b>Green Infrastructure (On-site)</b>			
SANG (approx. 54ha)	S106	£9.049m	Spread across all Phases
Public open space including, play, allotments, amenity	Development cost	£6.165m	Distributed on a per unit basis to spread costs
Allotments	CIL	£360,000	Distributed on a per unit basis to spread costs
SuDS	Development cost	£1.625m	Distributed on a per unit basis to spread costs
Tree planting/landscape	Development cost	£544,500	Distributed on a per unit basis to spread costs
<b>Community, education and sport</b>			
3 no. Community buildings	CIL	£2.1m	

Sports Building (4 team changing)	CIL	£665,000	
Formal sports provision (10 hectares on site)	Development cost	£1.558m	Spread over Phases 1,2 and 3
2 no. 3FE primary schools; 1 no. 2FE school (including early years)	CIL	£35.109m	
12 FE secondary school	CIL.	£12.870m (Based on pro-rata rather than total cost £45M)	
GP surgery / Health use facility	CIL	£1.680m	
Zero Carbon Homes	Development cost	+4% on build costs	+4% on build costs across all Phases
<b>Off-site</b>			
<b>Transport and Access</b>			
Additional westbound lane on B3270 from Whitley Wood Lane to M4 Junction 11.	S106/S278	£1,000,000	Phase 3
Additional westbound lane on SERR between access roundabout and University Bridge	S106/S278	£180,000	Phase 3
Pedestrian / Cycle upgrades on A327 (Approx. 1000m)	S106/S278	£500,000	Phase 1
Additional northbound lane on Lower Earley Way between Meldreth Way and Rushey Way	S106/S278	£660,000	Phase 3
Upgrade Lower Earley Way / Rushey Way / Mill Lane roundabout	S106/S278	£750,000	Phase 2
Upgrade A327 / SERR Roundabout	S106/S278	£500,000	Phase 2
Closure of Mill Lane as vehicular through route	S106/S278	£50,000	Phase 1
New roundabout on WRR for connection to Mill Lane	S106/S278	£750,000	Phases 2 and 3
Upgrade Lower Earley Way to dual carriageway between Rushey Way and Winnersh Relief Road (Approx. 400m). Includes additional bridge structures	S106/S278	£15,600,000	Phases 1 and 2
Upgrade of Mill Lane and new road connecting to WRR	S106/S278	£480,000	Phase 1
Rapid Transport System (for costing purposes assumed to connect Hall Farm to Winnersh Triangle Station and Thames Valley Park)	S106/S278	£2,900,000	Phases 1 and 2
Local public transport	CIL.	£900,000	All phases
<b>Utilities</b>			
Electricity capacity reinforcement	Development cost	£1,200,000	Cost per dwelling
Off-Site Cable Undergrounding	Development cost	£2,800,000	Cost per dwelling
Upgrade Arborfield Sewage Treatment Works and Sewerage Network	Other	£5,000,000	Not a direct development cost
<b>Other</b>			
Contribution to off-site Special Educational Needs	CIL.	£1,773,000	Per dwelling

#### Exclusions:

- Any commercial development within residential area– this is assumed to at least be land cost neutral
- Impact of any Residential Property Developer Tax
- Impact of any Tall Buildings Levy

## **5.2. Details of development at South Wokingham**

Assumed mix of unity types, sizes, values:

South Wokingham Residential Mix - Whole								
split	unit numbers	1 bed f	2 bed f	2 bed h	3 bed h	4 bed h	5 bed h	Total
Private 65%	543	5%	5%	25%	40%	20%	5%	
		27	27	136	217	109	27	543
Affordable remainder	219	30%	15%	15%	30%	10%		
		66	33	33	66	22		219
1st homes 8.75%	73	37	36					73
Social rented 70% of 35%	205	30%	15%	15%	30%	10%		
		61	31	31	61	20		205
Intermediate 30% less FH	15	4	2	2	4	1		15
Size M2 (IPMS2)		50	70	79	102	140	176	
Total M2 private		1356.875	1899.625	10719.313	22144.2	15197	4776.2	56093.213
Total M2 SR		3068.625	2148.0375	2424.2138	6259.995	2864.05	0	16764.921
Total M2 I		219.1875	153.43125	173.15813	447.1425	204.575	0	1197.4944
Total M2 FH		1,850	2,520	-	-	-	-	4370
Value per M2		£ 4,600	£ 4,600	£ 4,595	£ 4,600	£ 4,600	£ 4,546	£ 4,594
Value per unit		£ 230,000	£ 322,000	£ 363,005	£ 469,200	£ 644,000	£ 800,096	
Value per M2 SR	50% OMV	£ 2,300	£ 2,300	£ 2,298	£ 2,300	£ 2,300	£ 2,273	£ 2,297
Value per m2 I	65% OMV	£ 2,990	£ 2,990	£ 2,987	£ 2,990	£ 2,990	£ 2,955	£ 2,986
Value per M2 FH	70% OMV	£ 3,220	£ 3,220	£ 3,217	£ 3,220	£ 3,220	£ 3,182	£ 3,216
Value per unit FH		£ 161,000	£ 225,400	£ 254,104	£ 328,440	£ 450,800	£ 560,067	
<b>Total</b>	<b>835</b>	<b>130</b>	<b>96</b>	<b>169</b>	<b>283</b>	<b>130</b>	<b>27</b>	<b>835</b>

The South Wokingham opportunity has the capacity for circa 835 dwellings

As for Hall Farm/Hatch Farm it has been assumed that 25% of the affordable units will be First Homes (8.75% of the whole, with the remaining 1.25% to meet the overall 10% requirement being met from the intermediate provision). Again, these have to be comprised of 1 and 2 bed flats, and 2 bed houses, as the value of the other units at 30% discount exceeds the £250,000 threshold, as shown above in red.

In accordance with Government Guidance<sup>3</sup> once a minimum of 25% of First Homes has been accounted for, social rent should be delivered in the same percentage as set out in the local plan. The remainder of the affordable housing tenures should be delivered in line with the proportions set out in the local plan policy. The remaining affordable has been apportioned broadly in accordance with the LHNA and the SHMA mix, which with the inclusion of First Homes now skews the development more in favour of smaller flats than would previously have been ideal.

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

A summary of the key appraisal assumptions is set out below, these largely match those adopted for Hall Farm/Hatch Farm as the sites are within the same overall market:

#### 1 Indicative sales value expectations:

Values circa average £4,600 per M2 based on assessment of local market

Private units					
1 bed flat	2 bed flat	2 bed terraced	3 bed semi	4 bed detached	5 Bed detached
50 M <sup>2</sup>	70 M <sup>2</sup>	79	102	140	176
£230,000	£322,000	£363,005	£469,200	£644,000	£800,096

<sup>3</sup> [First Homes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/first-homes)

## 2 Land acquisition Costs

For this location a higher Benchmark Land Value of £370,665 per Ha (£150,000 per acre) has been assumed. This reflects the development potential in the immediately surrounding area already identified by the adjacent Strategic Development Location (SDL). Again this is based on existing use value as Agricultural Land but reflecting a higher uplift as an incentive for the landowner to sell – i.e. EUV Plus, based on the relative lack of constraint in this location, the smaller scale of the site and the likelihood that the land will include a mix of agricultural, and land associated with people's homes and businesses. It considers the earlier viability work produced by GL Hearn to support the Local Plan and represents a multiplier of circa 14.4 on purely agricultural values of circa £26,000 per ha. This is a relatively high multiplier and reflects both the strength of demand in the Thames Valley region, and particularly around the south of Wokingham, and the likely raised expectation of landowners arising from the SDL. It should however be noted that if costs rise (particularly as a result of further as yet unanticipated changes to policy requirements), or values fall, it is expected that this would be reflected to some extent by a reduction in Benchmark Land Value.

- Stamp duty in accordance with rates appropriate to land
- 1.5% agents fee
- 0.75% legal fee

## 3 Planning and site survey costs

- Planning assumed at circa £135,000 per phase,
- Site survey £20,000 per phase,

## 4 Construction costs – based on BCIS figures, average/median cost per M2 for various unit types

- Build costs £1,650 per M2 (+ 4% for carbon reduction = £1,716)
- Contingency 7.5% - reflecting current uncertainties
- Developer's contingency 5%
- NHBC costs £1,000 per unit
- EV Charging points £500 per unit, one per unit

## 5 CIL – Indexed to January 2021

- £469.29 per M2 for private units

## 6 Professional fees (In addition to planning and survey costs)

- 10% - generous allowance

## 7 Marketing

- 2.5% of cost for private units

## 8 Sales and Legal fees

- Sales Agents fees 1.25% of values, Legal fees 0.25% of value per unit

## 9 Finance

- 5% on debt, 0% on credit

## 10 Developer's return

- An outturn rate of 18% overall profit on GDV

## 11 Phasing and delivery assumptions

South Wokingham Phasing and delivery				
	Total	Phase 1	Phase 2	Phase 3
Year				
1	40			
2	85			
3	125	250		
4	175			
5	175		300	
6	175			
7	60			285
Totals	835	250	300	285

## Infrastructure costs

A full schedule of infrastructure costs has been provided by Stantec, this includes on and off-site highways works, open space, public transport provision, drainage, utilities and all other requirements to be met by the development. These are set out in the table below. It should be noted that any shaded green are excluded as costs in the development appraisal as these are assumed to be met from CIL charges.

## South Wokingham Extension

<b>Development Scenario</b>	Option C
<b>Residential quantum</b>	835 dwellings@30dph
<b>Site area (ha)</b>	55.3
<b>Residential area (ha)</b>	27.8
<b>Other uses (ha)</b>	Local centre 0.5
<b>Open space/SANG/other green infrastructure (ha)</b>	See below
<b>Affordable housing</b>	35% (25% 70% social rent/30% shared ownership)
<b>Employment/commercial</b>	n/a

Infrastructure items	Indicative funding source	Indicative cost	Phasing/triggers
<b>On site</b>			
<b>Transport and Access</b>			
Personal Travel Planning	S106	£563,625	£675 per unit
Internal cycleway	Development cost	£1,150,000	30% Phase 1 40% Phase 2 30% Phase 3
Internal distributor roads	Development cost	£1,437,500	30% Phase 1 40% Phase 2 30% Phase 3
New roundabout junction on Old Wokingham Road	Development cost	£500,000	Phase 1
New road junction with SDL distributor road to the north	Development cost	£300,000	Phase 2
<b>Utilities</b>			
Utility connections	Development cost	£3,256,500	Per dwelling basis
Electricity capacity reinforcement	Development cost	£250,000	Phase 1
Zero Carbon	Development Cost		+4% on build costs across all phases
EV Charging points	Development cost	£400,000	£500 Per dwelling
<b>Green Infrastructure</b>			
SANG (16 hectares provision)	S106	£2,681,072	Phase 1 and Phase 3
Public open space (amenity space, park, play space)	Development cost	£976,950	Distributed on a per unit basis to spread costs
Allotments	CIL	£66,800	Distributed on a per unit basis to spread costs
SuDS	Development cost	£301,435	Distributed on a per unit basis to spread costs
Tree planting/landscape	Development cost	£101,035	Distributed on a per unit basis to spread costs
Community building	CIL	£700,000	Phase 2
<b>Off site</b>			
<b>Transport and Access</b>			
Provision of east/west pedestrian/cycle route to Grays Farm and into Easthampstead Park	S106/278	£100,000	Phase 2
Improvements to presently unnamed junction on SWDR	S106/278	£100,000	Phase 2
Improvement of Old Wokingham Road	S106/278	£200,000	Phase 1
Improvements to Vigor Way	S106/278	£100,000	Phase 2
Peacock Lane Roundabout improvements	S106/278	£300,000	Phase 1
Public Transport Service	S106	£450,000	Phase 1
<b>Education, Health and Sport</b>			
Contribution to off-site sports facilities at Gray's Farm	s106	£514,140	Per dwelling basis
Contribution to off-site primary education	CIL	£6,514,670	Per dwelling basis

Contribution to off-site secondary education	CIL	£2,388,100	Per dwelling basis
Contribution to off-site Special Educational Needs	CIL	£328,990	Per dwelling basis
Contribution to off-site health use/land	CIL	£274,834	Per dwelling basis

### **Exclusions:**

- Any commercial development within residential area– this is assumed to at least be land cost neutral
- Impact of any Residential Property Developer Tax
- Impact of any Tall Buildings Levy

## **6. Appraisal results**

### **Outcome of initial baseline viability assessment:**

Each Scheme was tested to establish whether it generates the following:

1. The required level of developer's profit – 18% required from the overall development, and included in the appraisal for each location
2. The required level of CIL – Full CIL requirement of £469.29 per M2 of private development allowed for in the appraisals
3. The required level and mix of affordable housing – as set out in the tables above, compliant with both latest Government Guidance on First Homes, and local Affordable Housing Policies
4. A land value which equals or exceeds existing use value and benchmark land value and is therefore viable based on the assumptions set out above.

The following paragraphs and table(s) set out the results from the viability appraisals undertaken in respect of both sites:

### **Hall Farm/Hatch Farm:**

The total land take that has been adopted for the viability testing is based on the amount of land that would need to be acquired to comply with all policy requirements and to provide the development as a whole. This is based on the following:

- As assumed density of 30 dwellings per hectare = 150 ha
- 20 hectares for schools
- 51 ha to meet open space requirements (Policy Compliant) including space for sports and community provision
- 21 ha for strategic road infrastructure corridors

This amounts in total to some 242 ha. In addition, circa 5ha is required to accommodate local centres and local employment provision – It is assumed that the commercial uses on this land will at least wash their face financially and will generate their own land value

sufficient to meet the Benchmark Land Value. This land is therefore excluded from that used to assess the viability of the indicative residential development.

It should be noted that the wider site area identified in the high level masterplan indicates a total area of circa 282 ha, however this includes some space that is not intended to be acquired for development, such as some areas of woodland, land associated with ancient monuments etc. The test is therefore against the anticipated extent of the land that will actually be needed to enable the development to proceed.

<b>Hall Farm Viability Summary</b>	
Total land take (ha)	242
Residual Land Value	£78,637,290
RLV/ha	£324,947.48
BLV/ha	£321,243

### **South Wokingham:**

The land take is as per the Land Use Budget set out at section 5.2 above

<b>South Wokingham Viability Summary</b>	
Total land take (ha)	55.3
Residual Land Value	£20,655,936
RLV/ha	£373,525.06
BLV/ha	£370,665

This demonstrates that in both cases the initial viability assessment indicates a viable outcome.

Financial appraisal summaries are provided at Appendix 2.

## **7. Sensitivity analysis**

It is a requirement that all Financial Viability Assessments include a sensitivity analysis of the results to:

- enable decision and plan-makers to consider how changes in inputs to a financial appraisal affect viability and
- understand the extent of these results to arrive at an appropriate conclusion on the viability of the location

To review the sensitivity, and ultimately the resilience of the locations and their realistic prospect of deliverability, analysis has been carried out to assess the likely level of Residual Land Value if there were a 5% increase or decrease in both costs and values. The outcome of the process is as follows:



**Hall Farm/Hatch Farm:**

(£60,926,123) 17.990%	(£117,994,895) 18.039%	(£175,063,657) 18.083%
(£21,103,440) 17.944%	(£78,637,290) 17.995%	(£135,706,061) 18.042%
£19,965,983 17.906%	(£39,252,189) 17.949%	(£96,348,417) 18.000%

NB the figures shown as negative represent a positive land value, those in red are below the baseline assessment (shaded blue) those in green are above it. The percentages relate to overall developers profit as a % of GDV

This indicates that in a worst-case scenario, with a reduction in values of 5% and an increase in costs of 5% then the residual land value becomes negative by some £20 million. This is the only scenario of those tested in which a negative land value arises.

This needs to be considered in the context of the overall CIL position in order to establish whether there remains a realistic prospect of delivery. In terms of CIL, Certain assumptions have been made regarding items to be paid from CIL receipts rather than Section 106 for the purpose of this viability testing. This is without prejudice to decisions taken by WBC and does not pre-determine the Infrastructure Delivery Plan. The indicative CIL position is as follows:

CIL Costs		CIL Income
Local public transport	£900,000	
3 no. community buildings	£2,100,000	
Sports changing facility	£665,000	
2 no. 3FE primary schools, 1 no. 2 FE primary school	£35,109,000	
12FE secondary school	£12,870,000	
GP surgery / health use facility	£1,680,000	
Contribution to off-site Special Education Needs	£1,773,000	
Allotments	£360,000	
<b>Total</b>	<b>£55,457,000</b>	<b>£143,101,214</b>
<b>CIL Surplus</b>		<b>£87,644,214</b>

This demonstrates a CIL surplus of over £87.5 million. Should this be available to support delivery, this could significantly reduce the overall infrastructure costs borne by the development, and also reduce the carrying costs and on-costs incurred in relation to them. It is therefore anticipated that when taking this into account, even in the worst-case scenario, the development would have a reasonable prospect of delivery.

**South Wokingham:**

(£17,998,322) 18.000%	(£26,813,373) 18.000%	(£35,621,067) 18.000%
(£11,834,255) 18.000%	(£20,655,936) 18.000%	(£29,470,800) 18.000%
(£5,664,730) 18.000%	(£14,492,309) 18.000%	(£23,313,550) 18.000%

NB the figures shown as negative represent a positive land value, those in red are below the baseline assessment (shaded blue) those in green are above it. The percentages relate to overall developers profit as a % of GDV

This indicates that in a worst-case scenario, with a reduction in values of 5% and an increase in costs of 5% then the residual land value reduces to circa 5.75 million, a reduction of some 72%.

As for Hall Farm/Hatch Farm this needs to be considered in the context of the overall CIL position in order to establish whether there remains a realistic prospect of delivery. Certain assumptions have been made regarding items to be paid from CIL receipts rather than Section 106 for the purpose of this viability testing. This is without prejudice to decisions taken by WBC and does not pre-determine the Infrastructure Delivery Plan. The indicative CIL position is as follows:

CIL costs		CIL income
Allotments	£ 66,800	
Community Building	£ 700,000	
Off-site Primary Education	£ 6,514,670	
Off-site Secondary Education	£ 2,388,100	
Off-site SEN Education	£ 328,990	
Off-site health provision	£ 274,834	
<b>Total</b>	<b>£ 10,273,394</b>	<b>£26,323,884</b>
<b>CIL Surplus</b>		<b>£16,050,490</b>

This demonstrates a CIL surplus of over £16 million. Should this be available to support delivery, this can clearly address the shortfall in value. It is therefore anticipated that when taking this into account, even in the worst-case scenario, the development would have a reasonable prospect of delivery.

## 8. Conclusions

The overall conclusions in relation to the viability and prospects for delivery for Hall Farm/Hatch Farm and South Wokingham are as follows:

1. **The required level of developer's profit** – The profit level adopted reflects the levels being assumed for testing local plan viability and is assumed as a cost in the development appraisal. The overall profit reflects that a lower profit would be required for the disposal of the Affordable units for Social Rent and Intermediate uses, but that a full developers profit is likely to be required for First homes. In both cases the appraisals support a realistic level of Developer's Profit
2. **The required level of CIL** –The total amount of CIL collected for both opportunity locations easily covers the Council's obligations and provides resilience for other costs that may need to come out of CIL should this be required to ensure ongoing deliverability
3. **The required level and mix of affordable housing** – the appraisal tests the policy compliant mix off affordable housing, allowing for the impact of the requirement to incorporate First Homes
4. **A land value which exceeds existing use value and benchmark land value and is therefore viable based on the assumptions set out above.** Both opportunities generate a Residual Land Value that meets or exceeds the assumed Benchmark Land Value, indicating viability.

*Valerie Conway MRICS*

*November 2021*

*Development Consultant David Lock Associates*

## Appendix 1: Detailed evidence:

Hall Farm/Hatch Farm comparables											
Developer	Development	Address	Postcode	Beds/type	Approx m <sup>2</sup>	Price	£/m <sup>2</sup>				
Charles Church	Heritage Park	Brookers Hill	RG2	4 bed Det	121.68	£665,000	£5,465				
	Heritage Park	Brookers Hill	RG2	4 bed Town	180.66	£655,000	£3,626				
	Heritage Park	Brookers Hill	RG2	5 bed Det	148.32	£650,000	£4,382				
	Heritage Park	Brookers Hill	RG2	5 bed Det/Garage	142.52	£595,000	£4,175				
	Heritage Park	Brookers Hill	RG3	3 bed Det	90.44	£425,000	£4,699	Average			
	Heritage Park	Brookers Hill	RG4	2 bed Terr	81.81	£335,000	£4,095	765.43	3325000		£4,344
Bovis Homes											
	Shinfield Meadows	Hyde End Road	RG2 9RN	5 bed Det	155.6	£660,000	£4,242				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det	80.68	£600,000	£7,437				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det/Garage	142.89	£592,000	£4,143				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det	124.07	£590,000	£4,755				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det	145.67	£586,000	£4,023				
	Shinfield Meadows	Hyde End Road	RG2 9RN	3 bed Det	100.46	£500,000	£4,977	Average			
	Shinfield Meadows	Hyde End Road	RG2 9RN	3 bed Semi-det	70.1	£480,000	£6,847	819.47	4008000		£4,891
Linden Homes											
	Langley Mead	Appleton Way	RG2 9RN	3 bed Semi-det	86.8	£465,000	£5,357				
	Langley Mead	Appleton Way	RG2 9RN	3 bed End terr	113.27	£455,000	£4,017				
	Langley Mead	Appleton Way	RG2 9RN	3 bed End terr	113.27	£450,000	£3,973				
	Langley Mead	Appleton Way	RG2 9RN	4 bed Terr	87.05	£410,000	£4,710				
	Langley Mead	Appleton Way	RG2 9RN	2 bed Apt	63.44	£290,000	£4,571	Average			
	Langley Mead	Appleton Way	RG2 9RN	1 bed Apt	49.43	£235,000	£4,754	513.26	2305000		£4,491
Bloor Homes											
	Shinfield Meadows	Deardon Way	RG2	4 bed Det	No dimensions	£620,000					
	Shinfield Meadows	Deardon Way	RG2	4 bed Det	No dimensions	£545,000					
	Shinfield Meadows	Deardon Way	RG2	4 bed Det	No dimensions	£540,000					
	Shinfield Meadows	Deardon Way	RG2	4 bed Det	No dimensions	£505,000					
	Shinfield Meadows	Deardon Way	RG2	4 bed Det	No dimensions	£500,000					
	Shinfield Meadows	Deardon Way	RG3	3 bed Semi-det	No dimensions	£412,500		Overall average			
								2098.16	9638000		£4,594
								say £4,600 pr M2			
4/5 beds											
	Heritage Park	Brookers Hill	RG2	4 bed Det	121.68	£665,000	£5,465				
	Heritage Park	Brookers Hill	RG2	4 bed Town	180.66	£655,000	£3,626				
	Heritage Park	Brookers Hill	RG2	5 bed Det	148.32	£650,000	£4,382				
	Heritage Park	Brookers Hill	RG2	5 bed Det/Garage	142.52	£595,000	£4,175				
	Shinfield Meadows	Hyde End Road	RG2 9RN	5 bed Det	155.6	£660,000	£4,242				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det	80.68	£600,000	£7,437				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det/Garage	142.89	£592,000	£4,143				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det	124.07	£590,000	£4,755				
	Shinfield Meadows	Hyde End Road	RG2 9RN	4 bed Det	145.67	£586,000	£4,023	Average			
	Langley Mead	Appleton Way	RG2 9RN	4 bed Terr	87.05	£410,000	£4,710	1329.14	6003000		£4,516
								say £4,500			
3 beds											
	Heritage Park	Brookers Hill	RG3	3 bed Det	90.44	£425,000	£4,699				
	Shinfield Meadows	Hyde End Road	RG2 9RN	3 bed Det	100.46	£500,000	£4,977				
	Shinfield Meadows	Hyde End Road	RG2 9RN	3 bed Semi-det	70.1	£480,000	£6,847				
	Langley Mead	Appleton Way	RG2 9RN	3 bed Semi-det	86.8	£465,000	£5,357				
	Langley Mead	Appleton Way	RG2 9RN	3 bed End terr	113.27	£455,000	£4,017	Average			
	Langley Mead	Appleton Way	RG2 9RN	3 bed End terr	113.27	£450,000	£3,973	574.34	2775000		£4,832
								Say £4,800			
2 beds											
	Heritage Park	Brookers Hill	RG4	2 bed Terr	81.81	£335,000	£4,095	Insufficient evidence			
Flats											
	Langley Mead	Appleton Way	RG2 9RN	2 bed Apt	63.44	£290,000	£4,571	Average			
	Langley Mead	Appleton Way	RG2 9RN	1 bed Apt	49.43	£235,000	£4,754	112.87	525000		£4,651

South Wokingham													
On the market asking prices													
Developer	Development	Address	Postcode	Beds/type	Approx m <sup>2</sup>	Price	£/m2						
Redrow	Osbourne Gate	Peacock Lane,	RG12 8SS	1 bed Appt	50	£209,950	4,199						
Bellway	Amen Corner	London Road Binfield	RG42 4FX	3 bed Semi	88	£467,500	5,313						
		London Road Binfield	RG42 4FX	4 bed Terraced	105	£462,500	4,405						
		London Road Binfield	RG42 4FX	4 bed Semi	107	£475,000	4,439						
		London Road Binfield	RG42 4FX	5 bed Detached	170	£710,000	4,176						
	Keephatch Gardens	London Road Wokingf	RG40	3 bed Terraced	99	£450,000	4,545						
		London Road Wokingf	RG40	3 bed Semi	112	£459,950	4,107						
		London Road Wokingf	RG41	3 bed Detached	90	£500,000	5,556						
		London Road Wokingf	RG40	4 bed Detached	138	£655,000	4,746						
		London Road Wokingf	RG40	4 bed Detached	160	£715,000	4,469			Average			
		London Road Wokingf	RG40	5 bed Detached	214	£892,500	4,171			1333	5997400	4,499	
	4/5 beds												
		London Road Binfield	RG42 4FX	4 bed Terraced	105	£462,500	4,405						
		London Road Binfield	RG42 4FX	4 bed Semi	107	£475,000	4,439						
		London Road Binfield	RG42 4FX	5 bed Detached	170	£710,000	4,176						
		London Road Wokingf	RG40	4 bed Detached	138	£655,000	4,746						
		London Road Wokingf	RG40	4 bed Detached	160	£715,000	4,469			Average			
		London Road Wokingf	RG40	5 bed Detached	214	£892,500	4,171			894	3910000	4,374	
	3 beds												
		London Road Binfield	RG42 4FX	3 bed Semi	88	£467,500	5,313						
		London Road Wokingf	RG40	3 bed Terraced	99	£450,000	4,545			Average			
		London Road Wokingf	RG40	3 bed Semi	112	£459,950	4,107						
		London Road Wokingf	RG41	3 bed Detached	90	£500,000	5,556			389	£1,877,450	4,826	
	Second hand	Oak Avenue	RG40	4 bed semi	126.4	£510,000	4,035						
		Sambourne Drive	RG40	3 bed E of T	137.3	£550,000	4,006						
		Sambourne Drive	RG40	3 bed Terraced	88	£400,000	4,545						
		Ptarmigan Heights	RG40	2 bed Terraced	66	£360,000	5,455						
		Beechey Place	RG40	2 bed coach house	62.3	£ 295,000	4,735						
		Carina Drive	RG40	2 bed Flat	63.7	£ 270,000	4,239						
		Carina Drive	RG40	2 bed Flat	59.7	£ 275,000	4,606						
		Fould Crescent	RG40	2 bed Flat	67	£ 300,000	£4,478			Average			
		RG40	RG40	2 bed flat	65	£ 280,000	£4,308			317.7	1420000	£4,470	
	Sold prices												
	New	May-20 1 Appleby Crescent	RG40	Detached	120	£ 547,000	£4,558						
		Jan-19 2 Appleby Crescent	RG40	Detached	98	£ 446,500	£4,556						
		Jun-19 3 Appleby Crescent	RG40	Detached	137	£ 800,000	£5,839						
		Jul-19 4 Appleby Crescent	RG40	Detached	138	£ 624,000	£4,522						
		Dec-20 5 Bean Oak Road	RG40	Detached	138	£ 533,750	£3,868						
		Oct-20 4 Ashmole Place	RG40	Flat	61	£ 245,000	£4,016						
		Sep-19 19 Beechey Place	RG40	Flat	62	£ 285,000	£4,597						
		Jun-19 21 Beechey Place	RG40	Flat	62	£ 263,000	£4,242						
		Jun-19 31 Beechey Place	RG40	Flat	62	£ 280,000	£4,516						
		Jul-19 37 Beechey Place	RG40	Flat	62	£ 280,000	£4,516						
		Feb-20 116 Beechey Place	RG40	Flat	64	£ 282,000	£4,406						
		Aug-20 130 Beechey Place	RG40	Flat	64	£ 289,000	£4,516						
		Jun-20 132 Beechey Place	RG40	Flat	64	£ 272,000	£4,250						
		Mar-20 140 Beechey Place	RG40	Flat	64	£ 289,000	£4,516			Average			
		Mar-20 142 Beechey Place	RG40	Flat	64	£ 289,000	£4,516			1260	5725250	£4,544	
	Modern older												
		Nov-20 71 Carina Drive		Semi detached	121	£ 485,000	£4,008						
		Oct-20 55 Carina Drive		1 bed flat	52.5	£ 212,500	£4,048						
		Aug-19 43 Carina Drive		Terraced	66	£ 335,000	£5,076						
		Jan-21 16 Carina Drive		Detached	91	£ 450,000	£4,945						
		Nov-20 78 Carina Drive		Flat	44	£ 222,500	£5,057						
		Sep-20 26 Columba Gardens		Detached	147	£ 643,500	£4,378						
		Jan-20 30 Columba Gardens		Detached	167	£ 682,500	£4,087						
		Dec-19 8 Cygnus Grove		Semi detached	129	£ 500,000	£3,876						
		Aug-19 11 Cygnus Grove		Terraced	66	£ 365,000	£5,530						
		Sep-20 2 Gadd Close		5 bed Detached	193.5	£ 815,000	£4,212						
		Apr-19 27 Gadd Close		2 bed Terraced	72	£ 335,000	£4,653						
		Nov-19 21 Gemini Gardens		3 bed Terraced	95.3	£ 401,000	£4,208						
		Dec-20 11 Ifould Crescent		Flat	67	£ 295,000	£4,403						
		Nov-20 35 Ifould Crescent		E of Terrace	142	530000	£3,732			Average			
		Aug-20 23 Kennedy Place		Semi detached	120	565000	£4,708			1573.3	6837000	£4,346	

From this analysis, we have judged that an average indicative price per M<sup>2</sup> for newbuild to test for viability purposes is in the region of £4,600. This gives rise to indicative house prices as follows:

Type	1 bed f	2 bed f	2 bed h	3 bed h	4 bed h	5 bed h
Size M2	50	70	79	102	140	176
Value/M <sup>2</sup>	£ 4,600	£ 4,600	£ 4,595	£ 4,600	£ 4,600	£ 4,546
Price	£ 230,000	£ 322,000	£ 363,005	£ 469,200	£ 644,000	£ 800,096

This reflects feedback from the developer market.

### Current Use Value

The existing use of the land for both sites is agricultural use. There has been little local evidence of agricultural land on the market during the period of undertaking this work. The only examples found are as follows:

Land at Wargrave 73.85 acres £27,181 per acre/£67,168 per ha

Land at Wargrave 4.33 acres £63,510per acre/£157,000 per ha 143m water frontage, so not truly comparable

Land at Marlow 15.8 acres £14,231 per acre/£35,166 per ha

All of these locations are anticipated to include an element of hope value for development.

The VOA Land Values for Policy Purposes 2019 (latest edition) Thames Valley region identifies the value of pure agricultural land as circa £26,000 per ha.

In terms of Benchmark Land Value, consideration has been given to all the above evidence, and to work previously done by GL Hearn in support of the Local Plan, which indicated a suitable benchmark as in the order of £300,000 +. As this is now somewhat out of date, this has been increased to reflect the likelihood of growing expectations from landowners in the Wokingham area.

### Ongoing uncertainty

It should be noted that the market is currently in a significant state of uncertainty, in particular regarding matters such as the impact of labour, transport and port access limitations on the costs of construction, and the impact on market demand, certainty and mortgage availability which may be affected by the end of the Governments Furlough scheme. There is also an expectation that there will be significant changes to building regulations going forward, arising from the need for developments to achieve reductions in carbon emissions, and ultimately move towards net zero. These have been reflected in so far as they can be estimated at this time, but again represent an area of uncertainty. Such impacts have not yet influenced the evidence available to support sustainable levels of value or cost adopted for the viability analysis.

It is also anticipated that a new Tax regime is likely to be applied to residential development, including a Residential Property developer Tax and a Tall Buildings Levy. Details of these are yet to be announced, so they cannot at this stage be reflected in the assessment.

## Appendix 2 Financial Appraisal Summaries:

### Hall Farm/Hatch Farm:

Hall Farm Residential led Option 1 With Bridge  
Policy compliant with road safeguarding  
4500 units

Appraisal Summary for Merged Phases 1 2 3 4 5 6 7 8 9 10

Currency in £

#### REVENUE

SALES		1,702,342,468
GROSS RENTAL VALUE pa	172,250	
CAPITALISATION		3,445,000
Plus Growth on Cap Rent		0
<b>NET CAPITALISATION</b>		<b>3,445,000</b>
<b>GROSS DEVELOPMENT VALUE</b>		<b>1,705,787,468</b>
<b>NET REALISATION</b>		<b>1,705,787,468</b>

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price		78,637,290	
			78,637,290
Stamp Duty	5.00%	3,931,864	
Agents fee	1.00%	786,373	
Legal Fee	0.50%	393,186	
Town Planning		1,500,000	
Survey		250,000	
			6,861,424

##### CONSTRUCTION COSTS

Base Construction 425,178.27 m² @ 1,716.00 /m²		729,605,907	
Contingency		54,720,443	
Developers Contingency		36,480,295	
Road/Site Works		72,159,278	
Statutory/LA		143,101,214	
Other Construction		40,364,996	
Section 106/278 Costs		46,672,112	
			1,123,104,246

##### PROFESSIONAL FEES

Architect	5.00%	36,480,295	
Total miscellaneous fees		36,480,295	
			72,960,591

##### MARKETING & LETTING

Marketing	2.50%	13,081,553	
			13,081,553

##### DISPOSAL FEES

Sales Agent Fee	1.25%	21,322,343	
Sales Legal Fee	0.25%	4,264,469	
			25,586,812

##### FINANCE

Debit Rate 5.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			78,597,823

##### TOTAL COSTS

**1,398,829,738**

##### PROFIT

**306,957,730**

##### Performance Measures

Profit on Cost%	21.94%
Profit on GDV%	18.00%
Profit on NDV%	18.00%



## South Wokingham:

South Wokingham  
Policy compliant

### Appraisal Summary for Merged Phases 1 2 3

Currency in £

#### REVENUE

SALES		313,828,609
GROSS RENTAL VALUE pa	32,000	
CAPITALISATION		640,000
Plus Growth on Cap Rent		0
<b>NET CAPITALISATION</b>		<b>640,000</b>

**GROSS DEVELOPMENT VALUE 314,468,609**

**NET REALISATION 314,468,609**

#### OUTLAY

##### ACQUISITION COSTS

Residualised Price	20,655,936	20,655,936
Stamp Duty	5.00%	1,032,797
Agents fee	1.00%	206,559
Legal Fee	0.50%	103,280
Town Planning		405,000
Survey		60,000
		1,807,636

##### CONSTRUCTION COSTS

Base Construction 78,425.00 m² @ 1,716.00 /m²	134,577,300	
Contingency	10,093,297	
Developers Contingency	6,728,865	
Road/Site Works	3,951,125	
Statutory/LA	26,323,884	
Other Construction	9,819,992	
Section 106/278 Costs	1,764,140	
		193,258,603

##### PROFESSIONAL FEES

Architect	5.00%	6,728,865
Total miscellaneous fees		6,728,865
		13,457,730

##### MARKETING & LETTING

Marketing	2.50%	2,406,390
		2,406,390

##### DISPOSAL FEES

Sales Agent Fee	1.25%	3,930,858
Sales Legal Fee	0.25%	786,172
		4,717,029

##### FINANCE

Debit Rate 5.000%, Credit Rate 0.000% (Nominal)		
Total Finance Cost		21,560,939

**TOTAL COSTS 257,864,263**

#### PROFIT

**56,604,346**

##### Performance Measures

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%