

Technical Note

CYC Local Plan Viability Assessment Technical Note on ST15

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Quality Statement:	In preparing this Technical Note, the authors have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. No performance-related or contingent fees have been agreed, and there is no known conflict of interest in advising the client group about the viability of the proposed CYC Local Plan.
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Introduction

1. This Technical Note assesses the viability implications of the Local Plan under changes that have occurred since document CD018 - City of York Local Plan Viability Assessment Update Study (April 2018) and Local Plan Examination Matter 6 Document HS/P2/M6/IR/1b App 2 City of York Council (29 Mar 2022) have been produced. It relates specifically to reviewing and testing the site housing trajectory and infrastructure phasing for strategic site SS13 Land West of Elvington Lane (ST15).
2. The main purpose of this supplementary plan viability assessment technical note is to address the requirements of the National Planning Policy Framework (NPPF) 2012. That is that the policy requirements in the proposed Local Plan should not undermine the deliverability of the plan.

Viability Testing Revisions

3. The testing in this note follows the same approach and method as followed in CD018. It also uses the same assumptions tested in CD018 as updated in Matter 6 Document HS/P2/M6/IR/1b App 2. The changes relate to sensitivity testing the phasing of the Council's housing trajectory, infrastructure, and associated costs, for which there will be a viability impact. This includes the site promoter's alternative assessments of the housing trajectory and key infrastructure items costs and phasing.
4. The trigger points that have been used to phase infrastructure costs and payments in this analysis are informed by the best available information at the time of this report, and therefore should be treated as indicative only. More appropriate triggers will need to be defined in the context of an application, when details are clearer on the composition of the scheme and its likely impacts.

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5. The Council's housing trajectory, showing an estimated build out rate, is taken from the revised housing trajectory in EX/CYC/76 Housing Supply Update 16 May 2022¹, and is shown in **Appendix A1** of this note. The site promoter's housing trajectory is taken from their Hearing Statement for Phase 3 Matter 7 (examination document: EX_HS_P3_M7_EL_8_Langwith_Quod), and is shown in **Appendix A2** of this note.
6. The Council's infrastructure costs reflect those presented in Examination Document EX/CYC/79 Phase 2 Infrastructure Note May 2022, with some refining of costs, mostly relating to education and SEND, although the costs generally remain similar to those presented in May 2022. LDP's infrastructure trajectory and costs are taken from their Hearing Statement for Phase 3 Matter 7 (examination document: EX_HS_P3_M7_EL_8_Langwith_Quod). A comparison of the Council's and LDP's estimated housing trajectory coupled with infrastructure phasing and infrastructure costs are summarised in **Table 1**.

Table 1 CYC's and LDP's infrastructure need assessments for ST15

Infrastructure	CYC's phasing and costs			LDP's phasing and costs	
	Trajectory (year)	No. of Units	Estimated cost (£m)	Delivery Trajectory	Estimated cost (£m)
Highway Infrastructure					
Link Road between Elvington Lane and ST15	2027/28	35	£5.0	By 1st occupation	£5.0
Link Road between Elvington Lane and Hull Road (Stage 1 Grimston Bar Works)	2028/29	105	£5.0	By 60 occupations	£5.0
Improvements to Grimston Bar (Stage 2)	2035/36	980	£3.0	By 2,500 occupations	£3.0
Grade Separated Junction	2035/36	980	£35.0	By 1,000 occupations	£35.0
Link Road between Grade Separate Junction and ST15	2035/36	980	£5.0	By 1,000 occupations	£5.0
Grade Separated Junction merge and diverge lanes ²	2035/36	980	£15.0	By 1,000 occupations	£5.0
Sustainable Transport Infrastructure					
Pedestrian and cycle link improvements between ST15 and University.	2028/29	105	£4.0	By 100 occupations	£4.0
Public transport access (early years)	2028/29	105	£1.0	Phased payments from 1 st occupation to May 2037 (first two thirds of build period)	£2.0
Public transport link between Grade Separated Junction and University	2035/36	980	This large cost is already included in the £35m cost for the GSJ.	By 1,000 occupations	£5.0

¹ Appendix 1: Housing delivery trajectory update (base date 1 April 2022) (supersedes EX/CYC/69)

² The need for the merge/diverge lane is currently unknown and awaiting highway modelling (is looking increasingly likely that they will be needed).

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Education				
Primary school 1 (3 FE)	By 340 occupations	£16.6 ³	By 340 occupations	£12.9
Primary school 2 (2 FE)	By 1,820 occupations	£11.0 ⁴	By 1,820 occupations	£8.6
Secondary schooling (new school on site)	By 1,820 occupations	£21.8 ⁵	Phased payments from 1 st occupation to May 2037 (first two thirds of build period)	£14.4
SEND schooling (contributions to off-site provision)	By 1,820 occupations	£2.9 ⁶	Phased payments from 1 st occupation to May 2037 (first two thirds of build period)	£1.9
Biodiversity				
Allowance for delivery of OS10 & biodiversity net gain	By 1 st occupation	£4.0 ⁷	By 1 st occupation	£5.1
Others				
Community hall	By 340 occupations	£0.9	By 340 occupations	£0.9
Total Infrastructure Cost				
Total per site		£130.3		£112.8
Total per dwelling		£39,018		£33,783

7. These costs and timings have been tested in the scenarios below.
8. In the absence of more detailed costings at the time, CD018 and its update in the Matter 6 Document HS/P2/M6/IR/1b App 2) used a high level assumption for site opening up costs of £21,590 per unit. This figure was expected to cover costs relating to improvements to the access of sites, spine roads through the site, provision of substations and other larger cost items that fall outside of the normal build costs and externals associated with the delivery of a house, its building plot and immediate surroundings. With the inclusion of the specific costs for infrastructure items in **Table 2** relating to such opening costs like opening access to the site and the on-site provision of education and community infrastructure, it is necessary to scale down the generic assumption for opening up costs to avoid double counting between opening costs and the IDP costs specifically relating to ST15.
9. This concern about the potential for double counting was shared between the Council and the site promoters LDP. As such, the site ST15 specific appraisal is tested with a reduced opening up cost from £21,590 to £10,795 per dwelling, which is half of the original opening up cost figure. This revised estimate should be treated as a provisional sum for the on-site infrastructure items like spine roads and bring utilities to the site for distribution to individual dwellings. This opening up cost figure of £10,795 per dwelling is applied in the viability testing along with the IDP infrastructure costs that are noted in **Table 2** above.

³ Owing to the Council not yet identifying separate costs for the 3 FE entry and the 2 FE entry primary schools, this figure is estimated by splitting the Council's total primary education cost (of c.£27m) using the same ratio of costs for the 3 FE entry and the 2 FE schools within LDP's budget for the two schools.

⁴ Ditto.

⁵ CYC's updated cost.

⁶ Ditto.

⁷ CYC's cost assumption is based on the testing of Policy G12 Biodiversity Net Gain cost at £1,212 per dwelling.

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10. In the update to CD018 in the Matter 6 Document HS/P2/M6/IR/1b App 2), it was noted that regional and national housebuilders are “...able to operate comfortably within the median cost figures because they can achieve significant economies of scale in the purchase of materials and the use of labour”⁸. This matter was discussed with the site promoter and it was acknowledged that ST15 would come forward with the benefit of economies of scale. As such, both parties agree that the use of lower build costs is appropriate in the case of viability testing ST15. Therefore, the testing in this note uses the lower quartile build costs that were tested in the Matter 6 Document HS/P2/M6/IR/1b App 2 City of York Council.

Viability Testing

11. The following alternative assumptions scenarios are tested:

- **Scenario 1:** The Council’s latest published housing trajectory and the Council’s infrastructure cost assumptions, amounting to a total s106/infrastructure cost of £39,018 per dwelling.
- **Scenario 2:** The Council’s latest published housing trajectory and LDP’s infrastructure cost assumptions, amounting to a total s106/infrastructure cost of £33,783 per dwelling.
- **Scenario 3:** LDP’s proposed published housing trajectory and the Council’s infrastructure cost assumptions, as set out in LDP’s Phase 3 hearing statement, amounting to a total s106/infrastructure cost of £39,018 per dwelling.
- **Scenario 4:** LDP’s latest published housing trajectory and LDP’s infrastructure cost assumptions, as set out in LDP’s Phase 3 hearing statement, amounting to a total s106/infrastructure cost of £33,783 per dwelling.
- **Scenario 5:** Under the Council’s latest published housing trajectory and the Council’s infrastructure cost assumptions, amounting to a total s106/infrastructure cost of £39,018 per dwelling (i.e Scenario 1), but with the inclusion of 300 Build to rent (BtR) flatted units⁹ in place of 300 two bed open market units.

12. Each scenario has been subjected to a viability appraisal. This section reviews the viability results to identify and assess each scenario’s risk to the future delivery of strategic site ST15 in meeting the full emerging Local Plan policies requirements.

13. The result is summarised by using a RAG 'traffic light' system, as follows:

- Green means that the development is viable with financial headroom that could be used for further planning gain;

⁸ Paragraph 11 of Matter 6 Document HS/P2/M6/IR/1b App 2

⁹ Assumptions for BtR units are based on a capitalised net rent approach. Market rents for one bed flats are understood to be in the region of £1,000 per calendar month and rents for 2 bed flats around £1,400 per calendar month. Assuming a 50:50 split between one bed and two bed properties, this equates to a gross annual rent per unit of £14,400. After discounting 20% for maintenance, sinking funds and voids, this equates to a net annual rent per unit of £11,520. The net annual rent is capitalised using a yield of 4.5% to provide a capitalised net rent of £256,000 per unit. The Built to Rent units are appraised with the same assumptions as flatted developments in CD018 as updated in Matter 6 Document HS/P2/M6/IR/1b App 2 with the exception of profit which is costed at 10% of the Build to Rent Gross Development Value.

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- Amber is marginal in that they fall within a 20% range (i.e., up to 10% above or below) around the benchmark land value; and
- Red means that a viable position may not be reached if required to be policy compliant and all other assumptions such as land value remain unchanged.

Viability Results

14. ST15's viability results at full policy requirements under the identified alternative scenarios are shown in **Table 2**, with the full development appraisals included in **Appendix A3**.

Table 2 CYC Local Plan viability results for ST15 at full policy, plus headroom per dwelling

Scenario	Viability and headroom per dwg
Scenario 1 - The Council's housing trajectory and infrastructure costs	£2,490
Scenario 2 - The Council's housing trajectory and LDP's infrastructure costs	£6,023
Scenario 3- LDP's housing trajectory and the Council's infrastructure costs	£4,873
Scenario 4 – LDP's housing trajectory and infrastructure costs	£9,347
Scenario 5 - The Council's housing trajectory and infrastructure costs, with BtR	£2,285

15. The tested scenario results show all the scenarios to be viable at full policy costs in meeting the requirements set out in the emerging CYC Local Plan. The amount of residual headroom varies by scenarios, ranging between an additional £2,490 per dwelling under the Council's development assumptions, to £9,347 per dwelling under LDP's assumptions. Therefore, it can be seen that the Council's assumptions may point to the worst case scenario, while the site promoter's housing trajectory, estimated infrastructure phasing and costs assumptions are shown to generate more financial headroom.
16. This headroom can be used for increasing the site purchase value, increasing the developer's profit, for meeting further policy requirements, or a combination of all three.

Conclusions

17. Based on the revisions and revised viability findings in this technical note, we would conclude the strategic site ST15 would be able to meet the full policy requirements in the emerging Local Plan at the costs identified by the Council and identified LDP contributions. The site is demonstrably viable and deliverable.

Appendix A1

ST15 CYC Housing Trajectory



Appendix A2

ST15 LDP Housing & Infrastructure GANT chart



Appendix A3

DVAs for strategic site SS13 Land West of Wigginton Rd (ST15) development scenarios under full cumulative Local Plan policies

Scenario 1 Development Appraisal:

SS13 Land West of Elvington LanVA1		3,339 Units		TECHNICAL CHECKS:		DVA SUMMARY:		TIMING		
Gross	159.00	Private	Affordable	Sqm/ha	2,975	RLV	£51,243,136			
Net	95.40	Nr of units	2,337	Dwgs/ha	35	BLV	£42,930,000			
Land type:	Greenfield	Intermediate	1,002	Units/ha	337	Viability?	Yes			
LV description:	Strategic Site	Affordable rent	401	AH rate	30.0%	Headroom	£8,313,136			
		Social rent	401	GDV/Total costs	-	Headroom per net ha	£87,140			
		First Homes	-	Profit/total GDV	17.6%	Headroom psm dwg	£2,490			
						Headroom psm flgp	£38			
						Headroom psm CIL li	£39			
								Start	Finish	
1.0	Site Acquisition								Months (nr)	
1.1	Net site value (residual land value)					£51,243,136		Dec-25	Dec-34	108
1.2	Stamp Duty Land Tax		Category: Commercial land			£0		Dec-25	Dec-34	108
1.3	Purchaser costs		1.80%	on land costs		£2,551,657		Dec-25	Dec-34	108
	Total Site Acquisition Costs					£54,717,169				
2.0	Developer's Profit									
2.1	Private units		20.0%	on OM GDV		£151,785,236		May-44	Jun-44	1
2.3	Affordable units		6%	on AH transfer values		£9,197,988		May-44	Jun-44	1
	Total Developer's Profit					£160,983,223				
3.0	Development Value									
3.1	Private units		Nr of units	Size sqm	Total sqm	Epsm	Total Value			
3.1.2	2 bed house		1145.28	74.5	85,323	£3,750	£319,961,762	Jun-27	May-44	203
3.1.3	3 bed house		934.92	93.0	86,948	£3,750	£326,053,350	Jun-27	May-44	203
3.1.4	4+ bed house		257.10	117.1	30,110	£3,750	£112,911,068	Jun-27	May-44	203
	Total		2,337.3		202,380					
3.2	Social rent		Nr of units	Size sqm	Total sqm	Epsm	Total Value			
3.2.2	2 bed house		292.50	74.5	21,791	£1,500	£32,686,473	Jun-27	May-44	203
3.2.3	3 bed house		92.16	93.0	8,571	£1,500	£12,855,818	Jun-27	May-44	203
3.2.4	4+ bed house		16.03	117.1	1,877	£1,500	£2,815,445	Jun-27	May-44	203
	Total		400.7		32,238					
3.3	Affordable rent		Nr of units	Size sqm	Total sqm	Epsm	Total Value			
3.3.2	2 bed house		292.50	74.5	21,791	£1,875	£40,858,091	Jun-27	May-44	203
3.3.3	3 bed house		92.16	93.0	8,571	£1,875	£16,069,772	Jun-27	May-44	203
3.3.4	4+ bed house		16.03	117.1	1,877	£1,875	£3,519,306	Jun-27	May-44	203
	Total		400.7		32,238					
3.4	Intermediate		Nr of units	Size sqm	Total sqm	Epsm	Total Value			
3.4.2	2 bed house		122.21	74.5	9,104	£2,625	£23,899,185	Jun-27	May-44	203
3.4.3	3 bed house		54.09	93.0	5,031	£2,625	£13,205,161	Jun-27	May-44	203
3.4.4	4+ bed house		24.04	117.1	2,815	£2,625	£7,390,543	Jun-27	May-44	203
	Total		200.3		16,950					
3.5	First Homes		Nr of units	Size sqm	Total sqm	Epsm	Total Value			
3.5.2	2 bed house		0.00	74.5	-	£2,625	£0	Jun-27	May-44	203
3.5.3	3 bed house		0.00	93.0	-	£2,625	£0	Jun-27	May-44	203
3.5.4	4+ bed house		0.00	117.1	-	£2,625	£0	Jun-27	May-44	203
	Total		-		-					
	Gross Development Value						£912,225,972			
4.0	Development Costs									
4.1	Sales Cost									
4.1.1	Private units		3.00%	on OM GDV			£22,767,785	Jun-27	May-44	203
4.1.3	Affordable units		£500	affordable housing			£500,850	Jun-27	May-44	203
	Total Sales Costs						£23,268,635			
4.2	Build Costs									
4.2.1	Private units		Nr of units	Size sqm	Total sqm	Epsm	Total Cost			
4.2.1.2	2 bed house		1145.28	74.5	85,323	£1,130	£96,415,144	Jan-27	Dec-43	203
4.2.1.3	3 bed house		934.92	93.0	86,948	£1,130	£98,250,743	Jan-27	Dec-43	203
4.2.1.4	4+ bed house		257.10	117.1	30,110	£1,130	£34,023,868	Jan-27	Dec-43	203
	Total		2,337.3		202,380					
4.2.2	Affordable units		Nr of units	Size sqm	Total sqm	Epsm	Total Cost			
4.2.2.2	2 bed house		707.20	74.5	52,686	£1,130	£59,535,649	Jan-27	Dec-43	203
4.2.2.3	3 bed house		238.40	93.0	22,172	£1,130	£25,053,939	Jan-27	Dec-43	203
4.2.2.4	4+ bed house		56.10	117.1	6,569	£1,130	£7,423,389	Jan-27	Dec-43	203
	Total		1,002		81,427					
4.2.3	Garages		Number of units @ per garage (sqm)	Total (sqm)	Epsm	Total Cost				
			931,180	18	16,761	£500	£8,380,623	Jan-27	Dec-43	203
	Total Build Costs		3,339				£329,083,356			
4.3	Extra-Over Construction Costs									
4.3.1.1	Externals (for houses)		10%	extra-over on build cost for houses			£32,908,336	Jan-27	Dec-43	203
4.3.1.2	Externals (for flats)		10%	extra-over on build cost for flats			£0	Jan-27	Dec-43	203
4.3.2	Site abnormalities (remediation/demolition)		£0	per net ha			£0	Dec-25	Dec-34	108
4.3.3	Site opening costs		£10,795	per unit			£36,044,505	Dec-25	Dec-34	108
	Total Extra-Over Construction Costs						£68,952,841			
4.4	Professional Fees									
4.4.1	on build costs (incl: externals)		8%				£28,959,335	Jan-27	Dec-43	203
	Total Professional Fees						£28,959,335			
4.5	Contingency									
4.4.1	on build costs (incl: externals)		4%				£14,479,668	Jan-27	Dec-43	203
	Total Contingency						£14,479,668			
4.6	Other Planning Obligations									
4.6.2.4	Link Road between Elvington Lane and ST15		£5,000,000	total			£5,000,000	Jan-27	Dec-27	11
4.6.2.5	Link Road between Elvington Lane and Hull Road (Stage 1 Grimston Bar)		£5,000,000	total			£5,000,000	Jan-28	Dec-28	11
4.6.2.6	Improvements to Grimston Bar (Stage 2)		£3,000,000	total			£3,000,000	Jan-28	Dec-28	11
4.6.2.7	Grade Separated Junction		£35,000,000	total			£35,000,000	Jan-34	Dec-34	11
4.6.2.8	Link Road between Grade Separate Junction and ST15		£5,000,000	total			£5,000,000	Jan-34	Dec-34	11
4.6.2.9	Grade Separated Junction merge and diverge lanes[1]		£15,000,000	total			£15,000,000	Jan-34	Dec-34	11
4.6.2.10	Pedestrian and cycle link improvements between ST15 and University		£4,000,000	total			£4,000,000	Jan-28	Dec-28	11
4.6.2.11	Public transport access (early years)		£1,000,000	total			£1,000,000	Jan-28	Dec-28	11
4.6.2.12	Public transport link between Grade Separated Junction and University		£1,000,000	total			£1,000,000	Jan-34	Dec-34	11
4.6.2.1	Primary school 1 (3FE)		£16,600,000	total			£16,600,000	Apr-30	Mar-31	11
4.6.2.1	Primary school 2 (2FE)		£11,000,000	total			£11,000,000	Jan-37	Dec-37	11
4.6.2.2	Secondary education costs (New on site)		£21,800,000	total			£21,800,000	Jan-37	Dec-37	11
4.6.2.2	SEND Costs		£2,900,000	total			£2,900,000	Jan-37	Dec-37	11
4.6.2.13	Community Hall		£900,000	total			£900,000	Apr-30	Mar-31	11
4.6.2.13	S106 for other mitigations (based on £4,200 per dwg)		£14,023,800	total			£14,023,800	Dec-25	Dec-34	108
4.6.3	Electric charging points		£975	per unit (100% of houses; 50% of flats)			£3,258,864	Jan-27	Dec-43	203
4.6.5.1	Policy G12a Stenshall SAC		£1,000	SAC per house			£3,339,000	Jan-27	Dec-43	203
4.6.5.2	Policy G12a Stenshall SAC		£500	SAC per flat			£0	Jan-27	Dec-43	203
4.6.6	Policy H5 Gypsy and Traveller sites		£150,000	per pitch			£900,000	Jan-27	Dec-43	203
4.6.7.1	Policy CC1, CC2 & CC3		£6,500	per house			£21,703,500	Jan-27	Dec-43	203
4.6.7.2	Policy CC1, CC2 & CC3		£5,000	per flat			£0	Jan-27	Dec-43	203
4.6.8	Policy G12 Biodiversity Net Gain		£1,212	per unit			£4,046,868	Jan-26	Dec-26	11
	Total Developer Contributions						£174,472,032			
5.0	TOTAL DEVELOPMENT COSTS						£689,215,867			
6.0	TOTAL PROJECT COSTS [EXCLUDING INTEREST]						£854,916,259			
7.0	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£57,309,712			
8.0	Finance Costs									
8.1	Finance		APR 6.50%	on net costs	PCM 0.526%		£57,309,712			Opening Balance Interest Net Cashflow in month Closing Balance
9.0	TOTAL PROJECT COSTS [INCLUDING INTEREST]						£912,225,972			

This appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to assess the impact of planning policies on site viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation - Professional Standards UK January 2014 (revised April 2015)) valuation and should not be relied upon as such.

Scenario 2 Development Appraisal:

SS13 Land West of Elvington LanVA1		3,339 Units		TECHNICAL CHECKS:		DVA SUMMARY:		TIMING		
Gross	159.00	Private	Affordable	Sqm/ha	2.975	RLV	£63,040,658			
Net	95.40	Nr of units	2,337	Dwgs/ha	35	BLV	£42,930,000			
Land type:	Greenfield		1,002	Units/ha	337	Viable?	Yes			
LV descriptio	Strategic Site	Intermediate	200	AH rate	30.0%	Headroom	£20,110,658			
		Affordable rent	401	GDV/Total costs	-	Headroom per net ha	£210,804			
		Social rent	401	Profit/total GDV	17.6%	Headroom per dwg	£6,023			
		First Homes	-			Headroom psm flap	£67			
						Headroom psm CIL li	£94			
								Start	Finish	
1.0	Site Acquisition								Months (nr)	
1.1	Net site value (residual land value)						£63,040,658	Dec-25	Dec-34	108
1.2	Stamp Duty Land Tax	Category:	Commercial land				£3,141,533	Dec-25	Dec-34	108
1.3	Purchaser costs			1.80%	on land costs		£1,134,732	Dec-25	Dec-34	108
	Total Site Acquisition Costs						£67,316,923			
2.0	Developer's Profit									
2.1	Private units			20.0%	on OM GDV		£151,785,236	May-44	Jun-44	1
2.3	Affordable units			6%	on AH transfer values		£9,197,988	May-44	Jun-44	1
	Total Developer's Profit						£160,983,223			
3.0	Development Value									
3.1	Private units	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.1.2	2 bed house	1145.28	74.5	85,323	£3,750	£319,961,762	Jun-27	May-44	203	
3.1.3	3 bed house	934.92	93.0	86,948	£3,750	£326,053,350	Jun-27	May-44	203	
3.1.4	4+ bed house	257.10	117.1	30,110	£3,750	£112,911,068	Jun-27	May-44	203	
3.2	Social rent	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.2.2	2 bed house	292.50	74.5	21,791	£1,500	£32,586,473	Jun-27	May-44	203	
3.2.3	3 bed house	92.16	93.0	8,571	£1,500	£12,855,818	Jun-27	May-44	203	
3.2.4	4+ bed house	16.03	117.1	1,877	£1,500	£2,815,445	Jun-27	May-44	203	
		400.7		32,238						
3.3	Affordable rent	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.3.2	2 bed house	292.50	74.5	21,791	£1,875	£40,858,091	Jun-27	May-44	203	
3.3.3	3 bed house	92.16	93.0	8,571	£1,875	£16,089,772	Jun-27	May-44	203	
3.3.4	4+ bed house	16.03	117.1	1,877	£1,875	£3,519,306	Jun-27	May-44	203	
		400.7		32,238						
3.4	Intermediate	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.4.2	2 bed house	122.21	74.5	9,104	£2,625	£23,899,185	Jun-27	May-44	203	
3.4.3	3 bed house	54.09	93.0	5,031	£2,625	£13,205,161	Jun-27	May-44	203	
3.4.4	4+ bed house	24.04	117.1	2,815	£2,625	£7,390,543	Jun-27	May-44	203	
		200.3		16,950						
3.5	First Homes	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.5.2	2 bed house	0.00	74.5	-	£2,625	£0	Jun-27	May-44	203	
3.5.3	3 bed house	0.00	93.0	-	£2,625	£0	Jun-27	May-44	203	
3.5.4	4+ bed house	0.00	117.1	-	£2,625	£0	Jun-27	May-44	203	
		-		-						
	Gross Development Value					£912,225,972				
4.0	Development Costs									
4.1	Sales Cost									
4.1.1	Private units			3.00%	on OM GDV		£22,767,785	Jun-27	May-44	203
4.1.3	Affordable units			£500	affordable housing		£500,850	Jun-27	May-44	203
	Total Sales Costs					£23,268,635				
4.2	Build Costs									
4.2.1	Private units	Nr of units	Size sqm	Total sqm	Epsm	Total Cost				
4.2.1.2	2 bed house	1145.28	74.5	85,323	£1,130	£96,415,144	Jan-27	Dec-43	203	
4.2.1.3	3 bed house	934.92	93.0	86,948	£1,130	£98,250,743	Jan-27	Dec-43	203	
4.2.1.4	4+ bed house	257.10	117.1	30,110	£1,130	£34,023,868	Jan-27	Dec-43	203	
		2,337		202,380						
4.2.2	Affordable units	Nr of units	Size sqm	Total sqm	Epsm	Total Cost				
4.2.2.2	2 bed house	707.20	74.5	52,686	£1,130	£59,535,649	Jan-27	Dec-43	203	
4.2.2.3	3 bed house	238.40	93.0	22,172	£1,130	£25,053,939	Jan-27	Dec-43	203	
4.2.2.4	4+ bed house	56.10	117.1	6,569	£1,130	£7,423,389	Jan-27	Dec-43	203	
		1,002		81,427						
4.2.3	Garages	Number of units	a per garage (sqm)	Total (sqm)	Epsm	Total Cost				
		931.180	18	16,761	£500	£8,380,623	Jan-27	Dec-43	203	
	Total Build Costs	3,339				£329,083,356				
4.3	Extra-Over Construction Costs									
4.3.1.1	Externals (for houses)			10%	extra-over on build cost for houses		£32,908,336	Jan-27	Dec-43	203
4.3.1.2	Externals (for flats)			10%	extra-over on build cost for flats		£0	Jan-27	Dec-43	203
4.3.2	Site abnormalities (remediation/demolition)			£0	per net ha		£0	Dec-25	Dec-34	108
4.3.3	Site opening costs			£10,795	per unit		£36,044,505	Dec-25	Dec-34	108
	Total Extra-Over Construction Costs					£68,952,841				
4.4	Professional Fees									
4.4.1	on build costs (incl: externals)			8%			£28,959,335	Jan-27	Dec-43	203
	Total Professional Fees					£28,959,335				
4.5	Contingency									
4.5.1	on build costs (incl: externals)			4%			£14,479,668	Jan-27	Dec-43	203
	Total Contingency					£14,479,668				
4.6	Other Planning Obligations									
4.6.2.4	Link Road between Elvington Lane and ST15			£5,000,000	total	£5,000,000	Jan-27	Dec-27	11	
4.6.2.5	Link Road between Elvington Lane and Hull Road (Stage 1 Grimston Bar)			£5,000,000	total	£5,000,000	Jan-28	Dec-28	11	
4.6.2.6	Improvements to Grimston Bar (Stage 2)			£3,000,000	total	£3,000,000	Jan-28	Dec-28	11	
4.6.2.7	Grade Separated Junction			£35,000,000	total	£35,000,000	Jan-34	Dec-34	11	
4.6.2.8	Link Road between Grade Separate Junction and ST15			£5,000,000	total	£5,000,000	Jan-34	Dec-34	11	
4.6.2.9	Grade Separated Junction merge and diverge lanes[1]			£5,000,000	total	£5,000,000	Jan-34	Dec-34	11	
4.6.2.10	Pedestrian and cycle link improvements between ST15 and University			£4,000,000	total	£4,000,000	Jan-28	Dec-28	11	
4.6.2.11	Public transport access (early years)			£2,000,000	total	£2,000,000	Jan-28	Dec-28	11	
4.6.2.12	Public transport link between Grade Separated Junction and University			£5,000,000	total	£5,000,000	Jan-34	Dec-34	11	
4.6.2.1	Primary school 1 (SFE)			£12,900,000	total	£12,900,000	Apr-30	Mar-31	11	
4.6.2.11	Primary school 2 (2FE)			£8,600,000	total	£8,600,000	Jan-27	Dec-27	11	
4.6.2.2	Secondary education costs (New on site)			£14,400,000	total	£14,400,000	Jan-37	Dec-37	11	
4.6.2.2	SEND Costs			£1,900,000	total	£1,900,000	Jan-37	Dec-37	11	
4.6.2.13	Community Hall			£900,000	total	£900,000	Apr-30	Mar-31	11	
4.6.2.13	S106 for other mitigations (based on £4,200 per dwg)			£14,023,800	total	£14,023,800	Dec-25	Dec-34	108	
4.6.3	Electric charging points			£975	per unit (100% of houses; 50% of flats)	£3,258,864	Jan-27	Dec-43	203	
4.6.5.1	Policy G12a Stenshall SAC			£1,000	SAC per house	£3,339,000	Jan-27	Dec-43	203	
4.6.5.2	Policy G12a Stenshall SAC			£500	SAC per flat	£0	Jan-27	Dec-43	203	
4.6.6	Policy HS Gypsy and Traveller sites			£150,000	per pitch	£900,000	Jan-27	Dec-43	203	
4.6.7.1	Policy CC1, CC2 & CC3			£6,500	per house	£21,703,500	Jan-27	Dec-43	203	
4.6.7.2	Policy CC1, CC2 & CC3			£5,000	per flat	£0	Jan-27	Dec-43	203	
4.6.8	Policy G12 Biodiversity Net Gain			£1,527	per unit	£5,100,000	Jan-26	Dec-26	11	
	Total Developer Contributions					£156,025,164				
5.0	TOTAL DEVELOPMENT COSTS					£620,768,999				
6.0	TOTAL PROJECT COSTS [EXCLUDING INTEREST]					£849,069,145				
7.0	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]					£63,156,826				
8.0	Finance Costs									
8.1	Finance	APR	6.50%	on net costs	PCM	0.526%	-£63,156,826			Opening Balance Interest Net Cashflow in month Closing Balance
9.0	TOTAL PROJECT COSTS (INCLUDING INTEREST)					£912,225,972				

This appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to assess the impact of planning policies on site viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation - Professional Standards UK January 2014 (revised April 2015)) valuation and should not be relied upon as such.

Scenario 3 Development Appraisal:

SS13 Land West of Elvington LanVA1		3,339 Units		TECHNICAL CHECKS:		DVA SUMMARY:		TIMING		
Gross	159.00	Private	Affordable	Sqm/ha	2.975	RLV	£59,200,382			
Net	95.40	Nr of units	2,337	Dwgs/ha	35	BLV	£42,930,000			
Land type:	Greenfield	Intermediate	200	Units/ha	337	Headroom	£16,270,382			
LV description:	Strategic Site	Affordable rent	401	AH rate	30.0%	Headroom per net ha	£170,549			
		Social rent	401	GDV>Total costs	-	Headroom per dwg	£4,873			
		First Homes	-	Profit/total GDV	17.6%	Headroom psm flsp	£54			
						Headroom psm CIL li	£76			
								Start	Finish	
									Months (nr)	
1.0 Site Acquisition										
1.1	Net site value (residual land value)						£59,200,382	Mar-25	Feb-34	107
1.2	Stamp Duty Land Tax	Category:	Commercial land				£0	Mar-25	Feb-34	107
1.3	Purchaser costs		1.80%	on land costs			£2,949,519	Mar-25	Feb-34	107
							£1,065,607	Mar-25	Feb-34	107
							£63,215,508			
2.0 Developer's Profit										
2.1	Private units		20.0%	on OM GDV			£151,785,236	May-43	Jun-43	1
2.3	Affordable units		6%	on AH transfer values			£9,197,988	May-43	Jun-43	1
							£160,983,223			
3.0 Development Value										
3.1	Private units	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.1.2	2 bed house	1145.28	74.5	85,323	£3,750	£319,961,762	Sep-26	May-43	200	
3.1.3	3 bed house	934.92	93.0	86,948	£3,750	£326,053,350	Sep-26	May-43	200	
3.1.4	4+ bed house	257.10	117.1	30,110	£3,750	£112,911,068	Sep-26	May-43	200	
		2,337.3		202,380						
3.2	Social rent	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.2.2	2 bed house	292.50	74.5	21,791	£1,500	£32,686,733	Sep-26	May-43	200	
3.2.3	3 bed house	92.16	93.0	8,571	£1,500	£12,855,818	Sep-26	May-43	200	
3.2.4	4+ bed house	16.03	117.1	1,877	£1,500	£2,815,445	Sep-26	May-43	200	
		400.7		32,238						
3.3	Affordable rent	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.3.2	2 bed house	292.50	74.5	21,791	£1,875	£40,858,091	Sep-26	May-43	200	
3.3.3	3 bed house	92.16	93.0	8,571	£1,875	£16,069,772	Sep-26	May-43	200	
3.3.4	4+ bed house	16.03	117.1	1,877	£1,875	£3,519,306	Sep-26	May-43	200	
		400.7		32,238						
3.4	Intermediate	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.4.2	2 bed house	122.21	74.5	9,104	£2,625	£23,899,185	Sep-26	May-43	200	
3.4.3	3 bed house	54.09	93.0	5,031	£2,625	£13,205,161	Sep-26	May-43	200	
3.4.4	4+ bed house	24.04	117.1	2,815	£2,625	£7,390,543	Sep-26	May-43	200	
		200.3		16,950						
3.5	First Homes	Nr of units	Size sqm	Total sqm	Epsm	Total Value				
3.5.2	2 bed house	0.00	74.5	-	£2,625	£0	Sep-26	May-43	200	
3.5.3	3 bed house	0.00	93.0	-	£2,625	£0	Sep-26	May-43	200	
3.5.4	4+ bed house	0.00	117.1	-	£2,625	£0	Sep-26	May-43	200	
		-		-						
						£912,225,972				
4.0 Development Costs										
4.1	Sales Cost									
4.1.1	Private units		3.00%	on OM GDV			£22,767,785	Sep-26	May-43	200
4.1.3	Affordable units		£500	affordable housing			£500,850	Sep-26	May-43	200
							£23,268,635			
4.2	Build Costs									
4.2.1	Private units	Nr of units	Size sqm	Total sqm	Epsm	Total Cost				
4.2.1.2	2 bed house	1145.28	74.5	85,323	£1,130	£96,415,144	Apr-26	Dec-42	200	
4.2.1.3	3 bed house	934.92	93.0	86,948	£1,130	£98,250,743	Apr-26	Dec-42	200	
4.2.1.4	4+ bed house	257.10	117.1	30,110	£1,130	£34,023,868	Apr-26	Dec-42	200	
		2,337		202,380						
4.2.2	Affordable units	Nr of units	Size sqm	Total sqm	Epsm	Total Cost				
4.2.2.2	2 bed house	707.20	74.5	52,686	£1,130	£59,535,649	Apr-26	Dec-42	200	
4.2.2.3	3 bed house	238.40	93.0	22,172	£1,130	£25,053,939	Apr-26	Dec-42	200	
4.2.2.4	4+ bed house	56.10	117.1	6,569	£1,130	£7,423,389	Apr-26	Dec-42	200	
		1,002		81,427						
4.2.3	Garages	Number of units	sqm per garage	Total (sqm)	Epsm	Total Cost				
		931.180	18	16,761	£500	£8,380,633	Apr-26	Dec-42	200	
						£329,083,356				
4.3	Extra-Over Construction Costs									
4.3.1.1	Externals (for houses)		10%	extra-over on build cost for houses			£32,908,336	Apr-26	Dec-42	200
4.3.1.2	Externals (for flats)		10%	extra-over on build cost for flats			£0	Apr-26	Dec-42	200
4.3.2	Site abnormalities (remediation/demolition)		£0	per net ha			£0	Mar-25	Feb-34	107
4.3.3	Site opening costs		£10,795	per unit			£36,044,505	Mar-25	Feb-34	107
							£68,952,841			
4.4	Professional Fees									
4.4.1	on build costs (incl: externals)		8%				£28,959,335	Apr-26	Dec-42	200
							£28,959,335			
4.5	Contingency									
4.4.1	on build costs (incl: externals)		4%				£14,479,668	Apr-26	Dec-42	200
							£14,479,668			
4.6	Other Planning Obligations									
4.6.2.4	Link Road between Elvington Lane and ST15		£5,000,000	total		£5,000,000	Jan-27	Dec-27	11	
4.6.2.5	Link Road between Elvington Lane and Hull Road (Stage 1 Grimston Bar)		£5,000,000	total		£5,000,000	Jan-28	Dec-28	11	
4.6.2.6	Improvements to Grimston Bar (Stage 2)		£3,000,000	total		£3,000,000	Jan-28	Dec-28	11	
4.6.2.7	Grade Separated Junction		£35,000,000	total		£35,000,000	Jan-34	Dec-34	11	
4.6.2.8	Link Road between Grade Separate Junction and ST15		£5,000,000	total		£5,000,000	Jan-34	Dec-34	11	
4.6.2.9	Grade Separated Junction merge and diverge lanes[1]		£15,000,000	total		£15,000,000	Jan-34	Dec-34	11	
4.6.2.10	Pedestrian and cycle link improvements between ST15 and University		£4,000,000	total		£4,000,000	Jan-28	Dec-28	11	
4.6.2.11	Public transport access (early years)		£1,000,000	total		£1,000,000	Jan-28	Dec-28	11	
4.6.2.12	Public transport link between Grade Separated Junction and University		£1,000,000	total		£1,000,000	Jan-34	Dec-34	11	
4.6.2.1	Primary school 1 (3FE)		£16,600,000	total		£16,600,000	Apr-30	Mar-31	11	
4.6.2.1	Primary school 2 (2FE)		£11,000,000	total		£11,000,000	Jan-37	Dec-37	11	
4.6.2.2	Secondary education costs (New on site)		£21,800,000	total		£21,800,000	Jan-37	Dec-37	11	
4.6.2.2	SEND Costs		£2,900,000	total		£2,900,000	Jan-37	Dec-37	11	
4.6.2.13	Community Hall		£900,000	total		£900,000	Apr-30	Mar-31	11	
4.6.2.13	S106 for other mitigations (based on £4,200 per dwg)		£14,023,800	total		£14,023,800	Mar-25	Feb-34	107	
4.6.3	Electric charging points		£276	per unit (100% of houses; 50% of flats)		£3,258,864	Apr-26	Dec-42	200	
4.6.5.1	Policy G12a Stenshall SAC		£1,000	SAC per house		£3,339,000	Apr-26	Dec-42	200	
4.6.5.2	Policy G12a Stenshall SAC		£500	SAC per flat		£0	Apr-26	Dec-42	200	
4.6.6	Policy HS Gypsy and Traveller sites		£150,000	per pitch		£900,000	Apr-26	Dec-42	200	
4.6.7.1	Policy CC1, CC2 & CC3		£6,500	per house		£21,703,500	Apr-26	Dec-42	200	
4.6.7.2	Policy CC1, CC2 & CC3		£5,000	per flat		£0	Apr-26	Dec-42	200	
4.6.8	Policy G12 Biodiversity Net Gain		£1,212	per unit		£4,046,868	Jan-26	Dec-26	11	
						£174,472,032				
5.0	TOTAL DEVELOPMENT COSTS						£689,215,867			
6.0	TOTAL PROJECT COSTS [EXCLUDING INTEREST]						£863,414,598			
7.0	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£48,811,373			
8.0	Finance Costs									
8.1	Finance	APR	6.50%	on net costs	PCM	0.526%	£-48,811,373			Opening Balance Interest
										Net Cashflow in month
										Closing Balance
9.0	TOTAL PROJECT COSTS [INCLUDING INTEREST]						£912,225,972			
This appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to assess the impact of planning policies on site viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards UK January 2014 (revised April 2015)) valuation and should not be relied upon as such.										

