South Ribble Borough Council / Pickering's Farm Planning Inquiry

Financial Viability in Planning Proof of Evidence Appendices

Planning Ref: 07/2021/00886/ORM &
07/2021/00887/ORM

PINS: APP/F2360/W/22/3295498

July 2022

Inspiring Built Environments

Viability in Planning
Development Management
Regeneration
Planning Consultancy

Contents

Appendix 1: Murray Lloyds CV

Curriculum Vitae

Murray Lloyd

Director

Profile

An experienced Director level Agency & Development Consultant and Development Project Coordinator with a 30-year track record of successfully helping to deliver development projects of all types.

Providing a bespoke service in consultancy and development management to Local Authorities and Public Body organisations; including managing the full planning application process and taking responsibility for initial and ongoing financial project appraisal/analysis.

Specialisms & Highlights

- Guest lectureship at Oxford Brookes University, providing a seminar and workshop to 3rd year undergraduates on Development.
- PhD currently being undertaken in the subject of Project Viability
- Widely experienced in taking responsibility for the facilitation of the full range of strategic and development functions required for the successful delivery of major and profitable schemes.
- Development management to deliver complex integrated schemes through to planning and beyond
- Development Director role for a strategic land fund
- Extensive experience of negotiating and facilitating joint ventures including public/private collaborations
- Strategic development advice to initiate and successfully progress complex private and public sector development schemes from either an external or an internally embedded position
- Hands-on expertise in project financial appraisal and land asset strategic review
- Consultancy / interim resource to augment existing capacity / capability as required by clients
- Considerable experience in operating across the challenging terrain of local authority planning and development

Key Information

PHD Researcher

Experienced Director status

Specialist Viability Expertise

30 Years Industry Experience

Contact Information

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Murray.lloyd@continuum-dm.com

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Experience

Trebbi Continuum – July 2017 to Present

- Director of Trebbi Continuum, a development consultancy providing integrated development and viability advice to local, regional and national clients.
- Founded on the successful track record of delivering complex mixed-use development and regeneration, Trebbi Continuum provides a unique level of property, development and viability expertise to the public sector.
- Continuum's approach is to deliver an all-encompassing assessment of the outputs of development, giving clients a level of knowledge at all stages of the Development Lifecycle allowing them to make informed decisions on how to proceed.

Murray Lloyd Associates – May 2009 to July 2017

- Director and sole owner of development consultancy MLA - focusing on commercial, residential, and mixed-use development and regeneration
- MLA established itself as a go-to consultancy for multifaceted development advice. This involves having a wide knowledge of the planning process from both inside and outside local authorities and a dedicated skill in viability negotiation (with an understanding of CIL, S106 and Affordable Housing). The company has negotiated and then implemented development agreements with land owners, developers and local authorities. It is not sector-specific and advises on Residential, Leisure, Logistics, Retail, Office and Civic development plans.

DTZ

- As Director, the immediate role at DTZ was to lead and turn around an underperforming Industrial and Logistics Department that focused on larger scale development projects.
- In parallel, DTZ were looking to upscale their public sector offer. Working closely with both internal and external partners the assigned task was to offer strategic development advice to local, regional and national publically funded bodies.
- Strategic Development (SD) department formed to advise on large development projects in the Northern region and beyond.
- In 2003 working with KPMG, SD was successful in pitching to become the new strategic advisers to Doncaster Metropolitan Borough Council. A new vehicle to deliver Doncaster's Transformational Projects 3D, was created.
- A seat was assigned on the Board of the Regeneration Company with a role to advise on projects as diverse as: Doncaster Rovers Football Stadium, Large scale residential development, New Performance Venue, New Local Authority Office HQ, Large Scale Public Realm, New Doncaster College, A New Marina, Civic and Cultural Quarter (office, leisure, residential, public realm), which required a new creative approach to funding/delivery.
- In 2005, through the regeneration work in Doncaster, an introduction was made to a high wealth private individual seeking to invest money in strategic land. The introduction developed into a strong working relationship with a role as "Development Director" for the newly created strategic land fund. Activities included; Funding advice including direct interface with current and new lenders, Opportunity identification, Land negotiation and acquisition, Planning pursuit, Joint venture negotiations, Investment Portfolio sales advice, Trustee of Outward Bound (Royal Charity)
- Total fund invested over 5 years £30m generating £50m in investment and land sales.

Stiles Harold Williams

- Junior Equity Director at Read Commercial a commercial agency and development practice in the Thames Valley
- Read Commercial purchased by SHW
- Appointed as Equity Director of SHW with responsibility for running the Thames Valley office

Murray Lloyd

Experience

Mixed Use

- **Wokingham BC** - embedded prime consultant-facilitator 2 days per week. 9 years duration advising on the comprehensive redevelopment of town centre, leisure and mixed use housing and commercial site. All planning consents now granted for a total scheme gross development value of £140m.
- **Chorley Borough Council;** Advising CBC on a range of projects including a strategic retail and residential opportunity, the delivery of a Digital Campus and a number of strategic housing sites

Leisure

- **Doncaster – Woodward Leisure Park** – Planning consent achieved on 200 acres for the delivery of a leisure park incorporating 200 residential lodges, moto park and outdoor leisure facilities. MLA acted as development manager (funded by high wealth individual).

Industrial

- Doncaster – Gazeley Logistics Park Jnc 4 M18 – Planning consent achieved for 1.5m sq ft of logistics space and site subsequently sold to Gazeley. MLA acted as development manager (funded by high wealth individual).
- Stanton (Jnc 25 M1); Development Manager co-ordinating the professional team pursuing a planning consent on a 450 acre former industrial site for 2,000 homes and 22 hectares of employment. MLA acts as the client interface with all consultants and the Local Authority on behalf of client Saint-Gobain. Current exploration of extended PRS (private rented sector) option as part of the development package. Also working with UKTI and the LEP to secure funding to facilitate upfront infrastructure work.

Residential

- **Tameside MBC;** Currently advising TMBC on a major strategic housing site delivering up to 2,350 homes as part of the Greater Manchester Strategic Framework. Secured £10mil HIF fund for site enabling
- **Stafford;** Advising on a property swap with Kier/Staffordshire County Council on behalf of client Saint Gobain that involves relocation of an existing business and the development of the existing facility covering 18 acres for a residentially led mixed use scheme. Also advising on a ransom strip and the potential CPO implications.
- **Doncaster-Jnc 4 M18** - Acting as development and planning advisor to a land owner pursuing a planning consent for a new residential scheme of 400 homes that will provide a new bypass.
- **Goostrey (Cheshire)** – MLA as part of a joint venture development company advised on the securing of a planning consent on a 16 acre site for the delivery of 150 homes.
- **Stafford – Saint-Gobain -** Planning consent achieved for 175 homes with subsequent sale to Bellway Homes. MLA acted as advisor, structuring the deal with Bellway and then monitoring all aspects of the planning application process to make sure best land value was achieved.
- **Buxton (Derbyshire)** – Purchase of 20 acres allocated for residential development, subsequent agreement of joint venture with Miller Homes to deliver 200 homes.
- **Wokingham** – Advising Wokingham Housing (local authority owned housing association) on strategy and helped develop its current business plan.

Appendix 2: SRBC Viability Experience

Scheme	Planning Ref:
Leyland Test Track	07/2017/3361/ORM
Lostock Hall	07/2015/0315/REM
Carrwood Road	07/2020/00440/FUL
Penwortham Mill & Sumpter Horse	07/2020/01034/ORM and 07/2020/01035/FUL

Appendix 3: Central Lancashire Transport Study (2008) – Highway Infrastructure Table

Scheme Suggestion	Dependant Developments	Short Term 2008-2013	Medium Term 2013-2018	Long Term 2018-2028
Highway Improvements				
Dualling and possible extension of A582	Pickering Farm Farrington Moss Side Wade Hall Leyland South		√	√
South Ribble Cross Borough Link Road	Pickerings Farm Lostock Hall Gasworks Lime Kiln	√		

Appendix 4: SRBC's Commentary on CIL Relief

SRBC adopted CIL Instalment Policy (**Appendix XXXX**) provides a policy for the provision of land or infrastructure in lieu of CIL payments. This is consistent with Regulation 73 of the CIL Regulations. The SRBC policy text states:

> *"In those circumstances that the authority resolve are acceptable, it will accept land and/or infrastructure in lieu of the CIL payment where through independent assessment it has been demonstrated that the land and/or infrastructure is of same value of the CIL that would have been payable on any given site. The infrastructure would cover for example, although not exclusively, such areas as highways, community facilities, health or education provision."*

Since the adoption of CIL in Central Lancashire, SRBC has only agreed to land/infrastructure in lieu in one exceptional circumstance. This case related to the provision of a bridge to enable phase 1 of the CBLR linking the Cawsey and Carrwood Way over the old tramway (07/2015/0315/REM). The bridge was provided by Morris Homes in lieu of paying CIL and enabled the joining of two stretches of highways.

The Appellants are seeking a similar arrangement as above for the provision of land for the school and for the development's Spine Road which they argue will form part of the CBLR. SRBC have discussed this issue with the Appellants for a number of years and it is SRBC's position that they are not satisfied with the land/infrastructure in lieu of CIL payments offer. SRBC have clarified that it is their firm view that it is not agreeable to such provision in lieu and that it is entirely a choice for them (as Charging Authority) as to whether they should make a legal agreement with the Appellants under Section 73 of the regulation or not. SRBC have stated they will not.

Elsewhere in SRBC there has been school requirements for the Test Track site in Leyland (07/2017/3361/ORM). The Applicant there did not seek to offset that against CIL. The Applicant there recognised that there was a need that arose because of their development and therefore did not seek to attribute value to that to offset against CIL. SRBC have stated that the same principle should apply here too.

Appendix 5: AY's Email on behalf of the Appellants on Viabiltiy and CIL Relief

From: Chris Sowerby <chris.sowerby@southribble.gov.uk>
Sent: 24 May 2022 07:26
To: Jonathan Noad <Jonathan.Noad@southribble.gov.uk>; Sandham, Emma (Avison Young - UK) <Emma.Sandham@avisonyoung.com>; Janice Crook <janice.crook@southribble.gov.uk>
Cc: Alsbury, Craig (Avison Young - UK) <Craig.Alsbury@avisonyoung.com>
Subject: RE: Pickerings Inquiry CIL and Viability

CAUTION: External Sender

Hi Jonathan and Emma

I think what is being suggested that the school site and delivery of the CBLR section of road through the site is in the CIL infrastructure delivery schedule and should a full CIL contribution be paid on the development this would result in double-dipping. Therefore a deduction on the full CIL requirement is proposed to account for 'delivery in kind' – am I right Emma?

The question Jonathan is looking for an answer to, if you are able to give one, is if the above is proven to be an incorrect assumption would the offering of the school site, the delivery of the section of the CBLR road through the site and a full CIL contribution (with no deductions of delivery in kind) pose a viability issue for the delivery of the development with the full set of policy asks met?

Thanks

Chris Sowerby
Development Planning Team Leader

To: Chris Sowerby <chris.sowerby@southribble.gov.uk>; Jonathan Noad <Jonathan.Noad@southribble.gov.uk>; Janice Crook <janice.crook@southribble.gov.uk>
Cc: Alsbury, Craig (Avison Young - UK) <Craig.Alsbury@avisonyoung.com>
Subject: RE: Pickerings Inquiry CIL and Viability

CAUTION! This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Chris,

Thanks for your email. The answer to your question is 'no' - even if the developer is compelled to make a full CIL payment and agree a full suite of policy compliant s106 obligations, the scheme would still be viable. We are not arguing for a reduction in CIL or S106 contributions for viability reasons and so reason for refusal 11 is a non-point in our view.

Kind regards,

Emma

Emma Sandham
Associate Director, PDR

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Appendix 6: The Lanes, Penwortham Planning Obligations Note (14th July 2020)

The Lanes, Penwortham

Planning Obligations Note

14 July 2020

Background

1. This Planning Obligations Note has been prepared by Avison Young for discussion with Officers at South Ribble Borough Council ("SRBC"). The Note sets out the likely planning contributions required by SRBC and Lancashire County Council ("LCC") as part of the outline planning application for a residential led mixed use development proposing up to 1,100 new homes at The Lanes, Penwortham ("the site").

2. The Note also sets out how the planning contributions could be secured and allocates the planning contributions under (i) s106 Agreement, (ii) s278 Agreement, (iii) Community Infrastructure Levy ("CIL") and (iv) the proposed development will also deliver other infrastructure on site which will benefit the local community (please see section 4 below). This Note lists the development costs of this important community infrastructure which will need to be taken into consideration.

3. Due to the significant amount of infrastructure required at the site and to support the planning application, a Financial Viability Assessment ("FVA") is being prepared by Taylor Wimpey and Homes England ("the Developers"). BNP Paribas have been instructed by The Developers to prepare this FVA.

4. It should be noted the Developers' outline planning application only extends to land within their control and in the allocated part of the masterplan area. It does not include the remaining third-party land within the allocated site nor any of the Safeguarded Land. The Developers are proposing to deliver a significant proportion of the allocation's infrastructure, in addition to the enabling / opening up costs for this site. Future phases of development on the remaining allocated land area owned by third parties and safeguarded land will be required to contribute their share of planning obligations as well.

1. <u>S106 Agreement Contribution Requirements</u>

a) Target 30% Affordable Housing in accordance with Policy 7 of the Central Lancashire Core Strategy. It is understood that the delivery of affordable housing is the top priority for SRBC, and the Developers propose to maximise the delivery of affordable housing on site with a target of 30% affordable housing.

b) Sports and Recreation – a financial contribution of up to £1,657,700 for formal playing pitch provision, in accordance with South Ribble's Open Space SPD. The Developers propose that the level of contribution is adjusted to take account of the delivery of a Trim Trail on site which will have significant recreation benefits which go beyond the development itself. It is proposed that the adjusted financial contribution is used as the Developers contribution towards the funding of a new 3G pitch adjoining Penwortham Community Centre in accordance with Policy 6 of the Penwortham Neighbourhood Plan.

c) Off-Site Improvements to Pedestrian and Cycle Infrastructure: Financial contribution sought by LCC towards resurfacing PROW (Path 7-9-FP46) = £10,000;

d) Financial Contribution towards Public Transport Improvements: New bus service sought by LCC = £700,000 based on an annual £140,000 contribution over 5 years.

e) Standard Travel Plan Monitoring and Support Financial Contribution: LCC have sought a financial contribution from the Developers to deliver a meaningful Travel Plan which includes bicycle vouchers and bus passes. The cost per dwelling to be confirmed however the monitoring cost is typically £12,000.

f) Potential Financial Contribution towards Air Quality Monitoring. SRBC has not advised on the level of contribution that is sought.

2. <u>S278 Agreement</u>

a) Off-site junction improvements sought by LCC at:

(i) A59 Golden Way/A59 roundabout;

(ii) A582 Flensburg Way/A582 Croston Road/Fidler Lane/Croston Road roundabout; and

(iii) A582 Croston Road/A582 Farington Road/Centurion Way roundabout;

b) Improvements to the existing lanes on site (Bee Lane, Moss Lane, Flag Lane) which is being discussed with LCC;

c) Improvements to the existing Bee Lane bridge. The level of improvement required is being discussed with LCC and Network Rail.

d) Potential Contribution towards Leyland Road Corridor Improvements. The level of offsite highways works is still being discussed with LCC. Any works to Leyland Road Corridor are more difficult to define because the ethos of the dualling of A582 and the delivery of the CBLR is remove traffic from the Leyland Road Corridor.

3. <u>CIL</u>

5. It has been calculated that up to 1,100 dwellings could deliver an unadjusted CIL payment of approximately £8,000,000 - £11,000,000 which is based upon The Developers likely development mix and will depend on the quantum of affordable housing relief.

6. The Central Lancashire CIL 123 List no longer has statutory status following the revocation of Regulation 123 of the CIL Regulations, however in the absence of a replacement Annual Infrastructure Funding Statement. the Council's Regulation 123 List remains the appropriate list of infrastructure for CIL purposes. The CIL payments could contribute towards (but not limited to):

a) Education – new two form entry primary school in Penwortham. Subject to the land being treated as CIL "infrastructure in kind", the Developers will also provide the land for the new primary school. The Developers will provide the school at residential land value cost.

b) Health – the Regulation 123 list identifies the delivery of a new primary care facility in Penwortham. Through discussions with the CCG this part of the CIL contribution could be utilised towards new premises for Kingsfold medical centre in the Penwortham area.

c) Community – extension and improvements towards Penwortham Community Centre.

d) Highways Infrastructure:

(i) the delivery of the section of Cross Borough Link Road that will be delivered by The Developers. As the Developers will deliver those parts of the CBLR which are located on their land, CIL "infrastructure in kind" relief should apply, and the cost of delivering those parts of the CBLR offset against the overall CIL liability.

(ii) a contribution towards the delivery of a new bridge over the West Coast Main Line which is not necessary for the development of the 1,100 new dwellings proposed by The Developers outline planning application but is an objective of the Full Masterplan.

(iii) a contribution towards improvements to the A582, Penwortham Way. However, this is not necessary to make the Developers proposed development acceptable in planning terms. LCC has sought highways improvement works to some junctions on the A582 and the delivery of these junction improvements listed under the s278 Agreement works at paragraph 1, a), (ii) and (iii) above would contribute towards improvements to the A582. Therefore if the Developers undertake these works CIL "infrastructure in kind" relief must apply to the cost of these works.

7. The extent of relief sought by The Developers for the delivery of the CBLR is £3,400,000. The s278 Agreement works to the A582 is £806,143. The off-set towards the school will be calculated at residential land value.

4. Other Development Costs

8. Whilst not planning obligations which can be required under s106, it is important to highlight some of the other highly beneficial features of the development which will benefit the local community and will be accounted for in The Developers Viability Assessment:

a) 20no x Local Area of Play costing £1,272,241

b) 2no LEAP's and the delivery of the Village Green costing £540,750

c) An Allotment and Community Garden costing £250,000

d) On site Biodiversity Net Gain

Appendix 7: WSP's Bee Lane Bride Improvements – Indicative Cost Estimates (26th July 2022)

Technical Note

TO	South Ribble Borough Council	**FROM**	Stephen Horne
DATE	**26 July 2022**	**CONFIDENTIALITY**	**Public**
SUBJECT	**Bee Lane Bridge Improvements– Indicative Cost Estimates**		

Introduction

WSP have been approached by South Ribble Borough Council to provide advice on indicative costs for a number of options to enhance the road traffic provision over the West Coast Mainline at Bee Lane in Penwortham, Lancashire (see figures 1 & 2).

The bridge has Network Rail number CGJ5/113 and is positioned just north of Farington Curve Junction where the twin track East Lancashire Line joins the Up and Down slow lines of the West Coast Main Line which are under the west span of the bridge, with the Up and Down fast lines of the West Coast Main Line under the east span.

All four railway lines have 22 kV overhead electrification and the portion of Bee Lane bridge that spans over them has a raised parapet with steeple coping that may provide the required 1.8m height for touch potential to the electrified lines.

A bridge assessment from 2002 rated the structure 40 Tonnes Assessment Live Load to BD 21/01 or 15 units of HB loading. The existing bridge parapet is of brick construction and appears likely to provide N1 or N2 vehicle containment to CS 461; 'Assessment and Upgrading of in Service Parapets'.

This technical note sets out the background to the existing structure, the potential improvement options considered, the constraints to the provision of the proposed options and indicative cost estimates for each solution based on previous similar projects.

Figure 1 - Penwortham, Lancashire

Figure 2 - Bee Lane Bridge

The existing bridge is a three-span brickwork arch bridge on masonry supports, each span being approximately 9.2m square span, the central and western spans have 2 tracks passing through each, the eastern span is empty (See Figure 3, below).

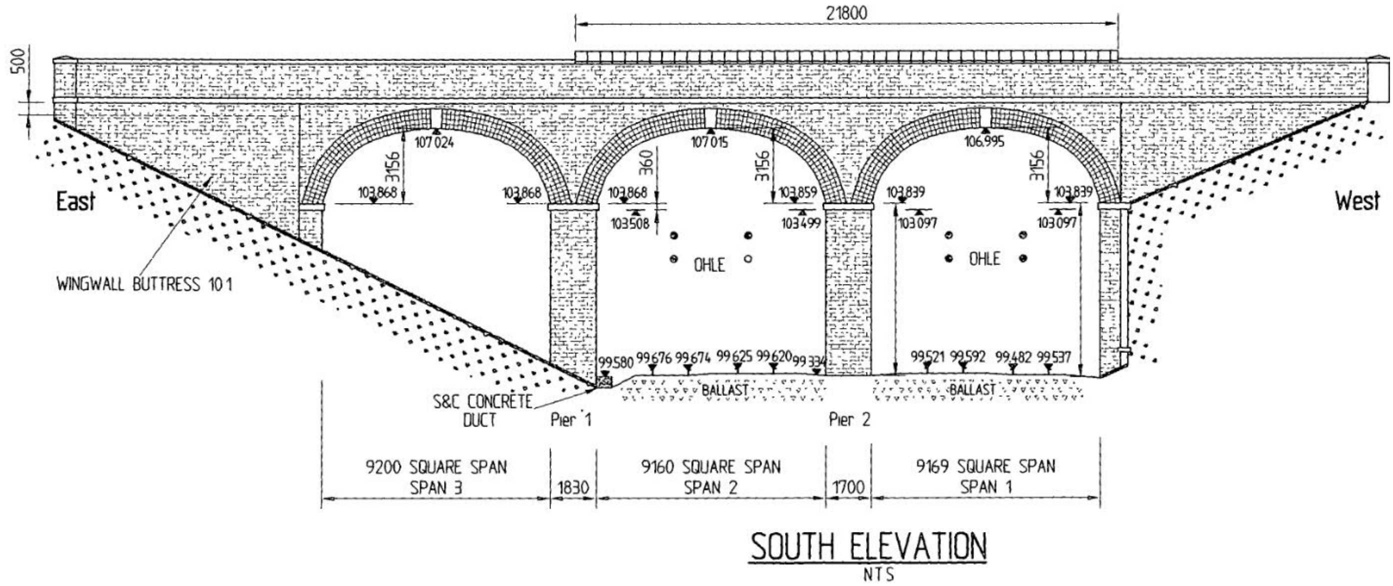


Figure 3 - Existing bridge elevation

The carriageway is 6.3m total width with masonry and brickwork parapets (See Figure 4 below), the layout has recently been modified to create a single 3.75m carriageway and segregated 2m footway, this is considered unsuitable for future traffic conditions.

Figure 4 - Bee Lane Bridge (looking West)

Proposed Options

Option 1

New Pedestrian / Cycle bridge probable location south of existing bridge. *LTN 1/20* recommends min 4.5m shared width for 300ped/cycle per hr. DMRB document *CD 353; 'Design of Footbridges'* requires a minimum width of 3.5m for unsegregated pedestrian and cycle use and 5m when segregated. Existing bridge retained for road traffic only. Spanning the existing 4 tracks with minimum 4.5m clearance either side implies a minimum clear span of 25m, say 26m effective and requiring bank seats on the railway cutting slopes. Standard NR 400 series bridge design is suitable for spans up to 28m although only up to 2m width so would require adaptation / bespoke design to the provide the required widths.

Option 2

New Road / Cycle and Pedestrian bridge location south of existing bridge. An all-purpose rural road to *DMRB CD127 'Cross sections and headrooms'* consistent with The Cawsey to the east consists of 2 lanes at 3.65m plus 1m hard-strip each side with 3m cycleway one side and 2m footways both sides, 16.3m total width (14.3m with footway one side only) (see Figure 5). Span assumed similar to Option 1 at 26m. Potential to use narrower carriageways if the remainder of Bee Lane is not to be widened, adopting 3m running lanes and combined footpath cycleway could reduce required width to 9m.

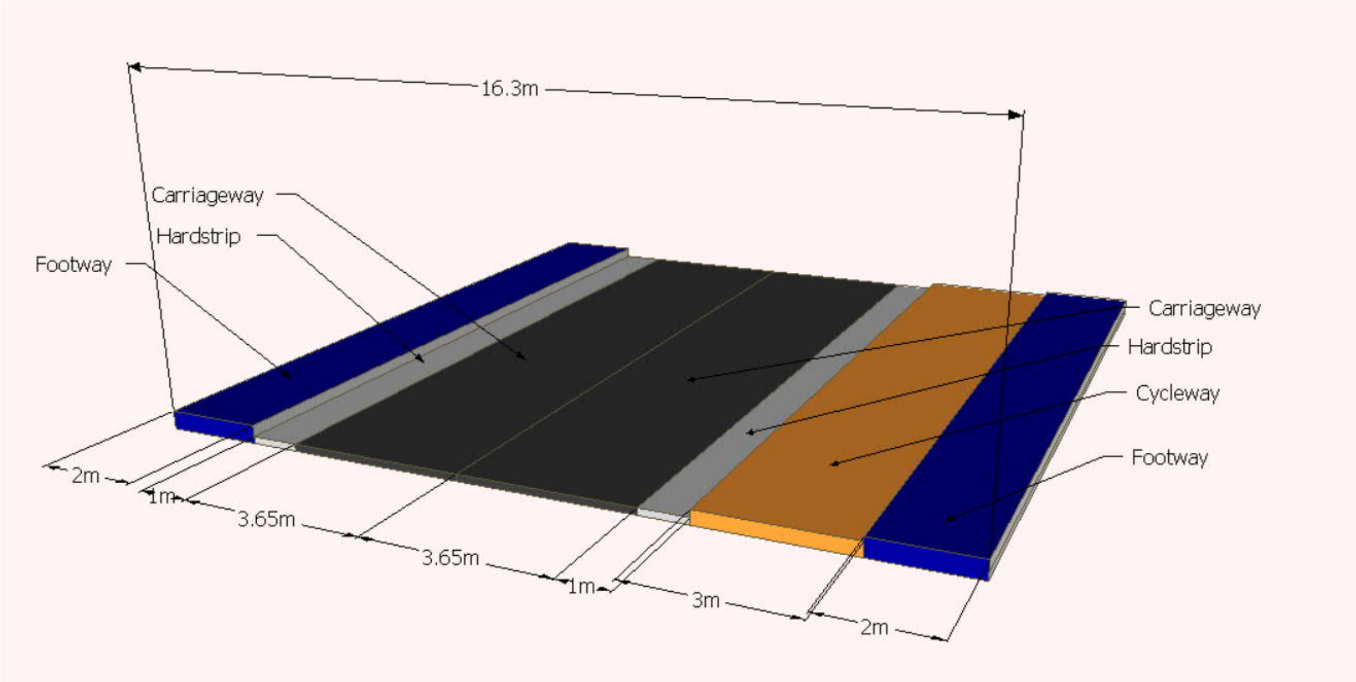


Figure 5 – All-purpose rural road carriageway cross-section

Other Options Considered

Option 3

Demolish existing bridge superstructure, modify foundations and supports, install widened superstructure as new bridge, *DMRB CD127*, All-purpose rural road 2 lanes at 3.65m plus 1m hard-strip each side, 3m cycleway one side and 2m footways both sides, 16.3m total width (14.3m with footway one side only). Based on the construction of the existing bridge, the modifications required to the foundations to permit the extent of widening needed is considered to be impractical. Option 3 is potentially more achievable for a narrower superstructure but would provide lower cost benefit in terms of useable space compared to option 1.

Option 4

Construct new bridge for road traffic only. Retain existing structure for pedestrian / cycle use. Assume total width of 9m. This option would remove issues associated with the capacity and structure of the existing bridge for increased road traffic, however issues of highway alignment would require consideration.

Constraints

Construction of a twin span bridge would require works within Network Rails track boundary, this would require significant track possession time thereby increasing construction costs and reducing the benefit derived from the lesser material costs associated with a shorter span construction.

Spatial constraints associated with highways alignments and trackside infrastructure may constrain the potential positioning of a replacement or complementary bridge or requiring the existing bridge to be demolished before a new bridge can be constructed.

The railtracks are electrified with OLE present through both occupied spans and along the adjacent lengths of track. Clearances of deck over OLE would require consideration in respect of parapet design. OLE return conductors are direct fixed to the bridge arches in 4 locations and would require support in a reconstructed design.

The existing bridge accommodates a number of services crossing the railtrack, including gas, water, electric and telecoms. Service diversions would be required if the existing bridge was to be removed.

The existing parapets may be considered sub-standard for the increased vehicle volumes associated with future traffic conditions, therefore there is a potential requirement to upgrade the parapets on the existing bridge to achieve vehicle containment compliance with current standards for new designs. The costs associated with an upgrade of this nature have been estimated at £2m.

Comparable Project Examples

Green Street Footbridge, Gillingham, Steel truss 33m (3m wide footbridge) – (2021) - c£1.25m

Stapenhill Footbridge, steel 27m single span (3m wide footbridge) – (2021) - c£1.1m

Ilkeston Station Footbridge, 37m single span (3m wide footbridge) – (2017) - c£2.5m

Dr Stewart Adams Bridge, Nottingham, steel truss 50m single span (4.5m wide cyclepath) – (2018) - c£4m

Awsworth Road Bridge, Ilkeston, steel composite 33m single span (7.65m carriageway & 2m footpath) on existing foundations – (2017) - c£3m

Indicative Cost Estimates

Option 1 (New cycle pedestrian bridge, steel single span 26m)

£2m to £3m

Option 2 (New full carriageway bridge, steel composite single span 26m)

£7.5m to £12.5m, depending on carriageway cross-section.

Option 3 (widening existing bridge to 8m carriageway)

£3.5m to £5.5m

Option 4 (New highway bridge, steel composite single span 26m)

£6m to £7.5m

Assumptions and Exclusions

The prepared costs are based on a number of assumptions as follows;

- Designs follow standard Network Rail design requirements.
- Bridge forms are selected for lowest cost with no architectural enhancements.
- Scheme approvals via Town and Country Planning Act.
- No significant environmental issues are present.
- Consultant design and management costs at 10% of estimated construction value.
- Contingency included at 10% of total project value.

The following items have not been allowed for within the costs as the extent of their requirement cannot be determined at this stage;

- No allowance for service diversions costs
- No allowance for land purchase costs
- No allowance for load capacity improvement works to, or removal of, the existing Bee Lane Bridge
- No allowance for associated highways alignment works
- No allowance for adverse ground conditions or contaminated land
- No allowance for Network Rail access costs

Digitally signed by Horne, Stephen (UKSMH600)
DN: cn=Horne, Stephen (UKSMH600), ou=Active, email=Stephen.Horne@wsp.com
Reason: I am the author of this document
Date: 2022.07.26 14:31:53 +01'00'

Stephen Horne
Associate

Appendix 8: PRELIMINARY RESIDENTIAL VIABILITY APPRAISAL – The Lanes, Penwortham, South Ribble, Lancashire (December 2019)

PRELIMINARY RESIDENTIAL VIABILITY APPRAISAL

The Lanes, Penwortham,

South Ribble, Lancashire

On behalf of:

Taylor Wimpey UK Limited and Homes England

December 2019

Contents

1. Introduction and Background

This report has been produced in support of an Outline Planning Application for residential-led, mixed-use development known as The Lanes (The Site) between Leyland Road and the A582 Penwortham Way in Penwortham, South Ribble.

The site is located within the local authority area of South Ribble Borough Council. It extends to circa 53.7 hectares (133 acres) and is currently predominantly pasture / grazing. A site location plan is enclosed at **Appendix 1.** The site is within the Major Development Site Allocation (designated as 'site EE') under Policy C1 of the adopted South Ribble Local Plan 2015 ('Local Plan'). Policy C1 of the Local Plan states that:

"*Planning permission will only be granted for the development of the Pickering's Farm site subject to the submission of:*

- *an agreed Masterplan for the comprehensive development of the site. The Masterplan must include the wider area of the Pickering's Farm site, which includes the safeguarded land and extends to Coote Lane as shown on the Policies Map, and make provision for a range of land uses to include residential, employment and commercial uses, Green Infrastructure and community facilities;*
- *a phasing and infrastructure delivery schedule; and*
- *an agreed program of implementation in accordance with Masterplan and Design Code"*.

This document provides a preliminary viability assessment in respect of an outline planning application made by Taylor Wimpey UK Ltd and Homes England for the proposed development and its associated infrastructure. The Indicative Scheme Layout and schedule of accommodation is enclosed in the report – Section 4 – The Scheme. The purpose of this preliminary report is to comment on financial viability scenarios of the proposed residential development of up to 1,100 dwellings at the site. The assessment takes account of market conditions at the date of this report, sets out a series of viability appraisals, clearly assessing whether the development can support the provision of policy compliant affordable housing.

The FVA makes reference to the RICS Financial Viability in Planning - Conduct and Reporting Professional Statement May 2019, which sets out mandatory requirements for RICS members and RICS regulated firms, informing "*the practitioner on what must be included within the reports and how the process must be conducted*."

> The RICS / NPPF (2018/19): -
>
> "*When carrying out or reviewing FVAs, members must ensure assumptions on costs and revenues are: -*
>
> * *Reasonable / Realistic; Transparent; Fair and Objective + market evidence can be used as a cross-check, but it is important to disregard outliers*."

As discussed between the applicants and officers at South Ribble Borough Council, detailed site investigations will not be undertaken until the detailed design stage. This preliminary viability report only indicates the development's likely viability, based upon limited information at this time. In order, therefore, to accurately assess the S106 contributions that future development can make, it is proposed that a detailed viability assessment is submitted to and agreed with South Ribble Borough Council prior to/with the submission of future Reserved Matters planning applications. It is the applicants' view that it is premature to try and fix the level of affordable housing at this stage.

The applicants' intention is to be planning policy compliant where it is viable to do so, i.e. in accordance with planning policy. In this regard, it will be appropriate to further discuss the quantum and tenure mix of any affordable housing, at Reserved Matters stage. This preliminary viability assessment should be read in conjunction with the Supporting Planning Statement prepared by Avison Young and submitted in support of the Outline Planning Application. This approach is consistent with the updated Viability Guidance – 1st September 2019 = follows the recommended guidelines for the assessment of strategic sites Para 005/6.

2. John Broadbent Consulting Limited / Grasscroft Development Solutions

This viability exercise has been carried out by John Broadbent Consulting Limited and Grasscroft Development Solutions.

John Broadbent Consulting Limited is a property consultancy firm, providing clients with advice on all aspects of commercial and residential property.

John specialises in residential and mixed-use development, including residential development, residential investment portfolio disposals and suburban residential regeneration, acting on behalf of landowners, occupiers and developers, through the appraisal and evaluation of sites and schemes from £500,000 to over £30 million.

John Broadbent has a 2:1 in Estate Management and is a member of the Royal Institution of Chartered Surveyors (Qualified - May 1996). He has over 22 years' experience at the highest level within the property industry.

He has a strong residential focus and has been responsible for the development and deliverability of a wide variety of private sector, open market sale sites, including some social housing schemes within the North of England.

Posts held by John have included the following:

Knight Frank LLP – Partner and Head of Residential Development North West– 1999 to 2009
Savills – Associate Director – 1996 to 1999
Smiths Gore – Senior Surveyor – 1993 to 1996

Clients he has represented include Ask Developments; Anwyl; Bardsley Developments; Bellway Homes; Cabot Square Capital; Crosby Lend Lease; Countryside; Cruden Group; De Vere Group; KPMG; Mansion Group; PWC; Taylor Wimpey Homes; Persimmon Homes; Peel Developments; Redrow Homes; Russell Homes; Trafford College; Terrace Hill and the National Trust; Housing Associations including Great Places Housing Group, and Southway Housing Trust, to mention just a few.

He has become a knowledgeable expert in the Northern residential market, in areas including Manchester, Leeds, Liverpool, Chester and Chesterfield, as well as emerging and expanding regional towns such as Altrincham, Bolton, Chorley, Lancaster, Lytham, Macclesfield, Northwich, St Helens, Preston, Warrington and Wilmslow.

Taking account of the above demonstrable experience, the writer of this paper is in a strong position to comment on the viability, or otherwise, of residential opportunities in the North West Regions.

3. Viability in Planning

The appraisals contained within this report have been prepared using Prodev, a widely used proprietary appraisal software system produced and distributed by Interproperty Systems Limited.

In completing this appraisal, reference has been made to the RICS guidance 'Viability in Planning', as issued in August 2012, as well as the new viability provisions set out within the recent Planning Practice Guidance (2019), RICS – Financial Viability Appraisal in Planning – Conduct Reporting (May 2019) and the guidance notes appended to the DCLG document, entitled 'Section 106 Affordable Housing Requirement, Review & Appeal' and changes which came into effect under NPPF – updated 1st September 2019.

Build costs for the development have been based with reference to actual costs incurred on regional nearby developments and from information by Stone MC cost advisors and utilising data and build costs from a variety of live and recent projects, including BCIS rebased data for the South Ribble Area.

Market data has been provided by John Broadbent Consulting Limited / Grasscroft Development Solutions following an extensive review of the residential market in the surrounding area, through enquiries with local estate agents, a review of available published data from the likes of Rightmove, Zoopla and Landmark Analytics and independent assessment – see Appendix 3 – Market Research.

4. The Scheme

The scheme includes developing the 53.7 hectares (133 acres), as edged red in **Appendix 1**, for the purposes of residential led mixed-use development.

The proposed scheme includes up to 1,100 dwellings, a local centre (including retail, employment and community uses), a primary school, a community building (to be used initially as an Apprenticeship and Skills Training Centre), green infrastructure, a large extent of the Cross Borough Link Road extension (CBLR) and associated infrastructure. We have adopted the following accommodation schedule, which is shown in Figure 1, below:

All Residential – 1,100 dwellings.

Build Type	Mix	No. Dwelling	Average Floor Area/Dwelling (m^2)	Total Floor Area sqm
2 bed-apartment	5%	55	65	3,575
2 bed mews	5%	55	70	3,850
3 bed semi-detached	10%	110	95	10,450
3 bed semi-detached	30%	330	102.5	33,825
3 bed detached	10%	110	110	12,100
4 bed semi-detached	7%	77	115.5	8,893.5
4 bed detached	21%	231	127	29,337
4 bed detached	7%	77	142	10,934
5 bed detached	5%	55	150	8,250
TOTAL:	100.00%	1,100		121,214.50

Affordable (30%) – 330 dwellings

Build Type	Mix	No. Dwelling	Floor Area/Dwelling (m^2)	Total Floor Area sqm
2 bed apartments	5%	55	65	3,575
2 bed mews	5%	55	70	3,850
3 bed semi-detached	10%	110	95	10,450
3 bed semi-detached	10%	110	102.5	11,275
TOTAL:	30%	330		29,150
Private Residential (70%) – 770 Dwellings				
3 bed semi-detached	20%	220	102.5	22,550
3 bed detached	10%	110	110	12,100
4 bed semi-detached	7%	77	115.5	8,893.50
4 bed detached	21%	231	127	29,337
4 bed detached	7%	77	142	10,934
5 bed detached	5%	55	150	8,250
SUB TOTAL:	70.00%	770		92,064.50
TOTAL	100%	1,100		121,214.50

Figure 1 – Scheme Mix

5. Appraisal Inputs

The applicants propose to deliver a residential-led mixed use scheme comprising houses and apartments with multiple house-building partners including Taylor Wimpey UK Limited.

Market & Values

Capital values have been arrived at with reference to market evidence in the area, including new home sales and transaction activity, obtained from re-sales of other dwellings in the immediate area, and appropriate market conditions at the date of this report. The analysis of sales revenues/ capital values is summarised in Appendix 3 – Market Research, and based upon market data, including the new-build development sites in the immediate location to the site – Applethwaite Homes, Walton Gardens, Liverpool Road, Hutton; Linden Homes, The Maltings, Penwortham; Miller Homes, Croston Meadow, Croston Road, Farrington Moss, Leyland; Rowland Homes, Stokes Manor, Leyland and Redrow Homes. These provide a good indicator for the achievable revenues of The Lanes, Penwortham scheme – Appendix 3.

Further market data has been collated following a thorough review of the residential housing market in the surrounding area, reference to Land Registry Housing Sales Data, enquiries to local estate agents and a review of available published data from property websites including Rightmove.co.uk, Zoopla.co.uk – Appendix 3.

We have carried out a detailed assessment of the property market in the immediate locality, together with Land Registry / Calnea Analytics - 'Mouseprice Pro' and have calculated the average value of properties within the area of transactions recorded since 1st January 1995 to today's date. Our conclusions from this assessment are that average sales revenues applied to the residential open market dwellings is £220/ per sqft. The revenues applied above, take account of the large size of the scheme and the likelihood of multiple sales outlets at anyone time, increasing the levels of competition. The site will also need to develop its own sense of place, competing with other sites currently in the market at the time to ensure an adequate rate of sales we have applied within the appraisals.

The affordable housing is based on the Schedule of Accommodation - Figure 1 and the Central Lancashire Affordable Housing SPD (Oct 2012).Allowance within the total 1,100 dwellings for 30% provision of 330 Affordable dwellings; split 70% Social rented – 231 units (40% of open market value) and the remaining 30% Intermediate/ Shared Equity – 99 units (70% of open market value) and which accords with the current SPD policy. **Figure 2** below highlights the values adopted for the affordable housing units.

Build Type	Tenure	No. Dwelling	Average Area (sqm)	Revenue per dwelling
2 bed-apartment	Social – 40% OMV	55	65	£62,969
2 bed mews	Social – 40% OMV	55	70	£66,306
3 bed semi-detached	Social – 40% OMV	110	95	£89,987
3 bed-semi	Social – 40% OMV	11	102.5	£97,091
3 bed semi-detached	Shared – 70% OMV	99	102.5	£157.773
TOTAL:	100.00%	330		£33,696,223

S106 Planning Obligation List

Other than consideration of affordable housing provision, no other S106 costs have been included as these have not yet been discussed and agreed.

CIL Costs

The CIL costs have been applied in full and to ensure there is no double counting, allowance for the costs of building the CBLR has been shown separately within our financial appraisal.

Build Costs

A build cost has been adopted from BCIS and is appropriate for the quality of development detailed within the application documents. We have taken the BCIS rates for March 2019, rebased to South Ribble and using the average cost between the Lower Quartiles and the Mean for Estate Housing this provides £1,162.5 / m2 or £108 / ft2.

The rate utilised makes allowances for the following:

- Basic superstructure costs;
- Nominal strip footing foundations;
- Plot development costs (including provision of utilities, driveways, formation of curtilage parking spaces and gardens, boundary treatments to properties etc.);
- The rate includes for builder's preliminary costs (site management, all welfare facilities, site office, construction utilities etc.) and
- Normal infrastructure costs, including secondary and tertiary access roads, parking court and private drives servicing more than one unit.

Building Contingency

A contingency of 5% of the building cost has been allowed within the appraisals, which is in accordance with contemporary practice.

Opening-Up-Costs

The opening-up costs associated with the scheme have been assessed based upon £12,500 per unit and on the assumption of a development 1,100 units - £13,750,000 in total. This allowance has been adopted with reference to recent CIL and Local Plan viability assessments and based on the writers' considerable experience of dealing with developments of this nature.

This allowance would cover the cost of the major infrastructure (utilities/service/drainage networks, distributor roads, local infrastructure improvements and major infrastructure interventions) and earthworks required to deliver serviced parcels/ phases. This allowance will require review in the detailed Viability Appraisal stage, following detailed design and ahead of/with the submission of Reserved Matters applications.

Cross-Borough Link Road (CBLR)

The CBLR, as it relates to the site, is a new 1.2km single carriage way road which will be the primary site spine road. The CBLR is proposed at 7.3m width, with footpath and cycleway provision. The estimated cost of the CBLR at the site is £12 million and is based on similar comparable schemes. The cost estimate includes the creation of a signalised access junction with Penwortham Way.

Professional Fees

Provision equating to 7% of the build costs, has been allowed, a figure that is in accordance with contemporary practice and given that the size of the development is up to 1,100 dwellings. This is recognised in South Ribble Borough Councils – CIL Financial Viability Addendum (2014) which states up to 8% allowance and in line with industry standards. This figure should cover the following professional costs:

- Architect
- Landscape Architect
- Engineer (Civil and Structural)
- Traffic Engineer/ Highways Consultant
- Quantity Surveyors/ Project Management
- M and E Consultant
- Site investigation
- Geo-Technical Survey
- Landscape and Visual survey
- Flood Risk and Drainage / Attenuation Surveys
- Building Control and structural warranties (Premier / NHBC Fees)
- SAP/ EPC surveys.

The allowance for professional fees may need reviewing in the detailed viability assessment at the detailed design stage and ahead of the submission of the reserved matters applications, as it is likely that any significant infrastructure interventions will attract a much higher rate of professional fees.

Sales and Marketing Costs

An allowance equating to 3.15% of the Gross Development Value, has been allowed for sales and marketing costs for the residential units. This excludes 0.35% for the legal fees associated with the selling of each of the units and forming a management company, giving a combined total of 3.5%

These figures are also in line with the contemporary feedback from national house builders and are recognised industry standards. They also take account of the significant investment in sales and marketing that will be required in order to achieve the sales rate detailed within the appraisals contained within this report, including sales incentives offered to purchasers becoming increasingly common practice in the industry. The assumed rate of sales is dictated by a minimum of 2 sales outlets at any one time and a maximum of 3, thereby allowing 9 sales per month over a 123-month period (March 2021 to May 2031).

Finance Costs

An interest rate of 6.5% has been utilised, based upon typical funding arrangements with a range of private and high street banks, which we consider to be conservative, with many institutions currently seeking higher interest rates from developers.

Developer’s Return for Risk and Profit (before taxation)

A developer’s margin equating to 20% of the Gross Development Value (GDV) has been assumed, which is the industry guidance figure generally accepted between parties to be the minimum, taking account of the acceptable and appropriate risk-adjusted market return (RICS – June 2019).

This figure is at the lower end of the rate normally expected for a scheme of this nature and, in accordance with contemporary guidance, a developer’s margin equating to 20-22% of the Gross Development Value (GDV) would generally be accepted. It is also consistent with the Planning Inspectorate view as outlined in the draft CIL Charging Schedule – Examiner’s Report – 15th June 2017.

6. Appraisal Commentary

We have tested the viability of the proposed development and this is outlined below.

The site is presently agricultural land known as the Lanes, Penwortham. The site is within the Major Development Site Allocation in the adopted South Ribble Local Plan under Policy C1. In the normal course of events and in order that land comes forward for development, the residual land price must provide landowner with a reasonable incentive.

According to National Planning Policy Guidance (NPPG) on Viability that was issued alongside the revised National Planning Policy Framework (NPPF) updated 9th May 2019 – Para 14 - Benchmark Land Value (BLV) is defined as follows: -

"To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'the premium (or the "plus" in EUV+) and is the 2nd component of benchmark land value.

In arriving at a value for the site it is reasonable to assess the existing use of the site and apply an uplift on this value to reflect the incentive to the landowner to sell the site. In this instance the site is currently used for agricultural purposes.

In the writers' experience, agricultural land values are in the order of £10,000 per gross acre resulting in a value for the subject site of £1,330,000. In the instance of land in agricultural use which is allocated for residential development in the Local Plan, it is inconceivable that a landowner would sell for EUV and a simple percentage uplift.

It follows, therefore, that the premium to incentivise the landowner to sell has to be a multiple of the EUV. It is the considerable experience of JBC Ltd that it is appropriate to apply an uplift of 15 to 20 times the agricultural land value to reflect the reasonable expectations of a landowner.

In this instance, applying an uplift of 20 times the agricultural land value per acre results in a benchmark land value (BLV) of £26,600,000. This has been adopted for illustrative purposes in the absence of any analysis of market evidence and that it is without prejudice to the adoption of the correct approach should market evidence produce a materially different result.

In the instance of large, greenfield sites such as the subject site, it is necessary to adjust the gross site area to a net developable area, to take into account the loss of land to strategic infrastructure, open space, site constraints etc. typically the net to gross reduction in such cases is between 60% and 70% of gross site area. For reasonableness, adopting a 66% gross to net reduction (two thirds) in the case of the subject site, results in a figure of £17,556,000.

As a cross check, the proposed net saleable area of the proposed scheme highlighted within this report is 1,304,772 sqft total floor area, equivalent to 78.08 net developable acres

$$\frac{£17{,}556{,}000}{78.08 \text{ acres}} = £224{,}846 \text{ per acre}$$

Taking account of all of the above, we have adopted a conservative Benchmark Land Value £225,000 / net acre. Assuming a net acreage 78.08 acres of residential development provides a BLV of £17,568,000.
We have undertaken a series of “Scenarios” below to demonstrate the impact of Planning Gain – Affordable Housing on the residual appraisal process whilst taking account of a realistic profit return on similar residential developments in North West/ South Ribble Area, providing 20% Return on Revenue / GDV. The scenarios are set out below and all include full CIL payments in line with current rates and the BLV at £17,568,000:

Scenario 1 - shows the Developer’s profit generated for a scheme providing 30% on-site affordable housing – 30% Shared Equity + 70% Affordable Rent + CIL + CBLR at £12 million. The full appraisal is attached at **Appendix 5.**

Scenario 2 - shows the Developer’s profit generated for a scheme providing 30% on-site affordable housing – 30% Shared Equity + 70% Affordable Rent + CIL. The full appraisal is attached at **Appendix 6.**

Scenario 3 –shows the Developer’s profit generated for a scheme with 20% on-site Affordable Housing + CIL and in accordance with the tenure mix as outlined in Central Lancashire SPD (October 2012) as indicated above. The full appraisal is attached at **Appendix 7**.

Figure 3 below summarises the results of the three scenarios.

	Scenario 1	Scenario 2	Scenario 3
Description	Policy Compliant - 30% Affordable Units + CIL + CBLR	Policy Compliant - 30% Affordable Units + CIL + No additional CBLR costs	20% Affordable Housing + CIL + No additional CBLR costs
Benchmark Land Value	£17,568,000	£17,568,000	£17,568,000
Developer’s Profit Deficit	11.84%	4.06%	0.11%
Developers Profit Deficit (£):	- £30,075,259	- £10,312,969	- £294,513
	Total Liability £30,075,259	**Total Liability £10,312,969**	**Total liability £294,513**
Viability Concern	Yes	Yes	Yes

Figure 3 – Summary of scenario appraisal results

It is clear from **Scenario 1** above that, when a Policy Compliant Scheme delivering 30% on-site affordable housing (30% Shared Equity / 70% Affordable Rent), including CIL and additionally the construction costs associated with CBLR, is assessed, there is a Profit Deficit of over £30 million, which causes a serious viability concern.

Scenario 2 represents a scheme containing 30% Affordable Housing, including CIL and with no allowance for CBLR construction costs. In this scenario, there is a profit deficit of £10.3m which demonstrates that with the omission of the CBLR costs, a viability concern remains.

Scenario 3 represents a scheme containing 20% Affordable Housing, including CIL, but no allowance for CBLR construction costs as outlined above. In this scenario, there is still a marginal viability concern, but this is significantly less at -£294,500.

Based on the scenarios tested it is clear that the development proposed is not viable or deliverable when it is faced with the combined costs of delivering the CBLR contributions, meeting CIL in full and providing policy compliant affordable housing.

Therefore, the viability findings are a material consideration in the setting of S106 obligations and affordable housing requirements in this instance. It should be noted in all the Scenarios outlined above, the varying allowances for Community Infrastructure Levy (CIL) are included in all appraisals (dependent upon the amount of Affordable Housing in each scenario).

7. Conclusions

The appraisals contained within this preliminary report represent an assessment of the viability of a residential-led mixed use development upon the subject site.

This report has been produced utilising a recognised appraisal software package (Pro Dev for Windows 2016). Due regard has been given to recent guidance published by the RICS (Financial Viability Appraisal in Planning Definitions Theory and Practice – April 2015), the Growth and Infrastructure Act and the recently published PPG guidance and the latest Viability Guidance NPPF – 1st September 2019.

The appraisals detailed within **Appendix 6, 7 and 8** clearly demonstrate that viability is an issue on the subject site, and this is therefore a material consideration in the setting of planning obligations.

The appraisals produced assume a scheme consistent with that detailed in the application documents and represents a good quality residential scheme, which will deliver new market homes on an allocated site identified in the Local Plan. The appraisals outlined within this report are a preliminary assessment and based on "the best information presently available and without the benefit of full and intrusive site investigations or detailed cost plans."

As discussed with Officers at South Ribble Borough Council, detailed site investigations at the site will not be undertaken until the detailed design stage. This preliminary viability assessment presents an overview of the development's viability, based upon known information at this time and it is proposed that a detailed viability assessment is submitted to and agreed with South Ribble Borough Council, prior to the submission of future reserved matters applications.

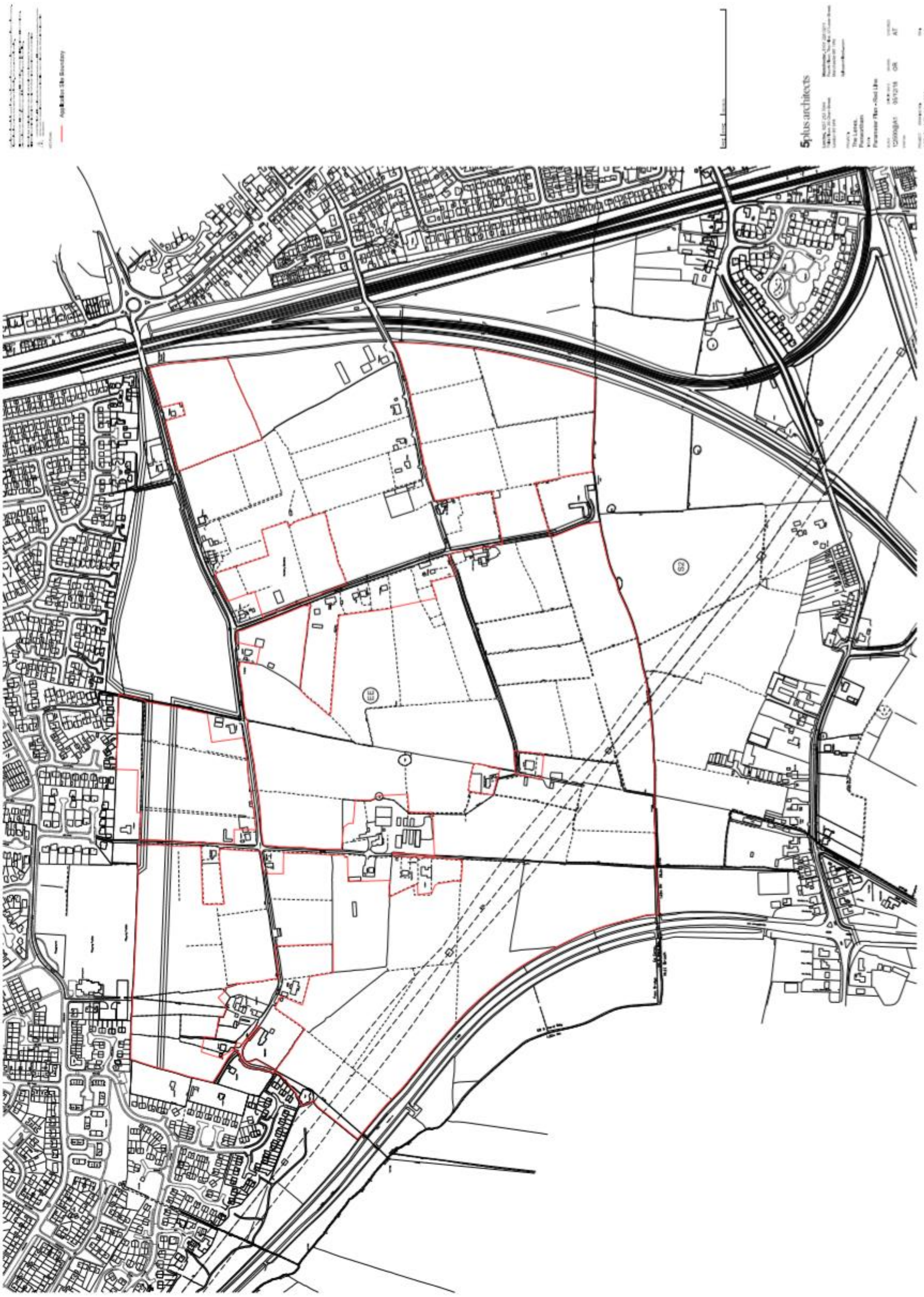
8. Disclaimer

The contents of this report do not constitute a valuation, in accordance with the appropriate sections of the Valuation Standards ('VS') and United Kingdom ('UKVS') contained within the RICS Valuation – Professional Standards 2012 (the 'Red Book').

This report is addressed to Taylor Wimpey UK Limited; Homes England and South Ribble Borough Council and its contents should not be reproduced in part or in full without the prior written consent of TW / HE.

This viability report is provided on a confidential basis to the applicants and South Ribble Borough Council. The report and its appendices should not be disclosed to any third parties (other than consultants instructed by Taylor Wimpey / Homes England and the Council to review the report) under the Freedom of Information Act 2000 (Sections 41 and 43(2)) or under the Environmental Information Regulations.

Appendix 1 – Site Location Plan



Appendix 2 - Masterplan

Appendix 3 - Market Research

Average Price & Volume of Sales
Source: Land Registry

2018

	Detached		Semi-detached		Terraced		Flat / maisonette		Total	
Postcode Sector	Average Price	Sales	Average Price	Sales	Average Price	Sales	Average Price	Sales	Overall Average	Overall Sales
PR1 9	£306,225	22	£149,302	52	£141,548	25	£85,333	3	£179,366	102

2017

	Detached		Semi-detached		Terraced		Flat / maisonette		Total	
Postcode Sector	Average Price	Sales	Average Price	Sales	Average Price	Sales	Average Price	Sales	Overall Average	Overall Sales
PR1 9	£234,640	42	£154,566	92	£127,113	32	£74,727	13	£162,648	179

2016

	Detached		Semi-detached		Terraced		Flat / maisonette		Total	
Postcode Sector	Average Price	Sales	Average Price	Sales	Average Price	Sales	Average Price	Sales	Overall Average	Overall Sales
PR1 9	£244,580	51	£149,730	122	£112,537	36	£80,911	9	£162,937	218

2015

	Detached		Semi-detached		Terraced		Flat / maisonette		Total	
Postcode Sector	Average Price	Sales	Average Price	Sales	Average Price	Sales	Average Price	Sales	Overall Average	Overall Sales
PR1 9	£228,065	80	£143,668	91	£113,496	47	£64,190	5	£165,804	223

2014

	Detached		Semi-detached		Terraced		Flat / maisonette		Total	
Postcode Sector	Average Price	Sales	Average Price	Sales	Average Price	Sales	Average Price	Sales	Overall Average	Overall Sales
PR1 9	£199,667	45	£136,056	98	£113,255	50	£72,069	13	£140,379	206

New Build Availability

Net price assumes 5% deduction from asking price due to negotiation and incentives on all new build properties.

House Name	Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
	£111,996	632	£177.12	£168.27	2	Apartment	1
The Arun B	£132,796	680	£195.34	£185.57	2	Terrace	2
The Arun A	£162,995	680	£239.76	£227.77	2	Terrace	2
The Avon	£193,995	707	£274.51	£260.79	3	Terrace	2
The Thames	£289,995	1267	£228.96	£217.51	4	Detached	2
			Average Net Asking Value (ft²)	£211.98			

Miller Homes - Croston Meadow, Croston Road, Farington Moss, Leyland, Lancashire, PR26 6PJ

House Name	Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
Tolkien	£194,995	892	£218.60	£207.67	3	Semi-Detached	3
Greene	£248,995	1080	£230.55	£219.02	4	Detached	2
Chadwick	£293,995	1407	£208.95	£198.50	4	Detached	2
Stevenson	£301,995	1264	£238.92	£226.97	4	Detached	2
Hallam	£241,995	1221	£198.19	£188.28	4	Detached	2
Buchan	£281,995	1264	£223.10	£211.94	4	Detached	2
Stevenson B	£305,995	1390	£220.14	£209.13	4	Detached	2
			Average Net Asking Value (ft²)	£208.79			

Rowland Homes - Stokes Manor, Northgate, Leyland, Lancashire PR25 3NR

House Name	Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
Cranbrook	£158,995	635	£250.23	£237.72	3	Semi-Detached	2
Wallace	£166,495	749	£222.32	£211.20	3	Semi-Detached	3
Burlington	£167,495	629	£266.20	£252.89	3	Semi-Detached	2
Gladstone	£169,995	767	£221.72	£210.63	3	Semi-Detached	2
Ashgate	£170,995	620	£275.62	£261.84	3	Semi-Detached	2
			Average Net Asking Value (ft²)	£234.86			

Lovell Homes - The Oaktree Grange, Clayton-Le-Woods, Leyland, PR25 5SB

House Name	Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
The Nutford	£299,995	1201	£249.69	£237.21	4	Detached	2
The Whiteford	£295,995	1123	£263.64	£250.46	4	Detached	2
The Liveley	£239,995	830	£289.12	£274.66	3	Detached	2
			Average Net Asking Value (ft²)	£254.11			

Jones Homes - Greenhill Gate, Preston, Lancashire, PR1 9SE

House Name	Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
The Birch	£199,995	793	£252.25	£239.64	3	Semi-Detached	2
The Banbury	£299,995	1289	£232.65	£221.02	4	Detached	2
			Average Net Asking Value (ft²)	£230.33			

Jones Homes - Walton Meadows, Preston, Lancashire, PR5 4TB

House Name	Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
The Bayswater	£345,995	1261	£274.27	£260.56	4	Detached	2
The Davenham	£289,995	1205	£240.65	£228.62	4	Detached	2
The Holcombe	£319,995	1064	£300.63	£285.60	4	Detached	2
The Banbury	£299,995	1289	£232.65	£221.02	4	Detached	2
			Average Net Asking Value (ft²)	£248.95			

Countryside - Wren Green, Bamber Bridge, Preston PR5 6NN

House Name	Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
The New Stamford	£202,995	1005	£201.99	£191.89	3	Semi-Detached	3
The Longford	£219,995	893	£246.35	£234.04	3	Detached	2
The Baybridge	£287,995	1249	£230.58	£219.05	4	Detached	2
The Dunham	£274,995	1184	£232.26	£220.65	4	Detached	2
The Lymington	£279,995	1206	£232.17	£220.56	4	Detached	2
			Average Net Asking Value (ft²)	£217.24			

Higher Walton, Preston, PR5

Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
£272,950	1149.5856	£237.43	£225.56	4	Detached	2
£269,950	1345.418837	£200.64	£190.61	4	Detached	2
£249,950	1372.280175	£182.14	£173.03	4	Detached	2
£189,950	872.436467	£217.72	£206.84	4	Semi-Detached	2
£151,950	639.8445089	£237.48	£225.61	3	Terrace	2
		Average Net Asking Value (ft²)	£204.33			

Orchard Gardens, Orchard Avenue, New Longton

Asking Price	Size (ft²)	Gross Asking Price (ft²)	Net Asking Price (ft²)	Bedrooms	Type	Storeys
£260,000	583	£445.66	£423.38	3	Semi-Detached	2
£260,000	583	£445.66	£423.38	3	Semi-Detached	2
£260,000	583	£445.66	£423.38	3	Semi-Detached	2
		Average Net Asking Value (ft²)	£423.38			

New Build Sales

Miller Homes - Croston Meadow, Croston Road, Farington Moss, Leyland, Lancashire, PR26 6PJ

Plot No.	House Name	Sale Price	Size (ft^2)	Gross Sale Price (ft^2)	Net Sale Price (ft^2)	Bedrooms	Type	Sale Date
28	Stevenson	£304,995	1264	£241.29	£235.26	4	Detached	30/06/17
24	Windsor	£204,995	871	£235.37	£229.48	3	Detached	30/06/17
29	Chadwick	£294,995	1407	£209.66	£204.42	4	Detached	16/06/17
27	Malory	£213,995	1035	£206.84	£201.67	3	Detached	26/05/17
26	Stevenson	£304,995	1264	£241.29	£235.26	4	Detached	28/04/17
18	Hallam	£213,995	1087	£196.94	£192.02	4	Detached	24/03/17
19	Hallam	£239,995	1087	£220.87	£215.35	4	Detached	24/03/17
17	Malory	£213,995	1035	£206.84	£201.67	3	Sem-Detached	24/03/17
23	Windsor	£199,995	871	£229.63	£223.89	3	Detached	13/03/17
16	Malory	£213,995	1035	£206.84	£201.67	3	Detached	24/02/17
20	Orwell	£239,995	922	£260.35	£253.84	3	Detached	24/02/17
25	Windsor	£204,995	871	£235.37	£229.48	3	Detached	24/02/17
				Average Net Sale Price (ft^2)	£218.67			

Redrow - The Hedgerows, Wigan Road, Leyland, Lancashire, PR25 5SB

Plot No.	House Name	Sale Price	Size (ft^2)	Gross Sale Price (ft^2)	Net Sale Price (ft^2)	Bedrooms	Type	Sale Date
40	The Stratford	£264,995	1173	£225.91	£220.26	4	Detached	15/02/18
37	The Ludlow	£214,995	895	£240.16	£234.16	3	Sem-Detached	15/12/17
36	The Ludlow	£214,995	895	£240.16	£234.16	3	Sem-Detached	08/12/17
101	The Cambridge	£305,995	1385	£221.01	£215.48	4	Detached	06/12/17
43	The Stratford	£259,995	1173	£221.65	£216.11	4	Detached	03/11/17
41	The Warwick	£239,995	1059	£226.62	£220.96	3	Detached	27/10/17
				Average Net Sale Price (ft^2)	£223.52			

Secondhand Sales

Search Criteria: within 0.5 miles. Sales completed within the past 12 months.

Source: Calnea Analytics

Address	Last sale price	Last sale date	Property type	Year built	Bedrooms
The Nook Bee Lane PR1 9TU	£540 000	05 Apr 2018	Detached	1950	4
Honey Pot Barn Bee Lane PR1 9TU	£490 000	23 Mar 2018	Detached		4
Brooklee Brook Lane PR4 4LA	£410 000	05 Feb 2018	Detached	2015	3
Bumble Cottage Bee Lane PR1 9TU	£290 000	30 May 2018	Terrace		3
9 Padway PR1 9EL	£165 000	23 Mar 2018	Detached		2
10 Kingsbridge Close PR1 9UR	£160 000	17 Nov 2017	Semi-detached	0	3
35 Cloughfield PR1 9FF	£155 000	22 Jan 2018	Semi-detached	2001	3
40 Cloughfield PR1 9FF	£165 000	15 Dec 2017	Terrace	1999	3
9 Fitchfield PR1 9UE	£132 000	31 May 2018	Semi-detached	1972	3
4 Meadowfield PR1 9ER	£147 000	11 Jan 2018	Semi-detached		3
1 Hambleton Drive PR1 9US	£144 000	05 Jan 2018	Semi-detached	1972	3
9 Sturminster Close PR1 9UP	£140 000	16 Feb 2018	Semi-detached	1975	3
12 Broadfield Drive PR1 9DU	£152 000	29 Sep 2017	Semi-detached	1965	3
28 Lacy Avenue PR1 9NX	£150 000	18 May 2018	Semi-detached	1995	3
24 Martinfield Road PR1 9HL	£136 000	05 Jan 2018	Semi-detached	1959	3
1 Sturminster Close PR1 9UP	£134 500	24 Oct 2017	Semi-detached		3
49 Buckingham Avenue PR1 9HG	£130 000	08 Dec 2017	Detached	1990	3
85 Buckingham Avenue PR1 9HG	£130 000	09 Mar 2018	Semi-detached	1990	3
6 Dickensons Field PR1 9ES	£125 000	16 Jul 2018	Terrace		3
11 Broadfield Drive PR1 9DU	£122 000	10 May 2018	Semi-detached	1950	3
7 Cloughfield PR1 9FF	£124 000	12 Jan 2018	Semi-detached	2000	2
15 Fryer Close PR1 9DG	£124 000	01 Jun 2018	Terrace	1998	2
22 Fitchfield PR1 9UE	£132 000	18 Dec 2017	Semi-detached		3
6 Woodburn Grove PR1 9FN	£119 950	29 Jun 2018	Semi-detached	2000	2
79 Buckingham Avenue PR1 9HG	£109 500	15 Dec 2017	Semi-detached	1985	3
19 Ryefield Avenue PR1 9EB	£85 000	16 Feb 2018	Semi-detached	1950	3
19 Copper Beeches PR1 9EG	£100 000	20 Apr 2018	Terrace	1998	2
8 Sumpter Croft PR1 9UJ	£115 000	29 Sep 2017	Semi-detached	1985	2
26 Marl Croft PR1 9EY	£95 000	31 May 2018	Terrace	1990	3
6 Crofters Walk PR1 9EU	£78 000	11 Jan 2018	Terrace		3
8 Stone Croft PR1 9EX	£75 500	11 Jul 2018	Terrace	1978	2
10 Aspinall Close PR1 9DY	£72 500	15 Jun 2018	Flat	1963	2
45 Cloughfield PR1 9FF	£107 000	09 Mar 2018	Terrace	2001	2
15 Sumpter Croft PR1 9UJ	£99 000	27 Apr 2018	Semi-detached	1975	3

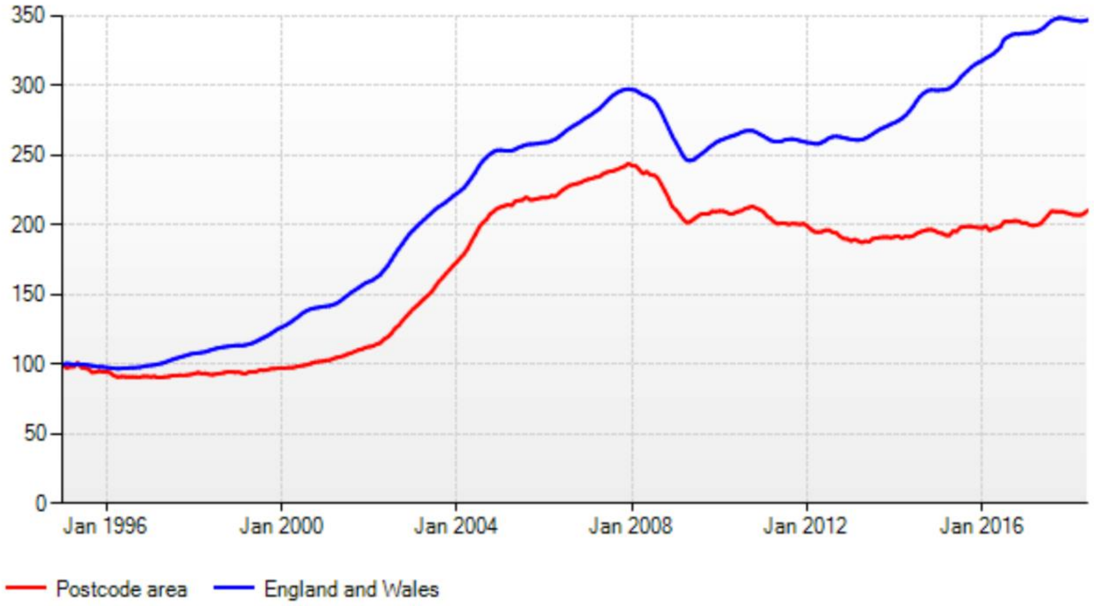
Second Hand Available

Search criteria: Modern houses for sale within 0.5 miles of postcode PR1
Source: www.rightmove.co.uk

Address	Type	Bedrooms	Price
Chain House Lane, Whitestake, Preston	Detached	4	£280,000
Chain House Lane, Whitestake, Preston	Detached	3	£239,950
Kingsbridge Close, Penwortham, Preston	Semi-Detached	3	£195,950
Chelford Close, Penwortham, Preston	Detached	3	£180,000
Padway, Penwortham, Preston	Detached	3	£179,950
Buckingham Avenue, Penwortham, Preston	Detached	3	£177,000
Broadfield Drive, Penworthham, Preston	Semi-Detached	3	£155,000
Sumpter Croft, Penworthham, Preston	Semi-Detached	3	£152,000
Fryer Close, Penwortham, Preston	Semi-Detached	3	£149,950
Briad Close, Penworth	Semi-Detached	3	£144,950
Martinfield Road, Preston	Semi-Detached	3	£140,000
Ryefield Avenue, Penwortham, Preston	Semi-Detached	3	£135,000
Fryer Close, Penwortham, Preston	Semi-Detached	3	£134,950
Copper Beeches, Penwortham, Preston	Semi-Detached	2	£130,000
Fryer Close, Penwortham, Preston	Semi-Detached	3	£130,000
Cloughfield, Penwortham	Semi-Detached	2	£125,000
Cloughfield, Penwortham	Semi-Detached	3	£125,000
Cloughfield, Penwortham	Terrace	2	£124,950
Crofterwalk, Penwortham, Preston	Detached	2	£110,000
Oldfield, Penwortham, Preston	Semi-Detached	3	£100,000
Cloughfield, Penwortham	Semi-Detached	2	£90,000

House Price Index Graph – PR1 Postcode

Source: Calnea Analytics



Price Trends – PR1

Market Characteristics	PR1	PR	National
Market Size Indicator: no. of transactions	25,596	214,011	22,948,112
Market Size Indicator: total no. of properties	33,080	252,457	29,662,697
Market liquidity Indicator: transactions / properties	77.38%	84.77%	77.36%
Market Growth Indicator: new homes built	1,788	24,231	2,368,663
Market Growth Indicator: new builds / transactions	6.99%	11.32%	10.32%

Average House Prices

Source: Calnea Analytics

Postcode Area – PR1

Number of Beds	PR1	PR	National
1 Bedroom properties	£88,900	£96,400	£209,600
2 Bedroom properties	£99,000	£131,700	£229,400
3 Bedroom properties	£136,200	£167,900	£264,200
4 Bedroom properties	£216,200	£275,400	£452,200
5+ Bedroom properties	£229,200	£378,200	£742,400

Appendix 4 – BCIS Costs (rebased for South Ribble)

BCIS®

RICS®

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 16-Mar-2019 00:47

› Rebased to South Ribble (96; sample 13)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810.1 Estate housing							
Generally (15)	1,197	574	1,026	1,159	1,316	4,145	1743
Single storey (15)	1,345	755	1,149	1,286	1,514	4,145	287
2-storey (15)	1,162	574	1,012	1,134	1,269	2,335	1323
3-storey (15)	1,188	757	956	1,147	1,335	2,454	129
4-storey or above (15)	2,335	1,249	-	2,147	-	3,798	4
810.11 Estate housing detached (15)	1,524	908	1,156	1,338	1,570	4,145	20
810.12 Estate housing semi detached							
Generally (15)	1,191	694	1,027	1,159	1,307	2,206	412
Single storey (15)	1,355	838	1,159	1,314	1,510	2,206	76
2-storey (15)	1,158	694	1,023	1,135	1,262	2,028	316
3-storey (15)	1,083	814	909	1,025	1,180	1,743	20
810.13 Estate housing terraced							
Generally (15)	1,221	753	1,021	1,170	1,346	3,798	360
Single storey (15)	1,351	916	1,126	1,273	1,559	1,976	43
2-storey (15)	1,193	753	1,014	1,154	1,326	2,335	261
3-storey (15)	1,211	757	947	1,149	1,330	2,454	55

Appendix 5 - Scenario 1 - Assuming Affordable Housing 30% + CBLR

REVENUE	File: Pickerings Fm 091019 Aff30%+cblr		
Residential Build - Houses	990,982.00 sq-ft at 220.00 psf		218,016,040
Affordable Apartments - Social Rent 40%	38,500.00 sq-ft at 90.00 psf		3,465,000
Affordable Housing - Social Rent 40% Omv	166,062.00 sq-ft at 88.00 psf		14,613,456
Affordable Housing - Intermediate 65% Om	109,228.00 sq-ft at 143.00 psf		15,619,604
Land Retail			1,800,000
Community Uses			500,000
		REVENUE	254,014,100
COSTS			
Site Value		17,568,000	
Site Stamp Duty	at 5.00%	878,400	
Site Legal Fees	at 0.75%	131,760	
Site Agency Fees	at 1.00%	175,680	
		Site Costs	18,753,840
Cil Residential Only		9,345,950	
		Initial Payments	9,345,950
Residential Build - Bcis - Houses	1,266,268.30 sq-ft at 108.00 psf	136,756,976	
Residential Build - Bcis - Apartments	38,481.30 sq-ft at 112.50 psf	4,329,146	
Cross Borough Link Road	1100 units at 10,909.00 ea.	12,000,000	
Opening Up Costs and Abnormals	1100 units at 12,500.00 ea.	13,750,000	
Contingency	at 5.00%	8,341,801	
Professional Fees	at 7.00%	11,678,522	
		Build Costs	186,856,345
Direct Sale Sales & Marketing	at 3.15%	8,001,444	
Direct Sale Legal Fees	at 0.35%	889,049	
		Disposal Fees	8,890,494
INTEREST	**(See CASHFLOW)**		9,438,526
6.50% pa	on Debt charged Quarterly and compounded Quarterly		
Site Value	Month 1 to 109 (Apr 20 - Apr 29)		
Site Stamp Duty	Month 1 to 109 (Apr 20 - Apr 29)		
Site Legal Fees	Month 1 to 109 (Apr 20 - Apr 29)		
Site Agency Fees	Month 1 to 109 (Apr 20 - Apr 29)		
Cil Residential Only	Month 7 to 115 (Oct 20 - Oct 29)		
Residential Build - Bcis - Houses (bld.)	Month 7 to 129 (Oct 20 - Dec 30)		
Residential Build - Bcis - Apartments (bld.)	Month 7 to 129 (Oct 20 - Dec 30)		
Cross Borough Link Road (bld.)	Month 1 to 24 (Apr 20 - Mar 22)		
Opening Up Costs and Abnormals (bld.)	Month 1 to 36 (Apr 20 - Mar 23)		
Contingency	Month 7 to 129 (Oct 20 - Dec 30)		
Professional Fees	Month 7 to 129 (Oct 20 - Dec 30)		
Direct Sale Sales & Marketing	Month 7 to 135 (Oct 20 - Jun 31)		
Direct Sale Legal Fees	Month 12 to 134 (Mar 21 - May 31)		
Residential Build - Houses (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Apartments - Social Rent 40% (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Housing - Social Rent 40% Omv (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Housing - Intermediate 65% Om (sale)	Month 12 to 134 (Mar 21 - May 31)		
Land Retail (sale)	Month 12 (Mar 21)		
Community Uses (sale)	Month 18 (Sep 21)		
PROFIT	20,728,945	**COSTS**	233,285,155
PROFIT/SALE	8.16%	**PROFIT/COST**	8.89%
IRR	13.26%		
	NPV/IRR Figures EXCLUDE Interest		

the tenure split in Affordable housing is 70% Social Rent and 30% Intermediate Rent

Appendix 6 - Scenario 2 - Assuming Affordable Housing 30%

REVENUE	File: Pickerings Frm 091019 Aff 30%		
Residential Build - Houses	990,982.00 sq-ft at 220.00 psf		218,016,040
Affordable Apartments - Social Rent 40%	38,500.00 sq-ft at 90.00 psf		3,465,000
Affordable Housing - Social Rent 40% Omv	166,062.00 sq-ft at 88.00 psf		14,613,456
Affordable Housing - Intermediate 65% Om	109,228.00 sq-ft at 143.00 psf		15,619,604
Land Retail			1,800,000
Community Uses			500,000
		REVENUE	254,014,100
COSTS			
Site Value		17,568,000	
Site Stamp Duty	at 5.00%	878,400	
Site Legal Fees	at 0.75%	131,760	
Site Agency Fees	at 1.00%	175,680	
		Site Costs	18,753,840
Cil Residential Only		9,345,950	
		Initial Payments	9,345,950
Residential Build - Bcis - Houses	1,266,268.30 sq-ft at 108.00 psf	136,756,976	
Residential Build - Bcis - Apartments	38,481.30 sq-ft at 112.50 psf	4,329,146	
Opening Up Costs and Abnormals	1100 units at 12,500.00 ea.	13,750,000	
Contingency	at 5.00%	7,741,806	
Professional Fees	at 7.00%	10,838,529	
		Build Costs	173,416,457
Direct Sale Sales & Marketing	at 3.15%	8,001,444	
Direct Sale Legal Fees	at 0.35%	889,049	
		Disposal Fees	8,890,494
INTEREST	**(See CASHFLOW)**		3,123,137
6.50% pa	on Debt charged Quarterly and compounded Quarterly		
Site Value	Month 1 to 109 (Apr 20 - Apr 29)		
Site Stamp Duty	Month 1 to 109 (Apr 20 - Apr 29)		
Site Legal Fees	Month 1 to 109 (Apr 20 - Apr 29)		
Site Agency Fees	Month 1 to 109 (Apr 20 - Apr 29)		
Cil Residential Only	Month 7 to 115 (Oct 20 - Oct 29)		
Residential Build - Bcis - Houses (bld.)	Month 7 to 129 (Oct 20 - Dec 30)		
Residential Build - Bcis - Apartments (bld.)	Month 7 to 129 (Oct 20 - Dec 30)		
Opening Up Costs and Abnormals (bld.)	Month 1 to 36 (Apr 20 - Mar 23)		
Contingency	Month 7 to 129 (Oct 20 - Dec 30)		
Professional Fees	Month 7 to 129 (Oct 20 - Dec 30)		
Direct Sale Sales & Marketing	Month 7 to 135 (Oct 20 - Jun 31)		
Direct Sale Legal Fees	Month 12 to 134 (Mar 21 - May 31)		
Residential Build - Houses (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Apartments - Social Rent 40% (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Housing - Social Rent 40% Omv (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Housing - Intermediate 65% Om (sale)	Month 12 to 134 (Mar 21 - May 31)		
Land Retail (sale)	Month 12 (Mar 21)		
Community Uses (sale)	Month 18 (Sep 21)		
PROFIT	40,484,222	**COSTS**	213,529,878
PROFIT/SALE	15.94%	**PROFIT/COST**	18.96%
IRR	27.59%		
	NPV/IRR Figures EXCLUDE Interest		

the tenure split in Affordable housing is 70% Social Rent and 30% Intermediate Rent

Appendix 7 - Scenario 3 - Assuming Affordable Housing 20%

REVENUE	File: Pickerings Frm 091019 Aff 20%		
Residential Build - Houses	1,112,347.00 sq-ft at 220.00 psf		244,716,340
Affordable Apartments - Social Rent 40%	38,500.00 sq-ft at 90.00 psf		3,465,000
Affordable Housing - Social Rent 40% Omv	86,435.00 sq-ft at 88.00 psf		7,606,280
Affordable Housing - Intermediate 65% Om	67,490.00 sq-ft at 143.00 psf		9,651,070
Land Retail			1,800,000
Community Uses			500,000
		REVENUE	267,738,690
COSTS			
Site Value		17,568,000	
Site Stamp Duty	at 5.00%	878,400	
Site Legal Fees	at 0.75%	131,760	
Site Agency Fees	at 1.00%	175,680	
		Site Costs	18,753,840
Cil Residential Only		10,490,534	
		Initial Payments	10,490,534
Residential Build - Bcis - Houses	1,266,268.30 sq-ft at 108.00 psf	136,756,976	
Residential Build - Bcis - Apartments	38,481.30 sq-ft at 112.50 psf	4,329,146	
Opening Up Costs and Abnormals	1100 units at 12,500.00 ea.	13,750,000	
Contingency	at 5.00%	7,741,806	
Professional Fees	at 7.00%	10,838,529	
		Build Costs	173,416,457
Direct Sale Sales & Marketing	at 3.15%	8,433,769	
Direct Sale Legal Fees	at 0.35%	937,085	
		Disposal Fees	9,370,854
INTEREST	**(See CASHFLOW)**		2,445,120
6.50% pa	on Debt charged Quarterly and compounded Quarterly		
Site Value	Month 1 to 109 (Apr 20 - Apr 29)		
Site Stamp Duty	Month 1 to 109 (Apr 20 - Apr 29)		
Site Legal Fees	Month 1 to 109 (Apr 20 - Apr 29)		
Site Agency Fees	Month 1 to 109 (Apr 20 - Apr 29)		
Cil Residential Only	Month 7 to 115 (Oct 20 - Oct 29)		
Residential Build - Bcis - Houses (bld.)	Month 7 to 129 (Oct 20 - Dec 30)		
Residential Build - Bcis - Apartments (bld.)	Month 7 to 129 (Oct 20 - Dec 30)		
Opening Up Costs and Abnormals (bld.)	Month 1 to 36 (Apr 20 - Mar 23)		
Contingency	Month 7 to 129 (Oct 20 - Dec 30)		
Professional Fees	Month 7 to 129 (Oct 20 - Dec 30)		
Direct Sale Sales & Marketing	Month 7 to 135 (Oct 20 - Jun 31)		
Direct Sale Legal Fees	Month 12 to 134 (Mar 21 - May 31)		
Residential Build - Houses (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Apartments - Social Rent 40% (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Housing - Social Rent 40% Omv (sale)	Month 12 to 134 (Mar 21 - May 31)		
Affordable Housing - Intermediate 65% Om (sale)	Month 12 to 134 (Mar 21 - May 31)		
Land Retail (sale)	Month 12 (Mar 21)		
Community Uses (sale)	Month 18 (Sep 21)		
PROFIT	53,261,884	**COSTS**	214,476,806
PROFIT/SALE	19.89%	**PROFIT/COST**	24.83%
IRR	35.20%		
	NPV/IRR Figures EXCLUDE Interest		

the tenure split in Affordable housing is 70% Social Rent and 30% Intermediate Rent

Appendix 8 – CIL Charging Schedule

SOUTH RIBBLE BOROUGH COUNCIL

COMMUNITY INFRASTRUCTURE LEVY

CHARGING SCHEDULE

THE CHARGING SCHEDULE

The Charging Authority

The Charging Authority is South Ribble Borough Council

Date of approval by Charging Authority

This Charging Schedule was approved by South Ribble Borough Council on 24th July 2013 and it has been issued, approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and Part 11 of the Planning Act 2008.

Date of Schedule Taking Effect

The Charging Schedule will come into effect on 1st September 2013

The CIL Rates

The CIL rates to be charged are as follows:

Development	CIL Charge
Dwelling houses (excluding apartments)	£ 65 Sq. m
Apartments	£ 0 Sq. m
Convenience retail (excluding neighbourhood convenience stores)	£ 160 Sq. m
Retail warehouse, retail parks, and neighbourhood convenience stores	£ 40 Sq. m
Community uses	£ 0 Sq. m
All other uses	£ 0 Sq. m

The various uses are defined in Appendix One.

Calculation of the CIL Charge

The Council will calculate the amount of CIL payable ("chargeable amount") in respect of a chargeable development in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010, (as amended).

CIL will be charged on the total net additional floorspace created (measured as a gross internal area). The formula to calculate the charge is set out below. Chargeable amount =

CIL charge rate x net chargeable floor area x BCIS Index figure for the year in which permission was granted BCIS

Index Figure

In the above calculation the BCIS Index figure on the top line is at the date of planning permission and on the bottom line at the date of the charging schedule.
The net chargeable floor area equates to the gross internal floor area of the chargeable development minus the gross internal floor area of any existing buildings that qualify for exemption on the site.
The above CIL Rates shall be tied to the Royal Institute of Chartered Surveyors, “All in Tender Price Index”; the rate charged will therefore alter depending on the year the planning permission for the chargeable development is first granted.

Appendix One Use Definitions

Dwelling house - is a house used for a dwelling place. The CIL charge will apply to the same definition as the Town and Country Planning (Use Classes Order) 1987, Class C3 a, b and c

Apartments- due to a difference in viability, apartments are excluded from the dwellinghouse category and are described as dwellings with shared access, and communal areas, on more than one floor, and are excluded from the dwelling house use charge and will be charged the same as the “All other uses”, CIL category

Convenience Retail Stores- are shopping destinations in their own right, where weekly food shopping needs can be met and which can also include non-food floorspace as part of the overall mix within the store

Neighbourhood Convenience Stores- are stores where ‘top up’ food shopping needs can be met. These stores are not subject to restricted opening hours under the Sunday Trading Act (and so by virtue of this they will have an internal trading floor area of 280 Sqm or less)

Retail Warehouse and Retail Parks- are stores selling, comparison goods such as bulky goods, furniture, other household and gardening products, clothing, footwear and recreational goods. These stores are of a single storey format, often with flexibility to include an internal mezzanine floor, and usually have dedicated free car parking to serve the unit or cluster of units in the case of a retail park. To avoid any confusion with convenience retail stores, a store will be considered to be a retail warehouse if 50% or more of the net trading floor area is dedicated to comparison goods.

Community Uses- for the purpose of CIL adopt a modified version of those uses included in the Town and Country Planning (Use Classes Order) 1987, relating to non- residential institutions (D1), assembly and leisure uses (D2) and residential institutions (C2) and assembly and leisure uses. This use charge category relates to those buildings included in these categories and provided by the public sector, not for profit and charitable sectors, and is extended to include infrastructure provided by the emergency services.