

Surplus (Deficit) from Input land valuation at 3/6/2015

129,229

HCA Development Appraisal Tool
INPUT SHEET 1 - SITE DETAILS

Basic Site Details

FULL VIABILITY ASSESSMENT

Site Address	Lowfield Road, Bolton on Dearne, Phase 3	
OS X coordinate		
OS Y coordinate		
Site Reference	Lowfield Road, Bolton on Dearne, Phase 3	
File Source		
Scheme Description	97 family dwellings and associated infrastructure	
Date of appraisal	03/06/2015	
Gross Site Area (hectares)	2.65	
Net Residential Site Area (hectares)	2.52	
Author & Organisation	Gleeson Regeneration	
Local Planning Authority	Barnsley	
Land Purchase Price	600,000	
Land Purchase date	03/06/2015	
Most recent valuation of the site £	600,000	
Basis of valuation	Purchase Price Paid	
Date of valuation	03/06/2015	
Any note on valuation	Condition contract	
Developer of sale units	Gleeson Regeneration	
Developer of affordable units		
Manager of affordable units		
Registered Provider (where applicable)		
Note on applicant (eg sub partner status)		

Date of scheme appraisal 03-Jun-15

from Site Sheet

Use any valid Excel Date format (eg DD/MM/YY)

Build Period	Construction Start Date	Construction End Date
Tenure phases display for date input only after transfer from Input 2 sheet		
OM 1:Phase 1	01-Oct-15	01-Oct-22

RP Purchase from Developer	Purchase start date	Purchase end date
AH phases display for date input only after transfer from Input 2 sheet		

Open Market Sale	Sale Start Date	Sale End Date
OM phases display for date input only after transfer from Input 2 sheet		
OM Sales1:Phase 1	01-Jan-16	01-Jan-23

Private Rental Units	First Rental Start Date	Final Rental Start Date
PR phases display for date input only after transfer from Input 2 sheet		

Monthly
Sales
rate

1.14

	Building Cost £ per Sq FT GROSS area	Net to Gross Adjustment	Maximum height in floors (flats only)	Avg Cost pu
Open Market Phase 1: Houses	73			55,881

Fees & Contingencies as % of Building Costs

	%	£ Total
Design and Professional Fees % (Architects, QS, Project Management)	3.90%	211,399
Residential Building Contingencies (% of Building Costs)	2.90%	157,194

* This section excludes Affordable Housing section 106 payments

All dates must be between

03-Jun-15

29-May-35

'Historic' costs incurred earlier may be entered as

03-Jun-15 PROVIDED they are not taken into account in the site valuation (& hence double cc

External Works & Infrastructure Costs (£)

Comment on nature of issue	Cost (£)	Payment Start Date	Payment end date	Cost per unit (all tenures)
Phase 1				
Site Preparation/Demolition	£13,889	01-Oct-15	01-Apr-16	143
Roads and Sewers	£764,330	01-Oct-15	01-Oct-20	7,880
Services (Power, Water, Gas, Telco and IT)	£244,000	01-Oct-15	01-Oct-20	2,515
Strategic Landscaping				
Off Site Works				
Public Open Space	£10,000	01-Oct-15	01-Oct-16	103
Site Specific Sustainability Initiatives				
Plot specific external works				
Other 1				
Other 2				

Site Abnormals (£)

Comment on nature of issue	Cost (£)	Payment Start Date	Payment end date	Cost per unit (all tenures)	
De-canting tenants					
Decontamination					
Abnormal foundations	50 deep strip	£39,550	01-Oct-15	01-Oct-22	408
Beam and block floors		£121,250	01-Oct-15	01-Oct-22	1,250
Service abnormalities		£221,000	01-Oct-15	01-Oct-18	2,278
Other 4					
Other 5					

Residential Car Parking Building Costs (average cost / car parking space)	Building Costs (£ / car parking space)	Payment Date

Total number of residential car parking spaces (Open Market and Affordable)

Statutory Payments (£)

Additional information	Cost (£)	Payment start date	Payment end date	Per unit
Education				
Sport & Recreation				
Social Infrastructure				
Public Realm	£162,345	01-Oct-16	02-Oct-16	1,674
Affordable Housing				
Transport				
Highway				
Health				
Public Art				
Flood work				
Community Infrastructure Levy	per sq metre			
Other Tariff	per sq metre			
Other 1				
Other 2				
Other 3				
Other 4				

OTHER COSTS

SITE PURCHASE COSTS

	%
Agents Fees (% of site cost)	0.00%
Legal Fees (% of site cost)	1.00%
Stamp Duty (% of site cost)	4.00%

Comment on nature of issue	Cost (£)	Payment start date	Payment end date
Other Acquisition Costs (£)			

FINANCE COSTS

Arrangement Fee (£)	£0
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Interest Rate (%)	5.00%
Misc Fees - Surveyors etc (£)	£0
Credit balance reinvestment %	2.50%

MARKETING COSTS

Affordable Housing Marketing Costs

	Cost (£)	Payment start date	Payment end date
Developer cost of sale to RP (£)			
RP purchase costs (£)			
Intermediate Housing Sales and Marketing (£)			

Open Market Housing Marketing Costs

Sales Fees (agents fees & marketing fees) - %	4.00%
Legal Fees (per Open Market unit) - £	£0
Agents Private Rental Initial Letting fees - %	0.00%

DEVELOPER'S OVERHEAD AND RETURN FOR RISK (before taxation)

Developer O/head (£)		£771,868		Return at Scheme end
Open Market Housing (% GDV)	15.00%	22.0%	inc Overheads	
Private Rental (% Cost)		25,066	per open market home	
Affordable Housing (% Cost)				

Scheme Results

'GLA toolkit' style Scheme Results

Site Reference Details	
Site Reference	Lowfield Road, Bolton on D
Local Planning Authority	Barnsley
Registered Provider (where applicable)	0

Site Details	
Site Address	Lowfield Road, Bolton on D
Scheme Description	97 family dwellings and associated infrastructure

TOTAL NUMBER OF UNITS	
Dwellings	97

DENSITY (per hectare)	
Dwellings	38.5

AFFORDABLE UNITS		
	Quantity	% all units
Total	0	0%
Social Rented	0	0%
Affordable Rent	0	0%
Shared Ownership	0	0%

REVENUES AND COSTS		
Total Scheme Revenues		11,063,529
Total Scheme Costs	10,876,441	

Surplus/(Deficit) Present Value	
Whole Scheme	129,229
Per net hectare	51,281
Per dwelling	1,332
Per market dwelling	1,332

Contribution to Revenue from		
Market Housing		11,063,529
Affordable Housing		0
Social Rent	-	
Shared Ownership	-	
Affordable Rent	-	
Other Contributions		0
Non Residential Values		0

Alternative Site Value	
Purchase Price Paid	600,000

Contribution to Costs from		
Market Housing		5,577,688
Affordable Housing		0
Social Rent	-	
Shared Ownership	-	
Affordable Rent	-	
Other Construction costs		1,625,418
Planning Obligations		162,345
Fees		442,541
Non Residential Costs		-
Finance and Acquisition Costs		637,052
Developer's return for risk and profit		2,431,397

LOWFIELD RD, BOLTON ON DEARNE PHASE 3 HCA VIAB COST BREAKDOWN

Build Cost

Build cost has been set at £72.50/ sq ft, and should be considered to include all standard house build and preliminary costs, as is the standard for the HCA template.

This figure is based on a reduction from the generally accepted BCIS industry standard levels. This price includes a TPI increase of 4% on BCIS costs since the viability case put forward on the Phase 1 development.

External Works & Infrastructure Costs:

Site preparation/demolition:

Includes all costs associated with the following:

- Site strip £13,889
- **Total** **£13,889**

Roads and Sewers:

Includes all costs associated with the following:

- Highway construction £364,730
- Foul/surface water sewers £184,000
- Attenuation £187,200
- Sewer Connect & Form Access £6,000
- Extra Private Drives £22,400
- **Total** **£764,330**

Services

Includes all costs associated with the following:

- Plot connections £242,500
- BT Boxes & Survey Fees £1,500
- **Total** **£244,000**

POS

Includes all costs associated with:

- Laying out of on-site POS £10,000
- **Total** **£10,000**

Site Abnormals

Abnormal Foundations

Includes all costs associated with the following:

- Deep strip (50 No.) £25,000
- E/o muckshift £14,550
- **Total** £39,550

Beam and Block

Includes all costs associated with the following:

- Beam & Block floor to all plots £121,250
- **Total** £121,250

Service Abnormals

Includes all costs associated with the following:

- Substation £75,000
- Foul pumping station £90,000
- Offsite SW sewer £35,000
- Service diversion £21,000
- **Total** £221,000

Statutory Payments

Public Realm

Includes all costs associated with the following:

- Offsite POS commuted sum £162,345
- **Total** £162,345

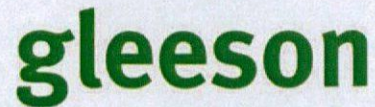
Conclusion

The viability test generates a 'surplus' of **£129,229** thereby indicating that, in addition to the Policy compliant POS contribution offer outlined above, a 'pot' of this value (£129K) is available for additional planning gain. Gleeson would offer this amount to be paid in support of any of the following:

- Contribution to offsite highway works/contribution to bridge improvements.
- Education.
- Offsite Affordable Housing contribution (please also see our Affordable Housing statement).

Please note no costs have been included for the provision of renewable energy over the site. Should this be sought, the cost of this would come off the available pot of £129K.

**Affordable Housing Statement:
97 units at Lowfield Road,
Bolton upon Dearne**



Gleeson can confirm that last year more than 30% of all Gleeson Regeneration's sales were intermediate affordable housing units sold on a shared equity basis. These were either via "Help to Buy" or Gleeson's own shared equity sale scheme. These shared equity units are effectively sold "below market value" and therefore accord with the NPPF definition of intermediate affordable housing.

With this in mind Gleeson, as part of our section 106 offer, will make available a minimum of 14 No. (being 15% of all units) 2 and 3 bed semi-detached units via "Help to Buy" or Gleeson's own shared equity product. Based on "Help to Buy" the mortgage amount (after 5% deposit and 20% HCA equity) at this site would be:

- £68,250 for a 2 bed unit
- £86,250 for a 3 bed unit

The above prices mean that a working couple earning the minimum wage can purchase a Gleeson 2 bed home with a very modest 3.5x earnings ratio, and an achievable deposit of £4,550. This equates to a monthly mortgage of around £350; truly affordable.

We are happy to offer nomination rights to the council in respect of these 14 units. We would expect such nominations to be to people currently living in the Council's rental stock (or the homes managed by an arm's length company which was previous Council housing). This way an additional 14 no. "social rented" units can be "freed up" for people to rent who, for whatever reason, cannot aspire to home ownership; even Gleeson's low cost home ownership product.

In respect of the remainder of the site, Gleeson pride themselves in delivering low cost homes and will make available a number of schemes that enable people on low incomes to purchase a new home. Unique to Gleeson Homes is our save and build scheme which fixes the price of the new home for a year and provides a savings scheme for the customer so they can accumulate a deposit. We have a range of other schemes which will also be available for customers, they are;

- Parents Invest – Parents provide up to 20% of the price of the home, and we pay them 5% interest per annum for 5 years on the investment.
- Advance to Buy – We offer to market their existing home through an estate agent and we will pay the stamp duty and £500 towards legal fees.
- Aspire to Own – We pay 5% deposit, valuation fees and £500 towards legal fees.
- Leaving Home – The parents guarantee the mortgage. Can result in a 5% deposit.
- First Rung – If the customer has saved the deposit we offer a "Designer Package" including carpets, curtains and light fittings.

Gleeson specialise in this provision of low cost 'home ownership' housing, delivering this product exclusively across our 40+ site in the north of England. On the whole LPA's embrace this model, which makes new home ownership possible for a portion of the population who otherwise simply would not be able to afford it. We would be more than happy to provide exemplar S106 extracts from a number of LPAs where our Gleeson Shared Equity/Help to Buy offer has been formally accepted as Affordable Housing provision, or our 'nomination rights' offer has been taken up.