Appendix 4

Report

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CIL Economic Viability Assessment

Birmingham City Council

October 2012

Birmingham City Council

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Contents

APPENDIX

1. INTRODUCTION

Overview

1.1 GVA has been instructed by Birmingham City Council (the Council) to give viability advice on a potential Community Infrastructure Levy (CIL) for different uses across the City. This includes advice on the impact of the availability of grant funding and current and future costs and values.

1.2 Our Brief from the Council requires the following:

- Test the potential impact of a range of possible CIL charges on the viability of different types of development across the City, to include all the major uses and a number of others;
- Take account of the Council's relevant current and proposed policy requirements including Affordable Housing and Design & Quality Standards;
- Assess whether different CIL rates should apply geographically across the City, particularly taking into account geographical value differences and development conditions;
- Assess the potential impact of a future development context;
- Establish an economically viable CIL rate for a range of land uses, reflecting those usages which are forecast to come forward for development in the Draft Birmingham Development Plan;
- Provide a clear, robust evidence base.

1.3 The appraisals undertaken for this work do not constitute valuations, and should not be regarded or relied on as such. They provide a guide to viability in line with the purpose for which the assessment is required.

1.4 The underlying principles for assessing the viability of a CIL are to ensure that the assessment:

- Reflects and is based upon the character and scale of developments common in the area both now and those likely in the future, i.e. against scheme designs that while notional are realistic and reflect the current and future proposed policy environment;
- Considers viability for the area as a whole, but is also able to distinguish differential impacts that may arise due to the range of values and costs across the area;

1.5 In accordance with the Brief and the above, we have taken the following approach:

- Undertaken a market review across Birmingham to better understand the development market. This underpins the entire study. We have included this in full in Appendix F;
- Developed an understanding of the likely nature of new development in Birmingham over the LDF plan period;
- Undertaken development appraisals in order to understand and assess the impact on viability of various affordable housing requirements;
- Undertaken development appraisals in order to understand how much CIL could be payable by future development across the City, having regard to the amount that development in the City can reasonably afford to contribute given policy on requirements such as Code for Sustainable Homes and affordable housing together with potential sales values; and
- Tested our assumptions through engagement with developers, agents and Registered Providers active in Birmingham ;

Report Structure

1.6 Following this introductory section we set out an initial section setting out our approach and the methodology we have used to test viability. We have then separated the residential and commercial / other uses in the report, setting out our assumptions and findings on residential first, commercial uses second and then all other uses third:

- **Section 2 "Approach & Methodology"–** Sets out our approach and the methodology used to test and assess the viability of CIL;
- **Sections 3 & 4 "Residential"** – Sets out our viability appraisal assumptions and findings for residential development;
- **Section 5 & 6 "Commercial"**– Sets out our viability appraisal assumptions and findings for commercial uses (office, retail & industrial);
- **Section 7 & 8 "Other Uses"** – Sets out our viability appraisal assumptions and findings for all 'other' uses (student housing, hotel, health, education & community);
- **Section 9** – Details our conclusions and principal recommendations; and
- **Technical Appendices** –Provide the underlying data sets, background sensitivity analysis and supporting material.

2. APPROACH AND METHODOLOGY

Introduction

2.1 In this section we define the scope of our viability assessment summarising the approach we have adopted. We consider the following:

- Our overall approach;
- The Appraisal Model we have used.

Overall Approach

2.2 The principal objective is to determine what levels of CIL may be viable for the Birmingham area. The objectives of the assessment are:

- To undertake a high level appraisal, rather than a detailed analysis of individual sites or schemes;
- To assess the potential CIL rate by testing key "what if" questions. This is done by varying a number of underlying assumptions such as availability of affordable grant and market conditions - particularly where there is uncertainty; and
- To use this analysis to assess potential CIL levels on the basis of clearly reasoned evidence.

The Appraisal Model

2.3 To determine development viability, a Residual Development Appraisal Model has been used (Figure 1). The Model assumes that the residual land value is the value left once the total costs (including an element of developer profit) have been subtracted from the Gross Development Value (GDV) of a particular scheme.

2.4 Through the use of the Model, the impact of differing levels of CIL on land values and scheme viability can be examined. The Gross Residual Value i.e. the land value without any allowance made for planning contributions is appraised to get to a Net Residual Land Value which is equal to the land value once all planning contributions, including affordable housing, have been taken into account. It is then compared against a viability benchmark.

Figure 1: Outline of Residual Development Model

GROSS DEVELOPMENT VALUE
(minus)
TOTAL COSTS
(minus)
DEVELOPER'S PROFIT
=
RESIDUAL LAND VALUE

- **Gross Development Value** - includes all income generated by the development, including temporary revenue and grant (for example payments by HCA through the National Affordable Housing Programme);
- **Total Costs** – include construction costs, fees, planning, finance charges, and also payments under S.106, S.278, and CIL; and
- **Developer's Profit** – is expressed by reference to the Gross Development Value (GDV), to the Total Costs, to the Cost of Capital Employed or to an Internal Rate of Return. For the purpose of this study we have taken the Developer's Profit by reference to GDV.

2.5 The Viability work will compare the Residual Land Value to a 'Benchmark' land value in order to determine what level of CIL a scheme can afford to contribute (in theory a scheme can afford to contribute CIL to a maximum of all of the difference between the Residual Land Value and the Benchmark after taking into account all costs, including affordable housing, net of CIL.

3. RESIDENTIAL CIL VIABILITY

3.1 In order to test the viability of a CIL charge against residential development across the City, it has been necessary to firstly determine what kind of residential development is coming or is likely to come forwards, and secondly to establish what kind of values that residential development will have. The cost of developing housing and the perceived return of a land value to the landholder must also then be taken into account in keeping with the Residual Appraisal Model structure as set out at Figure 1 and in para. 2.5 above.

Establishing Residential Development Typologies

3.2 A series of fourteen hypothetical development schemes (Development Typologies) including residential and residential-led mixed use development have been devised by GVA and the Council. These development typologies have been drawn up to reflect the envisaged scale, nature and characteristics of current and future residential development across the City. The residential development typologies are set out in detail in Appendix A, and are summarised in Table 1. The Residential led mixed use Development Typologies are summarised in Table 2.

Birmingham City Council Affordable Housing Policy

3.3 We have tested typologies both below and above the Council's Affordable Housing Policy threshold in order to reflect the full range of residential development which may come forwards and in order to illustrate to the Council the impact of affordable housing provision on the ability of development to contribute towards a CIL charge.

3.4 We have assumed that the threshold above which affordable housing is required is 15 dwellings, in line with Council policy. We have assumed that above 15 dwellings, 35% affordable housing is required at a tenure split of 70:30 Affordable Rent to Intermediate housing. We have assumed that Affordable Rent levels are taken to be circa 70% of Market Rent as advised by the Council's Housing Team.

3.5 In order to help the Council see the impact of affordable housing provision on CIL viability we have also tested all the typologies assuming 20% Affordable Housing at the same tenure split. Further, we have undertaken viability testing on the assumption that the Affordable Housing Grant is not available and is available (at £15,000 to £30,000 per dwelling) - forming two distinct viability testing scenarios.

Table 1: Summary of the Development Typologies, Residential

Typology	Land Uses (G.I.A.)
Typologies below the Affordable Housing Threshold	
Scheme 1	1 residential dwelling (house)
Scheme 2	2 residential dwellings (flats)
Scheme 3	6 residential dwellings (houses)
Scheme 4	10 residential dwellings (flats)
Typologies Above the Affordable Housing Threshold	
Scheme 5	15 residential dwellings (flats)
Scheme 6	50 residential dwellings (flats)
Scheme 7	15 residential dwellings (houses)
Scheme 8	50 residential dwellings (houses)
Scheme 9	200 residential dwellings (houses)

Table 2: Summary of the Development Typologies, Residential led Mixed Use

Typology	Land Uses (G.I.A.)
Mixed Use Typologies below the Affordable Housing Threshold	
Scheme 10	4 residential dwelling (flats), 150 sq m Retail
Scheme 11	8 residential dwellings (flats), 300 sq m Offices
Scheme 12	8 residential dwellings (flats), 300 sq m Retail
Mixed Use Typologies Above the Affordable Housing Threshold	
Scheme 13	30 residential dwellings (mixed), 300 sq m Retail
Scheme 14	100 residential dwellings (mixed), 600 sq m Retail

Residential Forecasting

3.6 In order to provide the Council with some indication of where we consider CIL Charge viability may be in the future, we have tested both a current 2012 market and a future 2016 market. 2016 has been chosen as a future scenario because it is anticipated that by 2016 the Council's CIL will be up and running, and also because it fits with the Council's 5 year land supply.

3.7 The difficulties with attempting to forecast property value growth and cost increases are multiple. However we have attempted to give some idea of where costs and values may be in 2016 by using the Building Cost Information Service (BCIS) and the HM Treasury Forecasts for the UK Economy. BCIS sets out that build costs are forecast to increase by circa 5% to 2016 for residential development, and the HM Treasury 'Forecasts for the UK economy: A Comparison of Independent Forecasts' document (November 2011), sets out that, taking an average which excludes the two lowest estimates of -0.2% growth and 2% growth, growth for residential values to 2015/16 is anticipated to be circa 5.5%.

Summary of Scenarios to be tested

3.8 Taking all of the above into account, we have therefore tested the Development Typologies set out in Tables 1 and 2 under the following scenarios:

- **20% and 35% Affordable Housing;**
- **2012 and 2016; and**
- **Grant and No Grant Funding;**

3.9 We have tested the Development Typologies in i.e. those under the Council's Affordable Housing threshold under the following scenarios:

- **2012 and 2016.**

Residential Value Areas

3.10 In order to test the Development Typologies as accurately as possible, and because we understand that residential values are not uniform across the Birmingham City Council area we have drawn up different 'value areas' in order to more accurately test the viability of different CIL charges on the above development typologies across the City.

3.11 So that we keep within the parameters of previously adopted Council documents we have, when investigating the different value areas, had awareness of the Affordable Housing Viability study value areas set out by Entec (October 2012), the draft SHLAA figures for each of the Entec proposed value areas as well as our own market research and market intelligence.

Birmingham Residential Market

3.12 The Birmingham residential market is split into private and social housing, with the values of private housing influenced by the quality of the housing and the quantum and proximity of Local Authority housing or estates. The 'leafy suburbs' of Harborne and Edgbaston for example are situated at some distance from any large Council estates, and values are supported by the quality of the substantial detached turn of the century properties.

3.13 Birmingham has the biggest professional population outside of London, helping to sustain values in these areas where large executive housing is highly sought after. Further to the attractive housing offer, these higher value areas have better defined local centres and good quality services – for example Harborne local centre has a Marks & Spencer's and a Waitrose, and Edgbaston has a high quality education offer in the Blue Coats Preparatory School and King Edwards School.

3.14 Areas that we would typify as being as described above (and reflecting the postcodes which Entec used in the Affordable Housing Study) are **Edgbaston, Harborne, Sutton, Four Oaks, Oscott and Bournville**.

3.15 In contrast, areas such as Nechells, Sparkhill and Sparkbrook have significant amounts of Local Authority Housing – the stock of housing is poorer quality circa late 1900s terraced housing, and the areas are generally known for being areas of deprivation with less attractive environments (for example higher crime rates). The local centres for the lower value areas are less well defined and of a lower quality - for example Sparkbrook has attracted lower value retailers such as Poundstretcher and LIDL. Areas which our research and our conversations with the Council have indicated have the lowest values are **Nechells, Sparkhill, Sparkbrook, Washwood Heath, Yardley, Shard End, Perry Barr and Aston.**

3.16 The majority of other residential areas sit within a mid-value range, between the high value and low value areas. Much of the housing in these areas (apart from the town centre) is traditionally terraced or semi-detached housing, with mid-quality local centres and some presence of Local Authority housing and medium accessibility (for example to the motorway network). These are areas such as **Balsall Heath, Brandwood, Erdington, Longbridge, Bartley Green, Northfield, Acocks Green, Walmley and Lea Hall.**

3.17 Having identified what we believe to be a high level review of Birmingham's different residential value areas, we have divided the different areas up into seven groups, each of which has a different average house price value per sq m based upon Land Registry data and our own in-house Residential Agency team's views. The seven value areas are set out in the table overleaf. We have also set these value areas out on a map in Appendix B in order to provide some geographical context.

Table 3 Birmingham Residential Market Value Areas

	MARKET VALUE AREA						
	1	2	3	4	5	6	7
Post Codes	B15, B17, B73, B74, B75	B30, B29, B72, B76	B1, B2	B3, B13, B12, B14, B20, B27, B24, B38, B45, B23, B31, B32, B33,	B9, , B18, B19, B28, B10, B26, B44	B5, B6, B8, B11, B16, B21, B25, B34, B35, B36, B42	B7, B4
Location	Edgbaston, Harborne, Four Oaks, Oscott	Bournville, Selly Oak, Sutton Coldfield	Birmingham City Centre	Balsall Heath, Brandwood, Erdington SE, Longbridge, Bartley Green, Erdington NW, Northfield, Acocks Green, Walmley, Lea Hall	Hall Green, Yardley Wood, Sheldon, Small Heath, Hockley , Bordesley Green	Aston, Perry Barr, Shard End, Sparkhill, Sparkbrook, Washwood Heath, Yardley, Ladywood.	Nechells North, Nechells South
Residential Values (£ per sq ft)	£240	£230	£220	£175	£170	£165	£150
Residential Values (£ per sq m)	£2,585	£2,475	£2,370	£1,885	£1,830	£1,775	£1,615

Benchmark Land Values

3.18 As set out in para. 2.5, establishing the benchmark land value against which to compare viability appraisal results is one of the most significant challenges in reviewing the viability of a tariff. The Benchmark represents a judgement on the level of value required in order to incentivise a landowner to sell land for development. There is little practical guidance to support the judgement of what the benchmark should be, however a number of factors are relevant in guiding the Benchmark including:

- Landowners expectations including the level of premium necessary to incentivise a sale;
- Planning appeal case decisions concerning the viability of a development scheme; and
- The emerging approach adopted by charge setting Authorities and the Planning Inspectorate;

3.19 We have assumed that landowners would expect a premium to be realised above the Existing Use Value of a site on selling the site for residential development. We have, taking into account the findings of recent Examination hearings on other CIL studies such as the London Lord Mayor's and discussions with our Residential Land Team, assumed that this incentive is 20% above Existing Use Value (EUV), and that this represents a premium which would be enough to incentivise a landowner to dispose of their landholdings.

3.20 We have assumed that residential development is most likely to be brought forward on land previously in employment use, so that a landowner or developer may appreciate the uplift that arises from a change in use. However we also understand from the Birmingham SHLAA that some of the anticipated residential development across the City is likely to be on previously residential sites, particularly in the lower value and regeneration areas. We have reflected this in our study by also using residential land values as a benchmark, giving two sets of results.

3.21 In summary we have undertaken our viability testing using two different benchmark assumptions:

1. **APPROACH 1:** On the assumption that a landowner brings forward employment land for residential development, thus realising the uplift from a change of use – Assume a benchmark of **EUV + 20%**; and
2. **APPROACH 2:** On the assumption that a landowner sells their residential sites to a developer in order to realise an uplift based on an improved housing offer – either through better quality housing or increased densities – Assume a benchmark of **residential land value**. (It should be remembered that the level of CIL realised under this assumption is likely to be lower than that under assumption 1, as CIL is charged on the net additional space of any particular use).

3.22 Because of the evidence that there are different value areas across the City, we have also undertaken research into how these values relate to land values, and have come to the conclusion that the seven different value areas can be grouped into two different land value groups. We have set these out in Table 4 below.

3.23 Our research suggests that Existing Use Values for the two different land value groups are £375,000 per acre for the highest value areas (Areas 1-3), and £200,000 per acre for the lower value areas. Our research also suggests that Residential Land Values in the higher value areas are circa £750,000 per acre, and in the lower value areas are circa £300,000 per acre.

Table 4: Assumed Residential Value Benchmarks

MARKET VALUE AREA	APPROACH 1. EUV + 20% per Acre.	APPROACH 1. EUV + 20% per Ha.	APPROACH 2. Residential Land Values per Acre.	APPROACH 2. Residential Land Values per Ha.
1,2 & 3 (EUV of £375,000/acre)	**£450,000**	**£1.1 million**	**£750,000**	**£1.9 million**
4, 5,6 & 7 (EUV of £200,000/acre)	**£240,000**	**£595,000**	**£300,000**	**£740,000**

3.24 The residential benchmarks we have assumed are based upon evidence from the following sources:

- Valuation Office Agency land value data;
- Known land transactions in the City (EGi, GVA Agency Land & Development knowledge); and
- Local stakeholder discussion;

3.25 We suggest that if a CIL charge (in tandem with an affordable housing/tenure split policy) is promoted that reduces the residual land value in comparison to the benchmark by more than circa 20% then it risks causing land to be withheld from development, or delayed in coming forward by the landowner due to decreased perceived returns. We have therefore assumed that viability testing outcomes that reduce the Residual Land Value by up to 20% lower than the benchmark are considered to be 'marginal sites'.

3.26 It is acknowledged that there may be schemes that are promoted notwithstanding a larger decline in the Residual Land Value, but on balance we believe that this approach and the thresholds adopted are a reasonable reflection of the likely market reaction in Birmingham.

Residual Appraisal Model Assumptions

3.27 A set of standardised assumptions, reflecting build cost and fees, contingencies, profits, finance rates, etc. will be used to enable a clear and straight-forward comparison of the outcomes of the viability testing. A summary of the main assumptions are set out in Table 5.

3.28 The assumptions we have used in our model have come from a number of sources:

- National and regional development appraisal toolkits (HCA EAT, GLA Three Dragons);
- Local Stakeholder consultation;
- Our own experience of working with developers in the Midlands; and
- Our own experience of advising private clients on affordable housing / S.106 development viability negotiations.

3.29 These standardised assumptions may differ in some cases from the figures that may be used in actual development schemes, but we believe they align with normal or usual figures expected in the majority of developments and we have evidence to support their use in a Birmingham context.

Build Costs

3.30 Build costs are adopted based on our experience and average costs suggested by BCIS. We have made an assumption that private and affordable housing is built to meet the Draft Birmingham Development Plan Requirements. These are as follows:

- "All new residential development should at least meet Code for Sustainable homes level 3 (or any future national equivalent) from the adoption of this Strategy, at least Code level 4 from 2013 and Code level 6 from 2016".

3.31 We have, taking into account the current uncertainty around whether the Code for Sustainable Homes Level required at 2016 will be Level 6, also tested the 2016 residential development scenarios at build costs more akin to Code for Sustainable Homes Level 4.5.

3.32 We have made an allowance for the costs of on-site preparation works which are necessary in order to bring forward a site. The costs are between 5% and 10% of total build costs, and include costs such as demolition, archaeology, estates roads highways and site levelling etc.

S.106

3.33 We have assumed for this Study that 'CIL' reflects CIL only, i.e. it does not include an allowance for any off site S.106 costs. We have made an allowance for on-site infrastructure provision costs and policy requirement costs such as the provision of open space. This approach has been adopted because, following consideration of future infrastructure requirements to support new development in the City, we understand it is the Council's intention to maximise the use of CIL for the delivery of infrastructure with limited use of S.106 obligations for off site works.

Table 5: Viability Model Principal Cost and Market Assumptions: Residential

RESIDENTIAL TYPOLOGIES	2012	2016
Affordable Housing Split	0%, 20% & 35%	
Tenure Split	70:30 Affordable Rent: Intermediate	
Grant Assumption	No grant & with grant (£15,000 to £30,000 per dwelling)	
Ground Rents	£350 per annum (6.5% yield)	
Enabling Costs	5% - 10% of costs	
Contingency	5%	
Professional Fees	10%	
Finance Rate	7.5%	
Profit (on GDV)	20%	17.5%
Private & Affordable Housing Residential Build Costs (sq m)	Flats £1,200 / Houses £1,130 (CSH Level 3 & 4)	Flats £1,260 / Houses £1,190 (+5%) (CSH Level 4.5)
Value Areas (See Value Map in Appendix B& Table 3) Sales Values (£ per Sq M)	**1.** £2,585 sq m (£240 sq ft) **2.** £2,475 sq m (£230 sq ft) **3.** £2,370 sq m (£220 sq ft) **4.** £1,885sq m (£175 sq ft) **5.** £1,830 sq m (£170 sq ft) **6.** £1,775 sq m (£165 sq ft **7.** £1,615 sq m (£150 sq ft)	**1.** £2,730 sq m (+5.5%) **2.** £2,610 sq m (+5.5%) **3.** £2,500 sq m (+5.5%) **4.** £1,990 sq m (+5.5%) **5.** £1,930 sq m (+5.5%) **6.** £1,8770 sq m (+5.5%) **7**. £1,705 sq m (+5.5%)

4. CIL VIABILITY FINDINGS: RESIDENTIAL

Introduction

4.1 In this section we summarise the findings from the testing that has been carried out. Greater detail of the individual scenario and variable outcomes is included at Appendix G.

Residential Development

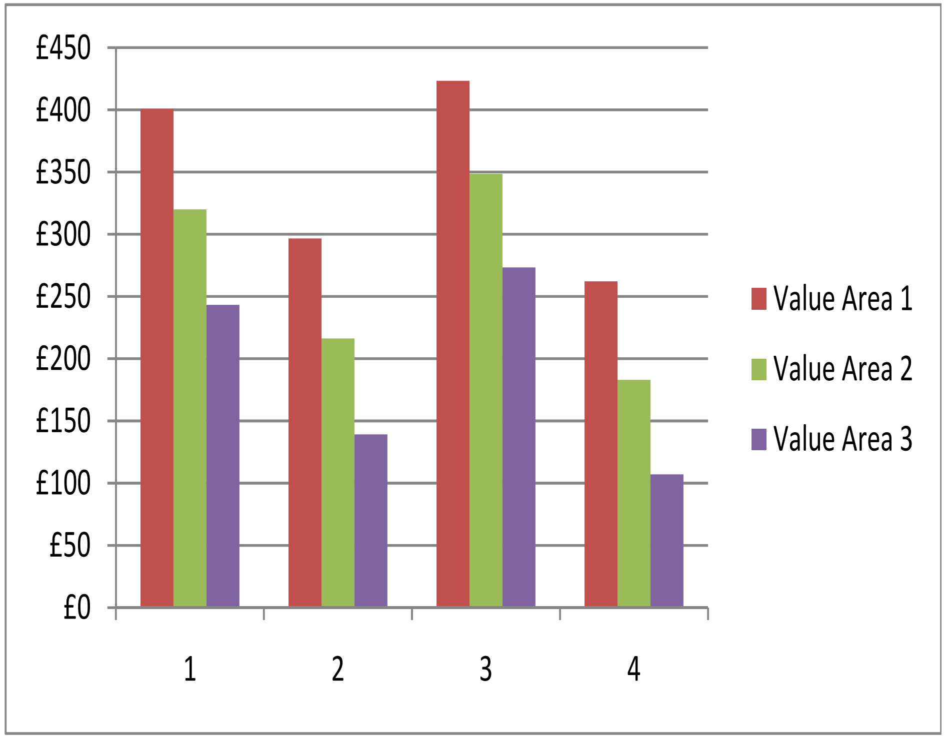
4.2 In the following graphs we have set out the maximum amount of CIL our appraisals show each development typology could viably afford to contribute whilst ensuring that the residual land value stays within 20% of the chosen 'benchmark' – i.e. whilst ensuring that there is enough of a return to the landowner to ensure that land still comes forward for development. As discussed previously we have taken different benchmark land values to reflect the different development scenarios across the City, and two different approaches to determining what the 'benchmark' land value is.

4.3 The data set out in this section shows a 2012 'No Grant' scenario. 2016 and With Grant scenarios can be found in Appendix G.

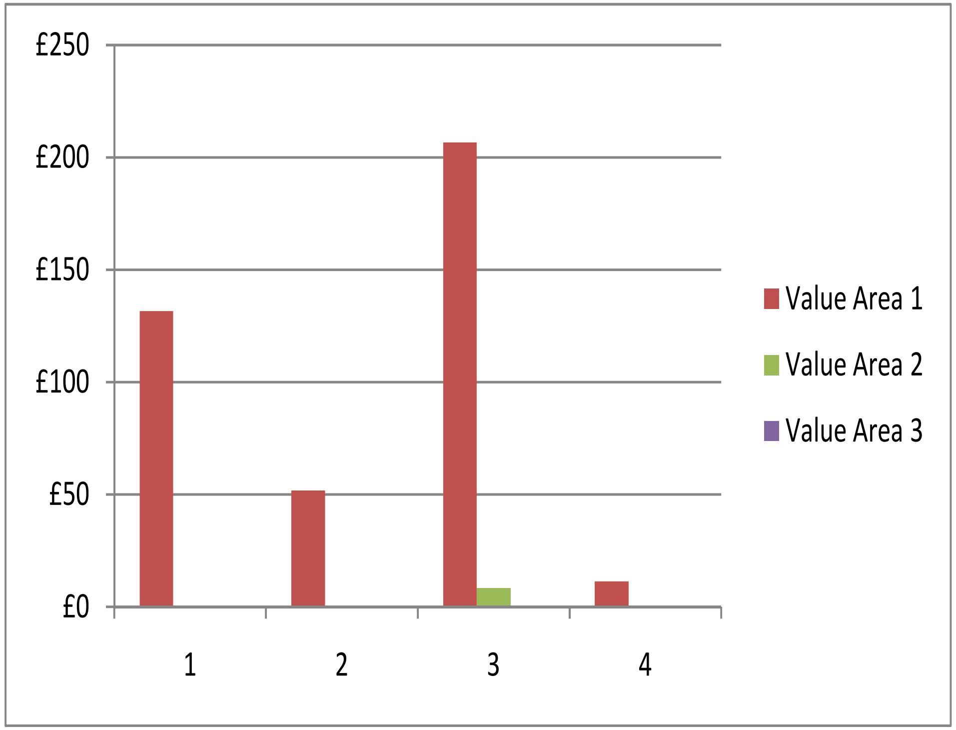
High Value Areas (Value Areas 1, 2 & 3): Maximum Level of Viable CIL Charge

Developments below the Affordable Housing Threshold:

APPROACH 1: Existing Use Value + 20% as Benchmark



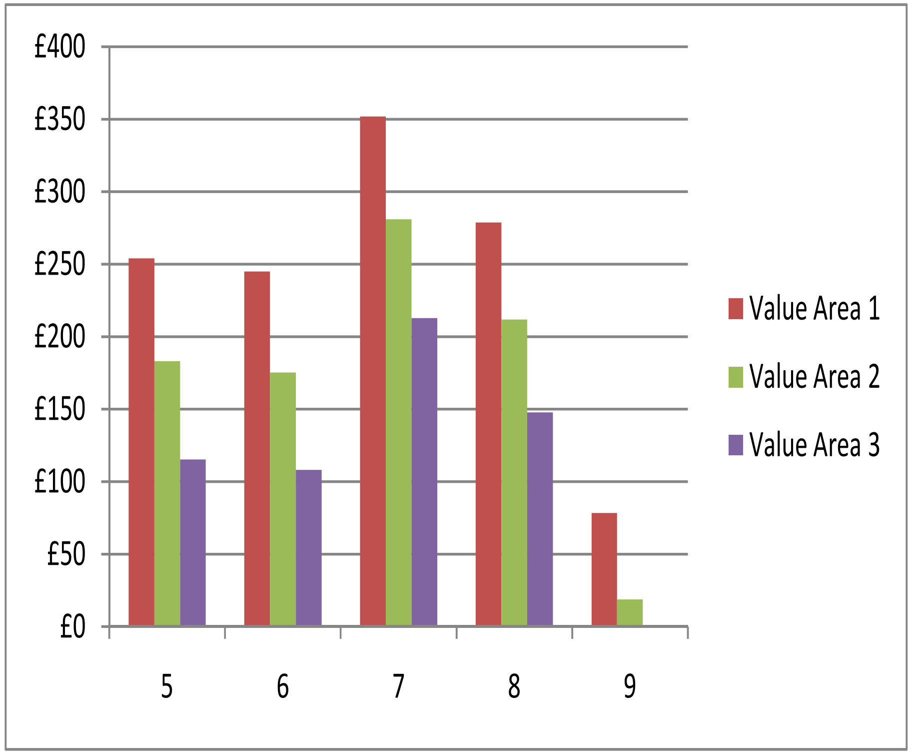
APPROACH 2: Residential Land Value as Benchmark



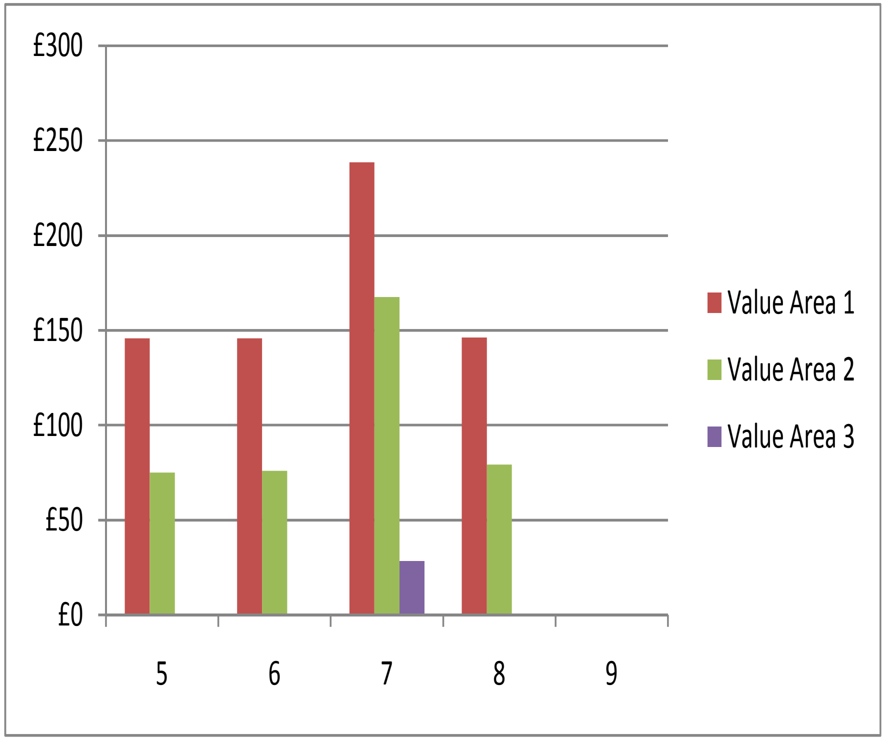
High Value Areas (Value Areas 1, 2 & 3): Maximum Level of Viable CIL Charge

Developments above the Affordable Housing Threshold: **20% Affordable Housing**

APPROACH 1: Existing Use Value + 20% as Benchmark



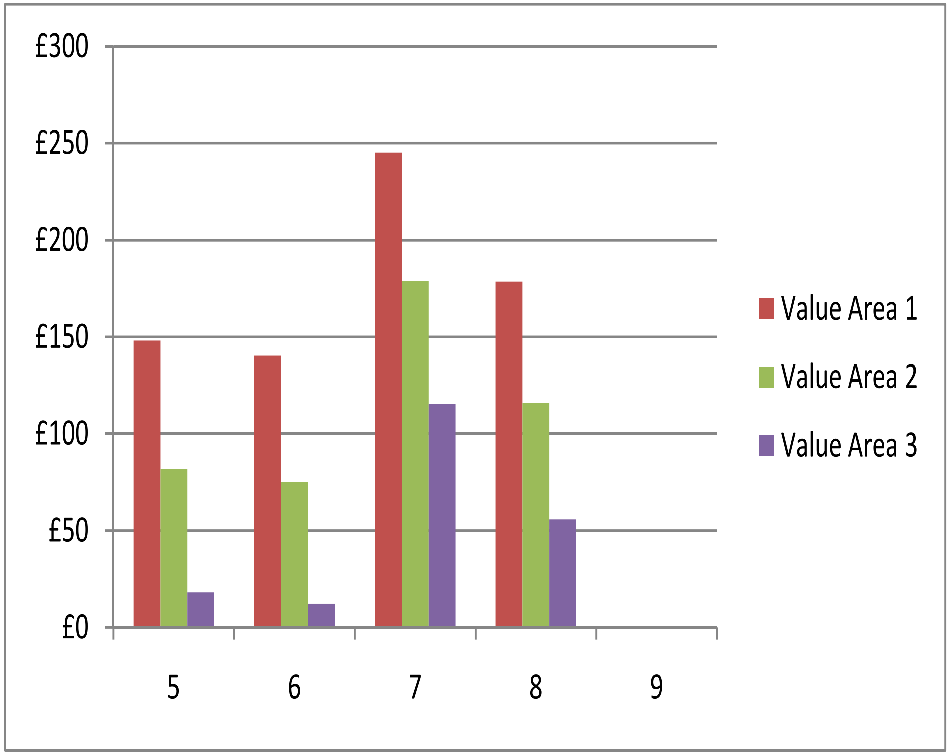
APPROACH 2: Residential Land Value as Benchmark



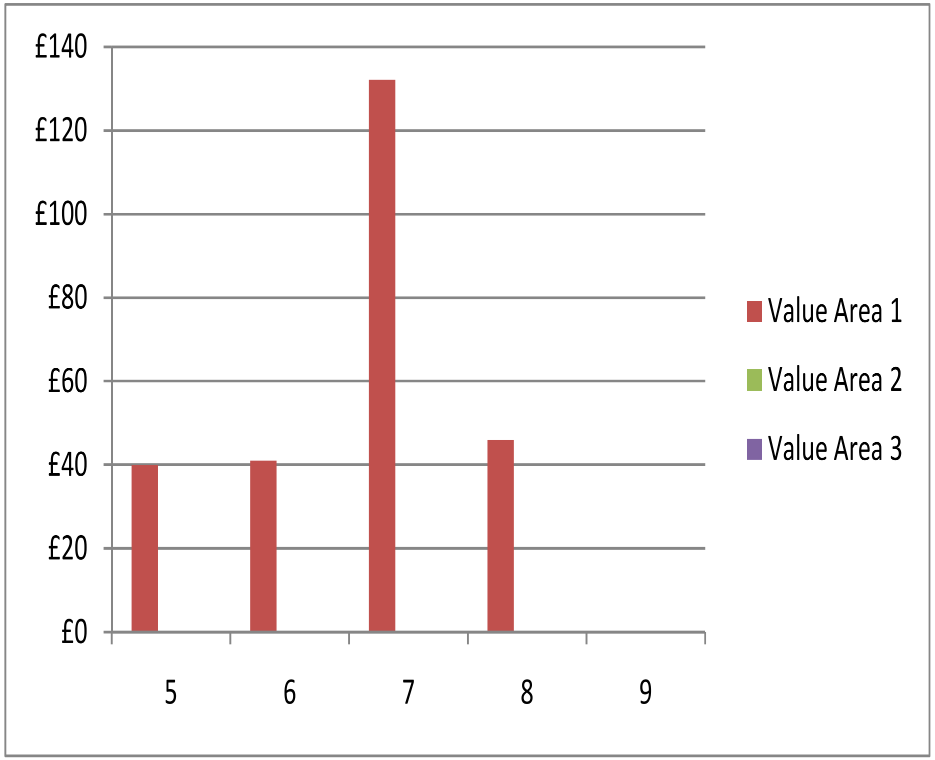
High Value Areas (Value Areas 1, 2 & 3): Maximum Level of Viable CIL Charge

Developments above the Affordable Housing Threshold: **35% Affordable Housing**

APPROACH 1: Existing Use Value + 20% as Benchmark



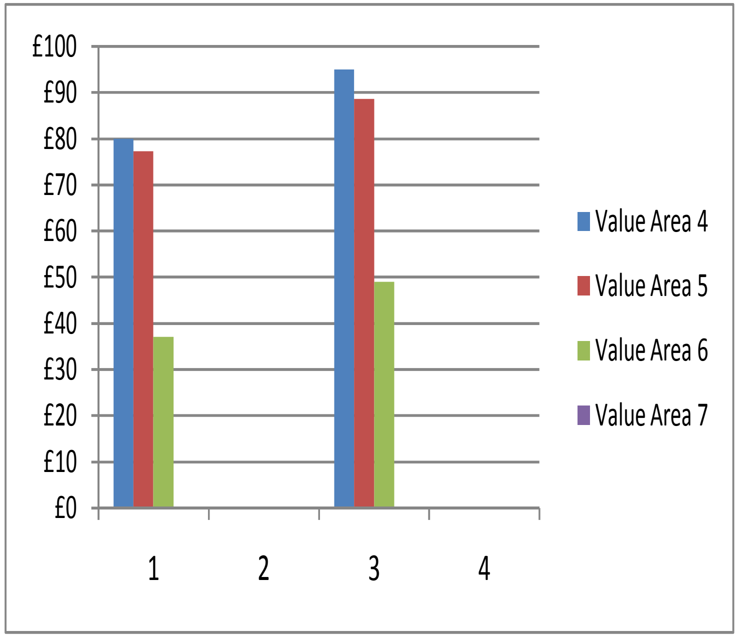
APPROACH 2: Residential Land Value as Benchmark



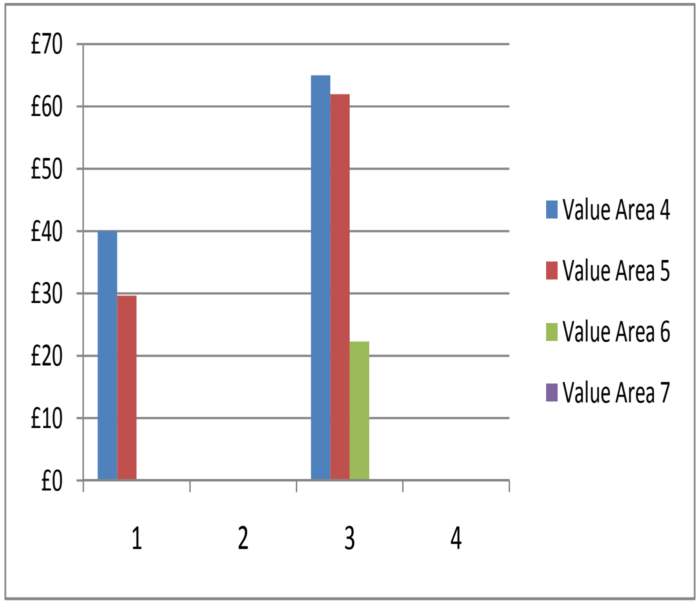
Low Value Areas (Value Areas 4, 5, 6 & 7): Maximum Level of Viable CIL Charge

Developments below the Affordable Housing Threshold:

APPROACH 1: Existing Use Value + 20% as Benchmark



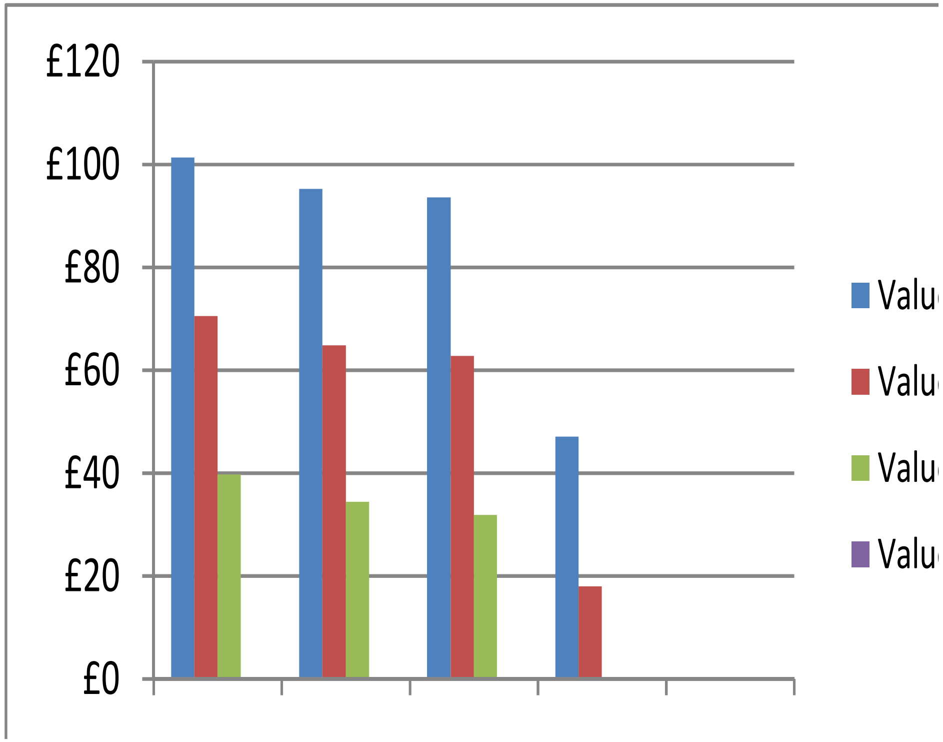
APPROACH 2: Residential Land Value as Benchmark



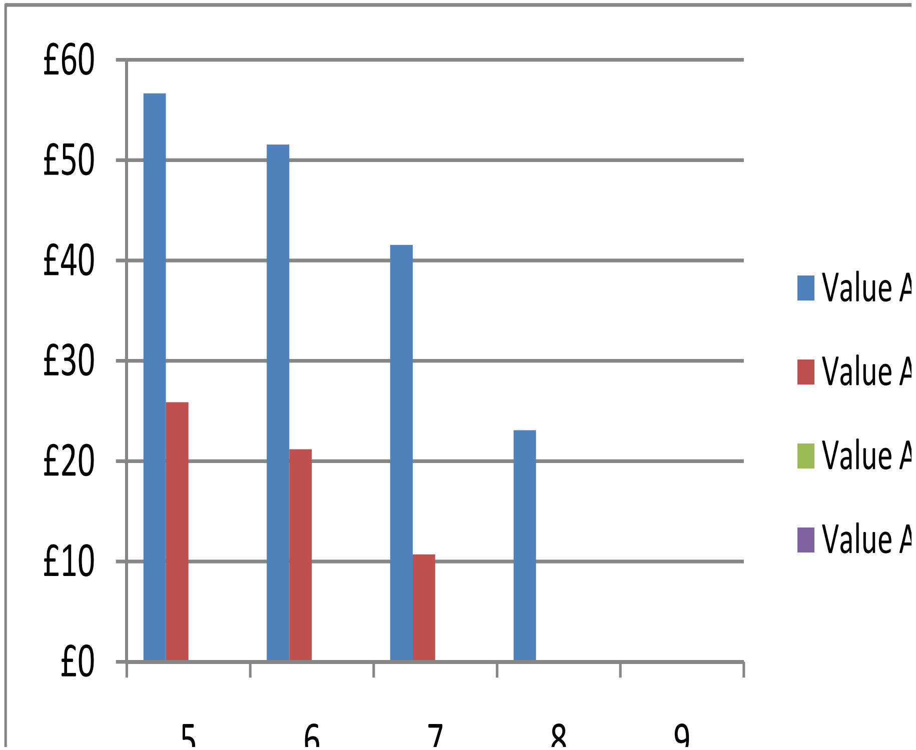
Low Value Areas (Value Areas 4, 5, 6 & 7): Maximum Level of Viable CIL Charge

Developments above the Affordable Housing Threshold: **20% Affordable Housing**

APPROACH 1: Existing Use Value + 20% as Benchmark



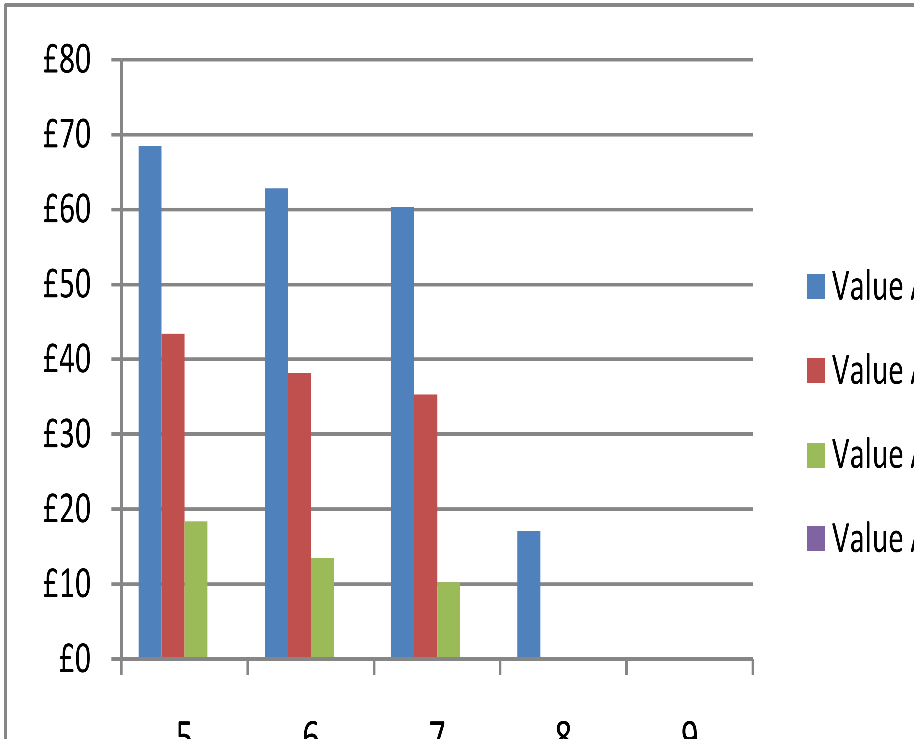
APPROACH 2: Residential Land Value as Benchmark



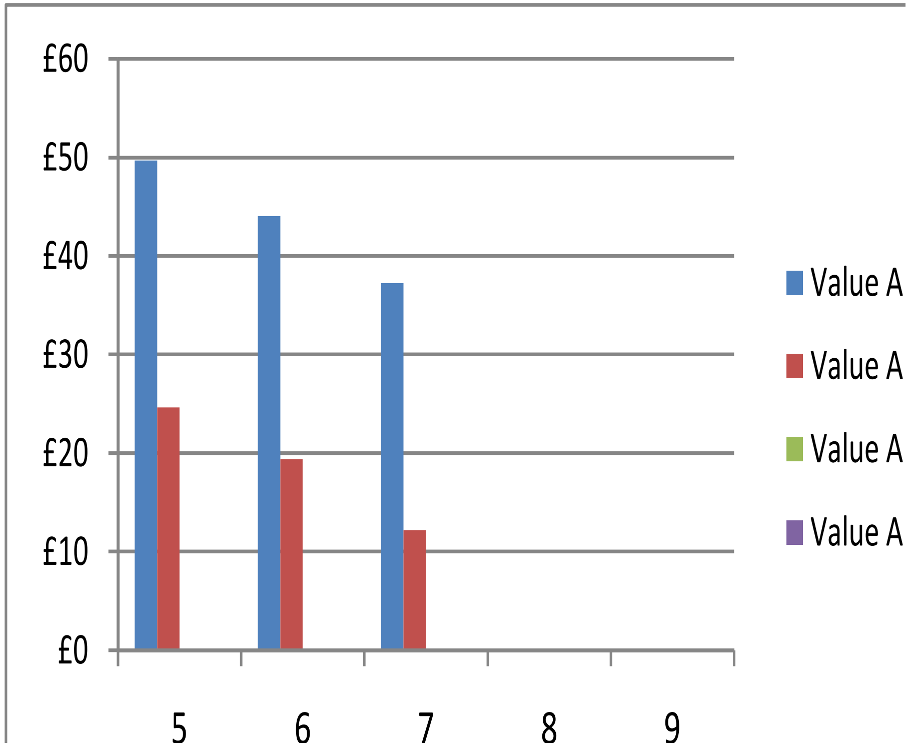
Low Value Areas (Value Areas 4, 5, 6 & 7): Maximum Level of Viable CIL Charge

Developments above the Affordable Housing Threshold: **35% Affordable Housing**

APPROACH 1: Existing Use Value + 20% as Benchmark



APPROACH 2: Residential Land Value as Benchmark



Residential Development Summary & Conclusions

4.4 As previously discussed we have taken two different approaches towards assessing the ability of new build residential development in Birmingham to contribute towards a CIL charge.

4.5 We have Taken **Approach 1:** A benchmark reflective of EUV + 20% (where residential development is built on previous employment land).

4.6 We have Taken **Approach 2:** A benchmark reflective of residential land values (where residential development is built on already allocated residential land, for example regeneration sites).

4.7 We have attempted to summarise the results from the two different approaches in Table 6 and Table 7. We have made the assumption that 70% of the schemes equates to 'the majority" of schemes. In calculating the CIL level where the majority of schemes are viable we have therefore taken the lowest CIL charge level at which 70% of the schemes are viable across the board (i.e. for all schemes across all three highest value areas).

Table 6: Summary of Residential CIL Viability Results: Value Areas 1, 2 & 3

	Approach 1.	Approach 2.
Schemes under Affordable Housing Threshold		
Minimum Level of CIL all Schemes can Afford:	£100	£0
Average level of CIL all Schemes can Afford:	£257	£34
CIL Level "Majority" (70%) of Schemes Viable at:	**£250**	**£0**
Schemes above the Affordable Housing Threshold: 20% Affordable Housing		
Minimum Level of CIL all Schemes can Afford:	£0	£0
Average level of CIL all Schemes can Afford:	£175	£74
CIL Level "Majority" (70%) of Schemes Viable at:	**£150**	**£0**
Schemes above the Affordable Housing Threshold: 35% Affordable Housing		
Minimum Level of CIL all Schemes can Afford:	£0	£0
Average level of CIL all Schemes can Afford:	£90	£17
CIL Level "Majority" (70%) of Schemes Viable at:	**£75**	**£0**

Table 7: Summary of Residential CIL Viability Results: Value Areas 4, 5, 6 & 7

	Approach 1.	Approach 2.
Schemes under Affordable Housing Threshold		
Minimum Level of CIL all Schemes can Afford:	£0	£0
Average level of CIL all Schemes can Afford:	£45	£15
CIL Level "Majority" (70%) of Schemes Viable at:	**£55**	**£0**
Schemes above the Affordable Housing Threshold: 20% Affordable Housing		
Minimum Level of CIL all Schemes can Afford:	£0	£0
Average level of CIL all Schemes can Afford:	£44	£23
CIL Level "Majority" (70%) of Schemes Viable at:	**£47**	**£11**
Schemes above the Affordable Housing Threshold: 35% Affordable Housing		
Minimum Level of CIL all Schemes can Afford:	£0	£0
Average level of CIL all Schemes can Afford:	£25	£19
CIL Level "Majority" (70%) of Schemes Viable at:	**£35**	**£0**

4.8 The above figures are base figures which have been produced in order to enable the Council to understand the impact of affordable housing provision and different value areas. They are attributable to the total gross internal area (G.I.A.) of each scheme, i.e. they have not been re-apportioned to be applicable to just the private G.I.A. of a scheme as per the CIL Regs. For comparison purposes, should Tables 6 and 7 be re-calculated to show the level of CIL per private G.I.A. it would be as follows:

Table 8: Summary of Residential CIL Viability Results: Value Areas 1,2 & 3 – CIL PER PRIVATE G.I.A. / SQ M.

	Approach 1.	Approach 2.
Schemes under Affordable Housing Threshold		
CIL Level "Majority" (70%) of Schemes Viable at:	£250	£0
Schemes above the Affordable Housing Threshold: 20% Affordable Housing		
CIL Level "Majority" (70%) of Schemes Viable at:	£190	£0
Schemes above the Affordable Housing Threshold: 35% Affordable Housing		
CIL Level "Majority" (70%) of Schemes Viable at:	**£115**	£0

Table 9: Summary of Residential CIL Viability Results: Value Areas 4, 5, 6 & 7 – CIL PER PRIVATE G.I.A. / SQ M.

	Approach 1.	Approach 2.
Schemes under Affordable Housing Threshold		
CIL Level "Majority" (70%) of Schemes Viable at:	£35	£0
Schemes above the Affordable Housing Threshold: 20% Affordable Housing		
CIL Level "Majority" (70%) of Schemes Viable at:	£60	£14
Schemes above the Affordable Housing Threshold: 35% Affordable Housing		
CIL Level "Majority" (70%) of Schemes Viable at:	**£55**	£0

4.9 Taking a CIL Charging rate of £115 per private residential sq m, whilst allowing for 35% affordable housing provision, provides a CIL income per unit of circa £7,500 for development in Value Areas 1, 2 and 3.

4.10 Taking a CIL Charging rate of £55 per private residential sq m, whilst allowing for 35% affordable housing provision, provides a CIL income per unit of circa £3,800 for development in Value Areas 4, 5, 6 and 7.

5. COMMERCIAL CIL VIABILITY

5.1 The CIL Regulations stipulate that the vast majority of new development will be CIL-able, therefore as well as appraising the viability of a CIL charge for residential development, we have also appraised the viability of implementing a CIL charge on commercial development, i.e. retail, office and employment uses.

5.2 We have employed the same methodology for testing the commercial uses, and have, in collaboration with the Council, put together a number of development typologies which we consider reflect the likely nature of development across the City. We have also tried to evidence a range and mix of land uses that are proposed in accordance with the City's Draft Birmingham Development Plan and Big City Plan vision and objectives.

5.3 The commercial typologies are summarised in Table 10 below.

Table 10: Summary of the Development Typologies, Commercial

Typology	Land Uses and Development Quantum (G.I.A.)
Scheme 15	Retail (Supermarket) – 5,000 sq m
Scheme 16	Retail (Non Food Retail Park) – 9,290 sq m
Scheme 17	Retail (Suburban Food Store) – 400 sq m
Scheme 18	Office (City Centre Core) – 10,700 sq m
Scheme 19	Office (City Centre Fringe) – 6,700 sq m
Scheme 20	Employment B1, B2 & B8 – 2,200 sq m
Scheme 21	Employment B1, B2 & B8 (Small scheme) – 4,700 sq m
Scheme 22	Employment B1, B2 & B8 (Pre-let / sale) – 9,300 sq m

Commercial Value Areas

5.4 We have undertaken market research into the different value areas across the City for retail, office and employment uses. For office use, we have assumed that development is either city centre core or city centre fringe, and that there will be little new build speculative office development elsewhere in the city. We have, in consultation with the Council and our in house office agency team, designated the City Centre Core and City Centre Fringe office value areas. These are set out in the office map in Appendix C.

5.5 We have assumed that the majority of B1, B2 & B8 development will be at Longbridge, with most industrial development being at Battery Park/Shaftmoor Lane and Junction 6 of the M6 motorway. We have not adopted retail value areas as such for the retail appraisals, but have assumed values which generally reflect, to the extent they are able, a cross-City average.

Benchmark Land Values

5.6 As discussed previously, the benchmark land value is the yardstick against which to compare viability appraisal results, and represents a judgement on the level of value required in order to incentivise a landowner to sell land for development.

5.7 The benchmarks are intended to be indicative, and the benchmarks we have used are a guide of likely land values – the price a landowner will accept for his/her land is highly dependant on individual and local circumstances.

5.8 The commercial benchmarks that have been used are reflective of serviced development land values for existing uses which we expect commercial development to replace. For example we would anticipate that new build office development will replace old or obsolete office development or will be built on employment land designated for office use. This is because office values are generally higher than industrial values, and the locations for each use tend to be unsuitable for the other.

5.9 We have set out our commercial benchmark assumptions below. These have been agreed with our Birmingham Agency Teams as reflective of current land values for each of the uses in question, as well as informed by Valuation Office Agency data and commercial property sources (EGi and Focus).

Table 11: Assumed Employment (Serviced) Land Value Benchmarks

	Employment (Serviced) Land Values	
USE:	**per Acre**	**per Ha**
Office (City Centre)	£5 million	£12,355,000
Office (City Fringe)	£750,000	£1,850,000
Office:	£350,000	£865,000
Retail:	£500,000	£1,235,000
Employment:	£350,000	£865,000

Appraisal Assumptions

5.10 We have set out our development model assumptions in full in Table 13.

5.11 We have assumed that sites are vacant and freehold. Our build costs have been adopted based on our experience and average costs suggested by the BCIS. We have assumed that commercial development will meet BREEAM standard Very Good in line with the draft Birmingham Development Plan.

5.12 We have made an allowance for the costs of on-site preparation works which are necessary in order to bring forward a site. The costs are between 5% and 10% of total build costs, and include costs such as demolition, archaeology, estates roads highways and site levelling etc.

5.13 Both a current 2012 market and a future 2016 market have been identified and these form two distinct viability testing scenarios.

5.14 We have used BCIS and the HM Treasury Forecasts for the UK Economy in order to come to assumptions as to what residential values and build costs may be at 2016. We have also used Investment Property Database (IPD) Property Forecasts to set assumptions on what commercial rental values might be in 2016.

5.15 BCIS sets out that build costs are forecast to increase by circa 4% for commercial property. The IPD data forecasting commercial rents to 2016 is set out in Table 12 below. We have used these figures as well as GVA forecasts for our assumptions for projecting commercial rental value growth.

Table 12: IPD & GVA Rental Growth Forecasts (%)

	2012	2013	2014	2015	2016
Offices					
UK					5% (GVA)
Retail					
UK	-0.6	0.5	1.7	2.4	2.7
Industrial					
UK	-0.6	0.4	1.9	2.8	3.1

Table 13: Viability Model Principal Cost and Market Assumptions: Commercial Uses

TYPOLOGY	15. Supermarket		16. Non Food Retail Park		17. Suburban Food Store		18. City Centre Office (B1)		19. City Fringe Office (B1)		20. Office (B1)		21. Industrial Small Scheme (B2 / B8)		22. Industrial Pre-Let / Sale (B2 / B8)	
Site Coverage (Ha)	1.8 Ha (4.4 acres)		3.24 Ha (8 acres)		464 sq m (0.12 acres)		0.22 ha (0.55 acres)		0.22 ha (0.55 acres)		0.34 ha (0.85 acres)		1.2 Ha (3 acres)		3.2 Ha (8 acres)	
GIA (sq m)	5,000 sq m		9,290 sq m		400 sq m		10,700 sq m		6,700 sq m		2,200 sq m		4,700 sq m		9,300 sq m	
NIA (sq m)	4,500 sq m		8,360 sq m		380 sq m		9,300 sq m		5,600 sq m		1,860 sq m		n/a		n/a	
Storeys / units	1 storey		1 storey		1 storey		7 storeys		4 storeys		3 storeys		5 units		1 unit	
Car Spaces	400 spaces		700 spaces		0 spaces		50 basement		30 undercroft		78 surface		n/a		n/a	
APPRAISAL	2012	2016	2012	2016	2012	2016	2012	2016	2012	2016	2012	2016	2012	2016	2012	2016
Base Build Cost (per sq m)	£807	£840 (+4%)	£484	£503 (+4%)	£650	£676 (+4%)	£1,600	£1,664 (+4%)	£1,290	£1,340 (+4%)	£750	£780 (+4%)	£485	£504 (+4%)	£485	£504 (+4%)
Rental Values (per sq m)	£215	£222 (+3.6%)	£190	£197 (+3.6%)	£140	£145 (+3.6%)	£296	£311 (+5%)	£237	£249 (+5%)	£172	£180 (+5%)	£54	£56 (+3.7%)	£54	£56 (+3.7%)
Rent Free (mnths.)	0	0	12	12	0	0	36	36	36	36	12	12	12	12	0	0
Yield	4.75%	4.75%	6.5%	6.5%	8%	8%	7%	7%	7.5%	7.5%	8%	8%	8%	8%	6.75%	6.75%
Profit (on GDV)	20%	17.5%	20%	17.5%	20%	17.5%	20%	17.5%	20%	17.5%	20%	17.5%	20%	17.5%	20%	17.5%

6. CIL VIABILITY FINDINGS: COMMERCIAL

Introduction

6.1 We have undertaken assessments of the typologies for commercial forms of development, setting out the position at both 2012 and 2016. We have set out below a summary of the maximum levels of CIL which our appraisals show can be afforded.

6.2 We would note that it is particularly important for commercial schemes to be aware of the CIL Regulations which stipulate that (assuming a number of other conditions have been satisfied) CIL is only chargeable on the net additional increase in floorspace of a particular use. For example, therefore, an office building demolished and replaced by an improved office building will only attract CIL on any net additional space. Office refurbishment will not attract a CIL unless there is an increase in gross internal floorspace.

Retail

6.3 We have, in agreement with the Council, tested three types of retail development – Supermarket, Non-food retail park and suburban food store retail outside of Birmingham City Centre. We have set out our appraisal results in the context of the current Birmingham retail market in order to set the scene for our findings.

The Retail Market Context

6.4 The recent recession has put a dramatic stop to a decade long period of significant retail development, particularly in town centres, in Birmingham and across the country. Recent weak expenditure growth, weak retailer demand and low rental growth as well as increased pressures on development costs and difficulties in obtaining finance have all impacted on development viability and activity.

6.5 The following retail trends are applicable both nationally and to Birmingham:

- Increased car ownership has given consumers the ability to travel further to larger retail centres and to buy more per trip.
- Out-of-centre facilities, with free parking, have gained at the expense of town centres generally.
- In the short-medium term development viability is likely to remain constrained and major new town centre schemes will be limited
- Lower retail expenditure growth and the threat from the internet may mean less retail development is required in the future,

- Mobility, accessibility and parking will remain key factors.

6.6 It is from within this market context that we have tested the retail development typologies put forwards in the previous section. We would note that the market context seems to point towards greater retail viability outside of traditional town or city centres.

Supermarket

6.7 As part of our viability testing we have undertaken viability appraisals of a 5,000 sq m supermarket scheme.

6.8 We have assumed that there are two models of land purchase for supermarket stores:

1) A developer purchases the land and then sells it on to a supermarket operator; and

2) The operator purchases the land directly. In order to determine a residual land value on an operator-led basis one can remove the cost of taking a development profit.

6.9 We have undertaken extensive analysis of Valuation Office Agency (V.O.A.) data for supermarkets of circa 5,000 sq m across the Birmingham area. We have made allowances for the cost of providing a significant number of car parking spaces and site preparation. The appraisals we have undertaken show that large food stores can afford, when compared to retail land value benchmarks, to contribute high levels of CIL. For example on an operator-led basis our appraisals show that a large food store could contribute up to a figure of £380 per sq m, assuming that all additional value above base land value is converted to CIL. We would, urge general caution in setting maximum CIL charges for supermarkets for the following reasons:

1) Supermarket viability is highly dependant on trading figures rather than, say, land values, and it is difficult to use the residual land value as a certain benchmark for viability. For example if an operator was to deliver a retail scheme then it could potentially produce significantly more value from the site than a developer based on its own business model (we have seen recent examples where food operators have offered more than double the bids from developers). The level of CIL set out in our report represents the maximum ceiling for viability;

2) There is circa 3.3 million sq ft of superstore floorspace in Birmingham, and the majority of retail parks have a superstore on site. Our research suggests that, due to the large current provision of supermarket floorspace there is sufficient provision within the City Centre, as well as a significant supermarket development pipeline. This suggests that it is unlikely that large quantums of new build supermarket floorspace will come forwards over the next 1-5 years.

3) The majority of assumptions within the appraisals are generic based on market comparables - the specifics of any scheme could have a significant impact on residual

value (e.g. net:gross ratio). The appraisals also cannot account for sunk costs or abnormal costs except generically;

4) Many large food stores and supermarkets are developed as 'anchors' to larger mixed used developments, and as such the value created by these food stores is effectively used to support additional development; for example residential and commercial uses, particularly in low value areas. Therefore to impose a very high CIL charge on these food stores would in effect lessen the financial support they could provide to other uses within a scheme as a whole.

Non-Food Retail Park

6.10 We have undertaken viability appraisals assuming a large (10,000 sq m) non-food retail park opportunity. We have assumed average rents in line with those at Ravenside Retail Park, which are lower than those at the Fort, the City's largest retail park, but which reflect, we suspect, a better 'best estimate' of average rental values.

6.11 We have assumed a yield of 6.5% in line with advice from our Investment colleagues (Initial yields range from 5.6% for the Matalan store at Dartmouth Circus in June 2010 to 9% for the purchase of Fiveways Centre Leisure Park at the end of 2010.

6.12 Our appraisals show that new large non-food retail park can currently afford to contribute up to a maximum of £170 per sq m to CIL in 2012, potentially rising to c.£260 sq m by 2016. We would caution that, in terms of forecasting delivery, there is already a significant supply of retail warehouse floorspace in the area surrounding Birmingham (i.e. Solihull and Wolverhampton) and we understand that Birmingham already has a significant development pipeline for retail warehousing – for example the 250,000 sq ft retail park at Belgrave Middleway in Balsall Heath (granted permission 2006) is the largest scheme at an advanced stage.

Suburban Food Store

6.13 We have appraised the viability of suburban food store development by assuming a 400 sq m retail unit, to be built outside of the City Centre. This development typology will most likely be found in local neighbourhood centres and consist of operators such as Tesco Express, Sainsbury's Local and Little Waitrose.

6.14 Our retail development appraisals indicate that, taking into account all parts of the City, the maximum amount of CIL monies which could viably be collected from local retail development across the City is currently £130 per sq m, potentially rising to c.£180 per sq m in 2016.

6.15 We would wish it to be noted that:

- The appraisals we have undertaken for suburban food stores are for hypothetical schemes across the City, and therefore the appraisals are not geographically specific;
- As such the appraisals are high level and cannot be used as an example of what an individual retail operator would be prepared to pay for land at any given location; and
- The majority of assumptions within the appraisals are generic, based on market comparables - the specifics of any scheme could have a significant impact on residual value (e.g. net:gross ratio).

6.16 We have set out in Table 14 below a summary of our conclusions on potential CIL Charges for the range of retail types we have tested:

Table 14: RETAIL Schemes Potential CIL Provision, 2012 & 2016

	USE	Potential for CIL Charge 2012	Potential for CIL Charge 2016
Scheme 15.	Supermarket	**£380 per sq m**	**£500 per sq m**
Scheme 16.	Non Food Retail Park	**£170 per sq m**	**£260 per sq m**
Scheme 17.	Suburban Food store	**£150 per sq m**	**£180 per sq m**

Grouping of ‘A’ Class Retail Uses (A1, A2, A3, A4 & A5)

6.17 Below are examples of the types of uses which fall under the definition of ‘A’ Class Uses for clarification:

Table 15: ‘A’ Use Classes Order

TCPA Use Classes Order 2006	Use / Description of Development	Permitted Change
A1: Shops	The retail sale of goods to the public: Shops, post offices, travel agencies, hairdressers, funeral directors, domestic hire shops, dry cleaners, internet cafes, sandwich bars (food consumed off premises) etc…	No permitted change

TCPA Use Classes Order 2006	Use / Description of Development	Permitted Change
A2: Financial & Professional Services	Financial Services: Banks, building societies & bureau de change, estate agencies and employment agencies, betting shops.	A1 (where there is a ground floor display window)
A3: Restaurants & Cafes	Restaurants & Cafes:	A1 or A2
A4: Drinking Establishments	Public House, Wine Bar or other drinking establishments (primary purpose being the sale of alcohol)	A1, A2 or A3
A5: Hot Food Takeaway	Take-aways - hot food taken off premises.	A1, A2 or A3

6.18 We have spoken to our in house retail agency and development team regarding the 'grouping together' of these uses for the purpose of setting a CIL charge. From our discussions with the retail team and our own experience at modelling retail and mixed-use development schemes we conclude that, in development terms at least, and despite its closeness in use to B1(a), A2 uses should be classed in the same value bracket as A1 uses. This is because, although rents for A2 uses are often lower than A1 uses and could be considered more akin to B1(a) uses, planning permission for a change of use is not required to convert premises from an A2 to an A1 use. This means that an A2 occupier could convert to an A1 use without having to consult the planning system, effectively giving A2 units the same value in development terms as A1. We would therefore advise that all 'A' class uses (apart from large supermarkets) be grouped together under the same CIL Charge.

6.19 Taking the above into account, we would advise that it would be prudent for the Council to set a CIL Charge which reflects the lower common denominator of the retail typologies we have tested i.e. one which reflects the 'suburban foodstore' typology, as this will ensure that the remaining retail development which comes forward across the City continues to be viable. The Council should also consider the role of S.106 carefully, particularly for new build supermarket schemes where the use of S.278 agreements to deliver road improvements are common.

6.20 We would therefore advise that the Council adopts a retail CIL charge of **£150 per sq m.** Should the Council wish to adopt a two-tier charging approach, we would recommend a higher charge of £380 per sq m be adopted for retail (supermarket) units over 5,000 sq m.

Office (B1 Use)

6.21 To set the market context, as the UK's second city and the economic powerhouse of the West Midlands, Birmingham is an attractive office location. The finance and business services (FBS) sector (which is key for office demand) is particularly well represented in Birmingham, accounting for 24% of its total employment, above the UK average (22%). However current economic conditions and a national contraction of FBS employment growth means that the economic outlook means that an upturn in occupier demand will be relatively muted over the next two years at least.

When is CIL Applicable for Office Development?

6.22 Before looking at the results of our CIL Viability testing, it is important to consider the type of office development which will attract CIL, and the circumstances under which this type of development might come forwards in Birmingham.

6.23 Because CIL is applicable to all net additional floorspace, generally speaking office refurbishment will not attract a CIL charge. This means that unless new build office development is brought forward from a cleared site which has not been occupied as an office for at least six months, there will be no CIL charge. This consideration is particularly prevalent for city centre sites, where new build office accommodation is more frequently developed because of the often lower site preparation and construction costs.

6.24 The Council should therefore consider the amount of new build office development likely to come forwards before a CIL review as well as the supply chain of already consented office space available.

City Centre Core

6.25 The Birmingham City Centre office development market currently suffers from a lack of funding for development that is not at least 50% pre-let, and has relatively high land values based on the investment value of the existing office stock.

6.26 Our Birmingham Agency team considers that a development with a pre-let of at least 50% may be able to get developer finance, but a pre-let percentage of less than that is highly unlikely to secure funding. For example the developer Hines is currently in the process of building a part pre-let / part speculative development, but with the completion of The Cube development, no fully speculative schemes are under construction (contrasting with 1.15m sq ft of speculative space being built at the end of 2007).

6.27 We have therefore, taking the above into account, undertaken viability appraisals under the assumption that a developer has secured a pre-let for the building. Our appraisal assumptions (as set out in Table 13) reflect this development scenario.

6.28 The results of our viability appraisals are set out in Table 16 :

Table 16: City Centre Core Office Schemes CIL Viability

	USE	Potential CIL Charge 2012	Potential CIL Charge 2016
Scheme 18.	City Centre Core	**£55 sq m**	**£110 sq m**

City Centre Fringe

6.29 Because of a restriction of sites in the City Centre Core, many of the most recent office developments in Birmingham have taking place on the edge of the CBD at locations such as The Mailbox, Brindleyplace and Colmore Square. However although it is potentially more likely that new build office development will come forward at the city centre fringe (rather than in the core), office development on the fringe still suffers from the same market conditions as that in the core – i.e. a lack of funding for development that is not at least 50% pre-let, and relatively high land values based on the investment value of the existing office stock.

6.30 We have therefore appraised office development at the City Centre Fringe under the same assumptions as we appraised development in the city core; that is assuming a pre-let development.

6.31 Our viability appraisals show that, although development in the City Centre Fringe can afford less than the city core, it can still afford to contribute up to £25 per sq m under current market conditions, with the potential for this to have increased by 2016.

6.32 The results of our viability appraisals are set out in Table 17 below:

Table 17: City Centre Fringe Office Schemes CIL Viability

	USE	Potential CIL Charge 2012	Potential CIL Charge 2016
Scheme 19.	City Centre Fringe	**£25 sq m**	**£95 sq m**

Employment (B1 / B2 / B8 Use)

Office Development

6.33 We have appraised office development which is not included in City Centre Core or City Centre Fringe development. We have had particular regard to locations where the majority of office space is likely to be built out based on the Big City Plan (for example Longbridge).

6.34 We understand that prior to the recession some office development would have been built on a speculative basis, however we now understand that it is unlikely that any speculative development will come forwards in the short term unless it has significant public sector support (i.e. the Council's Joint Venture with Thomas Vale Construction to build out speculative development at the Digital Plaza).

6.35 We have therefore tested office development on the assumption that it will come forwards on a pre-let basis, and the void periods, rents and yields we have used reflect this.

6.36 Our viability appraisals show that office development can afford to contribute £15 per sq m towards a CIL charge based on current values and current costs, with the potential for this to increase to £40 per sq m in more favourable future market conditions.

Table 18: Office Schemes CIL Viability

	USE	Potential CIL Charge 2012 (per Sq M)	Potential CIL Charge Up to 2016 (per Sq M)
Scheme 20.	Office (pre-let)	**£15**	**£40**

Industrial (B2 / B8 Use)

6.37 The main industrial locations, and certainly the locations where new industrial / employment space is most likely to be built, are at Junction 6 of the M6 motorway, Battery Park on Shaftmoor Lane and at Longbridge.

6.38 Rental values do not vary significantly between these locations, with values c.£5 sq ft at Battery Park and Longbridge and c.£4.50 sq ft at Junction 6 of the M6.

6.39 Our employment use appraisals show that new build industrial development in Birmingham cannot currently afford to contribute to a CIL, and that it is unlikely that the schemes we have tested would be able to contribute to a significant CIL in 2016.

Table 19: Employment Schemes Potential for CIL (per sq m)

	USE	Potential CIL Charge 2012 (per Sq M)	Potential CIL Charge Up to 2016 (per Sq M)
Scheme 21.	Small Scheme	**£0**	**£0**
Scheme 22.	Pre-let / Sale	**£0**	**£0**

6.40 Developers have been reluctant to embark on speculative development over the last 3 to 4 years because of the state of the economy and also the changes in the business rates system and the lack of finance available for any form of development.

6.41 In the short to medium terms we understand that developers will continue to be cautious, and occupiers will be forced to take more expensive pre-lets or pre sales of units deals due to the lack of space as there is an almost nil supply of new units readily available in the City.

6.42 A number of older industrial estates across Birmingham have either undergone or are under going refurbishment of the units on their estates as a way of improving their stock of units, and in order to appeal to the requirements of occupiers for more modern flexible space. However as previously discussed in the majority of cases refurbishment of a use class to provide the same use class would not attract a CIL charge.

7. 'OTHER USES' CIL VIABILITY

7.1 In addition to testing residential and commercial uses we have also tested CIL viability for the following uses:

- Hotel
- Student Housing
- Leisure
- Education
- Health

7.2 Non-residential typologies are summarised in Table 20 below. Again, we have tried to ensure that these development typologies represent a range and mix of land uses that are proposed in accordance with the City's Draft Birmingham Development Plan vision and objectives.

Table 20: Summary of the Development Typologies, Commercial

Typology	Land Uses and Development Quantum (G.I.A.)
Scheme 23	City Centre Hotel – 150 rooms
Scheme 24	Out of City Centre Hotel – 150 rooms
Scheme 25	Student Housing – 250 rooms
Scheme 26	Student Housing – 50 rooms
Scheme 25	Leisure – 3,250 sq m
Scheme 27	Education – 1,500 pupil / 10 Form Entry
Scheme 28	Health – 5,000 sq m

Benchmark Land Values

7.3 The benchmarks we have used are set out in Table 21 below. These benchmarks are intended to be indicative of the likely return a landowner would require in order to bring forwards each one of these uses.

7.4 For student housing we have assumed that student housing land values are based in and around the location where the majority of student housing is built in Birmingham – i.e. Edgbaston and Selly Oak. We have adopted the same approach as for residential development in Edgbaston and Selly Oak, however we have assumed that because of cost and value consequences, it is unlikely that residential development will be demolished to make way for student housing, and so have used the 'Approach 1' assumption that a landowner will require a 20% premium upon EUV in order to bring the site forwards (please see Table 4).

7.5 We have assumed that new build hotel development and leisure development is most likely to come forward on good employment sites (either in or near to the town centre, or near to transport nodes such as the airport or the motorway network), and as such have taken good employment land values (as set out in Table 4) as the benchmark against which to judge viability.

7.6 We have assumed that Education and Health uses will be brought forwards across the City and so have taken generic employment benchmark land values to reflect this – assuming that they are £375,000 per acre / £925,000 per Ha in the higher value areas and £200,000 per acre / £495,000 per Ha in the lower value areas as per Table 4.

Table 21: Assumed Employment (Serviced) Land Value Benchmarks

	Employment (Serviced) Land Values	
USE:	per Ha	per Acre
Hotel: (EUV)	**£925,000**	**£375,000**
Student Housing: (EUV + 20%)	**£1.1 million**	**£450,000**
Leisure (EUV)	**£925,000**	**£375,000**
Health & Education: (EUV – High Value Areas)	**£925,000**	**£375,000**
Health & Education : (EUV – Low Value Areas)	**£495,000**	**£200,000**

Summary of Appraisal Assumptions

7.7 We have set out our development model assumptions in full in Table 22. We have assumed that sites are vacant and freehold, and we have based our costs on market research and BCIS. Our values have been sourced from our own in house Agency teams active across the West Midlands region, as well as through research into the local student and hotel markets.

Table 22: Viability Model Principal Cost and Market Assumptions: Hotel & Student Housing

TYPOLOGY	22. City Centre Hotel	23. Out of Centre Hotel	24. Student Housing	25. Student Housing	26. Leisure
No. of Rooms	150	150	250	50	n/a
Site Coverage (Ha)	0.4	0.4	0.18	0.9	0.5
GIA (sq m)	4,300	4,300	1,265	6,065	3,250
NIA (sq m)	3,440	3,440	1,010	4,850	2,760
Base Build Cost (per sq m)	£1,350	£1,290	£1,200	£1,200	£1,000
Rental value (per sq m)	£6,000 (per room / p.a.)	£3,000 (per room / p.a.)	£5,120 (per room)	£4,925 (per room)	£130
Yield	6.5%	7%	6.25%	6.25%	6.5%
Profit (on GDV)	15%	20%	20%	20%	20%

8. CIL VIABILITY FINDINGS: OTHER USES

8.1 Below we set out the viability appraisal findings for the hotel, student housing, health and education development uses.

Hotel (C1)

8.2 The Birmingham hotel market has been subject to a recent period of difficulty, not least due to its dependence on the conferencing market which has been hit particularly hard by the recent recession. Indeed, the key performance indicators for the Birmingham market (STR Global) show a steady decline in both Average Daily Rate and the Revenue per Available Room (RevPAR) since 2007 – despite occupancy figures increasing.

Table 23 Birmingham Operational Performance

	2007	2008	2009	2010	2011 (to Nov)
Occupancy	68.9%	65.9%	63.5%	66.0%	69.0%
Average Daily Rate	£61.79	£62.98	£57.61	£58.87	£54.20
RevPAR	£42.59	£41.50	£36.60	£38.85	£37.42

8.3 This steady decline in trading from the peak in 2006/2007 to 2009 has not been helped by the addition of a significant number of rooms into the market, comprising of limited and full service hotels, located in the city centre and the outer suburbs.

8.4 Our market research shows that, in line with the above, there is little to suggest that new build hotel development will (a) come forward in considerable quantity, and (b) be able to provide significant levels of CIL contribution.

8.5 We understand from our Birmingham Hotel team that a two-tier market currently exists in Birmingham, that is a city centre market for more upmarket hotels, and a market outside of the city centre which consists predominantly of more budget management contract and franchise operations. We have therefore looked at the hotel market under two separate scenarios:

1) 150 bed City Centre hotel –pre-let development

2) 150 bed out of City Centre hotel – budget management contract / franchise

8.6 Our appraisals have been undertaken using the residual land value model. However, we would note that the decision to proceed with new hotel development will be based in large measure on the business plan that the prospective operator will have drawn up. Further the inclusion of a hotel within a mixed-use scheme can have benefits that go beyond the impact on the residual land value, by, for example, extending the range of facilities available to the other occupants, and thereby increasing the demand for the other accommodation and/or its value.

8.7 In summary, the decision whether to promote and develop a hotel is complex and rarely driven simply by a simple residual land calculation. Given prevailing values and build costs, as well as the market context, we conclude that the ability of most hotel development to make a substantial contribution to the Council's CIL is limited. Based on the testing we have done and our analysis we consider that the maximum charge that can be afforded for each Value Area is:

	USE	Potential for CIL Charge
Scheme 22	City Centre Hotel	**£45**
Scheme 23	Out of City Centre Hotel	**£25**

8.8 We have set out in Appendix D what we believe to be the CIL City Centre Hotel Market Value Area in the plan for context.

Student Housing

8.9 We have undertaken an appraisal based upon two student housing typologies – one for 250 rooms and one for 50 rooms. We have assumed that any student housing development would take place in the already established student accommodation areas of Edgbaston (where The Vale Village is located).

8.10 We understand from our market research that there is currently an over-supply of student housing accommodation, with significant provision being built over the last 5 to 10 years. We therefore do not anticipate that a large amount of new build student accommodation will be built over the short term, taking into account that student housing refurbishment would not attract a CIL.

8.11 However the nature of student housing is such that it is fairly simple to anticipate demand. University's are aware of historical attendance figures as well as anticipated attendance figures which can assist in providing for new housing where there is a need. As such, should a need be identified for student housing it is likely that demand will be strong, and room or apartment rental values will support this - our evidence suggests that the average price for a room with washing facilities is circa £5,000 for 42 weeks. Therefore our appraisals show that new build student housing can afford to contribute a maximum of **£115 per sq m** towards a CIL charge.

Table 24: Student Housing Schemes Potential for CIL Provision

	USE	Potential for CIL Charge
Scheme 24	250 Rooms Student Housing	**£115 per sq m**
Scheme 25	50 Rooms Student Housing	**£115 per sq m**

8.12 We have spoken to our in house student accommodation team, who, having recently completed a number of deals in Birmingham, consider that no premium would be attached to student accommodation development should it come forward in the City Centre, rather than in, say, Edgbaston.

Leisure (D2)

8.13 We have run a number of viability appraisals based on sports leisure and fitness facilities already located across Birmingham. These have included the following outfits:

- LA Fitness
- David Lloyd
- Virgin Active
- Bannatyne

- Vibro
- Osmosis

8.14 Having taken the above leisure outlets into consideration, our appraisals are based on an 'average' of the above. We have used information from the VOA to come to a view on the likely size and advice from the VOA and our in house agency teams to come to a view on likely rents and yields. We have assumed a new build fitness club of 3,251 sq m (35,000 sq ft), and rental values of £118 - £140 per sq m (£11 - £13 per sq ft).

8.15 Our appraisals show that, taking 'employment' benchmark land values, leisure clubs could viably provide a CIL contribution of £35 per sq m.

Table 25: Leisure Schemes Potential for CIL Provision

	USE	Potential for CIL Charge
Scheme 26	Leisure	**£35 per sq m**

Education

8.16 We have run viability appraisals in order to investigate the potential ability of educational development to contribute towards CIL in the City. We have tested a 1,500 pupil secondary school, and have based our assumptions on costs provided by BCIS.

8.17 Schools have traditionally been provided through developer contributions as part of a planning condition and public funding subsidy. Besides a contractor's profit, the funding is equal to the cost of the land and the build cost of the school. The school does not capture any development value other than that as an asset on the provider's books for accounting purposes.

8.18 Our educational development appraisals make the following assumptions:

- The cost of a secondary school allows for 1,500 pupils based on a 10 form entry system;
- Sixth form additions are based on a 55% staying on rate;

8.19 Our appraisals show that educational development cannot viably afford to contribute towards CIL.

Table 26: Education Potential for CIL Provision

	USE	Area	Benchmark	Potential for CIL Charge
Scheme 26	Education	1,2&3	£375,000/acre	**£0 per sq m**
	Education	4,5,6&7	£200,000/acre	**£0 per sq m**

Health

8.20 We have run a viability appraisal based on the provision of a health centre of c. 5,000 sq m. In much the same way as education provision is not likely to attract development value, neither does new build health development. Subsequently our appraisals show that healthcare development cannot afford to contribute towards a CIL.

Table 27: Healthcare Potential for CIL Provision

	USE	Area	Benchmark	Potential for CIL Charge
Scheme 27	Health	1,2&3	£375,000/acre	**£0 per sq m**
	Health	4,5,6&7	£200,000/acre	**£0 per sq m**

General Public Service Buildings

8.21 Although we have not tested all commercial community uses such as libraries and community centres, the above models and outcomes for Health and Education buildings can act as a proxy for the likely development viability of these schemes i.e. they will not be able to contribute to a CIL.

9. CONCLUSIONS & RECOMMENDATIONS

Introduction

9.1 This CIL Assessment is intended to establish an understanding of the potential for the establishment of a CIL charge across Birmingham City.

9.2 It should be noted that the timing of the Viability Assessment coincides with the on-going consequences of a significant downturn in the national and local housing market, coupled with a sustained economic recession that has followed from a period of significant market growth. Local Authorities face a dilemma over how to encourage the levels of future growth envisaged by the Core Strategies whilst ensuring that the necessary infrastructure and affordable housing is delivered in tandem. This is to be carried against a background of public sector capital and revenue funding cuts, and difficulties in the private sector, especially for the development of new housing and commercial accommodation.

Conclusions

The Development Market Context

9.3 Setting a CIL must take account of the area's market context. For both residential and commercial development, the market remains fragile and subject to volatility as a result of the economic recession affecting demand. There have been some periods of relative, short-lived market stability but little evidence of a sustained market recovery.

9.4 Land values have witnessed a decline since mid-2007 as landowner expectations of value have been affected by the recession and implications of the slow down in demand. Values for potential residential land have also been somewhat artificially supported by the availability of NAHP grant which will be less easily available in future.

9.5 Commercial market demand for business and employment floorspace remains sensitive to the national and regional economic situation. It is a fragile position that shows slow signs of recovery in terms of demand and the values achievable.

Key Infrastructure Developments

9.6 In contrast to the uncertain development market context, Birmingham is due to significantly upgrade its infrastructure transport systems – improvements which should only serve to make Birmingham more attractive.

9.7 Birmingham has extensive rail, road and air links and the city centre is at the heart of several transport hubs, however the quality and connections of its transport links are currently limited. As part of a study such as this, and before discussing viability, we think it is useful to set out the context of the infrastructure improvements that are planned for an integrated transport network in order to enhance access to and within the City Centre. These include the following:

- **Birmingham New Street Station** – upgrade to double passenger capacity with completion in 2015. The transformation will dramatically improve the external arrival experience into the heart of the city while improving pedestrian links through the station and setting the scene for wider improvements to connections within the city centre.
- **Midland Metro phase two** – extending the existing tram route from its Snow Hill terminus to New Street Station, via Corporation Street and Stephenson Street with completion in 2015.
- **Birmingham Sprint** – new network of bus rapid transit corridors to support regeneration objectives in the city centre. Completion of route one, connecting Edgbaston and Birmingham City Centre, proposed by 2015.
- **Birmingham International Airport expansion** – extension of the existing runway and associated infrastructure works which will allow Birmingham to compete with Manchester, Heathrow and Gatwick by offering non-stop flights to cities in China and India and to the west coast of America for the first time. Completion due in 2015.
- **High speed 2 rail link** – Initial route between London and central Birmingham currently under consultation, with proposals showing the terminus in Eastside significantly enhancing connections with the capital and potentially Europe. Completion due in 2025.

Residential CIL Viability 2012

9.8 Our analysis shows that the majority of typologies in Values Areas 1,2 and 3 can afford to contribute £115 per sq m as a CIL Charge levied against private development whilst providing 35% affordable housing on the assumption that a benchmark approach of EUV + 20% is implemented. Our analysis shows that the majority of typologies in Values Areas 4, 5, 6 and 7 can afford to contribute £55 per sq m as a CIL Charge levied against private development whilst providing 35% affordable housing on the assumption that a benchmark approach of EUV + 20% is implemented.

9.9 The proposed CIL Charges outlined above represent a charge which is equivalent to between 2% and 5% of build cost. We believe that it is unlikely, therefore, that a CIL charge set at the levels outlined in the previous paragraph would be the ‘tipping point’ that makes these schemes unviable. We would note that these results are based on a current day ‘no social housing grant’ scenario.

Residential CIL Viability 2016

9.10 It is difficult to try and predict what kind of affordable housing tenures / grant regimes may be in operation in 2016 as affordable housing provision is currently in a state of change. We would also say, however, that our projected development scenarios to 2016 show that there is some scope for improvement in viability and potentially higher CIL rates across the City should the industry forecasts we have used prove to be an accurate reflection of the development market in c. 5 years time.

Commercial Scheme Viability

9.11 The viability evidence suggests that the Council would be well placed to group different uses into CIL bands – for example office and industrial development – based on the viability evidence set out in this report. We have set out our recommendations of these proposed bands below.

'Other' Uses Viability

9.12 Our viability analysis for 'Other' uses – Student housing, hotels, education and healthcare uses sets out that student housing and hotels can afford to contribute towards a CIL, but that education and healthcare uses (and indeed public sector uses) cannot afford to contribute.

Recommendations

9.13 We would recommend the following:

1. That the Council considers the implementation of nine 'bands' of tariff as set out in the table overleaf:

Maximum CIL Tariff (Per Sq M)	Type of Development
BAND *1.*	
£380	• Retail (Supermarket) >5,000 sq m
BAND *2.*	
£150	• Retail
BAND *3.*	
£115	• Residential (Value Zones 1, 2 & 3) • Student Housing
BAND *4.*	
£55	• Residential (Value Zones 4,5,6 & 7) • City Centre Core Office
BAND *5.*	
£45	• City Centre Hotel
BAND *6.*	
£35	• Leisure
BAND *7.*	
£25	• Office City Centre Fringe • Out of City Centre Hotel
BAND *8.*	
£15	• Office
BAND 9.	
Nil CIL	• Industrial • Education • Health

2. In considering the impact on viability of the CIL charges set, the Council takes into account the cost of CIL as a percentage of Build Cost – for example a CIL of £115 per sq m equates to circa 4% of build cost taking into account the scenarios we have tested. At this level we are confident that CIL will not be the factor which makes development unviable – it will be other factors such as the market etc; and

3. The Council considers a review in 2016/17 of any CIL adopted, when there will be evidence as to how the local market, landowners and developers have responded to the changes

which the adoption of CIL will bring. This will also allow some time for the implications of the public capital funding cuts announced to work through and for other ways in which infrastructure might be funded (such as through Tax Increment Financing) to be more fully explored. In addition if pressures on development costs remain – as a result of policy initiatives such as improved energy efficiency and carbon reduction as well as CIL – and there is no premium sale value to be achieved that offsets these costs, eventually landowners should come to accept that development values have been permanently and significantly reduced. In this instance they are unlikely to benefit simply by withholding land from the development market. Such a change in attitude or acceptance of a new level of land value is likely to take some years to occur.

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Appendices

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Appendix A:
Residential Typology Assumptions

Detailed Residential Typology Assumptions

To determine development viability we have used a residual development appraisal model, the principles of which are in keeping with the methodology adopted by the majority of developers when purchasing development land. The residual model assumes that land value is the difference between gross development value and build costs, once an element of developer profit has been taken into account. Through the use of residual development models we are able to quantify the impact of CIL contributions on land values and scheme viability.

We have prepared a number of hypothetical developments for testing (typologies), which have been agreed with the Council. We have set out the commercial typologies in full in the main body of the report, however we set out more detail regarding the residential and residential-led mixed use typologies below.

Residential

The residential typologies we have used are set out in the table below, alongside the unit sizes we have assumed. These have been determined from the City's Draft Birmingham Development Plan requirements as well as evidence of historical unit sizes from recent planning applications.

Table A1. Residential Typologies under Affordable Housing Thresholds

	100% Residential				Mixed Use		
TYPOLOGY	1	2	3	4	10	11	12
Typology Details	1 house	2 flats	6 houses	10 flats	4 flats 150 sq m Retail	8 flats 300 sq m Offices	8 flats 300 sq Retail
1b 2p flat				3		3	3
2b 4p flat		2		7	4	5	5
3b 5p flat							
4b 6p flat							
2b 4p house							
3b 5p house	1		3				
4b 5p house			3				

Table A2. Residential Typologies above Affordable Housing Thresholds

	100% Residential					Mixed Use	
TYPOLOGY	**5**	**6**	**7**	**8**	**9**	**13**	**14**
Typology Details	**15 Flats**	**50 Flats**	**15 Houses**	**50 Houses**	**200 Houses**	**22 Houses 8 Flats 300 sq m Retail**	**75 Houses 25 Flats 600 sq m Retail**
1b 2p flat	5	15				3	9
2b 4p flat	10	30				5	16
3b 5p flat		5					
4b 6p flat				13	40	5	19
2b 4p house			8	17	75	9	26
3b 5p house			7	15	60	8	23
4b 5p house				5	25		7

Table A3. Residential Unit Sizes

Unit Type	Private Housing	Affordable Housing
FLATS	**Size (GIA) Sq M**	**Size (GIA) Sq M**
1-bed flat 2 person	50	50
2-bed flat 4 person	60	60
3-bed flat 5 person	86	86
HOUSES		
2-bed house 4 person	65	65
3-bed house 5 person	84	84
3-bed house 5 person (3 storeys)	102	102
4-bed house 5 person (3 storeys)	116	116
5-bed house 6 person (3 storey)	130	130

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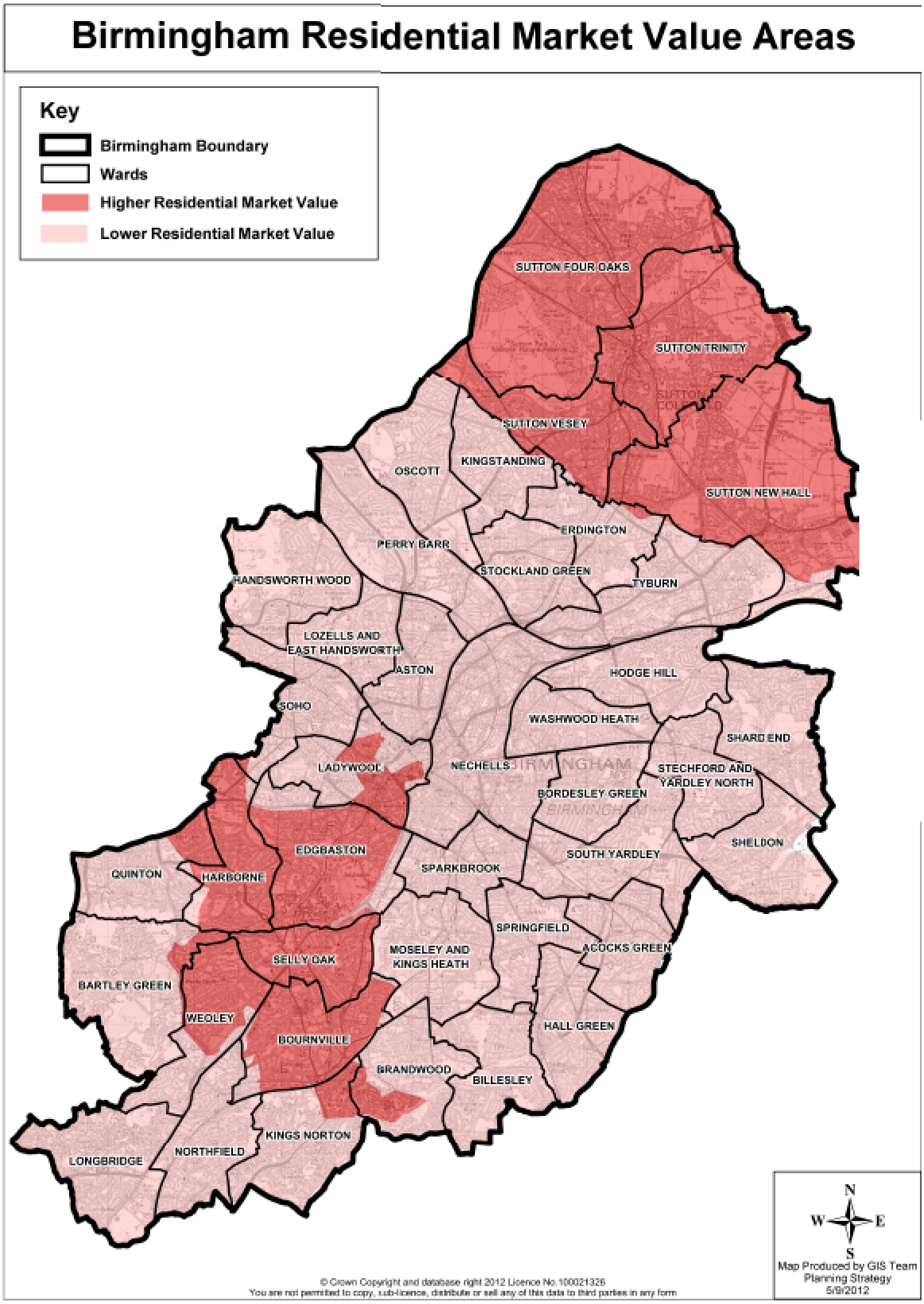
Appendix B:
Residential Value Areas

Map B1. Residential Value Areas



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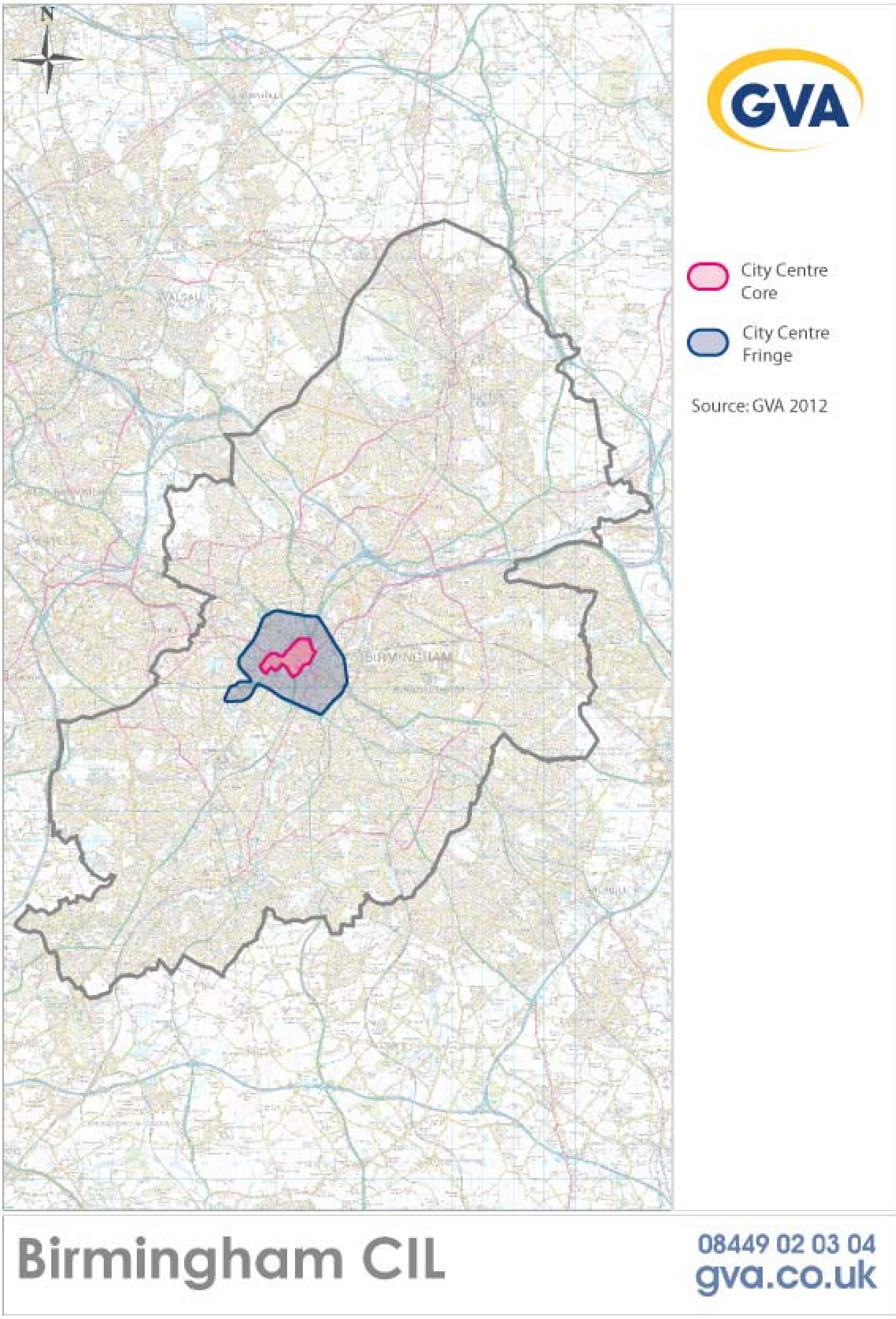
Appendix C: Office Market Value Areas

Map C1. Office Value Areas



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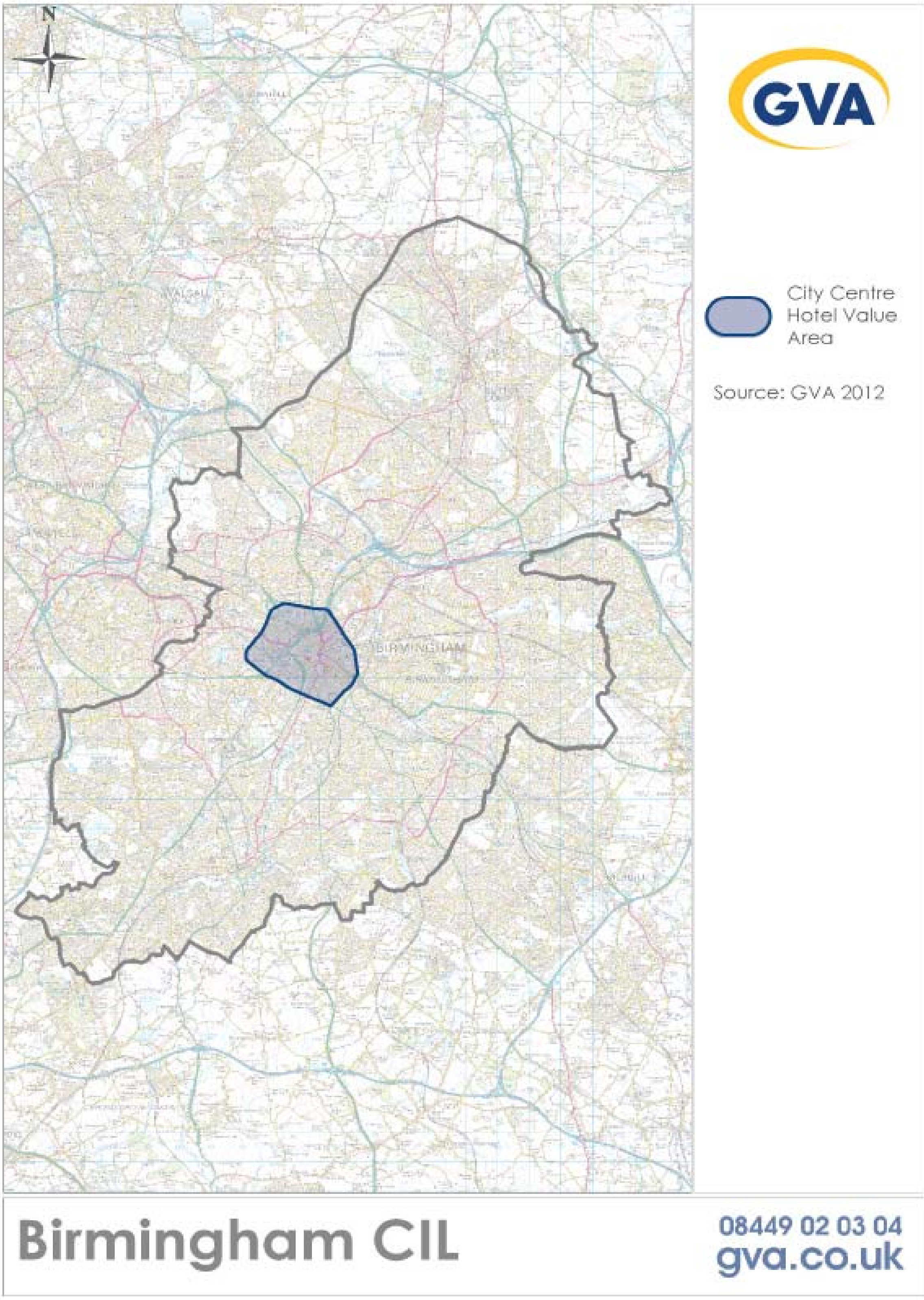
Appendix D: Hotel Market Value Areas

Map D1. City Centre Hotel Value Area



Appendix E: Planning Policy Review

Planning Policy

Introduction

In this section we set out the policy context for housing and employment delivery across the Borough over the Plan Period as part of the Draft Birmingham Development Plan. The volume and nature of housing and employment delivery across the City will flow from background documents and evidence bases such as the Strategic Housing Land Availability Assessment, as well as Affordable housing policy and planning obligation policy such as the CIL Regulations.

Our Report sits alongside these documents as an evidence base of viability, and it is therefore important to include a review of each in order to set the context of our Report, and so that the Report conclusions and recommendations may sit within a comprehensive body of information.

We start by looking at the National policy bases for housing and employment delivery, and finish the Section with a review of the local policies particular to Birmingham

Strategic Housing Land Availability Assessment and Strategic Housing Market Assessment: Policy Context & Review

National Overview

The requirement for Strategic Housing Land Availability Assessments (SHLAAs) is set out in the National Planning Policy Framework(NPPF) as an opportunity to systematically identify housing land supply. The primary role of a SHLAA is to identify sites with the potential for bring forward new housing, both through considering their housing potential in terms of delivery, and assessing when they are likely to be developed.

As such the SHLAA undertakes a comprehensive review of housing land availability within a given area. The assessment should determine the aggregate housing supply and identify an appropriate supply of deliverable and developable sites over a 5, 10 and 15 year timeframe.

The housing potential identified is a snapshot of the given area's current assessment of deliverability and developability of sites. The assessment should not be viewed as a static document but a starting point in identifying a rolling five year supply of suitable and deliverable housing land.

Birmingham Overview

Strategic Housing Land Availability Assessment

Birmingham SHLAA (April 2010) identifies that 11,371 new dwellings will be delivered over the next 5 years (2010/2011-2014/2015), and 50,600 over the period to 2026. This target of 50,600 homes is also set in the Draft Core Strategy, and is based on evidence collected by the City Council and the West Midlands Regional Assembly as part of the West Midlands Regional Spatial Strategy (WMRSS).

Strategic Housing Market Assessment

Birmingham's Strategic Housing Market Assessment (SHMA) February 2008, undertaken by Opinion Research Services, also forms part of the evidence base for the Local Development Framework. The SHMA is a study of the local housing market which sets out the key characteristics of housing need and demand in the area, and helps to develop a long-term view of the market to inform planning policies.

Birmingham's SHMA, which focuses on the urban area of Birmingham in the context of the West Midlands Region, identifies that the population of Birmingham has fallen by 22,700 since 1981, reaching a low of point of low point of 985,100 in 2000. Since then the population has risen gradually, and in 2008 stood at 1,006,500.

Over the period to 2029, the population of Birmingham is predicted to grow by 6%. This compares to predicted increase rate of 7.8% for the West Midlands region, and 11.5% for England as a whole. As Birmingham is expected to experience an overall net out-migration of population over the next twenty years, any population increase will be entirely linked to natural population growth,

Across the Housing Market Area, 60.4% of housing stock is owner occupied, with only 11.8% private rented, and 27.7% social rented. The proportion of the population living in social rented accommodation is higher in Birmingham compared to the average for the West Midlands Region, and for England as a whole. Over 75% of owner occupiers live in houses (mainly terraced and semi-detached) rather than flats; compared to 60% of those living in social rented properties. In the private rented sector, 45% of properties are flats.

Houses in Birmingham have become increasingly unaffordable since 2001, particularly for first time buyers, rising 104% between 2001 and 2007. In 2005, the rate of increase of property prices, along with the number of transactions, fell; however both have since increased since 2006.

19% of households in Birmingham are currently assessed as being unsuitably housed, with those living in the City Centre, the Eastern Corridor and the North West area more likely to be living in unsuitable housing. Only 14.5% percent of owner occupiers are unsuitably housed compared to 28.1% living in social rented properties, and 22.5% of private renters.

The SHMA identifies an overall net requirement in the private sector of 6,621 one-bed units, 22,211 two-bed units and 6,279 four-bed+ units. There is however a surplus of 14,273 three-bed units, resulting in an overall requirement of 20,838 units. In the affordable housing sector, there is a requirement for 14,000 additional 4+ bed properties.

Affordable Housing Policy Context & Review

National Policy Overview

The Government's overarching housing objectives are to:

- Increase the number of houses available to buy and rent, including affordable housing;
- Improve the flexibility of social housing (increasing mobility and choice) and promote homeownership;
- Protect the vulnerable and disadvantaged by tackling homelessness and support people to stay in their homes;
- Make sure that homes are of high quality and sustainable.

Social Housing Reform

The election of a new Government in 2010 marked the beginning of a period of social housing reform. The top-down and regional level housing targets that have guided the supply of housing and the proportions of affordable housing required in each local authority area, have been removed through revocation of the RSS.

In November 2010 the Rt. Hon. Grant Shapps MP, Minister for Housing and Local Government published 'Local decisions: A Fairer Future for Social Housing'. The Paper included alternations to access to social housing, affordable tenancy changes and changes to the discharge of the homelessness duty. Theses policy changes form part of the provision of the Localism Act.

Affordable Rent Model

On 14 February 2011 Grant Shapps published a Ministerial Statement anticipating the publication of a new Framework for the Affordable Homes Programme 2011- 2015. One of the main elements of this programme is the Affordable Rent model which will be offered by Housing Associations and other Registered Providers. The Affordable Rent model is based around housing benefit meeting the full rental costs, as it does for social rent, and short to medium term housing benefit will continue to be based on actual rents. The Affordable Rent Model also differs from the Social Rent model in the following ways:

- Rents can be up to 80% of market rent;
- Fixed term tenancies;
- Grant given as part of a wider subsidy;

It should also be noted that for the period 2011 – 2015 the Homes and Communities Agency, in the main, will not provide grant subsidies for affordable tenure unless it is Affordable Rent (this does not impact on the Agency's current commitments under the NAHP programme.

Self-Financing

The reform of council housing finance is a Coalition Agreement commitment which, subject to parliamentary approval, will be implemented in April 2012. The aim of the reform is to enable Councils to manage their own housing stock on a long term basis, as well as to improve social housing quality and efficiency. As part of these reforms the Department for Communities and Local Government (DCLG) published a methodology for implementing self-financing in February 2011 for Councils, including financial parameters, key financial information by local authority and a timetable for the reforms.

NPPF

The Coalition Government published the National Planning Policy Framework ("NPPF") on 27th March 2012 following two Parliamentary Select Committees. The NPPF contains the Government's strategies for economic, environmental and social planning policies in England and replaces existing national planning policy documents including planning policy statements, planning policy guidance notes and ministerial planning circulars.

The NPPF contains the following:

- A presumption in favour of sustainable development;
- Local and Neighbourhood Plan Making;
- Development Management to "foster the delivery of sustainable development, not to hinder or prevent development"

The NPPF also includes sections on business and economic development, housing, transport, infrastructure, design, sustainable communities, climate change, coastal change and flooding.

The Localism Act

The Localism Bill was introduced in the House of Commons on 13 December 2010 and was given Royal Assent on 15 November 2011. It contains a number of proposals to give local authorities new freedoms and flexibilities, for example in London it aims to empower the Mayor to carry out housing investment activities currently carried out by the HCA and the economic development work done by the LDA. The Localism Act will enforce a number of reforms, including the abolition of regional strategies, the creation of 'neighbourhood development plans', a 'Community Right to Build' and reforming council housing finance. Many major measures came into effect in April 2012.

With regard to CIL, the Localism Act proposes changes to make the levy more flexible by allowing the money raised to be spent on maintaining infrastructure as well as building new infrastructure. It also gives local authorities greater freedom in setting the rate that developers should pay in different areas, and requires that some of the money raised from the levy goes directly to the neighbourhoods where development takes place. The Act also makes clear that if local finance considerations, including CIL and the new homes bonus, are relevant to local planning decisions then they must be taken into account.

Community Infrastructure Levy Policy Context & Review

In this section we set out the context and background to the Community Infrastructure Levy (CIL).

The Principles and Purpose of CIL

Part 11 of the Planning Act 2008 provides for the imposition of a charge to be known as the Community Infrastructure Levy. The Act specifies who may charge CIL / Tariff, and includes provisions for aspects of the charge including how liability is incurred, how it is to be charged, collected and spent.

In April 2010 the Community Infrastructure Levy Regulations 2010 (the Regulations) came into force. These set out detailed provisions enabling local authorities in England and Wales to introduce a CIL / Tariff.

The Levy will apply to new buildings above 100 square metres and the revenue from the Levy must be applied to infrastructure needed to support the future development of the area. The Levy is non-negotiable when a CIL / Tariff regime is adopted by a charging authority and, other than for particular exemptions, is chargeable on all forms of development. Exemptions include:

- New development below the threshold of 100 sq m;
- Social housing;
- Development if the owner of the land is a charitable institution and that the development will be used mainly for charitable purposes or not-for-profit charitable purpose,
- Authorities may offer relief in exceptional circumstances where the specific scheme cannot afford to pay it, but there are conditions.

A key benefit of CIL / Tariff is its ability to fund strategic and sub-regional infrastructure typically benefiting more than one local authority area; a provision not easily achieved through the existing S106 and S278 planning obligation regimes. The Government proposes that local authorities should have the freedom to work together to pool contributions from CIL / Tariff within the context of delivering their Development Plans.

The Regulations provide for the reform of the current system of developer contributions towards infrastructure, principally through S106 Agreements, so that the two regimes operate alongside each other. Even under a CIL / Tariff charging regime many developments will still require a S106

Agreement to provide for affordable housing for example, and S38 and S278 Agreements, for instance, will still be used by highway authorities.

For a CIL / Tariff to be implemented the following are required:

- A current, adopted Development Plan for the area;
- An up to date infrastructure needs assessment that establishes the requirements, timing and costs of transport and community infrastructure;
- The results of a viability and impact assessment of the likely effects of the CIL / Tariff.

After 6th April 2014 the Regulations state that it will not be possible to pool developer contributions from more than five sites for any individual infrastructure project or type of infrastructure under Section 106. Any mechanism that attempts to fund significant strategic infrastructure across more than five sites would have to be through a CIL / Tariff. This effectively eliminates the potential for a S106 planning tariff to be used after April 2014.

CIL / Tariff is intended for use alongside other funding streams. The Government proposed that “while CIL will make a significant contribution to infrastructure provision, core public funding will continue to bear the main burden, and local authorities will need to utilise CIL alongside other funding streams to deliver infrastructure plans locally”.

CIL November 2010 Overview

The key changes to the rules set out in the original CIL Regulations of April 2010 following the Coalition Government’s overview in November 2010 are as follows:

- The removal of the £500,000 minimum threshold for payment in kind for Authorities receiving land rather than money;
- Local Authorities will be able to decide and set their own payment deadlines and installation options;
- A meaningful proportion of CIL must be spent in the neighbourhood in which it is raised; and
- The Examiner’s Report will be limited (rather than binding) in so much as Examiner’s will be able to ensure that Council’s do not set ‘unreasonable charges’.

CIL Detailed Proposals & Draft Regulations for Reform Consultation (October 2011)

Further to the Government’s proposals that a meaningful proportion of receipts should be passed by local authorities to the local neighbourhood where the development that gave rise to them took place, Communities and Local Government published a consultation paper in October 2011 to seek views on the detailed implementation of these proposals, including on the draft regulations.

Birmingham Policy Context & Review

Overview

We finish this section with a review of Birmingham's housing and employment policy structure, having regard to the emerging Draft Birmingham Development Plan.

Draft Core Strategy

The adopted Birmingham Plan (Unitary Development Plan 2005) is the existing development plan for Birmingham. It will be replaced by the Birmingham Development Plan which is currently in draft stage.

The Draft Core Strategy sets out a clear spatial framework for the growth of Birmingham up to 2026, as well as the following Strategic Objectives:

- To promote Birmingham's national and international role as a global city;
- To create a more sustainable city that minimises its carbon footprint and waste while allowing the city to grow;
- To develop Birmingham as a city of vibrant urban villages, that is safe, diverse and inclusive with a locally distinctive character;
- To secure a significant increase in the city's population, towards 1.1 million;
- To create a prosperous, successful economy, with benefits felt by all;
- To provide high quality transportation links throughout the city and with other places and encourage the increased use of public transport;
- To make Birmingham a learning city with quality institutions;
- To encourage better health and wellbeing through the provision of new and existing sports and leisure assets linked to good quality public open space throughout the city;
- To protect and enhance the city's heritage and historic environments allowing biodiversity and wildlife to flourish.

The Draft Core Strategy identifies Nine Sustainable Urban Neighbourhoods, (including Longbridge, Greater Icknield, Stechford, and Druids Heath), where new, low carbon settlements will be created. Large residential developments are also proposed at North Worcestershire Golf Course and the former Yardley Sewage Works; whilst 3 District Centre growth points at Perry Barr, Selly Oak and the Meadway are identified for new retail and office development.

The Big City Plan, which is being produced alongside the Birmingham Development Plan but will not form part of the Development Plan, identifies Westside (including Paradise Circus and Centenary Square), New Street Station, Snow Hill District, Eastside and the Southern Gateway as 'Areas of Transformation'.

Affordable Housing

The SHMA (2007) identifies a significant need for affordable housing in Birmingham, particularly for larger properties. For larger properties (4+ bedrooms) there is a requirement for an increased supply of almost 14,500 properties over a 5 year period. This is reiterated in the Birmingham City Wide Housing Market Report (2011), which details that despite the greatest absolute need for properties with 1 and 2 bedrooms, the scarcity of large properties has pushed up demand for 4 and 5 bedroom homes.

The Report of the Housing and Urban Renewal Overview and Scrutiny Committee (September 2010) highlights that there is a waiting list of over 30,000 applicants for affordable housing in Birmingham. This equates to a notional average waiting time of just less than 6 years for a Council owned property; increasing to between 31 and 100 years for a 4 or 5 bed property across the City.

The current Affordable Housing policy, adopted in 2001, seeks to secure 35% affordable housing on sites of 15 dwellings or more. The Council seeks the affordable housing component as a mix of 25% social rented and/or shared ownership, and 10% intermediate tenure.

In the Draft version of the Core Strategy, the Affordable Housing Policy (SP 27) sets the following targets for affordable housing on residential developments of 15 dwellings or more:

- 50% on land owned by the City Council's Housing and Constituencies Directorate.
- 35% on land owned by other City Council Directorates.
- 35% on land in all other ownerships outside the city centre.
- 20% on land in all other ownerships inside the city centre.

The policy also sets out that the Council will establish the level of developer subsidy taking account of the above percentages and the types and sizes of dwellings proposed. For developments located within the City Centre, the Council will be more willing to consider off-site provision of affordable housing; whereas outside the City Centre, there will be a strong presumption in favour of integration of affordable housing into the development. Developers proposing housing of a specialist nature, such as sheltered housing for the elderly will be expected to comply with Policy SP 27.

Report

Appendix F: Property Market Review

Property Market Review

Introduction

In order to carry out our development appraisals to inform the viability study we have undertaken a review of Birmingham's residential and commercial property markets, a summary of which we include below.

RESIDENTIAL

National

Nationally house prices seem to be remaining somewhat resilient, with what growth there is driven by a low level of supply from a backlog in completions and a lack of confidence. We anticipate that it is unlikely that we are going to see any substantial growth in house prices over the next 12 months, with London being the only area to experience an increase in annual price change.

Nationally housing starts and completions are down on 2010, and there is uncertainty across much of the country on the impact this will have on future delivery rates and the ability of Authorities to hit their housing targets.

Overall, it seems that for the next 12 months at least, and possibly into 2013 the overall national housing picture will be one of little change, with house prices potentially falling in real terms when compared to inflation.

Birmingham Market Overview

The Character of the Birmingham Residential Market

The Birmingham residential market is loosely split into private and social housing, with the values of private housing influenced by the quality of the housing and the quantum and proximity of Local Authority housing or estates. As such the "leafy suburbs" of Harborne and Edgbaston for example are situated at some distance from any large Council estates, and values are underwritten by substantial detached turn of the century properties. Birmingham has the biggest professional population outside of London, and as such the Executive housing in areas such as Edgbaston is highly sought after. Further to the attractive housing offer, these areas have better defined local centres and improved services – for example Harborne local centre has a Marks & Spencer's and a

Waitrose, and Edgbaston has a high quality education offer in the Blue Coats Preparatory School and King Edwards School.

In contrast, areas such as Sparkhill and Sparkbrook have significant amounts of Local Authority Housing, have poorer quality 1900 terraced housing and are known for being areas of deprivation. The local centres for the lower value areas have less well defined centres, for example Sparkbrook High Street has traditionally lower value retailers such as Poundstretcher and LIDL.

An example of the impact of significant Local Authority estate housing on value areas can be seen at the Bourneville Village Trust Estate. House values in the centre of the estate (which is private) are high and the houses considered highly desirous, however once you move towards the Weoley Castle Council estate to the west of the Bourneville estate, values start to drop - falling significantly when in close proximity to the nearly 3,000 Council homes situated on the Weoley Castle estate.

Other elements which impact on housing values across Birmingham are:

- Motorway network / car accessibility (for example Solihull as commuter location on the M42 corridor)
- Proximity to the forthcoming HS2 link
- Network impact of the redevelopment of New Street Station

House Price Values

Sales values are still down on the Autumn 2007 peak, but have recovered well in Birmingham's more established areas over the last 2 years following period of virtually no activity. The Tables below show the impact of the recession and recent difficult economic times on Birmingham Average House Prices and a comparison with how Birmingham compares to the surrounding Authorities.

Birmingham Average House Prices (1st Quarter 2012)

Average House Price		Average Price Paid		Value Change (%)	
All Properties	£145,561	**Last 1 year**	£144,582	**1 year**	+0.02%
Detached	£292,982	**Last 3 years**	£145,001	**2 year**	-3.2%
Semi-Detached	£152,174	**Last 5 years**	£148,994	**3 year**	+3.49%
Terraced	£118,352	**Last 7 years**	£147,664	**4 year**	-8.84%
Flats	£118,213			**5 year**	-10.61%

Source: www.bbc.co.uk/LandRegistry / www.zoopla.co.uk

Birmingham Comparison with Neighbouring Authorities: January 2012 – March 2012

AREA	AV. PRICE	QUARTER	ANNUAL	SALES
Solihull	£231,351	1.3%	-3.6%	559
Bromsgrove	£221,431	-7.9%	-0.1%	230
Birmingham	**£154,121**	**1.5%**	**4.0%**	**2,004**
Dudley	£141,545	-2.4%	-2.1%	616
Coventry	£133,946	-1.1%	1.5%	730
Walsall	£133,818	-4.2%	-1.4%	509
Wolverhampton	£127,792	3.8%	-5.6%	360
Sandwell	£114,741	-2.9%	-2.6%	549

Source: Land Registry

House Price Outlook

Although the outlook for house prices across Birmingham appeared to have been quite optimistic over the last few quarters, the RICS survey shows that in April prices edged lower, with 43% more chartered surveyors reporting falls rather than rises in house prices. RICS reports that expectations for future prices also dipped with a net balance of 24% more respondents (from 16%) predicting further drops.

However demand from potential buyers has remained positive, with 11% more surveyors reporting an increase rather than a decrease in new buyer enquiries, although this demand looks to become pent up as the 'new instructions' indicator (a good example of supply coming onto the market) dropped with 27% more surveyors reporting a fall rather than a rise in new homes coming to the market (RICS).

Developer Desire for Sites

The Birmingham market remains good for sites with outline planning approval and other technical due diligence complete. The most popular sites are for circa 100 dwellings in established locations such as Edgbaston and Harborne (for their higher values based on the reasons outlined above), with the most popular product being two storey standard terrace, semi and detached housing. There is very limited demand for flats and apartments except in exclusive locations or settings, and a reduced demand for 2.5 and 3 storey housing.

There are few large residential development schemes currently in the development pipeline for an area as large as Birmingham. Crest is continuing with its Park Central scheme close to the City Centre, which will consist of 2,000 dwellings when complete. Persimmon and St Modwen have also entered into a Joint Venture to deliver several hundred houses at the old Rover Plant in Longbridge, and plans are progressing for redevelopment of the former Selly Oak Hospital to provide 800 units.

City Centre Development Sites

Agents consider that developer desire for town centre sites may well pick up over the next few years due to the level of new infrastructure (including the arrival of the HS2 terminal) and redevelopment on-going, the creation of City Park and a proposed new cultural centre. The good opportunity sites are still relatively limited however, therefore when they do become available completion rates are strong – for example ‘The Hive’, part of the £600 million Masshouse scheme at Eastside has seen strong sell rates from both owner occupiers and buy-to-let investors in the first half of 2012.

OFFICE

National

The Prospects for the large centre office market have improved significantly since the end of last year. Q1 managed to record average take-up, in what is traditionally the slowest quarter of activity. In addition, a large number of requirements have materialised, giving us confidence of increased activity in Q2 and Q3. The improved sentiment is encouraging occupiers with upcoming lease events to start their search while there is still quality stock available.

Out of the nine regional office centres, GVA recorded take up of 1,611,000 sq ft in Q1, 2% above the quarterly average. The city centre markets made up 59% of this total, with 944,000 sq ft of deals, 7% below the quarterly average. The out-of-town market recorded take-up of 666,000 sq ft, 17% above the quarterly average.

Nationally, City centre take-up was dominated by activity in Edinburgh and Leeds, with the two largest deals, a 63,500 sq ft freehold sale to the Medical Protection Society in Leeds and 47,800 sq ft pre-let to Brewin Dolphin at Atria 1 in Edinburgh. Manchester also recorded over 150,000 sq ft of deals, consisting of a large number of smaller deals.

Birmingham Market Overview

As the UK's second city and the economic powerhouse of the West Midlands, Birmingham is an attractive office location. It is a major UK transport hub for both rail and air, and is also home to the International Convention Centre and National Exhibition Centre, and so accounts for a significant proportion of the UK conference and exhibition trade.

The finance and business services sector (which is key for office demand) is particularly well represented in Birmingham, accounting for 24% of its total employment, above the UK average (22%). However taking into account current economic conditions and a national contraction of FBS employment growth, the economic outlook means that an upturn in occupier demand will be relatively muted over the next two years at least.

Stock

Birmingham City Centre currently has office stock of approximately 18.64m sq ft, split between the prime core, the outer CBD and Edgbaston. The prime city core (11m. sq ft) is tightly defined and bounded by the former inner ring road which consists of Greater Charges Street to the north and includes Broad Street and more recently Brindleyplace. Outside of the CBD or the "city centre fringe" (3.6m sq ft) is traditionally defined as the St Paul's Square and the Digbeth areas of the city centre, and the remaining 4m sq ft of stock located in Edgbaston.

The end of Q1 2012 showed c.22.85m sq ft of stock immediately available across Birmingham, equating to a vacancy rate of 18% - however only 33% of this was Grade A quality, suggesting that a significant proportion of the remainder is obsolete and incapable of being let. Much of this space is likely to be redeveloped over the next decade (bearing in mind that redevelopment will attract a CIL charge only on net additional floorspace).

Available floorspace in Birmingham at the end of H2 2011

Location	Floorspace (Sq M)	Floorspace (Sq Ft)
Colmore Plaza, Colmore Row	18,952	204,000
Baskerville House, Centenary Square	3,716	40,000
Two Colmore Square	9,290	100,000
Cannon House	4,366	47,000
Langley Point	4,181	45,000
Eleven Brindleyplace	7,339	79,000
45 Church Street	7,432	80,000
1 Snowhill	3,530	38,000

City Centre Prime Core Land Use

Land use and the historic nature of much of the prime core has, to date, prohibited the development of modern high specification buildings with large floorplates. This has led to many of the new office developments taking place on the edge of the CBD at locations such as Mailbox, Brindleyplace and Colmore Square, to satisfy the modern requirements of the major corporate occupiers.

Transactions

The Level of transactions across the City have held up remarkably well over the last three years in very tough economic conditions, with the most active market sectors in 2011 being business services, the public sector and the professional and financial services. Key transactions include 57,000 sq ft to the Law Society at the Cube, 39,000 sq ft to the Ministry of Justice at EXIS, 27,000 sq ft to Grant Thornton at Colmore Plaza, 27,000 sq ft to Deutsche Bank at Baskerville House, 24,000 sq ft to Vax at 2 Colmore Square, 24,000 sq ft to the NHS at Priestly Wharf and 52,000 sq ft to Network Rail at Smallbrook Queensway. 49% of transactions were in the CBD or core, 41% in fringe locations and 10% in Edgbaston. However take up does seem to be moving more towards the secondary market, rather than encompassing a majority of Grad A stock - Grade A take up was 31% of total take up, whilst over last ten years Grade A space accounted for c.51% of take up)

Development Pipeline

More than 6.2m sq ft of office space has planning permission with a further 1.5m sq ft awaiting planning permission (equivalent of 40% of City's existing stock). Much of this space is in mixed-use schemes on brownfield sites not currently in office use, and will therefore add to the City's office stock rather than replace existing buildings. There are, however, serious question marks over whether these schemes will be able to be funded in the current market and for the foreseeable future.

With the completion of the Cube, no fully speculative schemes are not under construction, contrasting with 1.15m sq ft being built at the end of 2007. The existing supply of Grade A stock looks set to remain fixed until 2013 as a minimum. We have set out below detail of Sites with Planning Permission, and sites without permission which we understand are anticipated to come forwards for office use over the medium / long term.

Key Future Potential Schemes

Scheme	Size (sq ft)
Edgbaston Galleries, Hagley Road, Edgbaston	159,300
City Park Gate, Eastside	200,000
Commerce Point, Harborne Road, Edgbaston	238,000
Smithfield, Digbeth	240,000
The Kettleworks, Jewellery Quarter	262,000
Martineau Galleries, Phase II	280,000
The Colmore Centre, Colmore Row	280,000
2 Snowhill, Snow Hill Queensway	302,000
The Beorma Quarter, Digbeth	400,000
Snow Hill Plaza, Snow Hill Queensway	446,000
Masshouse, Eastside	500,000

Scheme	Size (sq ft)
Arena Central, Broad Street	800,000
Curzon, Eastside	800,000
Eastside Locks, Eastside	800,000
Lee Longlands, Broad Street	TBC

Office Sites yet to Secure Planning Permission

Scheme	Size (sq ft)	Comments
Paradise Circus	+1,000,000	Birmingham City Council has announced its intention to redevelop this island site which currently comprises substantial buildings including the Central Library, Conservatoire, Adrian Boult Hall, the Copthorne Hotel and two office buildings. The relocation of the library will be the catalyst for redevelopment which will accommodate in excess of 1m sq ft of offices and residential apartments with amenity retail, leisure and hotel. Developer Argent has purchased Chamberlain House and Paradise Forum and is playing a crucial part in driving the scheme forward. Infrastructure works and development will commence within the next 5 years.
Ludgate, Ludgate Hill	250,000	This site was brought to the market in early 2006 by owners, Birmingham City Council, for the development of a mixed use scheme totalling 250,000 sq ft plus and incorporating offices, residential apartments, complementary retail and leisure uses. A developer is yet to be appointed.
Grand Hotel Site, Colmore Row	200,000+	Occupying a prime position on Colmore Row opposite St Philips Square, owners Hortons Estates and JV partner Trebor Developments is currently seeking to remove the Grade 2 star listing on the former Grand Hotel building, to enable redevelopment to proceed. Scheme proposals are yet to be confirmed and speculative development is unlikely over the next 5 years.
Post and Mail, Colmore Business District	300,000+	This site is adjacent to Colmore Plaza at the beginning of Colmore Row. The developer, Chatham and Billingham Investments, proposes a mixed-use two phase scheme. Detailed development proposals are currently being worked up and a planning application has been approved.

Rental values

Current Prime Rents

The prime rent achievable in Birmingham city centre peaked in 2008 at £33.00 psf. This was established by the pre-letting of No.2 Snow Hill to solicitors, Wragge & Co, although this was based upon the delivery of the building in 2012/13. This was a slight increase on the previous figure of £32.50, established with the letting in Colmore Plaza to Davis Langdon in 2007.

With the subsequent change in market conditions, the prime headline rent fell back to around £27.50 per sq ft, with a corresponding knock-on effect for secondary stock.

The market is experiencing aggressive proposals from landlords with shorter lease terms on offer, and longer rent free periods. A quality covenant would now expect at least an 18 month rent free period or capital equivalent for a five year lease commitment, and up to three years for a ten year lease commitment. Fifteen year leases have not been experienced since the summer of 2008 but we anticipate a minimum 42 months rent free would be necessary to secure such a commitment.

As a result of incentives, the net effective rent for prime space is below £20 psf.

The Outlook for Rents

We are of the view that the prime headline rental value has settled at circa £27.50 per sq ft and further falls are unlikely as the level of grade A supply has now peaked. The inevitable fall in grade A supply over the next two to three years is likely to be reflected in reduced tenant incentives, rather than a rise in headline rental levels. We expect this to start occurring towards the end of 2011.

Average office rents, as measured by IPD (and therefore representing a range of institutional quality property), peaked in 2007 and fell by 9% over the three years to end 2010, with the largest fall occurring during 2009.

Our forecasts for average rental growth suggest below-inflation increases this year and next. However, the rate of growth should accelerate throughout our five-year forecast period, as supply shortages for prime and good quality secondary property increase. We expect the rate of rental growth to reach more than 5% pa by 2015.

On this basis, average rents will not reach their 2008 level until 2014 in nominal terms. And in real terms will still be below their 2008 level by the end of our projection period.

INDUSTRIAL

National

Demand and Take-Up

Industrial demand weakened across the country in 2011. While take-up held up well in the South East and North West, all industrial take-up in Britain over 100,000 sq ft totalled 27 million sq ft in 2011, a reduction of 26% on 2010. It is anticipated that 2012 demand will remain at 2011 levels, although there remains a good level of requirements. Occupier activity remains retailer focussed, particularly food, the discounters and internet operations. Grade A supply also continues to reduce, especially for very large sheds and 'design and build' will be the predominant source of new supply with few speculative schemes likely except in the South East.

It should be noted that Demand Take-up in 2010 and the beginning of 2011 was driven by many occupiers taking advantage of the discounted deals resulting from the oversupply of speculative stock. While take-up in the South East and North West held up well, overall demand reduced considerably in the second half of 2011, due to concerns over the economy, a double dip recession and the Euro zone situation. All industrial take-up for buildings over 100,000 sq ft was 27 million sq ft in 2011, a reduction of 26% on 2010.

The distribution occupier market remains retailer focussed, especially the food and discount retailers, while internet operations of the major retailers continue to grow. Three of the major deals in the table below were transacted by Amazon, while the other top deals are predominantly supermarkets.

The waste to energy sector has flattered to deceive following rapid growth forecasts a few years ago but it does continue to grow, with the tightening of landfill legislation. An increase in major retailers connected to rail distribution is likely to continue, especially with the importance of the CSR agenda.

According to our monitoring of all industrial deals over 100,000 sq ft the dominant regions, the South East and East, the Midlands and the North West made up almost 80% of take-up. The South West and Wales, Yorkshire and the North East and Scotland took between 5 and 9% of activity each. Based on current demand, London, South East and East remains the most under supplied, followed by the Midlands, while the North East, Yorkshire and Humber has the most supply.

While activity in general is likely to remain at 2011 levels, retailers will remain the main demand focus. There is a healthy level of retailer requirements and while companies are taking a cautious approach, there is hope that some will be realised as retailers continue to position themselves to gain competitive advantage in the market.

Supply

While total availability has declined over the past year, proportionately there has been a greater decline in prime space than secondary. While we are likely to see more second hand space released onto the market in 2012, with little being built, the supply of grade A continues to reduce.

There is a wide regional variation in the amount of good quality available stock. Yorkshire and Humberside are still absorbing space from the speculative investment boom, while more traditional locations in the Midlands and the South East have very little prime space available. There is a particularly short supply of very big sheds over 250,000 sq ft and future requirements will be satisfied by occupiers taking good secondary property and design and build solutions.

Nationally, developers continue to position themselves, buying sites and preparing them ready for pre-lets that will provide the income stream to secure development finance and maintain risk at an acceptable level. Of existing buildings, those that are fitted out will have an advantage in the current market as there is less initial capital expenditure for ingoing tenants.

Rents

With the economic uncertainty, the fall in supply has yet to push up headline rents and incentives, which have remained unchanged over the past year. They are likely to remain at current levels in the short term before the tipping point is reached and rents start to increase. In the meantime rental growth will be limited to a few prime locations and with design and build transactions.

Average rental values are showing modest falls, with IPD recording a fall of –0.8% last year and we expect a similar fall this year. There is likely to be modest positive rental growth from 2014 but at rates below RPI inflation, meaning further falls in real terms.

Investment

Industrial investment market activity increased considerably in the second half of 2011. Two-thirds of value for the year was transacted over this time, including significant portfolio deals at the end of the year. The total value of UK industrial investment transactions in 2011 was £3.5 billion, according to Property Data, compared to £3.7 billion in 2010 and the same as 2009. The IPD Quarterly Index reports a modest increase in industrial capital values of 0.5% during 2011, although measured against RPI this represents a fall of 4.3% in real terms.

We expect demand for prime assets to remain healthy in 2012. Investors will be more attracted by the longer, secure income streams of low maintenance industrial property with good covenants, providing less volatility suitable to a low risk investment environment. Prime yields should remain at broadly current levels. However we may well see some further upward movement of yields on secondary property, where shorter leases and weaker covenant strengths increase the risk of voids.

Birmingham Market Overview

Introduction

The level of big shed take-up in the Midlands tailed off in 2011 (down from approximately 11m to 6m sq ft). The high level of transactions in 2010 were however boosted by a large number of opportunistic deals as some occupiers brought forward searches to take advantage of very favourable market conditions. The majority of this take-up was focussed on new or good quality second hand buildings in prime locations such as the Golden Triangle and was driven by the retailers.

Since the recession, speculatively developed space has accounted for a relatively high proportion of the total new space taken, reflecting the competitive deals available. As a result, we are starting to see a lack of supply in some areas, most notably for sizes above 250,000 sq ft. Whilst retail failures and consolidations are likely to release more second hand space onto the market in 2012, the supply of good quality accommodation will continue to decline. This suggests that some future requirements will have to be satisfied by design and build solutions.

The retailers will continue to drive the big shed market in 2012, with internet and discount retailers being particularly active. In addition, the improving fortunes of the automotive and aerospace industries in the Midlands and particularly Jaguar Land Rover, Toyota and Rolls Royce, will mean greater levels of activity in these sectors.

Industrial Locations & Rental Values

The main industrial locations, and certainly the locations where new industrial / employment space is most likely to be built, are at Junction 6 of the M6 motorway, Battery Park on Shaftmoor Lane and at Longbridge.

Rental values do not vary significantly between these locations, with values c. £5 sq ft at Battery Park and Longbridge and c. £4.50 sq ft at Junction 6 of the M6.

Supply & Demand

At present levels of supply of new industrial and distribution accommodation in the Birmingham area are dwindling as a result of the only new accommodation built over the last 2 to 3 years being recently let - for example SEGRO has let its remaining space at its Meteor Park Development at Cuckoo Road, close to Junction 6 of the M6 on the outskirts of Birmingham, after significant delay. A 58,609 sq ft unit has been let to Pointbid Logistics and a 115,067 sq ft unit has been let on a 10 year lease to an Automotive manufacturing user, taking occupancy at the park to 100%.

Other transactions such as the pre let to Selco at Opus Aspect in Erdington (again near to Junction 6 of the M6) was a pre let of a 40,000 sqft unit and other pre let / pre sale activity is close to being finalised at the park that will again complete this development.

Development Outlook

Developers have been reluctant to embark on speculative development over the last 3 to 4 years because of the state of the economy and also the changes in the business rates system and the lack of finance available for any form of development.

In the short to medium term developers will continue to be cautious and occupier due to the lack of space will be forced to take more expensive pre let or pre sales of units deals as there is virtually nil supply of new units readily available in the City .

A number of older industrial estates across the city have either undergone or are under going refurbishment of the units on their estates as a way of improving their stock of units and to appeal to the requirements of occupiers for more modern flexible space.

RETAIL

National

Over the last 15- 20 years (up to the recession) retail expenditure growth, especially non-food expenditure growth, was exceptionally strong, driven largely by high rates of borrowing, low inflation/interest rates and strong house price inflation. The recession corrected such unsustainable growth and the next 10 years will see much weaker expenditure growth.

The last decade also saw an exceptional amount of retail development, particularly town centre development. This stopped dramatically with the recent recession with a much lower level of new construction than during the previous recession. Weaker expenditure growth, retailer demand and rental growth, plus pressures on development costs and difficulties in obtaining finance will all impact on development viability and development activity. Notable trends have been the consolidation of retail businesses, the diversification of retailers into new areas and the demand for larger modern units – a potential problem for smaller or more historic town centres which will intensify.

Nationally, increased car ownership has given consumers the ability to travel further to larger retail centres and to buy more per trip. Out-of-centre facilities, with free parking, have gained at the expense of town centres generally.

In the short-medium term development viability is likely to remain constrained and major new town centre schemes will be limited. In the longer term, the trends mentioned will shape the amount, type and location of new space required. Lower retail expenditure growth and the threat from the internet may mean less retail development is required in the future, or even less total space in some centres, or that retailers will utilise the space they have in different ways. Mobility, accessibility and parking will remain key factors. Maintaining individuality within a town will also be key to avoid the 'sameness of many town centres' and providing for an ageing population with different shopping and leisure requirements will become increasingly important.

Birmingham Market Overview

In May 2011, Birmingham retail had a vacancy rate 14.6%, which is above the PROMIS retail average, with vacancy levels highest in the secondary shopping centres. This exemplifies the difficult retail landscape which is emerging from the recent recession, although retail take up across Birmingham is 6.8%, and comparable with the PROMIS retail average.

High Street Retail

Demand

Birmingham is a major retail centre based on volume and quantity of retail services available. The Primary retail catchment area for Birmingham is extensive, and Birmingham is the 2nd largest retail centre in the Country according to the PROMIS index (estimated shopping population of City).

Supply

Birmingham City Centre retail floorspace totals c. 3.28m sq ft, making it the largest retail location based on floorspace in the country outside of London. The principal shopping streets are High Street, New Street & Corporation Street, although the city also has a shopping centre focus exemplified by the fact that there is an above average proportion of managed floorspace (56% total space under the control of the city's 9 managed shopping centres).

Development Pipeline

The Gateway Project, which involves a station upgrade & refurbishment of the Pallasades Shopping Centre was recently granted permission – including a 250,000 sq ft anchor store for John Lewis and 8 unit shops. It is due to open 2014. There are also a number of additional mixed-use schemes with ancillary retail & restaurant/leisure in the City's development pipeline.

Rents & Deals / Investments

Prime rents in mid 2009 were £325 per sq ft Zone A, however at the end of 2011 these had fallen to circa £290 per sq ft Zone A. Units fronting the High Street outside of the Bull Ring can still achieve around £275 sq ft Zone A rents, but units in secondary shopping areas are achieving rents of between £100 - £150 per sq ft Zone A.

In the Investment market, prime yields were at 5.75% in Autumn 2011, and these levels have continued into 2012. Yields move out as the retail property becomes more secondary, and are highly dependant on the location and quality of the premises.

Retail Warehouse

Supply

Retail warehouse supply in Birmingham is c. 2,476,000 sq ft (below the PROMIS average), with retail parks making up c. 48% of retail warehousing floorspace. 'The Fort', north east of the City Centre is Birmingham's largest retail park with 250,000 sq ft of floorspace, although there is a significant supply of retail warehouse floorspace in the area surrounding Birmingham (i.e. Solihull and Wolverhampton).

Development Pipeline

Birmingham has a significant development pipeline for retail warehouses. The 250,000 sq ft retail park at Belgrave Middleway in Balsall Heath (granted permission 2006) is the largest scheme at an advanced stage. The development pipeline is supported by an above average demand from operators running through from early 2011.

Rents & Deals / Investments

Top rents for prime retail warehouse space were achieved at the Fort - £65 sq ft (headline) – in June 2011 for a 5,000 sq ft unit. Elsewhere rents are circa £25 per sq ft at Castle Value Retail Park, £18.50 at Ravenside Retail Park and lowest at £10 per sq ft at Fiveways.

Initial Yields range from 5.6% for the Matalan store at Dartmouth Circus in June 2010 to 9% for the purchase of Fiveways Centre Leisure Park at the end of 2010.

Leisure Parks

There are 4 PMA classified leisure parks in Birmingham area. Star City is the largest (it opened in 2000) – situated 2 miles north east of city Centre, near the Fort. The largest leisure scheme in the Birmingham development pipeline is Arena Central on Broad Street in the City Centre which comprises 1 million sq ft and includes a conference / exhibition centre and a casino. Arena Central has been granted permission but is currently on hold.

Superstores

There is circa 3,258,000 sq ft of superstore floorspace in Birmingham, and the majority of retail parks have a superstore on site. Asda has the most floorspace in the City, followed by Tesco's, Sainsbury's and Morrisons who all have an equal share of floorspace.

We understand that there is also sufficient provision within the City Centre, and a significant supermarket development pipeline.

HOTEL

National

Hotel Operating Market

The hotel industry is heavily exposed to shifts in consumer spending and as the economic downturn continues to affect many businesses, the hospitality and leisure sector continues to be affected by the constraints on consumer spending.

The last several years have seen a reduction in both domestic and international travel from both household and business markets. Inflation pressures have also had an impact on operating costs, with rising energy bills, the increase in the minimum wage, and the cost of raw materials (particularly food) all taking effect.

The wider UK hotel operating market is now beginning to progress at multi-speeds with London separated from the ‘hot spots’, ‘warm spots’ and ‘cold spots’ within provincial UK. Whilst there had been a reduction in the performance gap between London hotels and the provinces in the period between 2000 and 2009, the gap is now wider than ever, with a 14.2 percentage point difference in room occupancy in 2010. However, it is profit per room where the polarisation between the two markets has been most distinct. In 2011, profit per room in London increased to more than 2.5 times the provincial average.

Some cities such as Brighton, Glasgow, Leeds, Aberdeen, Norwich and Manchester saw Revenue per Available Room (RevPAR) growth levels above the regional average. However, one of the worst hit regions has been the West Midlands (although the situation is now improving, see below), notorious for its reliance on the meetings, incentives, conference and exhibitions (MICE) market and, in particular, major meetings and conventions at the NEC.

Conferences and Meetings Market

The 2011 UK Events Market Trends Survey (UKEMTS) estimates the overall value, to the UK economy, of the conference and business events market in 2010 of £16.3bn down from 2009 at £18.8bn. However, there was a marked drop in the number of events held by government and government agencies and the public sector generally, reflecting the cut back in spending by the public sector and delegate rates remained under pressure with total spend down by 13%. Daily residential rates were down from £140 to £120 per delegate and non-residential rates down from £46 to £42 per delegate.

2012 and Beyond

The current economic turmoil around the globe is highly likely to further delay investment, lending and development decisions, possibly well into 2012. It is clear that the short to medium term trading prospects are relatively poor, particularly outside of London.

Birmingham Hotel Market

Birmingham has historically been popular for tourism, attracting over 32.8 million visitors in 2010 - which was worth £4.6 million to the local economy with the average visitor spending 1.1 days in the city and spending on average £140 each. Advantages the City has in terms of its hotel or tourism spend is that it benefits from excellent transport communications including easy access to the motorway network comprising the M5, M42, M6, M6 Toll, M40, and M54. The city also has a significant rail network with train services (including regular high speed services) to London and the south east, the south west and the north from Birmingham New Street and Birmingham Moor Street stations.

Birmingham airport is also located approximately 6 miles south east of the city centre, adjacent to Birmingham International Rail station. The airport handled approximately 8.5 million passengers in 2010 and is the seventh busiest airport in the UK.

The city benefits from large conferencing facilities including the National Exhibition Centre which occupies a 611 acre site 8 miles from the city centre and offers 186,000 sqft of exhibition space. The venue welcomes over 2.1 million visitors a year to over 138 trade and consumer events. Also located on this site is the LG arena which is one of the UK's largest entertainment venues with a capacity of circa 15, 000.

The ICC (International Conference Centre) is situated in the city centre It has over 10 meeting halls and hosts around 400 events each year welcoming over 300,000 delegates. The NIA (National Indoor Arena) is also situated in the city centre and is one of the UK's busiest large-scale indoor sporting and entertainment venues with a capacity of approximately 14,000 people.

Birmingham Operational Performance

Birmingham's popularity in the conferencing market however has been impacted upon by the increasingly tough economic conditions – particularly as conference holders seek to lower their cost base in order to continue to attract delegates in an environment of corporate cost cutting. The key performance indicators for the Birmingham market, provided by STR Global, are shown in the table below. These show the steady decline in both the average daily rate and the Revenue per Available Room (RevPAR) since 2007, despite occupancy figures increasing:

Birmingham Operational Performance

	2007	2008	2009	2010	2011 (to Nov)
Occupancy	68.9%	65.9%	63.5%	66.0%	69.0%
Average Daily Rate	£61.79	£62.98	£57.61	£58.87	£54.20
RevPAR	£42.59	£41.50	£36.60	£38.85	£37.42

The steady decline in trading from the peak in 2006/2007 to 2009 was not helped by the addition of a significant number of rooms into the market, comprising of limited and full service hotels, located in the city centre and the outer suburbs.

However there are signs that the market is slowly improving – boosted by major events such as the Liberal Democrat and Conservative Party Conferences which were held in the City in 2011. As is evident from the table, occupancy rates are now back close to pre-recession levels. However, the ADR and RevPAY have not fully recovered.

Current Source of Birmingham Hotel Demand

Birmingham's central situation and good transport communications mean that it is a popular location for corporate events and conferences which are attracted to the large conference facilities available in and around the city such as the NEC.

There is also strong demand from leisure travellers with attractions such as Cadbury's World, the National Sealife Centre, Botanical Gardens, the Bull Ring shopping centre and further a field attractions such as Alton Towers, Go Ape, West Midlands Safari Park and sporting attractions such as Aston Villa Football Club, Birmingham City Football Club and Tamworth SnowDome.

New Birmingham Hotel Supply

Despite the difficulties in the market currently, the Birmingham hotel market is continuing to attract some level of investment with several new hotels currently in planning or development stages – although completion for some of these hotels may be pushed back in response to demand.

- **Hotel La Tour, Moor Street**: 174 bedrooms. First Hotel La Tour in the UK. Opened May 2012.
- **Cumberland House, Broad Street**: 285 bedroom Hampton By Hilton. BPRA redevelopment. Opened May 2012.
- **Kennedy Tower, Snow Hill**: 224 bedroom Holiday Inn Express. BPRA redevelopment. Expected to open end of 2012.
- **Auchinleck House, Five Ways:** 300 bedroom Park Regis. BPRA redevelopment. Expected to open in 2014.
- **The Grand, Colmore Row:** 152 bedroom Doubletree by Hilton or using an Accor Brand. Closed for almost a decade. Will be restored and likely to reopened in 2014.

Report

Appendix G: Appraisal Results Tables

Results of CIL Development Viability Analysis

Residential Viability Analysis

Development Viability Analysis Tables

We set out below our development viability analysis, which we have displayed in the following tables.

In each analysis, we show the benchmark land value compared to the residual land value of each scheme, which then allows for a margin from which CIL / S.106 can be provided (taking into account cashflow and finance charges). These tables thus show an assumed position with no CIL, but are a sensitivity analysis to demonstrate the impact of falling / rising costs and values on development viability.

We have colour coded the analysis tables as follows:

- **Green** = residual land value above the benchmark land cost range – development is therefore likely to be viable;
- **Yellow** = residual land value is less than 20% lower than benchmark – development is therefore likely to be marginally viable and there is a risk that land may not come forward for development;
- **Red** = residual land value greater than 20% below the benchmark – development is therefore highly unlikely to be viable.

Value Area 1: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House			Residual	£60,651	Land Value:	£27,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£45,741	£53,687	£61,634	£69,580	£77,527
Cap Costs	-5.00%	£45,250	£53,196	£61,143	£69,089	£77,035
	0.00%	£44,758	£52,705	£60,651	£68,598	£76,544
	5.00%	£44,267	£52,213	£60,160	£68,106	£76,053
	10.00%	£43,775	£51,722	£59,668	£67,615	£75,561

Scheme 2. 2 Flats			Residual	£72,605	Land Value:	£37,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£51,305	£62,657	£74,009	£85,361	£96,713
Cap Costs	-5.00%	£50,603	£61,955	£73,307	£84,659	£96,011
	0.00%	£49,901	£61,253	£72,605	£83,957	£95,309
	5.00%	£49,199	£60,551	£71,903	£83,255	£94,607
	10.00%	£48,497	£59,849	£71,201	£82,553	£93,905

Scheme 3. 6 Houses			Residual	£420,000	Land Value:	£166,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,219,020	£1,594,522	£1,970,024	£2,345,525	£2,721,027
Cap Costs	-5.00%	£1,193,707	£1,569,209	£1,944,711	£2,320,212	£2,695,714
	0.00%	£1,168,394	£1,543,896	£420,000	£2,294,899	£2,670,401
	5.00%	£1,143,081	£1,518,583	£1,894,085	£2,269,586	£2,645,088
	10.00%	£1,117,768	£1,493,270	£1,868,772	£2,244,273	£2,619,775

Scheme 4. 10 Flats			Residual	£334,453	Land Value:	£185,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£234,790	£287,932	£341,075	£394,217	£447,360
Cap Costs	-5.00%	£231,479	£284,621	£337,764	£390,906	£444,049
	0.00%	£228,168	£281,310	£334,453	£387,595	£440,738
	5.00%	£224,857	£277,999	£331,142	£384,285	£437,427
	10.00%	£221,546	£274,688	£327,831	£380,974	£434,116

Value Area 1: 20% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats			**Residual**	**£347,993**	**Land Value:**	**£165,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£215,833	£286,781	£357,729	£428,678	£499,626
Cap Costs	-5.00%	£210,964	£281,913	£352,861	£423,810	£494,758
	0.00%	£206,096	£277,045	£347,993	£418,941	£489,890
	5.00%	£201,228	£272,177	£343,125	£414,073	£485,022
	10.00%	£196,360	£267,309	£338,257	£409,205	£480,154

Scheme 6. 50 Flats			**Residual**	**£1,174,476**	**Land Value:**	**£555,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£718,088	£963,229	£1,208,370	£1,453,511	£1,698,652
Cap Costs	-5.00%	£701,141	£946,282	£1,191,423	£1,436,564	£1,681,705
	0.00%	£684,194	£929,335	£1,174,476	£1,419,617	£1,664,758
	5.00%	£667,247	£912,388	£1,157,529	£1,402,670	£1,647,811
	10.00%	£650,300	£895,441	£1,140,582	£1,385,723	£1,630,864

Scheme 7. 15 Houses			**Residual**	**£815,351**	**Land Value:**	**£335,000**
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£573,410	£703,292	£833,174	£963,055	£1,092,937
Cap Costs	-5.00%	£564,499	£694,380	£824,262	£954,144	£1,084,026
	0.00%	£555,587	£685,469	£815,351	£945,233	£1,075,114
	5.00%	£546,676	£676,558	£806,439	£936,321	£1,066,203
	10.00%	£537,764	£667,646	£797,528	£927,410	£1,057,291

Scheme 8. 50 Houses			**Residual**	**£2,225,391**	**Land Value:**	**£1,100,000**
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,519,149	£1,899,143	£2,279,136	£2,659,130	£3,039,123
Cap Costs	-5.00%	£1,492,277	£1,872,270	£2,252,264	£2,632,257	£3,012,251
	0.00%	£1,465,404	£1,845,398	£2,225,391	£2,605,385	£2,985,378
	5.00%	£1,438,532	£1,818,525	£2,198,519	£2,578,512	£2,958,506
	10.00%	£1,411,660	£1,791,653	£2,171,647	£2,551,640	£2,931,634

Scheme 9. 200 Houses			**Residual**	**£6,914,195**	**Land Value:**	**£6,700,000**
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£4,343,548	£5,733,273	£7,122,998	£8,512,724	£9,902,449
Cap Costs	-5.00%	£4,239,146	£5,628,871	£7,018,597	£8,408,322	£9,798,047
	0.00%	£4,134,744	£5,524,470	£6,914,195	£8,303,921	£9,693,646
	5.00%	£4,030,343	£5,420,068	£6,809,794	£8,199,519	£9,589,244
	10.00%	£3,925,941	£5,315,667	£6,705,392	£8,095,117	£9,484,843

Value Area 1: 35% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats		Residual		£257,974	Land Value:	£165,000
50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£134,815	£201,262	£267,710	£334,157	£400,605
Cap Costs	-5.00%	£129,947	£196,394	£262,842	£329,289	£395,736
	0.00%	£125,079	£191,526	£257,974	£324,421	£390,868
	5.00%	£120,211	£186,658	£253,106	£319,553	£386,000
	10.00%	£115,343	£181,790	£248,238	£314,685	£381,132

Scheme 6. 50 Flats		Residual		£862,261	Land Value:	£555,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£437,094	£666,624	£896,155	£1,125,685	£1,355,215
Cap Costs	-5.00%	£420,147	£649,677	£879,208	£1,108,738	£1,338,268
	0.00%	£403,200	£632,730	£862,261	£1,091,791	£1,321,321
	5.00%	£386,253	£615,783	£845,314	£1,074,844	£1,304,374
	10.00%	£369,306	£598,836	£828,366	£1,057,897	£1,287,427

Scheme 7. 15 Houses		Residual		£649,580	Land Value:	£335,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£424,319	£545,855	£667,391	£788,927	£910,463
Cap Costs	-5.00%	£415,414	£536,950	£658,486	£780,022	£901,557
	0.00%	£406,508	£528,044	£649,580	£771,116	£892,652
	5.00%	£397,602	£519,138	£640,674	£762,210	£883,746
	10.00%	£388,697	£510,233	£631,769	£753,304	£874,840

Scheme 8. 50 Houses		Residual		£1,741,440	Land Value:	£1,100,000
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,083,693	£1,439,433	£1,795,173	£2,150,914	£2,506,654
Cap Costs	-5.00%	£1,056,826	£1,412,566	£1,768,306	£2,124,047	£2,479,787
	0.00%	£1,029,959	£1,385,699	£1,741,440	£2,097,180	£2,452,920
	5.00%	£1,003,092	£1,358,833	£1,714,573	£2,070,313	£2,426,053
	10.00%	£976,226	£1,331,966	£1,687,706	£2,043,446	£2,399,186

Scheme 9. 200 Houses		Residual		£5,144,574	Land Value:	£6,700,000
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£2,750,888	£4,052,132	£5,353,377	£6,654,621	£7,955,865
Cap Costs	-5.00%	£2,646,487	£3,947,731	£5,248,975	£6,550,220	£7,851,464
	0.00%	£2,542,085	£3,843,329	£5,144,574	£6,445,818	£7,747,062
	5.00%	£2,437,683	£3,738,928	£5,040,172	£6,341,416	£7,642,661
	10.00%	£2,333,282	£3,634,526	£4,935,771	£6,237,015	£7,538,259

Value Area 2: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House — **Residual** **£53,888** — **Land Value:** **£27,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£39,654	£47,263	£54,871	£62,479	£70,088
Cap Costs	-5.00%	£39,163	£46,771	£54,380	£61,988	£69,596
	0.00%	£38,672	£46,280	£53,888	£61,497	£69,105
	5.00%	£38,180	£45,789	£53,397	£61,005	£68,613
	10.00%	£37,689	£45,297	£52,905	£60,514	£68,122

Scheme 2. 2 Flats — **Residual** **£62,943** — **Land Value:** **£37,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£42,609	£53,478	£64,347	£75,216	£86,085
Cap Costs	-5.00%	£41,907	£52,776	£63,645	£74,514	£85,383
	0.00%	£41,205	£52,074	£62,943	£73,812	£84,681
	5.00%	£40,503	£51,372	£62,241	£73,111	£83,980
	10.00%	£39,801	£50,671	£61,540	£72,409	£83,278

Scheme 3. 6 Houses — **Residual** **£375,000** — **Land Value:** **£166,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,219,020	£1,594,522	£1,970,024	£2,345,525	£2,721,027
Cap Costs	-5.00%	£1,193,707	£1,569,209	£1,944,711	£2,320,212	£2,695,714
	0.00%	£1,168,394	£1,543,896	£375,000	£2,294,899	£2,670,401
	5.00%	£1,143,081	£1,518,583	£1,894,085	£2,269,586	£2,645,088
	10.00%	£1,117,768	£1,493,270	£1,868,772	£2,244,273	£2,619,775

Scheme 4. 10 Flats — **Residual** **£289,225** — **Land Value:** **£185,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£194,085	£244,966	£295,847	£346,728	£397,609
Cap Costs	-5.00%	£190,774	£241,655	£292,536	£343,417	£394,298
	0.00%	£187,463	£238,344	£289,225	£340,106	£390,987
	5.00%	£184,152	£235,033	£285,914	£336,795	£387,677
	10.00%	£180,841	£231,722	£282,603	£333,485	£384,366

Value Area 2: 20% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats			Residual	£287,666	Land Value:	£165,000
50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£161,538	£229,470	£297,402	£365,334	£433,266
Cap Costs	-5.00%	£156,670	£224,602	£292,534	£360,466	£428,398
	0.00%	£151,802	£219,734	£287,666	£355,598	£423,530
	5.00%	£146,934	£214,866	£282,798	£350,730	£418,662
	10.00%	£142,066	£209,998	£277,930	£345,862	£413,794

Scheme 6. 50 Flats			Residual	£966,027	Land Value:	£555,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£530,484	£765,203	£999,921	£1,234,640	£1,469,359
Cap Costs	-5.00%	£513,537	£748,256	£982,974	£1,217,693	£1,452,412
	0.00%	£496,590	£731,309	£966,027	£1,200,746	£1,435,465
	5.00%	£479,643	£714,362	£949,080	£1,183,799	£1,418,518
	10.00%	£462,696	£697,415	£932,133	£1,166,852	£1,401,571

Scheme 7. 15 Houses			Residual	£704,922	Land Value:	£335,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£474,024	£598,385	£722,745	£847,105	£971,466
Cap Costs	-5.00%	£465,113	£589,473	£713,834	£838,194	£962,554
	0.00%	£456,202	£580,562	£704,922	£829,282	£953,643
	5.00%	£447,290	£571,650	£696,011	£820,371	£944,731
	10.00%	£438,379	£562,739	£687,099	£811,460	£935,820

Scheme 8. 50 Houses			Residual	£1,902,279	Land Value:	£1,100,000
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,228,348	£1,592,186	£1,956,024	£2,319,862	£2,683,699
Cap Costs	-5.00%	£1,201,476	£1,565,313	£1,929,151	£2,292,989	£2,656,827
	0.00%	£1,174,603	£1,538,441	£1,902,279	£2,266,117	£2,629,955
	5.00%	£1,147,731	£1,511,569	£1,875,406	£2,239,244	£2,603,082
	10.00%	£1,120,858	£1,484,696	£1,848,534	£2,212,372	£2,576,210

Scheme 9. 200 Houses			Residual	£5,732,512	Land Value:	£6,700,000
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£3,280,033	£4,610,674	£5,941,315	£7,271,956	£8,602,598
Cap Costs	-5.00%	£3,175,631	£4,506,272	£5,836,914	£7,167,555	£8,498,196
	0.00%	£3,071,230	£4,401,871	£5,732,512	£7,063,153	£8,393,795
	5.00%	£2,966,828	£4,297,469	£5,628,111	£6,958,752	£8,289,393
	10.00%	£2,862,427	£4,193,068	£5,523,709	£6,854,350	£8,184,991

Value Area 2: 35% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats		Residual		£201,521	Land Value:	£165,000
50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£84,008	£147,632	£211,257	£274,882	£338,507
Cap Costs	-5.00%	£79,140	£142,764	£206,389	£270,014	£333,639
	0.00%	£74,271	£137,896	£201,521	£265,146	£328,771
	5.00%	£69,403	£133,028	£196,653	£260,278	£323,902
	10.00%	£64,535	£128,160	£191,785	£255,410	£319,034

Scheme 6. 50 Flats		Residual		£667,242	Land Value:	£555,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£261,577	£481,357	£701,136	£920,915	£1,140,695
Cap Costs	-5.00%	£244,630	£464,410	£684,189	£903,968	£1,123,748
	0.00%	£227,683	£447,462	£667,242	£887,021	£1,106,801
	5.00%	£210,736	£430,515	£650,295	£870,074	£1,089,854
	10.00%	£193,789	£413,568	£633,348	£853,127	£1,072,907

Scheme 7. 15 Houses		Residual		£546,326	Land Value:	£335,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£331,391	£447,764	£564,137	£680,510	£796,883
Cap Costs	-5.00%	£322,485	£438,858	£555,231	£671,605	£787,978
	0.00%	£313,579	£429,952	£546,326	£662,699	£779,072
	5.00%	£304,674	£421,047	£537,420	£653,793	£770,166
	10.00%	£295,768	£412,141	£528,514	£644,888	£761,261

Scheme 8. 50 Houses		Residual		£1,439,184	Land Value:	£1,100,000
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£811,663	£1,152,290	£1,492,918	£1,833,545	£2,174,172
Cap Costs	-5.00%	£784,796	£1,125,423	£1,466,051	£1,806,678	£2,147,306
	0.00%	£757,929	£1,098,556	£1,439,184	£1,779,811	£2,120,439
	5.00%	£731,062	£1,071,690	£1,412,317	£1,752,944	£2,093,572
	10.00%	£704,195	£1,044,823	£1,385,450	£1,726,078	£2,066,705

Scheme 9. 200 Houses		Residual		£4,038,999	Land Value:	£6,700,000
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,755,871	£3,001,837	£4,247,802	£5,493,768	£6,739,734
Cap Costs	-5.00%	£1,651,470	£2,897,435	£4,143,401	£5,389,366	£6,635,332
	0.00%	£1,547,068	£2,793,034	£4,038,999	£5,284,965	£6,530,930
	5.00%	£1,442,666	£2,688,632	£3,934,598	£5,180,563	£6,426,529
	10.00%	£1,338,265	£2,584,231	£3,830,196	£5,076,162	£6,322,127

Value Area 3: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House **Residual** **£47,433** **Land Value:** **£27,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£33,844	£41,130	£48,415	£55,701	£62,987
Cap Costs	-5.00%	£33,353	£40,639	£47,924	£55,210	£62,495
	0.00%	£32,862	£40,147	£47,433	£54,718	£62,004
	5.00%	£32,370	£39,656	£46,941	£54,227	£61,512
	10.00%	£31,879	£39,164	£46,450	£53,735	£61,021

Scheme 2. 2 Flats **Residual** **£53,721** **Land Value:** **£37,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£34,309	£44,717	£55,125	£65,533	£75,941
Cap Costs	-5.00%	£33,607	£44,015	£54,423	£64,831	£75,239
	0.00%	£32,905	£43,313	£53,721	£64,129	£74,537
	5.00%	£32,204	£42,611	£53,019	£63,427	£73,835
	10.00%	£31,502	£41,909	£52,317	£62,725	£73,133

Scheme 3. 6 Houses **Residual** **£330,000** **Land Value:** **£166,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,219,020	£1,594,522	£1,970,024	£2,345,525	£2,721,027
Cap Costs	-5.00%	£1,193,707	£1,569,209	£1,944,711	£2,320,212	£2,695,714
	0.00%	£1,168,394	£1,543,896	£330,000	£2,294,899	£2,670,401
	5.00%	£1,143,081	£1,518,583	£1,894,085	£2,269,586	£2,645,088
	10.00%	£1,117,768	£1,493,270	£1,868,772	£2,244,273	£2,619,775

Scheme 4. 10 Flats **Residual** **£246,053** **Land Value:** **£185,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£155,230	£203,952	£252,675	£301,398	£350,120
Cap Costs	-5.00%	£151,919	£200,642	£249,364	£298,087	£346,809
	0.00%	£148,608	£197,331	£246,053	£294,776	£343,498
	5.00%	£145,297	£194,020	£242,742	£291,465	£340,187
	10.00%	£141,986	£190,709	£239,431	£288,154	£336,877

Value Area 3: 20% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats			Residual	£229,959	Land Value:	£165,000
50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£109,602	£174,649	£239,695	£304,742	£369,789
Cap Costs	-5.00%	£104,734	£169,781	£234,827	£299,874	£364,921
	0.00%	£99,866	£164,913	£229,959	£295,006	£360,053
	5.00%	£94,998	£160,045	£225,091	£290,138	£355,185
	10.00%	£90,130	£155,176	£220,223	£285,270	£350,316

Scheme 6. 50 Flats			Residual	£766,645	Land Value:	£555,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£351,040	£575,789	£800,539	£1,025,289	£1,250,038
Cap Costs	-5.00%	£334,093	£558,842	£783,592	£1,008,342	£1,233,091
	0.00%	£317,146	£541,895	£766,645	£991,394	£1,216,144
	5.00%	£300,199	£524,948	£749,698	£974,447	£1,199,197
	10.00%	£283,252	£508,001	£732,751	£957,500	£1,182,250

Scheme 7. 15 Houses			Residual	£599,272	Land Value:	£335,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£378,939	£498,017	£617,095	£736,172	£855,250
Cap Costs	-5.00%	£370,028	£489,105	£608,183	£727,261	£846,339
	0.00%	£361,116	£480,194	£599,272	£718,350	£837,427
	5.00%	£352,205	£471,283	£590,360	£709,438	£828,516
	10.00%	£343,293	£462,371	£581,449	£700,527	£819,605

Scheme 8. 50 Houses			Residual	£1,593,212	Land Value:	£1,100,000
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£950,188	£1,298,572	£1,646,957	£1,995,341	£2,343,726
Cap Costs	-5.00%	£923,315	£1,271,700	£1,620,084	£1,968,469	£2,316,853
	0.00%	£896,443	£1,244,827	£1,593,212	£1,941,596	£2,289,981
	5.00%	£869,570	£1,217,955	£1,566,339	£1,914,724	£2,263,108
	10.00%	£842,698	£1,191,083	£1,539,467	£1,887,852	£2,236,236

Scheme 9. 200 Houses			Residual	£4,602,166	Land Value:	£6,700,000
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£2,262,721	£3,536,845	£4,810,969	£6,085,093	£7,359,217
Cap Costs	-5.00%	£2,158,320	£3,432,444	£4,706,568	£5,980,692	£7,254,816
	0.00%	£2,053,918	£3,328,042	£4,602,166	£5,876,290	£7,150,414
	5.00%	£1,949,517	£3,223,641	£4,497,765	£5,771,889	£7,046,013
	10.00%	£1,845,115	£3,119,239	£4,393,363	£5,667,487	£6,941,611

Value Area 3: 35% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats

Scheme 5. 15 Flats			Residual	£147,415	Land Value:	£165,000
50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£35,313	£96,232	£157,152	£218,071	£278,991
Cap Costs	-5.00%	£30,445	£91,364	£152,283	£213,203	£274,122
	0.00%	£25,576	£86,496	£147,415	£208,335	£269,254
	5.00%	£20,708	£81,628	£142,547	£203,467	£264,386
	10.00%	£15,840	£76,760	£137,679	£198,599	£259,518

Scheme 6. 50 Flats

Scheme 6. 50 Flats			Residual	£480,357	Land Value:	£555,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£93,381	£303,816	£514,251	£724,687	£935,122
Cap Costs	-5.00%	£76,434	£286,869	£497,304	£707,740	£918,175
	0.00%	£59,487	£269,922	£480,357	£690,792	£901,228
	5.00%	£42,540	£252,975	£463,410	£673,845	£884,281
	10.00%	£25,593	£236,028	£446,463	£656,898	£867,334

Scheme 7. 15 Houses

Scheme 7. 15 Houses			Residual	£447,363	Land Value:	£335,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£242,324	£353,749	£465,174	£576,599	£688,024
Cap Costs	-5.00%	£233,418	£344,843	£456,268	£567,694	£679,119
	0.00%	£224,513	£335,938	£447,363	£558,788	£670,213
	5.00%	£215,607	£327,032	£438,457	£549,882	£661,307
	10.00%	£206,701	£318,126	£429,551	£540,976	£652,402

Scheme 8. 50 Houses

Scheme 8. 50 Houses			Residual	£1,149,543	Land Value:	£1,100,000
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£550,985	£877,131	£1,203,276	£1,529,422	£1,855,567
Cap Costs	-5.00%	£524,119	£850,264	£1,176,409	£1,502,555	£1,828,700
	0.00%	£497,252	£823,397	£1,149,543	£1,475,688	£1,801,833
	5.00%	£470,385	£796,530	£1,122,676	£1,448,821	£1,774,966
	10.00%	£443,518	£769,664	£1,095,809	£1,421,954	£1,748,100

Scheme 9. 200 Houses

Scheme 9. 200 Houses			Residual	£2,979,503	Land Value:	£6,700,000
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£802,324	£1,995,315	£3,188,306	£4,381,297	£5,574,288
Cap Costs	-5.00%	£697,923	£1,890,914	£3,083,904	£4,276,895	£5,469,886
	0.00%	£593,521	£1,786,512	£2,979,503	£4,172,494	£5,365,484
	5.00%	£489,120	£1,682,111	£2,875,101	£4,068,092	£5,261,083
	10.00%	£384,718	£1,577,709	£2,770,700	£3,963,691	£5,156,681

Value Area 4: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House **Residual** **£21,869** **Land Value:** **£15,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£11,220	£17,014	£22,809	£28,604	£34,398
Cap Costs	-5.00%	£10,750	£16,544	£22,339	£28,133	£33,928
	0.00%	£10,280	£16,074	£21,869	£27,663	£33,458
	5.00%	£9,809	£15,604	£21,399	£27,193	£32,988
	10.00%	£9,339	£15,134	£20,929	£26,723	£32,518

Scheme 2. 2 Flats **Residual** **£17,809** **Land Value:** **£20,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£2,596	£10,874	£19,152	£27,430	£35,708
Cap Costs	-5.00%	£1,925	£10,203	£18,481	£26,759	£35,037
	0.00%	£1,253	£9,531	£17,809	£26,087	£34,365
	5.00%	£582	£8,860	£17,138	£25,416	£33,694
	10.00%	£0	£8,188	£16,466	£24,744	£33,022

Scheme 3. 6 Houses **Residual** **£148,973** **Land Value:** **£90,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£110,951	£129,013	£150,015	£154,516	£169,968
Cap Costs	-5.00%	£110,511	£128,501	£149,420	£153,902	£169,292
	0.00%	£110,180	£128,116	£148,973	£153,442	£168,786
	5.00%	£106,875	£124,273	£144,503	£148,839	£163,722
	10.00%	£102,468	£119,148	£138,545	£142,701	£156,971

Scheme 4. 10 Flats **Residual** **£78,173** **Land Value:** **£100,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£7,004	£45,756	£84,508	£123,260	£162,012
Cap Costs	-5.00%	£3,836	£42,588	£81,340	£120,092	£158,844
	0.00%	£669	£39,421	£78,173	£116,925	£155,676
	5.00%	£0	£36,253	£75,005	£113,757	£152,509
	10.00%	£0	£33,086	£71,837	£110,589	£149,341

Value Area 4: 20% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats — **Residual** **£158,183** — **Land Value:** **£90,000**

50	GDV%					
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£64,475	£116,197	£167,919	£219,640	£271,362
Cap Costs	-5.00%	£59,607	£111,329	£163,051	£214,772	£266,494
	0.00%	£54,739	£106,461	£158,183	£209,904	£261,626
	5.00%	£49,871	£101,593	£153,314	£205,036	£256,758
	10.00%	£45,003	£96,725	£148,446	£200,168	£251,890

Scheme 6. 50 Flats — **Residual** **£523,712** — **Land Value:** **£300,000**

125	GDV%					
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£200,189	£378,898	£557,607	£736,315	£915,024
Cap Costs	-5.00%	£183,242	£361,951	£540,659	£719,368	£898,077
	0.00%	£166,295	£345,004	£523,712	£702,421	£881,130
	5.00%	£149,348	£328,057	£506,765	£685,474	£864,183
	10.00%	£132,401	£311,109	£489,818	£668,527	£847,236

Scheme 7. 15 Houses — **Residual** **£289,639** — **Land Value:** **£180,000**

125	GDV%					
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£118,093	£212,777	£307,462	£402,147	£496,832
Cap Costs	-5.00%	£109,181	£203,866	£298,551	£393,235	£487,920
	0.00%	£100,270	£194,955	£289,639	£384,324	£479,009
	5.00%	£91,358	£186,043	£280,728	£375,413	£470,097
	10.00%	£82,447	£177,132	£271,816	£366,501	£461,186

Scheme 8. 50 Houses — **Residual** **£703,307** — **Land Value:** **£595,000**

500	GDV%					
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£203,018	£480,035	£757,051	£1,034,068	£1,311,085
Cap Costs	-5.00%	£176,145	£453,162	£730,179	£1,007,196	£1,284,213
	0.00%	£149,273	£426,290	£703,307	£980,324	£1,257,340
	5.00%	£122,401	£399,417	£676,434	£953,451	£1,230,468
	10.00%	£95,528	£372,545	£649,562	£926,579	£1,203,596

Scheme 9. 200 Houses — **Residual** **£1,470,048** — **Land Value:** **£3,600,000**

1000	GDV%					
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£665,735	£1,678,851	£2,691,968	£3,705,084
Cap Costs	-5.00%	£0	£561,333	£1,574,449	£2,587,566	£3,600,682
	0.00%	£0	£456,931	£1,470,048	£2,483,164	£3,496,281
	5.00%	£0	£352,530	£1,365,646	£2,378,763	£3,391,879
	10.00%	£0	£248,128	£1,261,245	£2,274,361	£3,287,478

Value Area 4: 35% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats			Residual	£130,261	Land Value:	£90,000
50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£42,717	£91,146	£139,575	£188,004	£236,433
Cap Costs	-5.00%	£38,060	£86,489	£134,918	£183,347	£231,776
	0.00%	£33,403	£81,832	£130,261	£178,689	£227,118
	5.00%	£28,745	£77,174	£125,603	£174,032	£222,461
	10.00%	£24,088	£72,517	£120,946	£169,375	£217,804

Scheme 6. 50 Flats			Residual	£427,356	Land Value:	£300,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£125,207	£292,495	£459,783	£627,072	£794,360
Cap Costs	-5.00%	£108,993	£276,282	£443,570	£610,858	£778,147
	0.00%	£92,780	£260,068	£427,356	£594,645	£761,933
	5.00%	£76,566	£243,855	£411,143	£578,431	£745,720
	10.00%	£60,353	£227,641	£394,930	£562,218	£729,506

Scheme 7. 15 Houses			Residual	£237,954	Land Value:	£180,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£77,836	£166,415	£254,994	£343,573	£432,152
Cap Costs	-5.00%	£69,316	£157,895	£246,474	£335,053	£423,632
	0.00%	£60,795	£149,375	£237,954	£326,533	£415,112
	5.00%	£52,275	£140,854	£229,434	£318,013	£406,592
	10.00%	£43,755	£132,334	£220,913	£309,493	£398,072

Scheme 8. 50 Houses			Residual	£558,796	Land Value:	£595,000
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£91,656	£350,929	£610,203	£869,477	£1,128,750
Cap Costs	-5.00%	£65,952	£325,226	£584,499	£843,773	£1,103,047
	0.00%	£40,248	£299,522	£558,796	£818,069	£1,077,343
	5.00%	£14,545	£273,818	£533,092	£792,365	£1,051,639
	10.00%	£0	£248,114	£507,388	£766,662	£1,025,935

Scheme 9. 200 Houses			Residual	£988,938	Land Value:	£3,600,000
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£240,317	£1,188,702	£2,137,087	£3,085,473
Cap Costs	-5.00%	£0	£140,435	£1,088,820	£2,037,205	£2,985,591
	0.00%	£0	£40,553	£988,938	£1,937,323	£2,885,709
	5.00%	£0	£0	£889,056	£1,837,441	£2,785,826
	10.00%	£0	£0	£789,174	£1,737,559	£2,685,944

Value Area 5: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House **Residual** **£18,487** **Land Value:** **£15,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£8,176	£13,802	£19,428	£25,053	£30,679
	-5.00%	£7,706	£13,332	£18,957	£24,583	£30,208
	0.00%	£7,236	£12,862	£18,487	£24,113	£29,738
	5.00%	£6,766	£12,392	£18,017	£23,643	£29,268
	10.00%	£6,296	£11,921	£17,547	£23,173	£28,798

Scheme 2. 2 Flats **Residual** **£12,978** **Land Value:** **£20,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£6,285	£14,322	£22,358	£30,395
	-5.00%	£0	£5,614	£13,650	£21,687	£29,723
	0.00%	£0	£4,942	£12,978	£21,015	£29,051
	5.00%	£0	£4,270	£12,307	£20,343	£28,380
	10.00%	£0	£3,599	£11,635	£19,672	£27,708

Scheme 3. 6 Houses **Residual** **£125,169** **Land Value:** **£90,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£93,223	£108,399	£126,045	£129,826	£142,809
	-5.00%	£92,852	£107,968	£125,544	£129,310	£142,241
	0.00%	£92,575	£107,645	£125,169	£128,924	£141,816
	5.00%	£89,797	£104,416	£121,414	£125,056	£137,562
	10.00%	£86,094	£100,110	£116,407	£119,899	£131,889

Scheme 4. 10 Flats **Residual** **£55,559** **Land Value:** **£100,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£24,273	£61,894	£99,515	£137,136
	-5.00%	£0	£21,105	£58,726	£96,348	£133,969
	0.00%	£0	£17,938	£55,559	£93,180	£130,801
	5.00%	£0	£14,770	£52,391	£90,012	£127,634
	10.00%	£0	£11,602	£49,224	£86,845	£124,466

Value Area 5: 20% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats — **Residual** **£131,979** — **Land Value:** **£90,000**

50 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£40,892	£91,304	£141,715	£192,127	£242,538
Cap Costs	-5.00%	£36,024	£86,436	£136,847	£187,259	£237,670
	0.00%	£31,156	£81,568	£131,979	£182,391	£232,802
	5.00%	£26,288	£76,700	£127,111	£177,523	£227,934
	10.00%	£21,420	£71,832	£122,243	£172,655	£223,066

Scheme 6. 50 Flats — **Residual** **£433,175** — **Land Value:** **£300,000**

125 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£118,705	£292,887	£467,069	£641,251	£815,434
Cap Costs	-5.00%	£101,758	£275,940	£450,122	£624,304	£798,486
	0.00%	£84,811	£258,993	£433,175	£607,357	£781,539
	5.00%	£67,864	£242,046	£416,228	£590,410	£764,592
	10.00%	£50,917	£225,099	£399,281	£573,463	£747,645

Scheme 7. 15 Houses — **Residual** **£241,664** — **Land Value:** **£180,000**

125 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£74,915	£167,201	£259,487	£351,773	£444,059
Cap Costs	-5.00%	£66,004	£158,290	£250,576	£342,862	£435,148
	0.00%	£57,092	£149,378	£241,664	£333,950	£426,236
	5.00%	£48,181	£140,467	£232,753	£325,039	£417,325
	10.00%	£39,269	£131,555	£223,841	£316,127	£408,413

Scheme 8. 50 Houses — **Residual** **£562,984** — **Land Value:** **£595,000**

500 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£76,727	£346,728	£616,729	£886,729	£1,156,730
Cap Costs	-5.00%	£49,855	£319,856	£589,856	£859,857	£1,129,858
	0.00%	£22,982	£292,983	£562,984	£832,985	£1,102,985
	5.00%	£0	£266,111	£536,111	£806,112	£1,076,113
	10.00%	£0	£239,238	£509,239	£779,240	£1,049,241

Scheme 9. 200 Houses — **Residual** **£956,783** — **Land Value:** **£3,600,000**

1000 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£178,133	£1,165,586	£2,153,039	£3,140,492
Cap Costs	-5.00%	£0	£73,731	£1,061,184	£2,048,637	£3,036,091
	0.00%	£0	£0	£956,783	£1,944,236	£2,931,689
	5.00%	£0	£0	£852,381	£1,839,834	£2,827,288
	10.00%	£0	£0	£747,980	£1,735,433	£2,722,886

Value Area 5: 35% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats		Residual		£108,951	Land Value:	£90,000
50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£23,539	£70,902	£118,266	£165,629	£212,993
Cap Costs	-5.00%	£18,881	£66,245	£113,608	£160,972	£208,335
	0.00%	£14,224	£61,588	£108,951	£156,315	£203,678
	5.00%	£9,567	£56,930	£104,294	£151,657	£199,021
	10.00%	£4,909	£52,273	£99,636	£147,000	£194,363

Scheme 6. 50 Flats		Residual		£353,795	Land Value:	£300,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£59,001	£222,612	£386,222	£549,832	£713,442
Cap Costs	-5.00%	£42,788	£206,398	£370,009	£533,619	£697,229
	0.00%	£26,575	£190,185	£353,795	£517,405	£681,016
	5.00%	£10,361	£173,971	£337,582	£501,192	£664,802
	10.00%	£0	£157,758	£321,368	£484,979	£648,589

Scheme 7. 15 Houses		Residual		£198,996	Land Value:	£180,000
125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£42,773	£129,405	£216,036	£302,667	£389,298
Cap Costs	-5.00%	£34,253	£120,884	£207,516	£294,147	£380,778
	0.00%	£25,733	£112,364	£198,996	£285,627	£372,258
	5.00%	£17,213	£103,844	£190,475	£277,107	£363,738
	10.00%	£8,693	£95,324	£181,955	£268,587	£355,218

Scheme 8. 50 Houses		Residual		£444,792	Land Value:	£595,000
500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£242,626	£496,200	£749,773	£1,003,347
Cap Costs	-5.00%	£0	£216,923	£470,496	£724,070	£977,643
	0.00%	£0	£191,219	£444,792	£698,366	£951,939
	5.00%	£0	£165,515	£419,089	£672,662	£926,235
	10.00%	£0	£139,811	£393,385	£646,958	£900,532

Scheme 9. 200 Houses		Residual		£571,894	Land Value:	£3,600,000
1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£771,658	£1,699,191	£2,626,724
Cap Costs	-5.00%	£0	£0	£671,776	£1,599,309	£2,526,842
	0.00%	£0	£0	£571,894	£1,499,427	£2,426,960
	5.00%	£0	£0	£472,012	£1,399,545	£2,327,078
	10.00%	£0	£0	£372,130	£1,299,663	£2,227,196

Value Area 6: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House

Residual £15,106 Land Value: £15,000

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£5,133	£10,590	£16,046	£21,502	£26,959
	-5.00%	£4,663	£10,119	£15,576	£21,032	£26,489
	0.00%	£4,193	£9,649	£15,106	£20,562	£26,019
	5.00%	£3,723	£9,179	£14,636	£20,092	£25,549
	10.00%	£3,253	£8,709	£14,166	£19,622	£25,078

Scheme 2. 2 Flats

Residual £8,148 Land Value: £20,000

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£1,696	£9,491	£17,286	£25,081
	-5.00%	£0	£1,024	£8,819	£16,614	£24,409
	0.00%	£0	£353	£8,148	£15,943	£23,738
	5.00%	£0	£0	£7,476	£15,271	£23,066
	10.00%	£0	£0	£6,805	£14,600	£22,394

Scheme 3. 6 Houses

Residual £101,365 Land Value: £90,000

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£75,494	£87,784	£102,074	£105,136	£115,650
	-5.00%	£75,194	£87,435	£101,669	£104,719	£115,191
	0.00%	£74,969	£87,174	£101,365	£104,405	£114,846
	5.00%	£72,720	£84,558	£98,324	£101,273	£111,401
	10.00%	£69,721	£81,071	£94,269	£97,097	£106,807

Scheme 4. 10 Flats

Residual £32,945 Land Value: £100,000

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£2,789	£39,280	£75,771	£112,261
	-5.00%	£0	£0	£36,112	£72,603	£109,094
	0.00%	£0	£0	£32,945	£69,435	£105,926
	5.00%	£0	£0	£29,777	£66,268	£102,758
	10.00%	£0	£0	£26,610	£63,100	£99,591

Value Area 6: 20% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats — **Residual** **£105,776** — **Land Value:** **£90,000**

50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£17,309	£66,411	£115,512	£164,613	£213,715
Cap Costs	-5.00%	£12,441	£61,543	£110,644	£159,745	£208,847
	0.00%	£7,573	£56,675	£105,776	£154,877	£203,979
	5.00%	£2,705	£51,807	£100,908	£150,009	£199,111
	10.00%	£0	£46,938	£96,040	£145,141	£194,243

Scheme 6. 50 Flats — **Residual** **£342,638** — **Land Value:** **£300,000**

125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£37,222	£206,877	£376,532	£546,188	£715,843
Cap Costs	-5.00%	£20,275	£189,930	£359,585	£529,240	£698,896
	0.00%	£3,328	£172,983	£342,638	£512,293	£681,949
	5.00%	£0	£156,036	£325,691	£495,346	£665,002
	10.00%	£0	£139,089	£308,744	£478,399	£648,055

Scheme 7. 15 Houses — **Residual** **£193,689** — **Land Value:** **£180,000**

125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£31,737	£121,625	£211,512	£301,399	£391,286
Cap Costs	-5.00%	£22,826	£112,713	£202,600	£292,488	£382,375
	0.00%	£13,915	£103,802	£193,689	£283,576	£373,464
	5.00%	£5,003	£94,890	£184,778	£274,665	£364,552
	10.00%	£0	£85,979	£175,866	£265,753	£355,641

Scheme 8. 50 Houses — **Residual** **£422,661** — **Land Value:** **£595,000**

500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£213,421	£476,406	£739,390	£1,002,375
Cap Costs	-5.00%	£0	£186,549	£449,533	£712,518	£975,503
	0.00%	£0	£159,677	£422,661	£685,646	£948,630
	5.00%	£0	£132,804	£395,789	£658,773	£921,758
	10.00%	£0	£105,932	£368,916	£631,901	£894,885

Scheme 9. 200 Houses — **Residual** **£443,517** — **Land Value:** **£3,600,000**

1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£652,321	£1,614,111	£2,575,900
Cap Costs	-5.00%	£0	£0	£547,919	£1,509,709	£2,471,499
	0.00%	£0	£0	£443,517	£1,405,307	£2,367,097
	5.00%	£0	£0	£339,116	£1,300,906	£2,262,696
	10.00%	£0	£0	£234,714	£1,196,504	£2,158,294

Value Area 6: 35% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats | **Residual** **£87,642** | **Land Value: £90,000**

50 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£4,360	£50,658	£96,956	£143,254	£189,552
Cap Costs	-5.00%	£0	£46,001	£92,299	£138,597	£184,895
	0.00%	£0	£41,344	£87,642	£133,940	£180,238
	5.00%	£0	£36,686	£82,984	£129,282	£175,580
	10.00%	£0	£32,029	£78,327	£124,625	£170,923

Scheme 6. 50 Flats | **Residual** **£280,234** | **Land Value: £300,000**

125 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£152,728	£312,661	£472,593	£632,525
Cap Costs	-5.00%	£0	£136,515	£296,447	£456,379	£616,312
	0.00%	£0	£120,302	£280,234	£440,166	£600,098
	5.00%	£0	£104,088	£264,020	£423,953	£583,885
	10.00%	£0	£87,875	£247,807	£407,739	£567,671

Scheme 7. 15 Houses | **Residual** **£160,037** | **Land Value: £180,000**

125 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£7,711	£92,394	£177,078	£261,761	£346,445
Cap Costs	-5.00%	£0	£83,874	£168,558	£253,241	£337,924
	0.00%	£0	£75,354	£160,037	£244,721	£329,404
	5.00%	£0	£66,834	£151,517	£236,201	£320,884
	10.00%	£0	£58,314	£142,997	£227,680	£312,364

Scheme 8. 50 Houses | **Residual** **£330,789** | **Land Value: £595,000**

500 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£134,323	£382,197	£630,070	£877,943
Cap Costs	-5.00%	£0	£108,620	£356,493	£604,366	£852,240
	0.00%	£0	£82,916	£330,789	£578,662	£826,536
	5.00%	£0	£57,212	£305,085	£552,959	£800,832
	10.00%	£0	£31,508	£279,382	£527,255	£775,128

Scheme 9. 200 Houses | **Residual** **£154,850** | **Land Value: £3,600,000**

1000 GDV%

		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£354,614	£1,261,295	£2,167,975
Cap Costs	-5.00%	£0	£0	£254,732	£1,161,413	£2,068,093
	0.00%	£0	£0	£154,850	£1,061,531	£1,968,211
	5.00%	£0	£0	£54,968	£961,649	£1,868,329
	10.00%	£0	£0	£0	£861,767	£1,768,447

Value Area 7: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House — **Residual** **£5,269** — **Land Value:** **£15,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£1,244	£6,209	£11,174	£16,138
	-5.00%	£0	£774	£5,739	£10,704	£15,668
	0.00%	£0	£304	£5,269	£10,233	£15,198
	5.00%	£0	£0	£4,799	£9,763	£14,728
	10.00%	£0	£0	£4,329	£9,293	£14,258

Scheme 2. 2 Flats — **Residual** **£0** — **Land Value:** **£20,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£0	£2,530	£9,623
	-5.00%	£0	£0	£0	£1,859	£8,951
	0.00%	£0	£0	£0	£1,187	£8,280
	5.00%	£0	£0	£0	£516	£7,608
	10.00%	£0	£0	£0	£0	£6,936

Scheme 3. 6 Houses — **Residual** **£32,116** — **Land Value:** **£90,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£23,920	£27,813	£32,341	£33,311	£36,643
	-5.00%	£23,825	£27,703	£32,213	£33,179	£36,497
	0.00%	£23,753	£27,620	£32,116	£33,080	£36,388
	5.00%	£23,041	£26,791	£31,153	£32,087	£35,296
	10.00%	£22,091	£25,687	£29,868	£30,764	£33,841

Scheme 4. 10 Flats — **Residual** **£0** — **Land Value:** **£100,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£0	£6,696	£39,897
	-5.00%	£0	£0	£0	£3,528	£36,729
	0.00%	£0	£0	£0	£360	£33,562
	5.00%	£0	£0	£0	£0	£30,394
	10.00%	£0	£0	£0	£0	£27,226

Value Area 7: 20% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats			Residual		£29,548	Land Value:	£90,000
50		GDV%					
			-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%		£0	£0	£39,284	£84,574	£129,864
Cap Costs	-5.00%		£0	£0	£34,416	£79,706	£124,996
	0.00%		£0	£0	£29,548	£74,838	£120,128
	5.00%		£0	£0	£24,680	£69,970	£115,260
	10.00%		£0	£0	£19,812	£65,102	£110,392

Scheme 6. 50 Flats			Residual		£79,258	Land Value:	£300,000
125		GDV%					
			-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%		£0	£0	£113,152	£269,638	£426,124
Cap Costs	-5.00%		£0	£0	£96,205	£252,691	£409,177
	0.00%		£0	£0	£79,258	£235,744	£392,230
	5.00%		£0	£0	£62,311	£218,797	£375,283
	10.00%		£0	£0	£45,364	£201,850	£358,336

Scheme 7. 15 Houses			Residual		£54,125	Land Value:	£180,000
125		GDV%					
			-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%		£0	£0	£71,948	£154,857	£237,766
Cap Costs	-5.00%		£0	£0	£63,036	£145,945	£228,855
	0.00%		£0	£0	£54,125	£137,034	£219,943
	5.00%		£0	£0	£45,214	£128,123	£211,032
	10.00%		£0	£0	£36,302	£119,211	£202,120

Scheme 8. 50 Houses			Residual		£14,449	Land Value:	£595,000
500		GDV%					
			-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%		£0	£0	£68,194	£310,768	£553,342
Cap Costs	-5.00%		£0	£0	£41,322	£283,896	£526,470
	0.00%		£0	£0	£14,449	£257,023	£499,597
	5.00%		£0	£0	£0	£230,151	£472,725
	10.00%		£0	£0	£0	£203,279	£445,853

Scheme 9. 200 Houses			Residual		£0	Land Value:	£3,600,000
1000		GDV%					
			-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%		£0	£0	£0	£46,319	£933,452
Cap Costs	-5.00%		£0	£0	£0	£0	£829,050
	0.00%		£0	£0	£0	£0	£724,649
	5.00%		£0	£0	£0	£0	£620,247
	10.00%		£0	£0	£0	£0	£515,845

Value Area 7: 35% Affordable Housing, No Grant, 2012

Scheme 5. 15 Flats — **Residual** **£25,651** **Land Value:** **£90,000**

50		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£34,965	£78,164	£121,362
Cap Costs	-5.00%	£0	£0	£30,308	£73,506	£116,705
	0.00%	£0	£0	£25,651	£68,849	£112,047
	5.00%	£0	£0	£20,993	£64,192	£107,390
	10.00%	£0	£0	£16,336	£59,534	£102,733

Scheme 6. 50 Flats — **Residual** **£66,237** **Land Value:** **£300,000**

125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£98,664	£247,896	£397,129
Cap Costs	-5.00%	£0	£0	£82,450	£231,683	£380,915
	0.00%	£0	£0	£66,237	£215,469	£364,702
	5.00%	£0	£0	£50,024	£199,256	£348,488
	10.00%	£0	£0	£33,810	£183,043	£332,275

Scheme 7. 15 Houses — **Residual** **£46,705** **Land Value:** **£180,000**

125		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£63,745	£142,762	£221,779
Cap Costs	-5.00%	£0	£0	£55,225	£134,242	£213,258
	0.00%	£0	£0	£46,705	£125,722	£204,738
	5.00%	£0	£0	£38,185	£117,201	£196,218
	10.00%	£0	£0	£29,664	£108,681	£187,698

Scheme 8. 50 Houses — **Residual** **£0** **Land Value:** **£595,000**

500		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£50,551	£281,842	£513,133
Cap Costs	-5.00%	£0	£0	£24,847	£256,138	£487,429
	0.00%	£0	£0	£0	£230,435	£461,726
	5.00%	£0	£0	£0	£204,731	£436,022
	10.00%	£0	£0	£0	£179,027	£410,318

Scheme 9. 200 Houses — **Residual** **£0** **Land Value:** **£3,600,000**

1000		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£0	£0	£833,434
Cap Costs	-5.00%	£0	£0	£0	£0	£733,552
	0.00%	£0	£0	£0	£0	£633,670
	5.00%	£0	£0	£0	£0	£533,788
	10.00%	£0	£0	£0	£0	£433,906

Commercial Viability Analysis (2016)

Value Area 1: 0% Affordable Housing, No Grant, 2012

Scheme 1. 1 House — **Residual** **£68,536** — **Land Value:** **£27,000**

	GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£51,687	£60,667	£69,646	£78,626	£87,605
-5.00%	£51,132	£60,112	£69,091	£78,071	£87,050
0.00%	£50,577	£59,556	£68,536	£77,515	£86,495
5.00%	£50,022	£59,001	£67,981	£76,960	£85,940
10.00%	£49,466	£58,446	£67,425	£76,405	£85,384

Scheme 2. 2 Flats — **Residual** **£82,043** — **Land Value:** **£37,000**

	GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£57,974	£70,802	£83,630	£96,458	£109,286
-5.00%	£57,181	£70,009	£82,837	£95,665	£108,492
0.00%	£56,388	£69,216	£82,043	£94,871	£107,699
5.00%	£55,595	£68,422	£81,250	£94,078	£106,906
10.00%	£54,801	£67,629	£80,457	£93,285	£106,113

Scheme 3. 6 Houses — **Residual** **£474,600** — **Land Value:** **£166,000**

	GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£1,377,493	£1,801,810	£2,226,127	£2,650,444	£3,074,760
-5.00%	£1,348,889	£1,773,206	£2,197,523	£2,621,840	£3,046,157
0.00%	£1,320,285	£1,744,602	£2,165,089	£2,593,236	£3,017,553
5.00%	£1,291,682	£1,715,999	£2,140,316	£2,564,633	£2,988,950
10.00%	£1,263,078	£1,687,395	£2,111,712	£2,536,029	£2,960,346

Scheme 4. 10 Flats — **Residual** **£377,932** — **Land Value:** **£185,000**

	GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£265,312	£325,363	£385,414	£445,465	£505,517
-5.00%	£261,571	£321,622	£381,673	£441,724	£501,775
0.00%	£257,830	£317,881	£377,932	£437,983	£498,034
5.00%	£254,088	£314,139	£374,190	£434,241	£494,293
10.00%	£250,347	£310,398	£370,449	£430,500	£490,551

Value Area 1: 20% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£393,232** — **Land Value:** **£165,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£243,891	£324,062	£404,234	£484,406	£564,577
Cap Costs	-5.00%	£238,390	£318,562	£398,733	£478,905	£559,076
	0.00%	£232,889	£313,061	£393,232	£473,404	£553,576
	5.00%	£227,388	£307,560	£387,731	£467,903	£548,075
	10.00%	£221,887	£302,059	£382,230	£462,402	£542,574

Scheme 6. 50 Flats — **Residual** **£1,327,158** — **Land Value:** **£555,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£811,439	£1,088,449	£1,365,458	£1,642,468	£1,919,477
Cap Costs	-5.00%	£792,289	£1,069,299	£1,346,308	£1,623,318	£1,900,327
	0.00%	£773,139	£1,050,148	£1,327,158	£1,604,167	£1,881,177
	5.00%	£753,989	£1,030,998	£1,308,008	£1,585,017	£1,862,027
	10.00%	£734,839	£1,011,848	£1,288,858	£1,565,867	£1,842,877

Scheme 7. 15 Houses — **Residual** **£921,346** — **Land Value:** **£335,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£647,953	£794,720	£941,486	£1,088,253	£1,235,019
Cap Costs	-5.00%	£637,884	£784,650	£931,416	£1,078,183	£1,224,949
	0.00%	£627,814	£774,580	£921,346	£1,068,113	£1,214,879
	5.00%	£617,744	£764,510	£911,276	£1,058,043	£1,204,809
	10.00%	£607,674	£754,440	£901,207	£1,047,973	£1,194,739

Scheme 8. 50 Houses — **Residual** **£2,514,692** — **Land Value:** **£1,100,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,716,639	£2,146,031	£2,575,424	£3,004,817	£3,434,209
Cap Costs	-5.00%	£1,686,273	£2,115,665	£2,545,058	£2,974,451	£3,403,843
	0.00%	£1,655,907	£2,085,300	£2,514,692	£2,944,085	£3,373,478
	5.00%	£1,625,541	£2,054,934	£2,484,326	£2,913,719	£3,343,112
	10.00%	£1,595,175	£2,024,568	£2,453,961	£2,883,353	£3,312,746

Scheme 9. 200 Houses — **Residual** **£7,813,041** — **Land Value:** **£6,700,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£4,908,209	£6,478,598	£8,048,988	£9,619,378	£11,189,767
Cap Costs	-5.00%	£4,790,235	£6,360,625	£7,931,014	£9,501,404	£11,071,794
	0.00%	£4,672,261	£6,242,651	£7,813,041	£9,383,430	£10,953,820
	5.00%	£4,554,287	£6,124,677	£7,695,067	£9,265,456	£10,835,846
	10.00%	£4,436,314	£6,006,703	£7,577,093	£9,147,483	£10,717,872

Value Area 1: 35% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats		Residual		£291,510	Land Value:	£165,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£152,341	£227,427	£302,512	£377,598	£452,683
Cap Costs	-5.00%	£146,840	£221,926	£297,011	£372,097	£447,182
	0.00%	£141,339	£216,425	£291,510	£366,596	£441,681
	5.00%	£135,838	£210,924	£286,009	£361,095	£436,180
	10.00%	£130,337	£205,423	£280,508	£355,594	£430,679

Scheme 6. 50 Flats		Residual		£974,354	Land Value:	£555,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£493,916	£753,285	£1,012,655	£1,272,024	£1,531,393
Cap Costs	-5.00%	£474,766	£734,135	£993,505	£1,252,874	£1,512,243
	0.00%	£455,616	£714,985	£974,354	£1,233,724	£1,493,093
	5.00%	£436,466	£695,835	£955,204	£1,214,574	£1,473,943
	10.00%	£417,315	£676,685	£936,054	£1,195,423	£1,454,793

Scheme 7. 15 Houses		Residual		£734,025	Land Value:	£335,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£479,481	£616,817	£754,152	£891,488	£1,028,823
Cap Costs	-5.00%	£469,418	£606,753	£744,089	£881,424	£1,018,760
	0.00%	£459,354	£596,690	£734,025	£871,361	£1,008,696
	5.00%	£449,291	£586,626	£723,962	£861,297	£998,633
	10.00%	£439,227	£576,563	£713,898	£851,234	£988,570

Scheme 8. 50 Houses		Residual		£1,967,827	Land Value:	£1,100,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,224,573	£1,626,559	£2,028,546	£2,430,532	£2,832,519
Cap Costs	-5.00%	£1,194,213	£1,596,200	£1,998,186	£2,400,173	£2,802,159
	0.00%	£1,163,854	£1,565,840	£1,967,827	£2,369,813	£2,771,800
	5.00%	£1,133,494	£1,535,481	£1,937,467	£2,339,454	£2,741,440
	10.00%	£1,103,135	£1,505,121	£1,907,108	£2,309,094	£2,711,081

Scheme 9. 200 Houses		Residual		£5,813,368	Land Value:	£6,700,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£3,108,504	£4,578,910	£6,049,316	£7,519,722	£8,990,128
Cap Costs	-5.00%	£2,990,530	£4,460,936	£5,931,342	£7,401,748	£8,872,154
	0.00%	£2,872,556	£4,342,962	£5,813,368	£7,283,774	£8,754,180
	5.00%	£2,754,582	£4,224,988	£5,695,394	£7,165,801	£8,636,207
	10.00%	£2,636,609	£4,107,015	£5,577,421	£7,047,827	£8,518,233

Value Area 2: 0% Affordable Housing, No Grant, 2012

0% Affordable: High Value - EUV +20%

Scheme 1. 1 House — **Residual** **£60,894** — **Land Value:** **£27,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£44,809	£53,407	£62,004	£70,602	£79,199
Cap Costs	-5.00%	£44,254	£52,852	£61,449	£70,046	£78,644
	0.00%	£43,699	£52,296	£60,894	£69,491	£78,088
	5.00%	£43,144	£51,741	£60,338	£68,936	£77,533
	10.00%	£42,588	£51,186	£59,783	£68,381	£76,978

Scheme 2. 2 Flats — **Residual** **£71,126** — **Land Value:** **£37,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£48,149	£60,431	£72,713	£84,995	£97,277
Cap Costs	-5.00%	£47,355	£59,637	£71,919	£84,201	£96,483
	0.00%	£46,562	£58,844	£71,126	£83,408	£95,690
	5.00%	£45,769	£58,051	£70,333	£82,615	£94,897
	10.00%	£44,976	£57,258	£69,540	£81,822	£94,104

Scheme 3. 6 Houses — **Residual** **£423,750** — **Land Value:** **£166,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,377,493	£1,801,810	£2,226,127	£2,650,444	£3,074,760
Cap Costs	-5.00%	£1,348,889	£1,773,206	£2,197,523	£2,621,840	£3,046,157
	0.00%	£1,320,285	£1,744,602	£423,750	£2,593,236	£3,017,553
	5.00%	£1,291,682	£1,715,999	£2,140,316	£2,564,633	£2,988,950
	10.00%	£1,263,078	£1,687,395	£2,111,712	£2,536,029	£2,960,346

Scheme 4. 10 Flats — **Residual** **£326,824** — **Land Value:** **£185,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£219,316	£276,811	£334,307	£391,803	£449,298
Cap Costs	-5.00%	£215,574	£273,070	£330,566	£388,061	£445,557
	0.00%	£211,833	£269,329	£326,824	£384,320	£441,816
	5.00%	£208,092	£265,587	£323,083	£380,579	£438,075
	10.00%	£204,350	£261,846	£319,342	£376,837	£434,333

Value Area 2: 20% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats			Residual	£325,063	Land Value:	£165,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£182,538	£259,301	£336,064	£412,828	£489,591
Cap Costs	-5.00%	£177,037	£253,800	£330,564	£407,327	£484,090
	0.00%	£171,536	£248,299	£325,063	£401,826	£478,589
	5.00%	£166,035	£242,799	£319,562	£396,325	£473,088
	10.00%	£160,534	£237,298	£314,061	£390,824	£467,587

Scheme 6. 50 Flats			Residual	£1,091,611	Land Value:	£555,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£599,447	£864,679	£1,129,911	£1,395,143	£1,660,376
Cap Costs	-5.00%	£580,297	£845,529	£1,110,761	£1,375,993	£1,641,225
	0.00%	£561,147	£826,379	£1,091,611	£1,356,843	£1,622,075
	5.00%	£541,997	£807,229	£1,072,461	£1,337,693	£1,602,925
	10.00%	£522,846	£788,079	£1,053,311	£1,318,543	£1,583,775

Scheme 7. 15 Houses			Residual	£796,562	Land Value:	£335,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£535,648	£676,175	£816,702	£957,229	£1,097,756
Cap Costs	-5.00%	£525,578	£666,105	£806,632	£947,159	£1,087,686
	0.00%	£515,508	£656,035	£796,562	£937,089	£1,077,616
	5.00%	£505,438	£645,965	£786,492	£927,019	£1,067,546
	10.00%	£495,368	£635,895	£776,422	£916,949	£1,057,477

Scheme 8. 50 Houses			Residual	£2,149,575	Land Value:	£1,100,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,388,033	£1,799,170	£2,210,307	£2,621,443	£3,032,580
Cap Costs	-5.00%	£1,357,667	£1,768,804	£2,179,941	£2,591,078	£3,002,214
	0.00%	£1,327,302	£1,738,438	£2,149,575	£2,560,712	£2,971,849
	5.00%	£1,296,936	£1,708,073	£2,119,209	£2,530,346	£2,941,483
	10.00%	£1,266,570	£1,677,707	£2,088,843	£2,499,980	£2,911,117

Scheme 9. 200 Houses			Residual	£6,477,739	Land Value:	£6,700,000
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£3,706,437	£5,210,062	£6,713,686	£8,217,311	£9,720,935
Cap Costs	-5.00%	£3,588,463	£5,092,088	£6,595,712	£8,099,337	£9,602,962
	0.00%	£3,470,490	£4,974,114	£6,477,739	£7,981,363	£9,484,988
	5.00%	£3,352,516	£4,856,140	£6,359,765	£7,863,390	£9,367,014
	10.00%	£3,234,542	£4,738,167	£6,241,791	£7,745,416	£9,249,040

Value Area 2: 35% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£227,719** — **Land Value:** **£165,000**

Cap Costs \ GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
-10.00%	£94,929	£166,825	£238,721	£310,617	£382,512
-5.00%	£89,428	£161,324	£233,220	£305,116	£377,012
0.00%	£83,927	£155,823	£227,719	£299,615	£371,511
5.00%	£78,426	£150,322	£222,218	£294,114	£366,010
10.00%	£72,925	£144,821	£216,717	£288,613	£360,509

Scheme 6. 50 Flats — **Residual** **£753,983** — **Land Value:** **£555,000**

Cap Costs \ GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
-10.00%	£295,582	£543,933	£792,284	£1,040,634	£1,288,985
-5.00%	£276,432	£524,783	£773,134	£1,021,484	£1,269,835
0.00%	£257,282	£505,633	£753,983	£1,002,334	£1,250,685
5.00%	£238,132	£486,482	£734,833	£983,184	£1,231,535
10.00%	£218,982	£467,332	£715,683	£964,034	£1,212,385

Scheme 7. 15 Houses — **Residual** **£617,348** — **Land Value:** **£335,000**

Cap Costs \ GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
-10.00%	£374,471	£505,973	£637,475	£768,977	£900,478
-5.00%	£364,408	£495,910	£627,411	£758,913	£890,415
0.00%	£354,345	£485,846	£617,348	£748,850	£880,351
5.00%	£344,281	£475,783	£607,285	£738,786	£870,288
10.00%	£334,218	£465,719	£597,221	£728,723	£860,225

Scheme 8. 50 Houses — **Residual** **£1,626,278** — **Land Value:** **£1,100,000**

Cap Costs \ GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
-10.00%	£917,179	£1,302,088	£1,686,997	£2,071,906	£2,456,815
-5.00%	£886,819	£1,271,728	£1,656,637	£2,041,546	£2,426,455
0.00%	£856,460	£1,241,369	£1,626,278	£2,011,187	£2,396,096
5.00%	£826,100	£1,211,009	£1,595,918	£1,980,827	£2,365,736
10.00%	£795,741	£1,180,650	£1,565,559	£1,950,468	£2,335,377

Scheme 9. 200 Houses — **Residual** **£4,564,069** — **Land Value:** **£6,700,000**

Cap Costs \ GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
-10.00%	£1,984,134	£3,392,076	£4,800,017	£6,207,958	£7,615,899
-5.00%	£1,866,161	£3,274,102	£4,682,043	£6,089,984	£7,497,925
0.00%	£1,748,187	£3,156,128	£4,564,069	£5,972,010	£7,379,951
5.00%	£1,630,213	£3,038,154	£4,446,095	£5,854,036	£7,261,978
10.00%	£1,512,239	£2,920,180	£4,328,122	£5,736,063	£7,144,004

Value Area 3: 0% Affordable Housing, No Grant, 2016

Scheme 1. 1 House **Residual** **£53,599** **Land Value:** **£27,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£38,244	£46,477	£54,709	£62,942	£71,175
Cap Costs	-5.00%	£37,689	£45,922	£54,154	£62,387	£70,620
	0.00%	£37,134	£45,366	£53,599	£61,832	£70,064
	5.00%	£36,578	£44,811	£53,044	£61,276	£69,509
	10.00%	£36,023	£44,256	£52,488	£60,721	£68,954

Scheme 2. 2 Flats **Residual** **£60,705** **Land Value:** **£37,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£38,770	£50,531	£62,292	£74,052	£85,813
Cap Costs	-5.00%	£37,976	£49,737	£61,498	£73,259	£85,020
	0.00%	£37,183	£48,944	£60,705	£72,466	£84,227
	5.00%	£36,390	£48,151	£59,912	£71,673	£83,434
	10.00%	£35,597	£47,358	£59,119	£70,880	£82,640

Scheme 3. 6 Houses **Residual** **£372,900** **Land Value:** **£166,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£1,377,493	£1,801,810	£2,226,127	£2,650,444	£3,074,760
Cap Costs	-5.00%	£1,348,889	£1,773,206	£2,197,523	£2,621,840	£3,046,157
	0.00%	£1,320,285	£1,744,602	£372,900	£2,593,236	£3,017,553
	5.00%	£1,291,682	£1,715,999	£2,140,316	£2,564,633	£2,988,950
	10.00%	£1,263,078	£1,687,395	£2,111,712	£2,536,029	£2,960,346

Scheme 4. 10 Flats **Residual** **£278,040** **Land Value:** **£185,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£175,410	£230,466	£285,523	£340,579	£395,636
Cap Costs	-5.00%	£171,668	£226,725	£281,781	£336,838	£391,895
	0.00%	£167,927	£222,984	£278,040	£333,097	£388,153
	5.00%	£164,186	£219,242	£274,299	£329,355	£384,412
	10.00%	£160,445	£215,501	£270,558	£325,614	£380,671

Value Area 3: 20% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats

Residual £259,854 Land Value: £165,000

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£123,850	£197,353	£270,856	£344,359	£417,861
	-5.00%	£118,349	£191,852	£265,355	£338,858	£412,360
	0.00%	£112,849	£186,351	£259,854	£333,357	£406,859
	5.00%	£107,348	£180,850	£254,353	£327,856	£401,359
	10.00%	£101,847	£175,349	£248,852	£322,355	£395,858

Scheme 6. 50 Flats

Residual £866,309 Land Value: £555,000

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£396,675	£650,642	£904,609	£1,158,576	£1,412,543
	-5.00%	£377,525	£631,492	£885,459	£1,139,426	£1,393,393
	0.00%	£358,375	£612,342	£866,309	£1,120,276	£1,374,243
	5.00%	£339,225	£593,192	£847,159	£1,101,126	£1,355,093
	10.00%	£320,074	£574,041	£828,008	£1,081,975	£1,335,943

Scheme 7. 15 Houses

Residual £677,177 Land Value: £335,000

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£428,201	£562,759	£697,317	£831,875	£966,433
	-5.00%	£418,131	£552,689	£687,247	£821,805	£956,363
	0.00%	£408,061	£542,619	£677,177	£811,735	£946,293
	5.00%	£397,991	£532,549	£667,107	£801,665	£936,223
	10.00%	£387,922	£522,479	£657,037	£791,595	£926,153

Scheme 8. 50 Houses

Residual £1,800,329 Land Value: £1,100,000

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£1,073,712	£1,467,386	£1,861,061	£2,254,735	£2,648,410
	-5.00%	£1,043,346	£1,437,021	£1,830,695	£2,224,370	£2,618,044
	0.00%	£1,012,980	£1,406,655	£1,800,329	£2,194,004	£2,587,678
	5.00%	£982,615	£1,376,289	£1,769,964	£2,163,638	£2,557,313
	10.00%	£952,249	£1,345,923	£1,739,598	£2,133,272	£2,526,947

Scheme 9. 200 Houses

Residual £5,200,448 Land Value: £6,700,000

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£2,556,875	£3,996,635	£5,436,395	£6,876,155	£8,315,915
	-5.00%	£2,438,901	£3,878,662	£5,318,422	£6,758,182	£8,197,942
	0.00%	£2,320,928	£3,760,688	£5,200,448	£6,640,208	£8,079,968
	5.00%	£2,202,954	£3,642,714	£5,082,474	£6,522,234	£7,961,994
	10.00%	£2,084,980	£3,524,740	£4,964,500	£6,404,260	£7,844,020

Value Area 3: 35% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£166,579** **Land Value:** **£165,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£39,903	£108,742	£177,581	£246,420	£315,259
	-5.00%	£34,402	£103,241	£172,080	£240,919	£309,758
	0.00%	£28,901	£97,740	£166,579	£235,418	£304,257
	5.00%	£23,401	£92,240	£161,079	£229,918	£298,757
	10.00%	£17,900	£86,739	£155,578	£224,417	£293,256

Scheme 6. 50 Flats — **Residual** **£542,804** **Land Value:** **£555,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£105,520	£343,312	£581,104	£818,896	£1,056,688
	-5.00%	£86,370	£324,162	£561,954	£799,746	£1,037,537
	0.00%	£67,220	£305,012	£542,804	£780,595	£1,018,387
	5.00%	£48,070	£285,862	£523,654	£761,445	£999,237
	10.00%	£28,920	£266,712	£504,503	£742,295	£980,087

Scheme 7. 15 Houses — **Residual** **£505,520** **Land Value:** **£335,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£273,826	£399,736	£525,647	£651,557	£777,467
	-5.00%	£263,763	£389,673	£515,583	£641,494	£767,404
	0.00%	£253,699	£379,610	£505,520	£631,430	£757,341
	5.00%	£243,636	£369,546	£495,456	£621,367	£747,277
	10.00%	£233,572	£359,483	£485,393	£611,303	£737,214

Scheme 8. 50 Houses — **Residual** **£1,298,983** **Land Value:** **£1,100,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£622,614	£991,158	£1,359,702	£1,728,246	£2,096,791
	-5.00%	£592,254	£960,798	£1,329,343	£1,697,887	£2,066,431
	0.00%	£561,895	£930,439	£1,298,983	£1,667,527	£2,036,072
	5.00%	£531,535	£900,079	£1,268,624	£1,637,168	£2,005,712
	10.00%	£501,176	£869,720	£1,238,264	£1,606,808	£1,975,353

Scheme 9. 200 Houses — **Residual** **£3,366,838** **Land Value:** **£6,700,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£906,627	£2,254,706	£3,602,786	£4,950,865	£6,298,945
	-5.00%	£788,653	£2,136,732	£3,484,812	£4,832,892	£6,180,971
	0.00%	£670,679	£2,018,759	£3,366,838	£4,714,918	£6,062,997
	5.00%	£552,705	£1,900,785	£3,248,864	£4,596,944	£5,945,024
	10.00%	£434,732	£1,782,811	£3,130,891	£4,478,970	£5,827,050

Value Area 4: 0% Affordable Housing, No Grant, 2016

Scheme 1. 1 House

		Residual	£24,712	Land Value:	£15,000
	GDV%				
	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£12,678	£19,226	£25,774	£32,322	£38,870
-5.00%	£12,147	£18,695	£25,243	£31,791	£38,339
0.00%	£11,616	£18,164	£24,712	£31,260	£37,807
5.00%	£11,085	£17,633	£24,180	£30,728	£37,276
10.00%	£10,553	£17,101	£23,649	£30,197	£36,745

Scheme 2. 2 Flats

		Residual	£20,124	Land Value:	£20,000
	GDV%				
	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£2,934	£12,288	£21,642	£30,996	£40,350
-5.00%	£2,175	£11,529	£20,883	£30,237	£39,592
0.00%	£1,416	£10,770	£20,124	£29,478	£38,833
5.00%	£657	£10,011	£19,365	£28,720	£38,074
10.00%	£0	£9,252	£18,607	£27,961	£37,315

Scheme 3. 6 Houses

		Residual	£168,339	Land Value:	£90,000
	GDV%				
	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£125,375	£145,785	£169,517	£174,603	£192,063
-5.00%	£124,877	£145,206	£168,844	£173,909	£191,300
0.00%	£124,504	£144,772	£168,339	£173,389	£190,728
5.00%	£120,768	£140,428	£163,289	£168,188	£185,006
10.00%	£115,788	£134,638	£156,555	£161,252	£177,377

Scheme 4. 10 Flats

		Residual	£88,335	Land Value:	£100,000
	GDV%				
	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs -10.00%	£7,914	£51,704	£95,494	£139,283	£183,073
-5.00%	£4,335	£48,125	£91,914	£135,704	£179,494
0.00%	£756	£44,545	£88,335	£132,125	£175,914
5.00%	£0	£40,966	£84,756	£128,545	£172,335
10.00%	£0	£37,387	£81,176	£124,966	£168,756

Value Area 4: 20% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats **Residual** **£178,746** **Land Value:** **£90,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£72,857	£131,303	£189,748	£248,194	£306,639
Cap Costs	-5.00%	£67,356	£125,802	£184,247	£242,693	£301,138
	0.00%	£61,855	£120,301	£178,746	£237,192	£295,637
	5.00%	£56,354	£114,800	£173,245	£231,691	£290,136
	10.00%	£50,853	£109,299	£167,744	£226,190	£284,636

Scheme 6. 50 Flats **Residual** **£591,795** **Land Value:** **£300,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£226,213	£428,154	£630,095	£832,036	£1,033,977
Cap Costs	-5.00%	£207,063	£409,004	£610,945	£812,886	£1,014,827
	0.00%	£187,913	£389,854	£591,795	£793,736	£995,677
	5.00%	£168,763	£370,704	£572,645	£774,586	£976,527
	10.00%	£149,613	£351,554	£553,495	£755,436	£957,377

Scheme 7. 15 Houses **Residual** **£327,292** **Land Value:** **£180,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£133,445	£240,438	£347,432	£454,426	£561,420
Cap Costs	-5.00%	£123,375	£230,369	£337,362	£444,356	£551,350
	0.00%	£113,305	£220,299	£327,292	£434,286	£541,280
	5.00%	£103,235	£210,229	£317,222	£424,216	£531,210
	10.00%	£93,165	£200,159	£307,153	£414,146	£521,140

Scheme 8. 50 Houses **Residual** **£794,737** **Land Value:** **£595,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£229,410	£542,439	£855,468	£1,168,497	£1,481,526
Cap Costs	-5.00%	£199,044	£512,073	£825,102	£1,138,131	£1,451,160
	0.00%	£168,678	£481,707	£794,737	£1,107,766	£1,420,795
	5.00%	£138,313	£451,342	£764,371	£1,077,400	£1,390,429
	10.00%	£107,947	£420,976	£734,005	£1,047,034	£1,360,063

Scheme 9. 200 Houses **Residual** **£1,661,154** **Land Value:** **£3,600,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£752,280	£1,897,102	£3,041,923	£4,186,745
Cap Costs	-5.00%	£0	£634,306	£1,779,128	£2,923,950	£4,068,771
	0.00%	£0	£516,333	£1,661,154	£2,805,976	£3,950,797
	5.00%	£0	£398,359	£1,543,180	£2,688,002	£3,832,824
	10.00%	£0	£280,385	£1,425,207	£2,570,028	£3,714,850

Value Area 4: 35% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£147,194** — **Land Value:** **£90,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£48,270	£102,995	£157,720	£212,445	£267,169
	-5.00%	£43,008	£97,732	£152,457	£207,182	£261,907
	0.00%	£37,745	£92,470	£147,194	£201,919	£256,644
	5.00%	£32,482	£87,207	£141,932	£196,656	£251,381
	10.00%	£27,219	£81,944	£136,669	£191,394	£246,118

Scheme 6. 50 Flats — **Residual** **£482,913** — **Land Value:** **£300,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£141,483	£330,519	£519,555	£708,591	£897,627
	-5.00%	£123,162	£312,198	£501,234	£690,270	£879,306
	0.00%	£104,841	£293,877	£482,913	£671,949	£860,985
	5.00%	£86,520	£275,556	£464,592	£653,628	£842,663
	10.00%	£68,199	£257,235	£446,271	£635,306	£824,342

Scheme 7. 15 Houses — **Residual** **£268,888** — **Land Value:** **£180,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£87,954	£188,049	£288,143	£388,238	£488,332
	-5.00%	£78,327	£178,421	£278,515	£378,610	£478,704
	0.00%	£68,699	£168,793	£268,888	£368,982	£469,077
	5.00%	£59,071	£159,165	£259,260	£359,354	£459,449
	10.00%	£49,443	£149,538	£249,632	£349,727	£449,821

Scheme 8. 50 Houses — **Residual** **£631,439** — **Land Value:** **£595,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£103,571	£396,550	£689,529	£982,509	£1,275,488
	-5.00%	£74,526	£367,505	£660,484	£953,463	£1,246,443
	0.00%	£45,481	£338,460	£631,439	£924,418	£1,217,397
	5.00%	£16,435	£309,415	£602,394	£895,373	£1,188,352
	10.00%	£0	£280,369	£573,348	£866,328	£1,159,307

Scheme 9. 200 Houses — **Residual** **£1,117,500** — **Land Value:** **£3,600,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£271,559	£1,343,234	£2,414,909	£3,486,584
	-5.00%	£0	£158,692	£1,230,367	£2,302,042	£3,373,717
	0.00%	£0	£45,825	£1,117,500	£2,189,176	£3,260,851
	5.00%	£0	£0	£1,004,634	£2,076,309	£3,147,984
	10.00%	£0	£0	£891,767	£1,963,442	£3,035,117

Value Area 5: 0% Affordable Housing, No Grant, 2016

Scheme 1. 1 House			**Residual**	**£20,891**	**Land Value:**	**£15,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£9,239	£15,596	£21,953	£28,310	£34,667
Cap Costs	-5.00%	£8,708	£15,065	£21,422	£27,779	£34,136
	0.00%	£8,177	£14,534	£20,891	£27,247	£33,604
	5.00%	£7,646	£14,003	£20,359	£26,716	£33,073
	10.00%	£7,114	£13,471	£19,828	£26,185	£32,542

Scheme 2. 2 Flats			**Residual**	**£14,666**	**Land Value:**	**£20,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£7,102	£16,183	£25,265	£34,346
Cap Costs	-5.00%	£0	£6,343	£15,425	£24,506	£33,587
	0.00%	£0	£5,584	£14,666	£23,747	£32,828
	5.00%	£0	£4,826	£13,907	£22,988	£32,069
	10.00%	£0	£4,067	£13,148	£22,229	£31,310

Scheme 3. 6 Houses			**Residual**	**£141,441**	**Land Value:**	**£90,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£105,342	£122,490	£142,431	£146,704	£161,374
Cap Costs	-5.00%	£104,923	£122,004	£141,865	£146,121	£160,733
	0.00%	£104,609	£121,639	£141,441	£145,684	£160,252
	5.00%	£101,471	£117,990	£137,197	£141,313	£155,445
	10.00%	£97,287	£113,124	£131,540	£135,486	£149,034

Scheme 4. 10 Flats			**Residual**	**£62,781**	**Land Value:**	**£100,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£27,428	£69,940	£112,452	£154,964
Cap Costs	-5.00%	£0	£23,849	£66,361	£108,873	£151,385
	0.00%	£0	£20,269	£62,781	£105,293	£147,805
	5.00%	£0	£16,690	£59,202	£101,714	£144,226
	10.00%	£0	£13,111	£55,623	£98,135	£140,647

Value Area 5: 20% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats			**Residual**	**£149,137**	**Land Value:**	**£90,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£46,208	£103,173	£160,138	£217,103	£274,068
Cap Costs	-5.00%	£40,707	£97,672	£154,637	£211,603	£268,568
	0.00%	£35,207	£92,172	£149,137	£206,102	£263,067
	5.00%	£29,706	£86,671	£143,636	£200,601	£257,566
	10.00%	£24,205	£81,170	£138,135	£195,100	£252,065

Scheme 6. 50 Flats			**Residual**	**£489,488**	**Land Value:**	**£300,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£134,137	£330,963	£527,788	£724,614	£921,440
Cap Costs	-5.00%	£114,987	£311,813	£508,638	£705,464	£902,290
	0.00%	£95,837	£292,662	£489,488	£686,314	£883,140
	5.00%	£76,687	£273,512	£470,338	£667,164	£863,989
	10.00%	£57,536	£254,362	£451,188	£648,014	£844,839

Scheme 7. 15 Houses			**Residual**	**£273,080**	**Land Value:**	**£180,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£84,654	£188,937	£293,220	£397,503	£501,787
Cap Costs	-5.00%	£74,584	£178,867	£283,150	£387,434	£491,717
	0.00%	£64,514	£168,797	£273,080	£377,364	£481,647
	5.00%	£54,444	£158,727	£263,011	£367,294	£471,577
	10.00%	£44,374	£148,658	£252,941	£357,224	£461,507

Scheme 8. 50 Houses			**Residual**	**£636,172**	**Land Value:**	**£595,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£86,702	£391,803	£696,903	£1,002,004	£1,307,105
Cap Costs	-5.00%	£56,336	£361,437	£666,538	£971,638	£1,276,739
	0.00%	£25,970	£331,071	£636,172	£941,273	£1,246,373
	5.00%	£0	£300,705	£605,806	£910,907	£1,216,008
	10.00%	£0	£270,339	£575,440	£880,541	£1,185,642

Scheme 9. 200 Houses			**Residual**	**£1,081,164**	**Land Value:**	**£3,600,000**
		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£201,290	£1,317,112	£2,432,934	£3,548,756
Cap Costs	-5.00%	£0	£83,316	£1,199,138	£2,314,960	£3,430,782
	0.00%	£0	£0	£1,081,164	£2,196,987	£3,312,809
	5.00%	£0	£0	£963,191	£2,079,013	£3,194,835
	10.00%	£0	£0	£845,217	£1,961,039	£3,076,861

Value Area 5: 35% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£123,115** — **Land Value:** **£90,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£26,599	£80,120	£133,640	£187,161	£240,682
	-5.00%	£21,336	£74,857	£128,377	£181,898	£235,419
	0.00%	£16,073	£69,594	£123,115	£176,635	£230,156
	5.00%	£10,810	£64,331	£117,852	£171,373	£224,893
	10.00%	£5,548	£59,068	£112,589	£166,110	£219,631

Scheme 6. 50 Flats — **Residual** **£399,788** — **Land Value:** **£300,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£66,671	£251,551	£436,431	£621,310	£806,190
	-5.00%	£48,350	£233,230	£418,110	£602,989	£787,869
	0.00%	£30,029	£214,909	£399,788	£584,668	£769,548
	5.00%	£11,708	£196,588	£381,467	£566,347	£751,227
	10.00%	£0	£178,267	£363,146	£548,026	£732,905

Scheme 7. 15 Houses — **Residual** **£224,865** — **Land Value:** **£180,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£48,334	£146,227	£244,121	£342,014	£439,907
	-5.00%	£38,706	£136,599	£234,493	£332,386	£430,279
	0.00%	£29,078	£126,972	£224,865	£322,758	£420,652
	5.00%	£19,451	£117,344	£215,237	£313,131	£411,024
	10.00%	£9,823	£107,716	£205,609	£303,503	£401,396

Scheme 8. 50 Houses — **Residual** **£502,615** — **Land Value:** **£595,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£274,168	£560,706	£847,244	£1,133,782
	-5.00%	£0	£245,123	£531,661	£818,199	£1,104,737
	0.00%	£0	£216,077	£502,615	£789,153	£1,075,691
	5.00%	£0	£187,032	£473,570	£760,108	£1,046,646
	10.00%	£0	£157,987	£444,525	£731,063	£1,017,601

Scheme 9. 200 Houses — **Residual** **£646,240** — **Land Value:** **£3,600,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£871,974	£1,920,086	£2,968,198
	-5.00%	£0	£0	£759,107	£1,807,219	£2,855,331
	0.00%	£0	£0	£646,240	£1,694,353	£2,742,465
	5.00%	£0	£0	£533,374	£1,581,486	£2,629,598
	10.00%	£0	£0	£420,507	£1,468,619	£2,516,731

Value Area 6: 0% Affordable Housing, No Grant, 2016

Scheme 1. 1 House | **Residual** **£17,070** | **Land Value:** **£15,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£5,800	£11,966	£18,132	£24,298	£30,464
Cap Costs	-5.00%	£5,269	£11,435	£17,601	£23,767	£29,932
	0.00%	£4,738	£10,904	£17,070	£23,235	£29,401
	5.00%	£4,207	£10,373	£16,538	£22,704	£28,870
	10.00%	£3,675	£9,841	£16,007	£22,173	£28,339

Scheme 2. 2 Flats | **Residual** **£9,207** | **Land Value:** **£20,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£1,917	£10,725	£19,533	£28,341
Cap Costs	-5.00%	£0	£1,158	£9,966	£18,774	£27,582
	0.00%	£0	£399	£9,207	£18,015	£26,824
	5.00%	£0	£0	£8,448	£17,256	£26,065
	10.00%	£0	£0	£7,689	£16,497	£25,306

Scheme 3. 6 Houses | **Residual** **£114,542** | **Land Value:** **£90,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£85,308	£99,196	£115,344	£118,804	£130,684
Cap Costs	-5.00%	£84,969	£98,802	£114,886	£118,332	£130,165
	0.00%	£84,715	£98,506	£114,542	£117,978	£129,776
	5.00%	£82,174	£95,551	£111,106	£114,439	£125,883
	10.00%	£78,785	£91,611	£106,524	£109,720	£120,692

Scheme 4. 10 Flats | **Residual** **£37,228** | **Land Value:** **£100,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£3,152	£44,386	£85,621	£126,855
Cap Costs	-5.00%	£0	£0	£40,807	£82,041	£123,276
	0.00%	£0	£0	£37,228	£78,462	£119,696
	5.00%	£0	£0	£33,648	£74,883	£116,117
	10.00%	£0	£0	£30,069	£71,303	£112,538

Value Area 6: 20% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£119,527** — **Land Value:** **£90,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£19,560	£75,044	£130,529	£186,013	£241,498
	-5.00%	£14,059	£69,543	£125,028	£180,512	£235,997
	0.00%	£8,558	£64,042	£119,527	£175,011	£230,496
	5.00%	£3,057	£58,541	£114,026	£169,511	£224,995
	10.00%	£0	£53,040	£108,525	£164,010	£219,494

Scheme 6. 50 Flats — **Residual** **£387,181** — **Land Value:** **£300,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£42,061	£233,771	£425,482	£617,192	£808,902
	-5.00%	£22,911	£214,621	£406,331	£598,042	£789,752
	0.00%	£3,761	£195,471	£387,181	£578,892	£770,602
	5.00%	£0	£176,321	£368,031	£559,741	£751,452
	10.00%	£0	£157,171	£348,881	£540,591	£732,302

Scheme 7. 15 Houses — **Residual** **£218,869** — **Land Value:** **£180,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£35,863	£137,436	£239,008	£340,581	£442,154
	-5.00%	£25,793	£127,366	£228,939	£330,511	£432,084
	0.00%	£15,723	£117,296	£218,869	£320,441	£422,014
	5.00%	£5,654	£107,226	£208,799	£310,371	£411,944
	10.00%	£0	£97,156	£198,729	£300,301	£401,874

Scheme 8. 50 Houses — **Residual** **£477,607** — **Land Value:** **£595,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£241,166	£538,339	£835,511	£1,132,684
	-5.00%	£0	£210,800	£507,973	£805,145	£1,102,318
	0.00%	£0	£180,434	£477,607	£774,780	£1,071,952
	5.00%	£0	£150,069	£447,241	£744,414	£1,041,586
	10.00%	£0	£119,703	£416,875	£714,048	£1,011,221

Scheme 9. 200 Houses — **Residual** **£501,175** — **Land Value:** **£3,600,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£737,122	£1,823,945	£2,910,768
	-5.00%	£0	£0	£619,149	£1,705,971	£2,792,794
	0.00%	£0	£0	£501,175	£1,587,997	£2,674,820
	5.00%	£0	£0	£383,201	£1,470,024	£2,556,846
	10.00%	£0	£0	£265,227	£1,352,050	£2,438,872

Value Area 6: 35% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£99,035** — **Land Value: £90,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£4,927	£57,244	£109,561	£161,877	£214,194
	-5.00%	£0	£51,981	£104,298	£156,615	£208,931
	0.00%	£0	£46,718	£99,035	£151,352	£203,669
	5.00%	£0	£41,456	£93,772	£146,089	£198,406
	10.00%	£0	£36,193	£88,510	£140,826	£193,143

Scheme 6. 50 Flats — **Residual** **£316,664** — **Land Value: £300,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£172,583	£353,306	£534,030	£714,753
	-5.00%	£0	£154,262	£334,985	£515,709	£696,432
	0.00%	£0	£135,941	£316,664	£497,388	£678,111
	5.00%	£0	£117,620	£298,343	£479,066	£659,790
	10.00%	£0	£99,298	£280,022	£460,745	£641,469

Scheme 7. 15 Houses — **Residual** **£180,842** — **Land Value: £180,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£8,714	£104,406	£200,098	£295,790	£391,482
	-5.00%	£0	£94,778	£190,470	£286,162	£381,855
	0.00%	£0	£85,150	£180,842	£276,535	£372,227
	5.00%	£0	£75,522	£171,215	£266,907	£362,599
	10.00%	£0	£65,895	£161,587	£257,279	£352,971

Scheme 8. 50 Houses — **Residual** **£373,792** — **Land Value: £595,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£151,785	£431,882	£711,979	£992,076
	-5.00%	£0	£122,740	£402,837	£682,934	£963,031
	0.00%	£0	£93,695	£373,792	£653,889	£933,985
	5.00%	£0	£64,650	£344,747	£624,843	£904,940
	10.00%	£0	£35,604	£315,701	£595,798	£875,895

Scheme 9. 200 Houses — **Residual** **£174,981** — **Land Value: £3,600,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£400,714	£1,425,263	£2,449,812
	-5.00%	£0	£0	£287,847	£1,312,396	£2,336,945
	0.00%	£0	£0	£174,981	£1,199,530	£2,224,079
	5.00%	£0	£0	£62,114	£1,086,663	£2,111,212
	10.00%	£0	£0	£0	£973,796	£1,998,345

Value Area 7: 0% Affordable Housing, No Grant, 2016

Scheme 1. 1 House — **Residual** **£5,954** — **Land Value:** **£15,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£1,406	£7,016	£12,626	£18,236
Cap Costs	-5.00%	£0	£875	£6,485	£12,095	£17,705
	0.00%	£0	£344	£5,954	£11,564	£17,174
	5.00%	£0	£0	£5,423	£11,033	£16,643
	10.00%	£0	£0	£4,891	£10,501	£16,111

Scheme 2. 2 Flats — **Residual** **£0** — **Land Value:** **£20,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£0	£2,859	£10,874
Cap Costs	-5.00%	£0	£0	£0	£2,100	£10,115
	0.00%	£0	£0	£0	£1,342	£9,356
	5.00%	£0	£0	£0	£583	£8,597
	10.00%	£0	£0	£0	£0	£7,838

Scheme 3. 6 Houses — **Residual** **£36,292** — **Land Value:** **£90,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£27,029	£31,429	£36,546	£37,642	£41,406
Cap Costs	-5.00%	£26,922	£31,304	£36,400	£37,492	£41,242
	0.00%	£26,841	£31,211	£36,292	£37,380	£41,118
	5.00%	£26,036	£30,274	£35,203	£36,259	£39,885
	10.00%	£24,962	£29,026	£33,751	£34,764	£38,240

Scheme 4. 10 Flats — **Residual** **£0** — **Land Value:** **£100,000**

		GDV%				
		-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£0	£7,566	£45,083
Cap Costs	-5.00%	£0	£0	£0	£3,987	£41,504
	0.00%	£0	£0	£0	£407	£37,925
	5.00%	£0	£0	£0	£0	£34,345
	10.00%	£0	£0	£0	£0	£30,766

Value Area 7: 20% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£33,390** — **Land Value:** **£90,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£44,391	£95,569	£146,747
	-5.00%	£0	£0	£38,890	£90,068	£141,246
	0.00%	£0	£0	£33,390	£84,567	£135,745
	5.00%	£0	£0	£27,889	£79,066	£130,244
	10.00%	£0	£0	£22,388	£73,565	£124,743

Scheme 6. 50 Flats — **Residual** **£89,561** — **Land Value:** **£300,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£127,861	£304,691	£481,520
	-5.00%	£0	£0	£108,711	£285,541	£462,370
	0.00%	£0	£0	£89,561	£266,391	£443,220
	5.00%	£0	£0	£70,411	£247,240	£424,070
	10.00%	£0	£0	£51,261	£228,090	£404,920

Scheme 7. 15 Houses — **Residual** **£61,161** — **Land Value:** **£180,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£81,301	£174,988	£268,676
	-5.00%	£0	£0	£71,231	£164,918	£258,606
	0.00%	£0	£0	£61,161	£154,849	£248,536
	5.00%	£0	£0	£51,091	£144,779	£238,466
	10.00%	£0	£0	£41,021	£134,709	£228,396

Scheme 8. 50 Houses — **Residual** **£16,328** — **Land Value:** **£595,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£77,059	£351,168	£625,277
	-5.00%	£0	£0	£46,694	£320,802	£594,911
	0.00%	£0	£0	£16,328	£290,436	£564,545
	5.00%	£0	£0	£0	£260,071	£534,179
	10.00%	£0	£0	£0	£229,705	£503,813

Scheme 9. 200 Houses — **Residual** **£0** — **Land Value:** **£3,600,000**

		GDV% -10.00%	-5.00%	0.00%	5.00%	10.00%
Cap Costs	-10.00%	£0	£0	£0	£52,340	£1,054,800
	-5.00%	£0	£0	£0	£0	£936,827
	0.00%	£0	£0	£0	£0	£818,853
	5.00%	£0	£0	£0	£0	£700,879
	10.00%	£0	£0	£0	£0	£582,905

Value Area 7: 35% Affordable Housing, No Grant, 2016

Scheme 5. 15 Flats — **Residual** **£28,985** — **Land Value:** **£90,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£39,511	£88,325	£137,139
Cap Costs	-5.00%	£0	£0	£34,248	£83,062	£131,876
	0.00%	£0	£0	£28,985	£77,799	£126,614
	5.00%	£0	£0	£23,722	£72,537	£121,351
	10.00%	£0	£0	£18,460	£67,274	£116,088

Scheme 6. 50 Flats — **Residual** **£74,848** — **Land Value:** **£300,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£111,490	£280,123	£448,755
Cap Costs	-5.00%	£0	£0	£93,169	£261,802	£430,434
	0.00%	£0	£0	£74,848	£243,480	£412,113
	5.00%	£0	£0	£56,527	£225,159	£393,792
	10.00%	£0	£0	£38,206	£206,838	£375,471

Scheme 7. 15 Houses — **Residual** **£52,776** — **Land Value:** **£180,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£72,032	£161,321	£250,610
Cap Costs	-5.00%	£0	£0	£62,404	£151,693	£240,982
	0.00%	£0	£0	£52,776	£142,065	£231,354
	5.00%	£0	£0	£43,149	£132,438	£221,726
	10.00%	£0	£0	£33,521	£122,810	£212,099

Scheme 8. 50 Houses — **Residual** **£0** — **Land Value:** **£595,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£57,123	£318,482	£579,840
Cap Costs	-5.00%	£0	£0	£28,078	£289,436	£550,795
	0.00%	£0	£0	£0	£260,391	£521,750
	5.00%	£0	£0	£0	£231,346	£492,705
	10.00%	£0	£0	£0	£202,301	£463,659

Scheme 9. 200 Houses — **Residual** **£0** — **Land Value:** **£3,600,000**

	GDV%	-10.00%	-5.00%	0.00%	5.00%	10.00%
	-10.00%	£0	£0	£0	£0	£941,780
Cap Costs	-5.00%	£0	£0	£0	£0	£828,914
	0.00%	£0	£0	£0	£0	£716,047
	5.00%	£0	£0	£0	£0	£603,180
	10.00%	£0	£0	£0	£0	£490,314