Greater Norwich Call for Sites Submission Form

FOR OFFICIAL USE ONLY	
Response Number:	0283
Date Received:	23/06/2016

This form is to be filled out by any interested parties who want to promote a site for a specific use or development to be allocated in the Greater Norwich Local Plan.

Only one form should be submitted for each individual site i.e. it is not necessary for a separate form to be completed for each landowner on a single site in multiple ownerships. However, a separate form must be completed for each individual site submitted.

Your completed form should be returned to the Greater Norwich Local Plan team no later than **5pm** on **Friday 8 July 2016.**

By email: callforsites@gnlp.org.uk

Or, if it is not possible submit the form electronically,

By Post to:

Greater Norwich Local Plan Team
PO Box 3466
Norwich
NR7 7NX

The responses received as part of the Greater Norwich Local Plan Call for Sites will be published and made available for public viewing. By submitting this form you are consenting to the details about you and your individual site(s) being stored by Norfolk County Council and shared with Broadland District Council, Norwich City Council and South Norfolk District Council, and that the details of the site will be published for consultation purposes.

Further advice and guidance can be obtained by visiting the Greater Norwich Local Plan website or by contacting the Greater Norwich Local Plan team directly:

Website: www.greaternorwichlocalplan.org.uk
E-mail: callforsites@gnlp.org.uk
Telephone: 01603 306603

1a. Contact Details	
Title	Mr
First Name	Malcolm
Last Name	Dixon
Job Title (where relevant)	
Organisation (where relevant)	MDPC Ltd
Address	Wolseley House 1 Quay View Business Park Barnards Way Lowestoft Suffolk
Post Code	NR32 2HD
Telephone Number	01502501115
Email Address	malcolmdixon@mdpctownplanning.co.uk

1b. I am...	
Owner of the site ☐	Parish/Town Council ☐
Developer ☐	Community Group ☐
Land Agent ☐	Local Resident ☐
Planning Consultant ☑	Registered Social Landlord ☐
Other (please specify):	

1c. Client/Landowner Details (if different from question 1a)	
Title	
First Name	
Last Name	
Job Title (where relevant)	
Organisation (where relevant)	
Address	
Post Code	
Telephone Number	
Email Address	

2. Site Details	
Site location / address and post code (please include as an attachment to this response form a location plan of the site on an scaled OS base with the boundaries of the site clearly shown)	Land Off Holt Road Horsford NR103DB (Location Plan attached)
Grid reference (if known)	619623 315211
Site area (hectares)	approx 3.5 hectares

Site Ownership		
3a. I (or my client)….		
Is the sole owner of the site	Is a part owner of the site	Do/Does not own (or hold any legal interest in) the site whatsoever
○	○	◉
3b. Please provide the name, address and contact details of the site's landowner(s) and attach copies of all relevant title plans and deeds (if available).		
3c. If the site is in multiple landownerships do all landowners support your proposal for the site?	Yes ○	No ○
3d. If you answered no to the above question please provide details of why not all of the sites owners support your proposals for the site. N/A		

Current and Historic Land Uses		
4a. Current Land Use (Please describe the site's current land use e.g. agriculture, employment, unused/vacant etc.)		
Fallow field /paddock with stables		
4b. Has the site been previously developed?	Yes ○	No ◉

4c. Describe any previous uses of the site. (please provide details of any relevant historic planning applications, including application numbers if known)
N/A

Proposed Future Uses					
5a. Please provide a short description of the development or land use you proposed (if you are proposing a site to be designated as local green space please go directly to question 6)					
Residential with Associated Open Space					
5b. Which of the following use or uses are you proposing?					
Market Housing	✔	Business & offices	☐	Recreation & Leisure	☐
Affordable Housing	✔	General industrial	☐	Community Use	☐
Residential Care Home	☐	Storage & distribution	☐	Public Open Space	✔
Gypsy & Traveller Pitches	☐	Tourism	✔	Other (Please Specify) Starter Homes	
5c. Please provide further details of your proposal, including details on number of houses and proposed floorspace of commercial buildings etc.					
Based on 30 dwellings per hectare = 105 dwellings approximately					
5d. Please describe any benefits to the Local Area that the development of the site could provide.					
Provision of general market ,affordable and starter homes serving housing need. Supporting local businesses-sustainable development and location adj to and with access close to the NDR highway project Alleviating 5 YHLS demand					

Local Green Space
If you are proposed a site to be designated as Local Green Space please complete the following questions. These questions do not need to be completed if you are not proposing a site as Local Green Space. Please consult the guidance notes for an explanation of Local Green Space Designations.
6a.Which community would the site serve and how would the designation of the site benefit that community.
N/A
6b. Please describe why you consider the site to be of particular local significance e.g. recreational value, tranquillity or richness in wildlife.
N/A

Site Features and Constraints
Are there any features of the site or limitations that may constrain development on this site (please give details)?
7a. Site Access: Is there a current means of access to the site from the public highway, does this access need to be improved before development can take place and are there any public rights of way that cross or adjoin the site?
There is an access track but the main entrance to the site may be positioned further northwards nearer to the proposed route of NDR highway project . Not aware of any PROW routes across the site
7b. Topography: Are there any slopes or significant changes of in levels that could affect the development of the site?
Relatively flat site
7c. Ground Conditions: Are ground conditions on the site stable? Are there potential ground contamination issues?
Not aware of any issues consideration of MIineral Extraction NCC WASTE CORE STRATEGY POLICY CS16 may apply (as advised by LPA)
7d. Flood Risk: Is the site liable to river, ground water or surface water flooding and if so what is the nature, source and frequency of the flooding?
Flood Risk Zone 1 Not aware of any Flooding events
7e. Legal Issues: Is there land in third party ownership, or access rights, which must be acquired to develop the site, do any restrictive covenants exist, are there any existing tenancies?
Not aware of any restrictions/covenants etc.

7f. Environmental Issues: Is the site located next to a watercourse or mature woodland, are there any significant trees or hedgerows crossing or bordering the site are there any known features of ecological or geological importance on or adjacent to the site?
Mature copse to NW of site
7g. Heritage Issues: Are there any listed buildings, Conservation Areas, Historic Parklands or Schedules Monuments on the site or nearby? If so, how might the site's development affect them?
2 Grade ii Listed Buildings to the north and north east Horsford Hall & Little Orchard respectively
7h. Neighbouring Uses: What are the neighbouring uses and will either the proposed use or neighbouring uses have any implications?
Residential to the north agricultural to the east & west paddock to the south Scheme can be designed to minimise possible/perceived impacts
7i. Existing uses and Buildings: are there any existing buildings or uses that need to be relocated before the site can be developed.
stables to be demolished
7j. Other: (please specify):
N/A

Utilities			
8a. Which of the following are likely to be readily available to service the site and enable its development? Please provide details where possible.			
	Yes	No	Unsure
Mains water supply	◉	○	○
Mains sewerage	◉	○	○
Electricity supply	◉	○	○
Gas supply	◉	○	○
Public highway	◉	○	○
Broadband internet	○	○	◉

Other (please specify):	
8b. Please provide any further information on the utilities available on the site:	

Availability	
9a. Please indicate when the site could be made available for the land use or development proposed.	
Immediately	○
1 to 5 years (by April 2021)	◉
5 - 10 years (between April 2021 and 2026)	○
10 – 15 years (between April 2026 and 2031)	○
15 - 20 years (between April 2031 and 2036)	○
9b. Please give reasons for the answer given above.	
The site is available now	

Market Interest		
10. Please choose the most appropriate category below to indicate what level of market interest there is/has been in the site. Please include relevant dates in the comments section.		
	Yes	Comments
Site is owned by a developer/promoter	○	
Site is under option to a developer/promoter	○	
Enquiries received	○	

Site is being marketed	○	
None	○	
Not known	◉	

Delivery	
11a. Please indicate when you anticipate the proposed development could be begun.	
Up to 5 years (by April 2021)	◉
5 - 10 years (between April 2021 and 2026)	○
10 – 15 years (between April 2026 and 2031)	○
15 - 20 years (between April 2031 and 2036)	○
11b. Once started, how many years do you think it would take to complete the proposed development (if known)?	
4/5 years	

Viability			
12a. You acknowledge that there are likely to be policy requirements and Community Infrastructure Levy (CIL) costs to be met which will be in addition to the other development costs of the site (depending on the type and scale of land use proposed). These requirements are likely to include but are not limited to: Affordable Housing; Sports Pitches & Children's Play Space and Community Infrastructure Levy			☑
	Yes	No	Unsure
12b. Do you know if there are there any abnormal costs that could affect the viability of the site e.g. infrastructure, demolition or ground conditions?	○	◉	○
12c. If there are abnormal costs associated with the site please provide details:			
12d. Do you consider that the site is currently viable for its proposed use taking into account any and all current planning policy and CIL considerations and other abnormal development costs associated with the site?	◉	○	○

12e. Please attach any viability assessment or development appraisal you have undertaken for the site, or any other evidence you consider helps demonstrate the viability of the site.

EVA attached (Pathfinder Ltd 8th June 2016)

Other Relevant Information

13. Please use the space below to for additional information or further explanations on any of the topics covered in this form

The scheme could be delivered swiftly in compliance with NPPF para 47 re deliverability and viability

Sustainable location close to a range of facilities in Horsford which is identified as a Service Village under JCS Policy 15 where housing is encouraged to meet the targets required within the Norwich Policy Area

It is adjacent to the NDR route giving immediate access to Norwich and the wider area

Check List	
Your Details	✔
Site Details (including site location plan)	✔
Site Ownership	✔
Current and Historic Land Uses	✔
Proposed Future Uses	✔
Local Green Space (Only to be completed for proposed Local Green Space Designations)	☐
Site Features and Constraints	✔
Utilities	✔
Availability	✔
Market Interest	✔
Delivery	✔
Viability	✔
Other Relevant Information	✔
Declaration	✔

14. Declaration

I understand that:

Data Protection and Freedom of Information
The Data Controller of this information under the Data Protection Act 1998 will be Norfolk County Council, which will hold the data on behalf of Broadland District Council, Norwich City Council and South Norfolk District Council. The purposes of collecting this data are:

- To assist in the preparation of the Greater Norwich Local Plan
- To contact you, if necessary, regarding the answers given in your form.
- To evaluate the development potential of the submitted site for the uses proposed within the form.

Disclaimer
The responses received as part of the Greater Norwich Local Plan “Call for Sites” will be published and made available for public viewing. By submitting this form you are consenting to the details about you and your individual sites being stored by Norfolk County Council, and the details being published for consultation purposes. Any information you consider to be confidential is clearly marked in the submitted response form and you have confirmed with the Council(s) in advance that such information can be kept confidential as instructed in the Greater Norwich Local Plan Call for Sites Response Form Guidance Notes.

I agree that the details within this form can be held by Norfolk County Council and that those details can be shared with Broadland District Council, Norwich City Council and South Norfolk District Council for the purposes specified in this declaration.

Name M. Dixon	Date 22/06/2016

PATHFINDER
DEVELOPMENT CONSULTANTS

ECONOMIC VIABILITY ANALYSIS

At

Holt Road, Horsford.

8th June 2016

ECONOMIC VIABILITY ANALYSIS
Holt Road, Horsford.

1.0 Introduction

1.1. has commissioned Pathfinder to provide an Economic Viability Analysis for the proposed development off Holt Road, Horsford, a parish within the district of Broadland, approximately situated 6 miles north west of Norwich, for the development of a site of 3.445 hectares for new build residential properties. The purpose of the analysis is to appraise and quantify the level of Residual Land Value that can be delivered on site taking into account the planed scheme, and consider the consequent viability.

1.2.The Economic Viability Analysis will confirm the viability of delivering a policy compliant level of affordable housing generated by the development starting from a policy compliant approach. The report has been commissioned by the applicant to sit alongside there promotion for the scheme, on advice from Broadland District Council to demonstrate the ability to be financially viable whilst delivering a policy compliant scheme.

1.3. Pathfinder are a consultancy offering services to house builders, landowners and promoters, assisting in the delivery of affordable housing, site identification and appraisal, land acquisition, and development consultancy within the east of England.

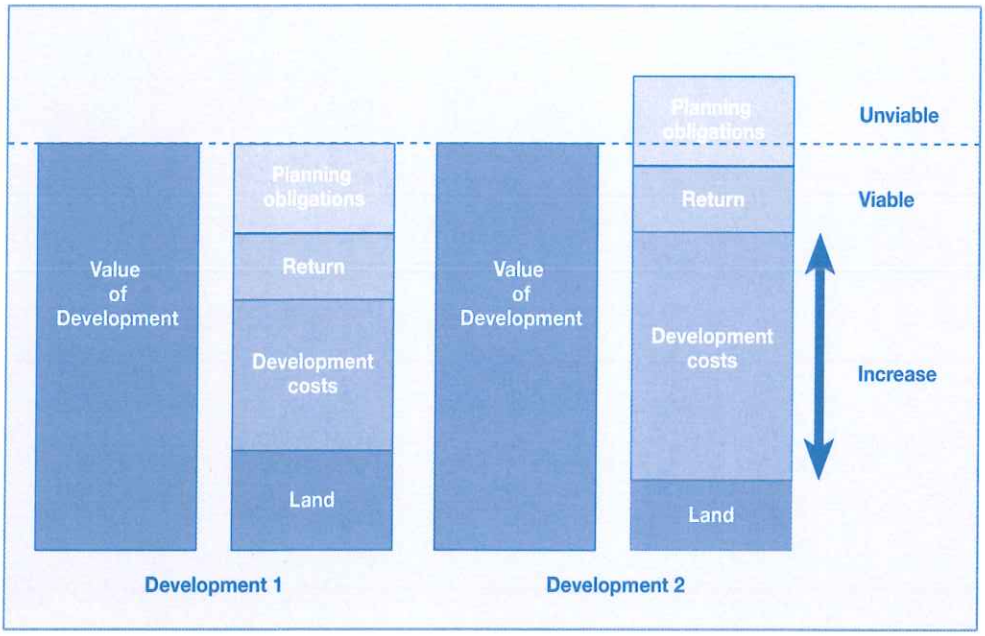
1.4. Our clients include national and regional house builders, as well as local developers, and land promotion organizations as well as individual landowners.

2.0. Standard Methodology in assessing viability

2.1. Economic Viability Analysis (EVA) is based upon a residual land value calculation, supported by a design and build cost estimate in as much detail as possible, and a scheme cash flow plotting the pattern of likely cash spend and income to generate interest on development finance.

2.2. The difference between gross development value and total cost equates to a residual land value. The model runs over a development period from the date of commencement of the project, to completion when the development has been constructed, sold and occupied. In order to assess whether a development scheme can be regarded as economically viable, it is necessary to compare residual land values produced with target land values. If the development proposal generates a residual land value that is higher than the target land value for the scheme, it can generally be regarded as economically viable and therefore deliverable. However, if the scheme generates a residual land value which is lower than the target, it should not be deemed as economically viable (as illustrated in Diagram 1 below). The standard convention of working with current values and costs is used rather than those predicted in the future.

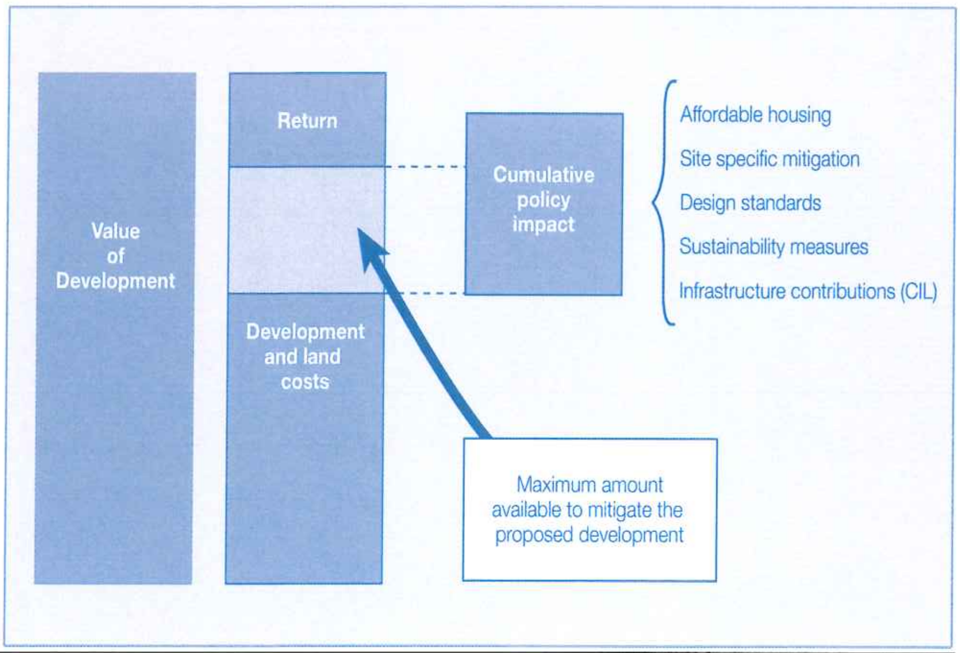
Diagram 1 - Comparative development viability



2.3. Diagram 1 illustrates the balance required to achieve a viable scheme – Development 1. It also shows how a scheme becomes unviable where there are increased development costs, due to site considerations, along with planning obligations – Development 2.

2.4. A viability assessment will have regard to not just single policy impacts but a cumulative impact of policy and planning obligations as illustrated in Diagram 2.

Diagram 2 - Cumulative impact of policy and planning obligations



3.0. Planning Guidance

3.1. There is strong policy background detailing the objectives and methodology for undertaking Economic Viability Assessments. This includes:

3.1.1. In the context of achieving sustainable development the National Planning Policy Framework (NPPF) March 2012, refers to ensuring viability and deliverability at sections 173 – 177.

> *"To ensure viability, the cost of any requirement likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions and other requirements should, when taking into account the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable a development to be deliverable." (Paragraph 173)*

3.1.2. The NPPF also refers to the use of Planning Conditions and obligations of Sections 203-206 and advises that where obligations are being sought:

> *"...local planning authorities should take account of changes in market conditions over time and wherever appropriate be sufficiently flexible to prevent planned development being stalled."* (Paragraph 205)

3.1.3. The National Planning Practice Guidance notes:

> *"A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy."*

3.1.4. The Royal Institution of Chartered Surveyors (RICS) has produced a guidance note, Financial Viability in Planning (August 2012). This is now being referred to by planning inspectors in appealed decisions. The RICS guidance note defines viability and the context of undertaking appraisals of financial viability for the purpose of town planning decisions as:

> *"An objective financial viability test of the ability of a development project to meet its costs including the costs of planning obligations, by ensuring an appropriate site value for the land owner at a market risk adjusted return to the developer in delivering that project."*

3.1.5. The guidance goes on to note:

> *"site value should equate to the market value subject to the following assumption: that the value has regard to the development plan policies and all other material planning considerations and disregard that which is contrary to the development plan."*

3.1.6. Any assessment of site value however will have regard to prospective planning obligations, and the point of the viability appraisal is to assess the extent of these potential obligations and also have regard to the prevailing property market. The fundamental issue in considering viability assessments in a town planning context is whether an otherwise viable development is made unviable by the extent of planning obligations and other requirements.

6.1.7. The RICS guidance emphasises that a proper understanding of financial viability is essential in ensuring that:

- Land is willingly released for development by land owners

- Developers are capable of obtaining an appropriate market risk adjusted return for delivering the proposed development.
- The proposed development is capable of securing funding

3.1.8. Where planning obligation liabilities reduce the site value to the landowner and return to the developer below an appropriate level, land will not be released and therefore development will not take place.

3.1.9. In their April 2012 topic paper practice note, the Homes and Community Agency (HCA) Advisory Team for Large Applications (ATLAS) Team note:

> *"The issue of viability is a material consideration in decision making. The weighting attached to it needs to be balanced with the circumstances of any specific project, the underlined policy basis and all the other relevant material planning considerations. In the current economic climate, when project viability is often a key barrier preventing development from proceeding and potentially hindering its ability to meet all established policy objectives, it is critical...(have a good understanding of the use of financial appraisals to test viability)".*

3.1.10. The Department for Communities and Local Government (DCLG) publication "Section 106 affordable housing requirements – Review and Appeal, April 2013" notes the following:

- The test for viability is that the evidence indicates that the current cost of building out the entire site (at today's prices) is at a level that would enable the developer to sell all the market units on the site (in today's market) at a rate of build out evidenced by the developer, and make a competitive return to a willing developer and a willing landowner.
- Any purchase price used should be benchmarked against both market values and sale prices of comparable sites in the locality.

4.0. Assumptions used in our modeling framework

4.1. The inputs for viability appraisals are hard to determine at an early stage for specific proposed site allocations as they are generally without the benefit of detailed designs, surveys or enquiries undertaken by the developer (as demonstrated by the complexity of many S106 negotiations). Therefore our viability assessment necessarily is based upon broad approximations, subject to a margin of uncertainty.

4.2. Property Type and Sizes

Diagram 3 sets out the number of homes, bedroom size and gross internal floor area we expect to see on a typical residential site. The market dwelling sizes align with discussions held with developers/promoters at our consultation events. The affordable dwelling sizes align with the DCLG Nationally Described Standards. The proportion of different house types is in line with typical market requirements.

Diagram 3 – Property Types and Sizes for a typical scheme of 100 dwellings

	Market Housing	ART	Shared Ownership	Total
1 Bed Flat GIFA m2 Number	46 3	50 3	50 2	 8
Total GIFA m2	138	150	100	388
2 Bed Flat GIFA m2 Number	55 4	0 0	0 0	 4
Total GIFA m2	220	0	0	220
2 Bed House GIFA m2 Number	74 5	79 12	79 8	 25
Total GIFA m2	370	948	632	1950
3 Bed House GIFA m2 Number	85 26	93 4	93 4	 34
Total GIFA m2	2210	372	372	2954
4 Bed House GIFA m2 Number	130 19	106 2	106 0	 21
Total GIFA m2	2470	212	0	2682
5 Bed House GIFA m2 Number	150 8	 0	 0	 8
Total GIFA m2	1200	0	0	1200
Total Homes Total GIFA m2	60 6342	28 2254	12 960	100 9,258

4.3. Gross Development Value

4.3.1. Analysis of current sales values in the postcode area (NR10), have been analyzed (at Appendix 1), to identify sales prices for individual units and rates per m2 that could be achieved for the scheme. This information has been used to generate the Gross Development Value of the site (shown in the EVA).

4.3.2. Rates represent a premium, of circa 10%, on postcode average rates currently being achieved when viewing all sales (of no more than £216ft2 compared to this project at £238 ft2). This equates to a rate per m2 of £2,560 for all the new build properties.

4.4.3. The affordable housing units to be provided have been discussed with both Saffron Housing Trust and Victory, Registered Providers who have provided offer prices used in the viability analysis.

4.4. Gross Development Costs

4.4.1. Site Acquisition Costs

We have included site acquisition costs to cover agent and legal fees at a total of 2% of the residual land value. Stamp duty at the prevailing rate has been allowed for, calculated on the residual value.

4.4.2. Construction Costs

We have assumed that all design costs (site survey, architecture, engineering, planning consultant and fees), are included within the design and build cost.

Base build costs have utilised the location adjusted *Building Cost Information Service* (BCIS) data, with a 25% enhancement for external works. We have not deducted an allowance for a contractor's profit contained within base BCIS costing's but have, separately, also allowed for overhead and profit elsewhere. This represents an additional 6 - 10% uplift on base prices to cover plot external costs.

Rates used are adjusted to reflect the location factor for Broadland and are at the higher, mean level for estate housing.

4.5.3. Contingency Costs

Contingency costs have been allowed for at a rate of 2%, in addition to a £250,000 provisional sum for infrastructure costs.

4.5.4. Design & Professional Fees

Allowances have been included to cover all design and professional fees, at 7%. This is in the middle of the standard range of 5 to 10% of fees typically assumed in Economic Viability testing, and takes into account the nature of the development.

4.5.5. CIL Contributions

CIL contributions have been allowed for in line with the rates contained within the charging schedule, for high value areas. These can be seen at appendix 4.

4.5.6 Marketing and Sales Costs

We have adopted full marketing sales and disposals costs within the appraisal, including:

- Marketing costs of the private properties
- Agent's fees
- Legal fees associated with private sales

On this basis we have assumed a sales and marketing cost of 2% of the gross development value of the open market sales properties plus £600.00 per property for legal fees. For affordable housing we have assumed agent fees of £1,500 for the scheme with legal costs at the same level as market value sales.

4.5.7. Finance Costs.

Where development finance is available, lenders are currently charging minimum rates of at least 6%. Arrangement (1%), monitoring (2%) and exit fees (1%) are also charged. These onerous lending terms persist due to on-going resistance to lending on residential development in the current market. We have adopted an interest rate of 6% with no additional allowance for fees, which we consider to be a standard assumption for development in the current economic climate.
It is conventional to assume finance on all costs in order to reflect the opportunity cost (or, in some cases, the actual cost) of committing equity to the project.

4.6. Development Programme

4.6.1. For the purpose on undertaking the Economic Viability Assessment only, we have assumed that a standard development of 100 homes, occurs over a 24 month period with the land being acquired in month one, and construction taking 23 months.

4.6.2. We have assumed sales of open market homes occur from month 13 to month 24 on an even basis (at approximately a rate of 5 sales per month). The rate of sales directly links to the assumed sales prices of individual homes. Affordable housing development assumes payment over a 9 month contract, commencing once initial infrastructure is in place.

4.6.3. These assumptions are particularly important in the calculation of development interest. The accounting for development interest on the land acquisition is from month one of the programme, not allowing for any historic holding costs of the site, in line with best practice.

4.7. Overhead & Profit

4.7.1. When considering the changing economic climate, financial institutions have tightened their requirements for overhead and profit returns on all schemes. Banks have raised their expectations in terms of risk and required returns that new developments offer. It is currently deemed likely that any private residential development proposals predicting an overhead and profit return of less than between 17.5% and 25% of gross development value would not be considered viable. We have therefore adopted an overhead and profit rate of 20% of gross development value for the scheme, at the midpoint of the acceptable range.

4.7.2. As affordable housing contains less commercial risk, typically with a JCT Design & Build Contract or a Development Agreement being signed at the commencement of works, and monthly valuations of construction work, borrowing and risk are reduced and so lower levels of overhead and profit are the norm. We have therefore allowed an overhead and profit of 6% in relation to the delivery of affordable housing.

4.7.3. At the planning appeal for Shinfield, Reading (APP/X0360/A/12/2179141) the inspector deemed that "the usual target being in the range 20-25%" of gross development value. We have therefore adopted an overhead and profit rate of 20% of gross development value for the scheme, at the bottom of the acceptable range. This is in line with the recent appeal decision Chapel St Leonards APP/D2510/Q/14/2228037 noting that this level of return is reasonable.

5.0. Methods for Assessing Land Values

5.1. Overview

5.1.1The minimum land value judged as capable of ensuring a site is brought forward is important in our calculations of scheme viability.

5.1.2. As noted in 6.1.1 Para 173 – 177of the NPPF notes that developments should *"provide competitive returns to a willing land owner and willing developer to enable a development to be deliverable."*

5.1.3. The 'Harman Report' (June 2012) notes that Threshold Land Value (TLV) should represent the value at which a typical willing landowner is likely to release land for development. The report notes that TLV needs to take account of the fact that future plan policy requirements will have an impact on and values and landowner expectations.

5.1.4. Market values provide a useful 'sense check' on the TLV, but 'Harman' recommends an approach based on a premium over current use values and credible alternative use values.

5.1.5. The report goes on to note that if local market evidence shows that minimum price provisions are substantially in excess of initial assumptions, the TLV will require adjusting to reflect market evidence.

5.1.6. The RICS report 'Financial Viability in Planning,' defines Benchmark Land Values (BLV) as equating to the market value, subject to having regard to development plan policies and other material planning considerations and disregards that which is contrary to the Local Plan. It goes on to note for area wide viability testing, site value may need to be further adjusted to reflect emerging policy, at a level, which would not prejudice delivery.

5.1.7. The report also notes the BLV must be at a level which makes a landowner willing to sell. Comparable evidence is important in establishing BLV for scheme specific as well as area wide assessments.

5.1.8. It is common to refer to both Threshold Land Value (TLV) and Benchmark Land Values (BLV), as terms that are often interchangeable. For the sake of clarity and to avoid confusion, we have sought to differentiate these two terms, with a degree of clarity that perhaps goes beyond the intent of the authors of the reports referred to above which is in line with increasingly commonly used practice.

- TLV – Value at which a typical willing landowner is likely to release land for development, and based typically on existing use value plus a premium
- BLV – Market value subject to considering planning policy and based on market evidence.

5.1.9. In this context we note the Examiner's report in relation to Greater Norwich

Development Partnership CIL charging schedule (December 2012)

> "*...it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience...a landowner would expect to receive at least 75% of the benchmark value... It is reasonable to see a 25% reduction in benchmark values as the maximum that should be used...*

5.1.10. This approach was also uncontested and accepted at the Sandwell CIL examination in July 2014. In short if land trades today at the BLV, the TLV should be no less than 75% of this.

5.2. Determining the land value

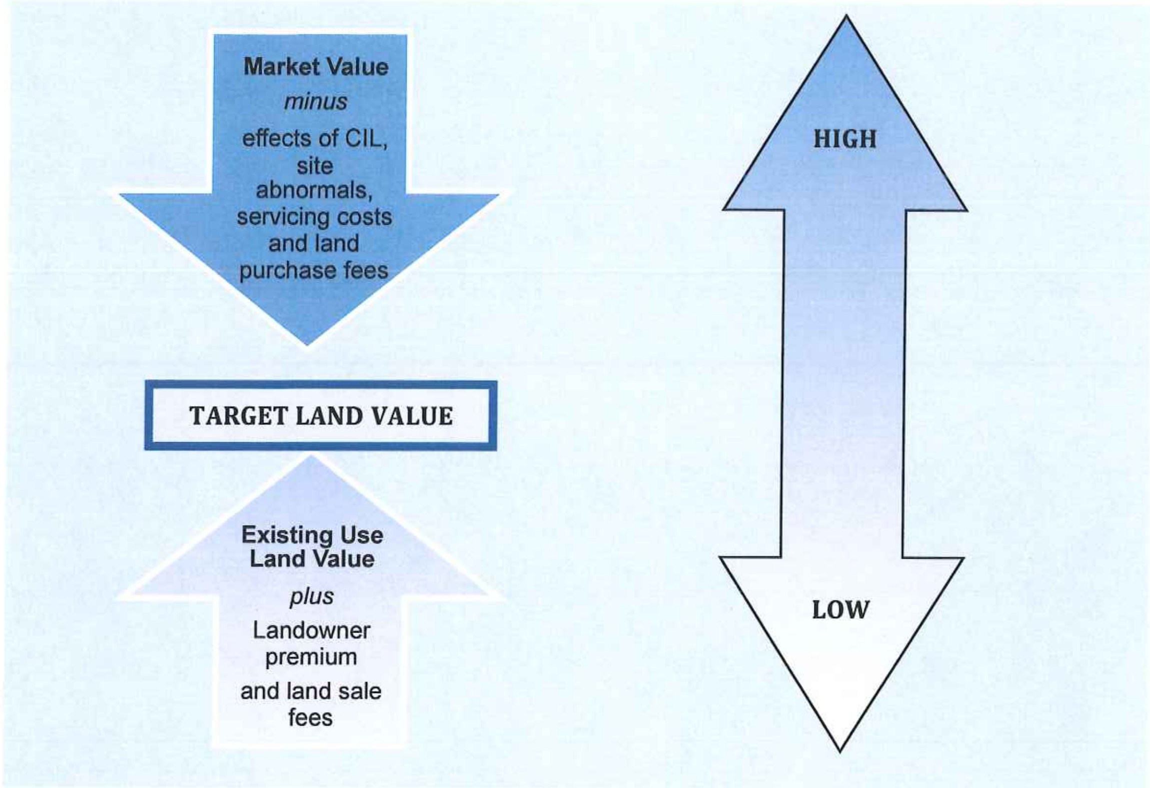
5.2.1. In assessing viability we want to establish a **Target Land Value** that is appropriate in ensuring landowners receive a competitive return (as distinct the separate approaches adopted in setting Threshold Land Value (TLV) or Benchmark Land Value (BLV).

5.2.2. Broadly speaking there are two different approaches to arrive at an appropriate Target Land Value:

- Assessing the uplift from an existing or known alternative use value - TLV.
- Assessing the discount from the market value of a site, adjusted to allow for the costs of planning policy - BLV.

5.2.3. Diagram 4 illustrates how the two approaches start from different bases, but should theoretically produce a similar figure.

Diagram 4 – Approaches to arriving at a Target Land Value



5.2.4. A further explanation, along with the issues to take into account when considering both Threshold Land Values (TLV) and Benchmark Land Values, are set out in 8.3 and 8.4 below before returning to the issue of how the Target Land Value is determined.

5.3. Threshold Land Values (TLV)

5.3.1. To derive an appropriate TLV from the existing use value, it is necessary to work upwards in value. Harman and the RICS acknowledge that in order for development to come forward over the existing use, a 'competitive return' (also referred to as a premium) is necessary.

5.3.2. There is no set rule as to how much of a premium should be applied on top of the existing use value. We can sensibly expect that a minimum uplift in value would be required in order to allow the seller to pay stamp duty, sales fees, legal costs and disruption. But that bare minimum is usually not incentive enough to persuade a landowner to sell.

5.3.3. Beyond that bare minimum, an incentive (referred to as a 'premium') is required to encourage the landowner to sell. It is difficult to say what premium a seller would require in order to sell the land. This is because there are inevitable differences in each deal. For example, the motivations of the parties involved in the transaction may vary, as might perceptions of future market prospects. Some landowners (say family trusts, or Oxbridge Colleges) take a very long-term view of land holdings, and can only be persuaded to sell at a high price. We cannot know these individual circumstances, so Harman stipulates that an appropriate premium should be determined by local precedent - another way of saying market value.

5.3.4. In some instances an alternative use may be considered over residential development, e.g. employment, retail etc. Assuming that the alternative use is realistic, then it may be prudent to consider land values for this alternative use, in addition to its existing use. This may give a more accurate view of the TLV, because a rational landowner will always seek to maximise site value.

5.3.5. Regarding existing use values, sites coming forward for development in can typically comprise green field sites. Guidance issued by the HCA in "Transparent Assumptions: Guidance for the Area Wide Viability Model" 2010 states that for green field land, benchmarks tend to be in a range of 10 to 20 times agricultural value. In Knight Frank's report, *The Rural Report*, Winter 2014, typical agricultural land value per hectare, in the East of England, are noted as being £25,946. This would give a TLV of between £259,460 per hectare and £518,920 per hectare.

5.3.6. As well as the *existing* use of the site, credible *alternative* uses should also be taken into account. Should an alternative use derive a higher land value, it is logical that a landowner would seek this higher value.

5.3.7. The alternative use depends on planning policy to a good degree. If a landowner knows that his site appears (or is likely to appear) in the development plan for residential land, he or she would only sell for this value (if greater than the existing use). The alternative use value sought will be particularly high in areas where the landowner is aware that high sales values for residential properties make land particularly valuable.

5.3.8. If sites in Broadland District Council area have a realistic alternative use value for residential development (having been allocated in the Local Plan) then landowners will anticipate this is the value sought for the site. We do not foresee other use types coming forward on the sites. In the Broadland District Council area land values for residential development are higher than the existing use values; it is therefore prudent to also understand market values, as described in greater detail in 8.5 below.

5.4. Benchmark Land Value

5.4.1. To derive an appropriate BLV from market values (as opposed to existing land use value) it is necessary to work downwards in value. Market values based on transactional evidence of sites being bought and sold, represents the value at which land can be delivered, with the knowledge of current planning policy. Thus BLV benefits from being based on comparable market evidence.

5.4.2. However, the BLV cannot be straightforwardly derived from current market values. The market value / BLV should be adjusted to allow for any future changes in planning policy. Furthermore, it may also be necessary to reduce the market value / BLV to allow for risk in obtaining planning permission, dependent upon comparable evidence. There is no set rule for the amount of discount that should be applied to the market value of a site.

5.4.3. This market comparable based approach considers land traded in the area. This market performance will inform landowners' 'hope values' for sites. After adjustment for various factors (such as time and various flavours of risk, such as whether the land had planning permission), we can start to make judgments about how comparable sites might trade. We have been able to obtain a number of comparables from developers and agents in the area.

5.5. Which method of estimating the land value does this study use?

5.5.1 We seek to determine a Target Land Value used to compare to Residual Land Values (RLV) on site specific proposals as outlined below, using a combination of both methods (i.e. a combination of TLV and BLV).

5.5.2. We examined a range of comparables, looking at residential development site values whilst taking into consideration existing use. This is to ensure that the Target Land Value is as accurate as possible. Given the complexities of development across a whole plan area, and limited nature of publically available transactional data, we have based this assessment on appropriate available evidence for a strategic assessment of this nature.

5.5.3. From our recent work we would highlight several key issues in assessing the land value, as follows.

- It is important to stress that there is no single Target Land Value at which land will come forward for development. Much depends on the land owner and their need to sell or wait in the hope that land values might improve and on the condition and location of the site.
- All sites vary in terms of the degree to which they are serviced or free of abnormal development conditions. Such associated costs vary considerably from site to site and it is difficult to adopt a generic figure with any degree of accuracy.

5.6. Bringing together the Target Land Value and the Residual Land Value

6.6.1. Having estimated the residual value on individual schemes, we compare this residual value with the Target Land Value the landowner will accept to release his land for the development.

5.6.2. If the residual land value shown by the appraisals is below the Target Land Value, the development is not financially viable. That means that unless the circumstances change the development will not be delivered.

5.6.3. If the residual value and the Target Land Value are equal, or if the residual value exceeds the Target Land Value, the development is viable.

5.7. Setting a Target Land Value

5.7.1. Having observed market transactions, the RICS guidance paper notes that we need to deduct an amount in order to take account of policy requirements.

5.7.2. The Inspector in the report on the examination of the London Mayoral CIL (January 2012) commented:

> '*Finally the price paid for development land may be reduced. As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges.*' (paragraph 32)

5.7.3. The question, therefore, is how much we should adjust the land value downwards, in order to take account of policy costs such as the continuing requirement for affordable housing. RICS guidance requires us to comment on the state of the market and delivery targets as at the date of assessment and to set out our 'professional opinion underlying the assumptions adopted'.

5.7.4. If we look at the state of the market, our discussions with developers show that effective demand for homes (i.e. demand from people willing and able to pay) is relatively strong in the area. However if we over-value land, the RICS report points out that we will reduce the amount available for planning contributions. This was taken into account when suggesting the Target Land Values below.

5.7.5. When considering Benchmark land values based on EUV plus a market incentivized premium the Inspector in Pinn Court Farm, Exeter (APP/U1105/A/13/2208393) noted that it was "unrealistic and inconsistent with the principals in the Planning Practice Guidance to expect a transaction to be incentivized and to occur to deliver housing at a value less than the relevant comparables."

5.8. Target Land Value used

5.8.1. In suggesting a Target Land Value we are basing it on the gross developable area rather than net[1]. We have reviewed the evidence above, and triangulated

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[1] A net developable area is a more refined estimate than a gross developable and includes only those areas which will be developed for housing and directly associated uses. This will include:

- access roads within the site;

between existing use value, alternative use value and market value. Using our professional judgement, we believe that a sensible Target Land Value assumption for the area is as follows:

- £700,000 per gross developable hectare
- As the site is 3.445 hectares this equates to £2,411,500

5.8.2. In setting an appropriate benchmark land value the following evidence has been taken into account:

- Existing use values. Guidance issued by the HCA in "Transparent Assumptions: Guidance for the Area Wide Viability Model" 2010 states that for green field land, benchmarks tend to be in a range of 10 to 20 times agricultural value. In Knight Frank's report, *The Rural Report*, Winter 2014, typical agricultural land value per hectare, in the East of England, are noted as being £25,946. This would give a TLV of between £259,460 per hectare and £518,920 per hectare.
- The Greater Norwich Development Partnership report, **Viability Advice on CIL / Tariff for Broadland, Norwich and South Norfolk** (Final Report: December 2010) notes that "There is limited recent transactional evidence of residential land sales within the Greater Norwich Area. From discussions with local agents and developers it is considered that the market value of residential land with planning permission is circa. £990,000-£1,500,000 per hectare (£400,000 - £600,000 per acre), assuming 25% affordable housing provision. Local agents suggest that the market value of large greenfield sites which do not benefit from service provision or infrastructure would be considerably lower, circa. £790,000 per hectare (£320,000 per acre)."
- Savills noted in there review of residential development land in November 2013,"urban land values which grew by 2.2% in the third quarter of 2013 (5.2% on an annual basis)", demonstrating an upward trend since the GVA work.

In addition other examples include:

- The proposed residential development of 27.2 hectares at Cringleford by Cirrus Properties has a minimum agreed land value of £738,970 per hectare.
- Mill Lane, Felthorpe. A site of 0.35 hectares with consent for 8 houses was acquired for £410,000 or 1,171,000 per hectare.

- private garden space;
- car parking areas;
- incidental open space and landscaping; and
- children's play areas where these are to be provided.

It therefore excludes:

- major distributor roads;
- primary schools;
- adult/youth play spaces or other open spaces serving a wider area; and
- significant landscape buffer strips.

We have assumed a net developable area equates to 80% of the equivalent gross developable area. The definition above reflects discussions at the consultation event (see also 3.8)

- Church Street Briston has received planning permission for 17 plots for affordable housing only, the site acquisition price is £265,000 or £716,000 per hectare.
- School Road Ludham, a site of 1.09 hectares has planning consent for 15 homes and an agreed land value of £750,000 per hectare.

8.0 Analysis of EVA Outputs

8.1. We have considered:

8.2. A scheme delivering policy compliant levels of affordable housing (35%) which generates a residual land value of **£2,486,382,** (which equates to £721,736 per net developable hectare, and is at 103% of the benchmark value). This is considered to be an economically viable level of land value as required by the National Planning Policy Framework, which notes sites need to deliver a "*competitive return to the landow*ner." We further note in the recently published Viability Testing Local Plans document it is necessary *"for the scheme to provide a competitive return to the developer to ensure the development takes place and generates a land value sufficient to persuade the land owner to sell the land."*

9.0 Conclusions

9.1. The EVA indicates the scheme as proposed, based on current known costs and values generates a residual land value of **£2,486,382,** allowing for the provision of a fully policy compliant scheme.

9.2. This is a level, which can be considered to deliver a competitive return to the landowner with policy levels of affordable housing provision, in comparison with the established convention of consideration of current benchmark values.

Martin Aust BSc (Hons) DMS MRICS CMCIH CEnv
8th June 2016

ECONOMIC APPRAISAL

Pathfinder 08/06/16

SCHEME VIABILITY APPRAISAL Horsford

OMV Houses for Sale: 35% affordable

Nr.	Unit Type	m2	£/sqft	£/Unit	GDV £
3	1B2PF	46.00	£238.00	£117,800.48	£353,401.44
4	2B3PF	55.00	£238.00	£140,848.40	£563,393.60
5	2B4PH	74.00	£238.00	£189,505.12	£947,525.60
26	3B5PH	85.00	£238.00	£217,674.80	£5,659,544.80
19	4B6PH	130.00	£238.00	£332,914.40	£6,325,373.60
8	5B7PH	150.00	£238.00	£384,132.00	£3,073,056.00
		0.00	£0.00	£0.00	£0.00
		0.00	£0.00	£0.00	£0.00
		0.00	£0.00	£0.00	£0.00
65		6608			£16,922,295.04

Appraisal Value of Affordable Homes:

Nr.	Unit Type	m2	£/m2	£/Unit	GDV £
3	1B2PF ART	46.00	£1,521.74	£70,000.00	£210,000.00
12	2B4PH ART	74.00	£1,081.08	£80,000.00	£960,000.00
4	3B5PH ART	85.00	£1,000.00	£85,000.00	£340,000.00
2	4B6PH ART	130.00	£692.31	£90,000.00	£180,000.00
2	1B2PF SO	46.00	£1,739.13	£80,000.00	£160,000.00
8	2B4PH SO	74.00	£1,351.35	£100,000.00	£800,000.00
4	3B5PH SO	85.00	£1,294.12	£110,000.00	£440,000.00
35		2650			£3,090,000.00

Sub TOTAL GROSS VALUE		£20,012,295.04			
LESS					
Residential & Commercial - Design & Build Costs		£12,658,000.00			
CIL Contributions (per house)	£ 56.68	£374,541.44			
Marketing & Sales Costs (£600 legals per property plus £2500 Agent Fees)		£23,500.00			
Marketing & Sales Costs (£600 legals plus 2% GDV on private units)		£377,445.90			
Site Acquisition Costs (SDLT, Agents Fees 1% & Legal Fees 1%)		£155,000.00			
Overheads & Profit (say 6% on GDV for affordables)		£185,400.00			
Overheads & Profit (say 20% on GDV for private units)		£3,384,459.01			
Total		**£17,158,346.35**		£2,411,500.00	£48,230.00
					£96,460.00
Finance Costs 6%		£367,566.53			£144,690.00
Sub TOTAL COSTS		**£17,525,912.88**			
RESIDUAL LAND VALUE	£721,736.48		£2,486,382.16		
Target Value	hectares 3.445	£700,000.00	£2,411,500.00 Low density		
			103%		

Pathfinder

Interest £367,566.53

CASHFLOW Horsford OPTION base

	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure:												
Land	£2,584,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
D&B + Costs	£0.00	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83
Total Expenditure	£2,584,000.00	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83
Income:												
Open Market	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Affordables	£0.00	£0.00	£0.00	£0.00	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33
Total Income	£0.00	£0.00	£0.00	£0.00	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33	£343,333.33
Net Borrowing	£2,584,000.00	£550,347.83	£550,347.83	£550,347.83	£207,014.49	£207,014.49	£207,014.49	£207,014.49	£207,014.49	£207,014.49	£207,014.49	£207,014.49
Total Borrowed	£2,584,000.00	£3,147,267.83	£3,713,351.99	£4,282,266.58	£4,510,692.40	£4,740,260.36	£4,970,976.15	£5,202,845.53	£5,435,874.25	£5,670,068.11	£5,905,432.94	£6,141,974.60
Interest 6%	£ 12,920.00	£ 15,736.34	£ 18,566.76	£ 21,411.33	£ 22,553.46	£ 23,701.30	£ 24,854.88	£ 26,014.23	£ 27,179.37	£ 28,350.34	£ 29,527.16	£ 30,709.87
TOTAL BORROWED	**£2,596,920.00**	**£3,163,004.17**	**£3,731,918.75**	**£4,303,677.91**	**£4,533,245.87**	**£4,763,961.66**	**£4,995,831.03**	**£5,228,859.75**	**£5,463,053.62**	**£5,698,418.45**	**£5,934,960.11**	**£6,172,684.47**

	13	14	15	16	17	18	19	20	21	22	23	24	
Expenditure:													
Land	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
D&B + Costs	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	
Total Expenditure	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	£550,347.83	
Income:													
Open Market	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	
Affordables	£343,333.33	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	
Total Income	£1,753,524.59	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	£1,410,191.25	
Net Borrowing	-£1,203,176.76	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	-£859,843.43	
Total Borrowed	£4,969,507.71	£4,134,511.82	£3,295,340.96	£2,451,974.23	£1,604,390.68	£752,569.20	-£103,511.38	-£963,354.80	-£1,823,198.23	-£2,683,041.66	-£3,542,885.09	-£4,402,728.51	Sum Interest
Interest 6%	£ 24,847.54	£ 20,672.56	£ 16,476.70	£ 12,259.87	£ 8,021.95	£ 3,762.85	£ -	£ -	£ -	£ -	£ -	£ -	£367,566.53
TOTAL BORROWED	**£4,994,355.25**	**£4,155,184.38**	**£3,311,817.66**	**£2,464,234.11**	**£1,612,412.63**	**£756,332.05**	**-£103,511.38**	**-£963,354.80**	**-£1,823,198.23**	**-£2,683,041.66**	**-£3,542,885.09**	**-£4,402,728.51**	

APPENDICES

Appendix 1 - Sales Values.

Appendix 2 - Design and Build Cost Estimate.

Appendix 3 - Scheme layout.

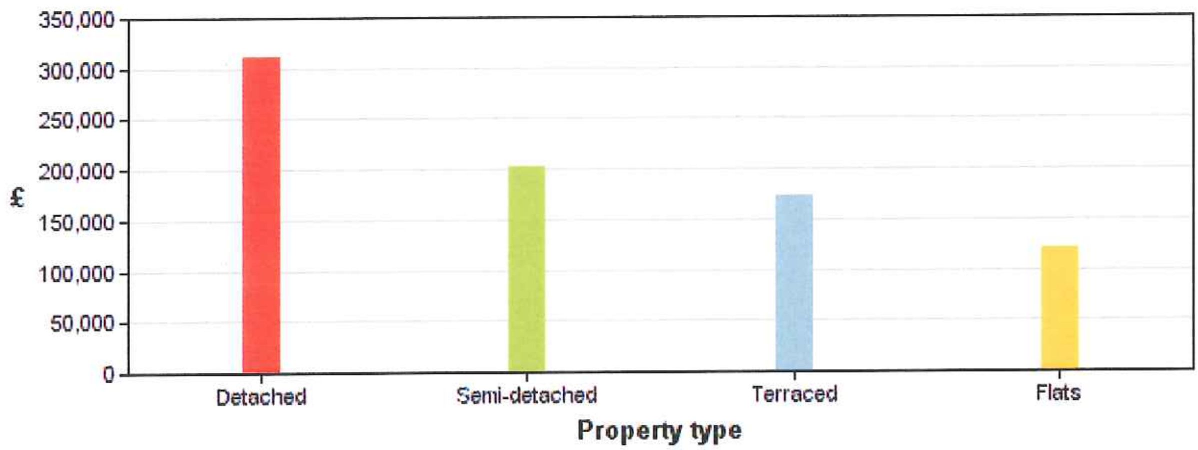
Appendix 4 - CIL Charging Schedule.

Appendix 1
Sales Values.

Property value data/graphs for NR10

Property type	Avg. current value	Avg. £ per sq ft.	Avg. # beds	Avg. £ paid (last 12m)
Detached	**£311,633**	£216	3.6	£279,688
Semi-detached	**£201,437**	£214	3.0	£194,651
Terraced	**£172,933**	£192	2.7	£169,852
Flats	**£119,753**	£189	1.9	£95,700

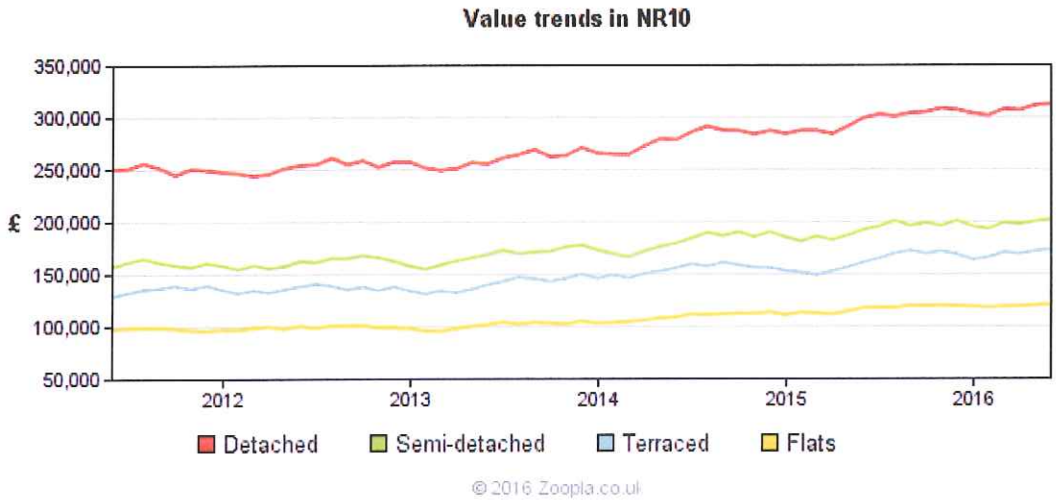
Average values in NR10 (Jun 2016)

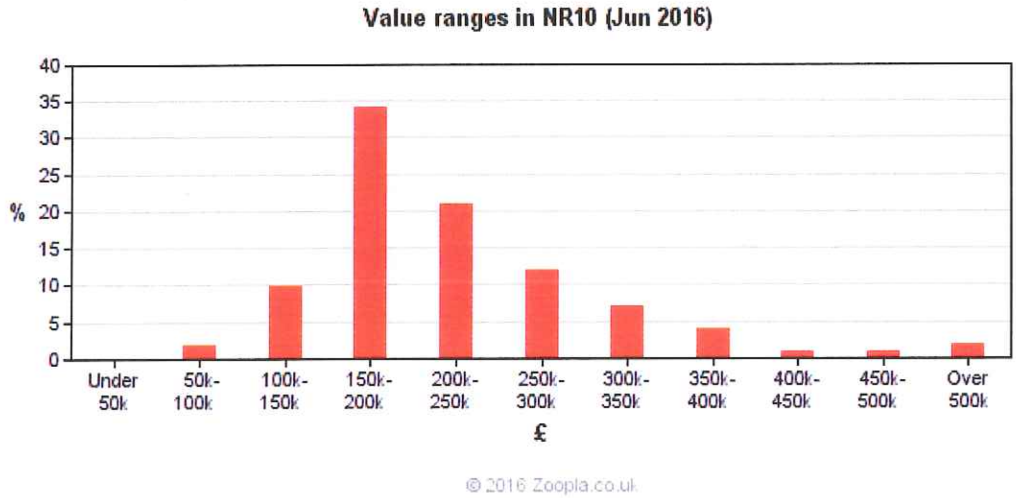


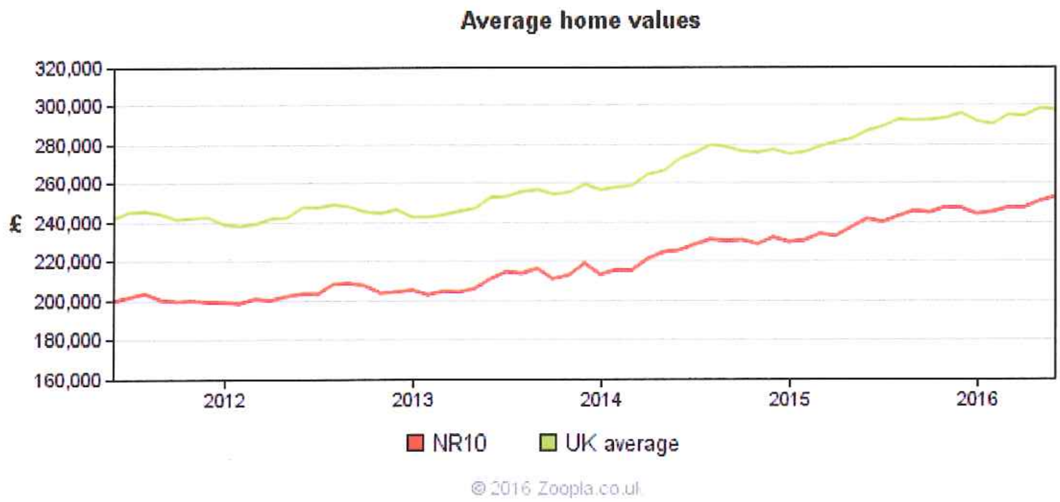
Current asking prices in NR10

Average: **£300,472**

Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Houses	-	**£140,555** (24)	**£283,292** (44)	**£346,622** (53)	**£415,412** (12)
Flats	-	**£185,625** (4)	-	-	-
All	-	**£146,994** (28)	**£283,292** (44)	**£346,622** (53)	**£415,412** (12)


Value trends in NR10
350,000
300,000
250,000
£ 200,000
150,000
100,000
50,000
2012
2013
2014
2015
2016
Detached
Semi-detached
Terraced
Flats
© 2016 Zoopla.co.uk


Value ranges in NR10 (Jun 2016)
40
35
30
25
% 20
15
10
5
0
Under 50k
50k-100k
100k-150k
150k-200k
200k-250k
250k-300k
300k-350k
350k-400k
400k-450k
450k-500k
Over 500k
£
© 2016 Zoopla.co.uk


Average home values
320,000
300,000
280,000
260,000
£ 240,000
220,000
200,000
180,000
160,000
2012
2013
2014
2015
2016
NR10
UK average
© 2016 Zoopla.co.uk

New home developments for sale in **NR10**

£345,995 4 2 3 4 bed detached house for sale

"Holden" at Mill Lane, Horsford, Norwich NR10 The Holden, an ideal family home with the large kitchen/dining room and a glazed bay window leading to your garden and maximising the light. The large living room at the front of the property with a bay window and study complete the ground floor

15 £339,995 4 2 3

4 bed detached house for sale "Holden" at Mill Lane, Horsford, Norwich NR10 The Holden, an ideal family home with the large kitchen/dining room and a glazed bay window leading to your garden and maximising the light. The large living room at the front of the property with a bay window and study complete the ground floor

•

18 £327,995 4 1 4 4 bed detached house for sale "Bradbury" at Mill Lane, Horsford, Norwich NR10 A modern four bedroom home with an impressive entrance hall that leads to the open plan kitchen with dining, family and utility areas. A glazed bay opens onto the rear garden from the dining area.

7 £299,995 3 1 2

3 bed detached bungalow for sale Chequers Meadow, Hainford, Norwich NR10 Plot 2 ***** stunning brand new detached bungalow built by M A property ltd offering over 1000 sq ft of living accommodation to include fitted kitchen, bathroom & en-suite, 22' garage

7 £299,995 3 1 2 3

bed detached bungalow for sale Chequers Meadow, Hainford, Norwich NR10 Plot 3 ***** stunning brand new detached bungalow built by M A property ltd offering over 1000 sq ft of living accommodation to include fitted kitchen, bathroom & en-suite, 22' garage

15 £294,995 4 2 2 4

bed detached house for sale "Cornell" at Mill Lane, Horsford, Norwich NR10 This modern four bedroom family home includes a large kitchen/dining/family room with a glazed bay window leading to your garden an ideal family space. The large living room includes a bay window to maximise the light into this room.

15 £275,995 4 1 2 4

bed detached house for sale "Irving" at Mill Lane, Horsford, Norwich NR10 This attractive four bedroom home offers plenty of space for families. There is a separate living room with bay window to maximise the light, the kitchen includes dining and family areas and opens onto the rear garden through French doors.

18 £275,995 4 1 2 4 bed detached house for sale "Irving" at Mill Lane, Horsford, Norwich NR10 This attractive four bedroom home offers plenty of space for families. There is a separate living room with bay window to maximise the light, the kitchen includes dining and family areas and opens onto the rear garden through French doors.

5 £230,000 3

3 bed semi-detached house for sale Buxton, Norwich, Norfolk NR10 **coming soon** Be part of the historic Crown Public House in this stunning conversion providing a 3 bedroom semi detached new build. Enjoy village life in this period meets contemporary home. With its own garden and parking.

5 £210,000

Offers over 2 2 bed semi-detached house for sale Buxton, Norwich, Norfolk NR10 **coming soon** Be part of the historic Crown Public House in this stunning conversion providing a 2/3 bedroom semi detached cottage. Enjoy village life in this period meets contemporary home. With its own garden and parking.

4 £200,000

Offers over 3 3 bed semi-detached house for sale Buxton, Norwich, Norfolk NR10 **coming soon** Be part of the historic Crown Public House in this stunning conversion providing a 2 bedroom semi detached cottage. Enjoy village life in this period meets contemporary home. With its own garden and parking.

Appendix 2
Design and Build Cost Estimate.

BCIS® RICS

Order of cost estimate

Project details

Title Horsford

Works cost estimate

	Variable	Rate	Cost
Facilitating works estimate			£ 0
Building estimate	9258	x £ 1011 /	£9,359,838
Select alternative location	Broadland (97; sample 7)		£9,079,043
External works			£ 2270000
Adjustments and additions			£ 250000
Difference between source data and current scheme			£ 0
Works cost estimate (sub total A)			**£11,599,043**

Project/design fees and other development costs

Project/design team fees	@ 7%	£811,933
Other development/project costs estimate		£ 0
Project/design fees and other development costs (sub total B)		**£811,933**

Base cost estimate

Base cost estimate A + B (sub total C)	**£12,410,976**

Risk allowance estimate

Design development risks estimate	£ 248000	
Construction risks estimate	£ 0	
Employers change risk estimate	£ 0	
Employers other risks estimate	£ 0	
Risk allowance estimate (sub total D)		**£248,000**

Cost limit (excluding inflation)

Cost limit C + D (sub total E)	**£12,658,976**

Tender inflation estimate

◉ No date adjustment

○ Adjust to 2Q 2016 (276; forecast)

Cost limit (firm price tender)

Cost limit (firm price tender) E + G (sub total H)	**£12,658,976**

Construction inflation estimate

This will not be a fluctuating price contract?

If proposed project is to be let on a firm price basis, then no further adjustment for inflation during the construction period is required.

Cost limit (including inflation)

Cost limit (including inflation) H + I	**£12,700,000**

Appendix 3
Scheme layout.

Appendix 4
CIL Calculation.

Community Infrastructure Levy

Charging Schedule

The Council resolved to adopt and implement the Community Infrastructure Levy Charging Schedule on 24 February 2014. The report and associated supporting documents can be seen at http://www.south-norfolk.gov.uk/democracy/default.aspx?id=13835.xml. From 1 May 2014, South Norfolk Council will be implementing the Community Infrastructure Levy (CIL). CIL will apply to any planning decision that qualify from and including that date.

We have worked with our Greater Norwich Development Partnership GNDP colleagues (Broadland District and Norwich City Councils, in conjunction with Norfolk County Council) to produce our CIL charging schedule. This charging schedule sets the rates for the levy for different types of development.

Publication of the examiner's recommendations
Following previous consultations the Broadland District Council, Norwich City Council and South Norfolk Council CIL Draft Charging Schedules were submitted for independent examination to the Government Planning Inspectorate.

The examiner considered the proposals and made his recommendations. Follow this link to the GNDP website to view the report

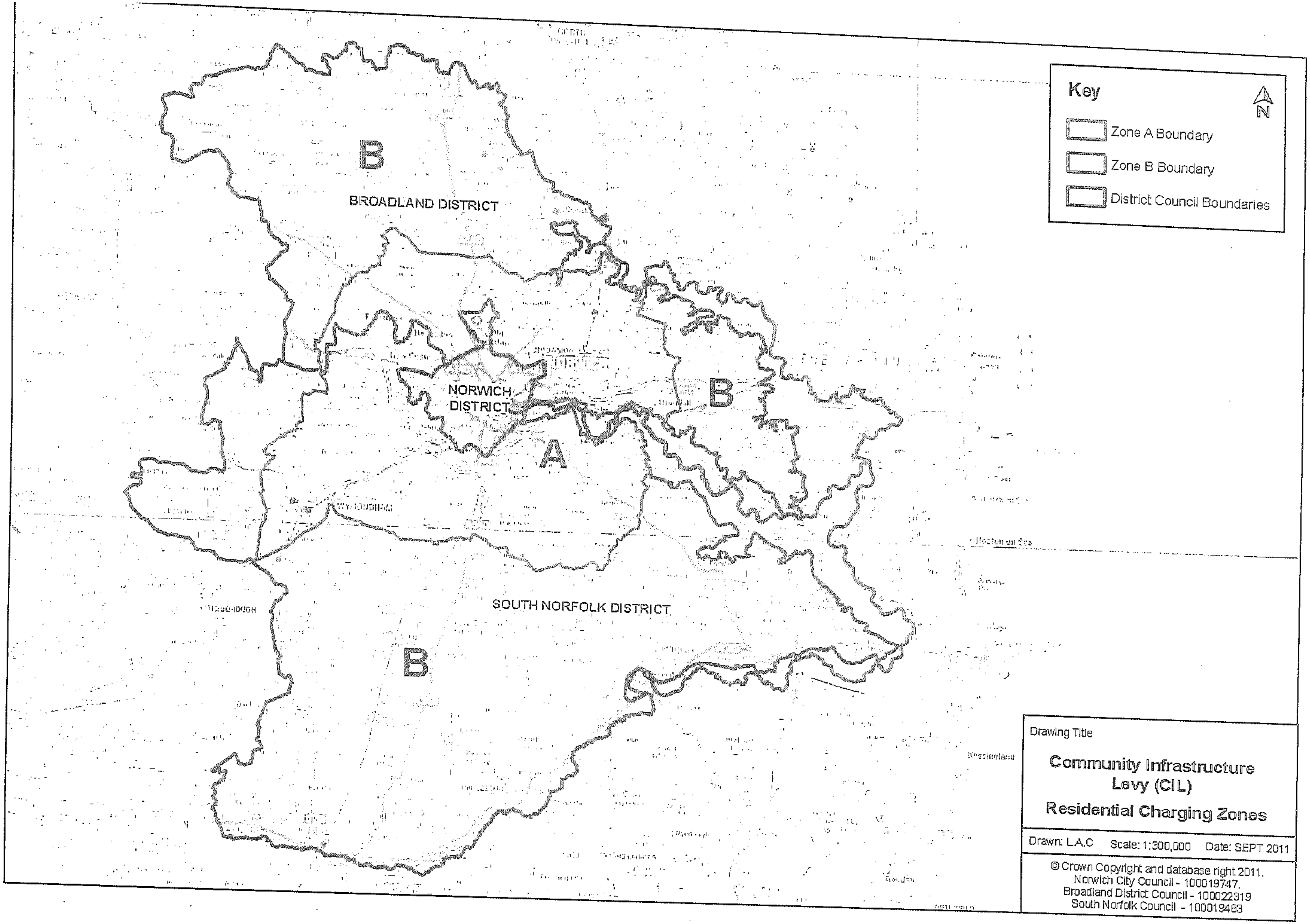
The area covered is split into two zones for residential development. Please see the attached plans.

Charging schedule £ per sq m.

Use Class	Zone A	Zone B
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user / decked garages	£75	£50
Development resulting in large convenience goods based stores of 2,000 sq metres gross or more (For the purposes of CIL a convenience goods based store is one where more than 50% of the net floor area is intended for the sale of convenience goods. Convenience goods are food, alcoholic and non alcoholic beverages, tobacco, periodicals and newspapers and non durable household goods)	£135	
All other retail (Use classes A1 – A5) and assembly and leisure development (D2) Sui generis akin to retail ie shops selling and / or displaying motor vehicles, petrol filling stations, retail warehouses. Sui generis akin to leisure ie nightclubs, amusement centres and casinos.	£25	
Uses falling under C2, C2A and D1		

Fire and Rescue Stations, Ambulance Stations and Police Stations which are Sui generis	£0
All other types of development covered by the CIL regulations (including shared-user / decked garages and B1, B2, B8 and C1 uses)	£5

The chargeable rate will be index linked to the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institute of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year. In the event that the All-in Tender Price Index ceases to be published, the index will be the retail prices index; and the figure for a given year is the figure for November of the preceding year.



Drawing Title

Community Infrastructure Levy (CIL)

Residential Charging Zones

Drawn: L.A.C Scale: 1:300,000 Date: SEPT 2011