Community Infrastructure Levy Viability
Evidence base update

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1 INTRODUCTION

1.1 Wealden District Council (WDC) is planning to introduce a Community Infrastructure Levy (CIL), and has appointed Peter Brett and Associates (formerly Roger Tym & Partners) to provide development viability evidence in the District and recommend CIL charging rates accordingly. This report provides our analysis and recommendations.

1.2 This report refreshes evidence provided in 2012 and 2013 which formed part of earlier consultations on the CIL.

1.3 Part of the Wealden District Council area falls within the boundaries of the South Downs National Park (SDNP). The area within the South Downs National Park will not be liable for CIL Charges set by Wealden District Council. The South Downs National Park Authority will be responsible for the set-up and running of any CIL Charge within its boundary.

1.4 Following this Introduction:

- In Chapter 2 we introduce the Community Infrastructure Levy and set out the legal requirements that a CIL charging schedule must comply with.
- Chapter 3 examines the planning and development context, in order to ensure that CIL supports development in the District as proposed in the Core Strategy.
- Chapters 4 and 5 set out the method and assumptions used in our viability assessments.
- Chapters 6-11 provide these assessments for different land uses and recommend CIL charges accordingly.
- Finally, Chapter 12 summarises our recommendations and shows the proposed CIL charging schedule.

2 LEGAL REQUIREMENTS

Introduction

2.1 The Community Infrastructure Levy (CIL) is a planning charge that came into force on 6 April 2010. The levy allows local authorities in England and Wales to raise contributions from development to help pay for infrastructure that is needed to support planned development. Local authorities who wish to charge the levy must produce a draft charging schedule setting out CIL rates for their areas - which are to be expressed as pounds (£) per square metre, as CIL will be levied on the gross internal floorspace of the net additional liable development. Before it is approved by the Council, the draft schedule has to be tested by an independent examiner.

2.2 The requirements which a CIL charging schedule has to meet are set out in:

- The Planning Act 2008 as amended by the Localism Act 2011.
- The CIL Regulations 2010[1], as amended in 2011[2], 2012[3], 2013[4] and 2014[5].
- The CIL Guidance, which was updated in February 2014. The Planning Act 2008 gives the Government the power to issue CIL guidance to which authorities and examiners must have regard. This power gives particular weight to parts of the updated CIL guidance setting out what authorities should or must do[6].

2.3 Below, we summarise the key points from these documents. The 2014 Regulations have altered key aspects of setting the charge for authorities who publish a Draft Charging Schedule for consultation under CIL Regulation 16 after they became law on 24 February 2014.

Striking the appropriate balance

2.4 The revised Regulation 14 requires that a charging authority 'strike an appropriate balance' between:

i The desirability of funding from CIL (in whole or in part) the… cost of infrastructure required to support the development of its area… and

ii The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

2.5 By itself, this statement is not easy to interpret. The statutory guidance explains its meaning. A key feature of the 2014 Regulations is to give legal effect to the

[1] http://www.legislation.gov.uk/ukdsi/2010/9780111492390/pdfs/ukdsi_9780111492390_en.pdf
[2] http://www.legislation.gov.uk/ukdsi/2011/9780111506301/pdfs/ukdsi_9780111506301_en.pdf
[3] http://www.legislation.gov.uk/uksi/2012/2975/pdfs/uksi_20122975_en.pdf
[4] http://www.legislation.gov.uk/uksi/2013/982/pdfs/uksi_20130982_en.pdf
[5] http://www.legislation.gov.uk/uksi/2014/385/pdfs/uksi_20140385_en.pdf
[6] DCLG (February 2014) Community Infrastructure Levy Guidance

requirement in this guidance for an authority to 'show and explain…' their approach at examination. This explanation is important and worth quoting at length:

'The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 - 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.'[7]

2.6 In other words, the 'appropriate balance' is the level of CIL which maximises the delivery of development in the area. If the CIL charging rate is above this appropriate level, there will be less development than planned, because CIL will make too many potential developments unviable. Conversely, if the charging rates are below the appropriate level, development will also be compromised, because it will be constrained by insufficient infrastructure.

2.7 Achieving an appropriate balance is a matter of judgement. It is not surprising, therefore, that charging authorities are allowed some discretion in this matter. This has been reduced by the 2014 Regulations, but remains.. For example, Regulation 14 requires that in setting levy rates, the Charging Authority (our underlining highlights the discretion):

'must strike an appropriate balance…' i.e. it is recognised there is no one perfect balance;

2.8 and the statutory guidance says

'Charging authorities need to demonstrate that their proposed levy rate or rates are informed by 'appropriate available' evidence and consistent with that evidence across their area as a whole.'

2.9 and

'A charging authority's proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence …… There is room for some pragmatism.'[8]

2.10 The Statutory Guidance sets the delivery of development in the area firmly in the context of implementing the Local Plan. This is linked to the plan viability requirements of the NPPF, particularly paragraphs 173 and 174. This point is given

[7] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2)
[8] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:2:4)

emphasis throughout the Guidance. For example, in guiding examiners, the Guidance makes it clear that the independent examiner should establish that:

'…..evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole…..'[9]

2.11 This also makes the point that viability is not simply a site specific issue but one for the plan as a whole.

2.12 The revised Regulation 14 effectively continues to recognise that the introduction of CIL may put some potential development sites at risk. The focus is on seeking to ensure development envisaged by the Local Plan can be delivered. Accordingly, when considering evidence the guidance requires that charging authorities should *'use an area based approach, involving a broad test of viability across their area'*, supplemented by sampling *'…an appropriate range of types of sites across its area…'* with the focus *'...on strategic sites on which the relevant Plan relies…'* [10]

2.13 This reinforces the message that charging rates do not need to be so low that CIL does not make any individual development schemes unviable. The levy may put some schemes at risk in this way so long as, in aiming strike an appropriate balance overall, it avoids threatening the ability to develop viably the sites and scale of development identified in the Local Plan.

Keeping clear of the ceiling

2.14 The guidance advises that CIL rates should not be set at the very margin of viability, partly in order that they may remain robust over time as circumstances change:

'*…if the evidence pointed to setting a charge right at the margins of viability…It would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust.*'[11]

2.15 We would add two further reasons for a cautious approach to rate-setting, which stops short of the margin of viability:

- Values and costs vary widely between individual sites and over time, in ways that cannot be fully captured by the viability calculations in the CIL evidence base.
- A charge that aims to extract the absolute maximum would be strenuously opposed by landowners and developers, which would make CIL difficult to implement and put the overall development of the area at serious risk.

Varying the charge

2.16 CIL Regulations (Regulation 13) allows the charging authority to introduce charge variations by geographical zone in its area, by use of buildings, by scale of development (GIA of buildings or number of units) or a combination of these three

[9] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:5:5)
[10] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:2:4)
[11] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:2:4)

factors. (It is worth noting that the phrase 'use of buildings' indicates something distinct from 'land use').[12] As part of this, some rates may be set at zero. But variations must reflect differences in viability; they cannot be based on policy boundaries. Nor should differential rates be set by reference to the costs of infrastructure.

2.17 The guidance also points out that charging authorities should avoid 'undue complexity' when setting differential rates, and *'...it is likely to be harder to ensure that more complex patterns of differential rates are state aid compliant.'* [13]

2.18 Moreover, generally speaking, 'Charging schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development', otherwise the CIL may fall foul of State Aid rules.[14]

2.19 It is worth noting, however, that the guidance gives an example which makes it clear that a strategic site can be regarded as a separate charging zone: 'If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area.'[15]

Supporting evidence

2.20 The legislation requires a charging authority to use *'appropriate available evidence'* to inform their charging schedule[16]. The statutory guidance expands on this, explaining that the available data *'is unlikely to be fully comprehensive'*.[17]

2.21 These statements are important, because they indicate that the evidence supporting CIL charging rates should be proportionate, avoiding excessive detail. One implication of this is that we should not waste time and cost analysing types of development that will not have significant impacts, either on total CIL receipts or on the overall development of the area as set out in the Local Plan. This suggests that the viability calculations may leave aside geographical areas and types of development which are expected to see little or no development over the plan period.

Chargeable floorspace

2.22 CIL will be payable on most buildings that people normally use and will be levied on the net additional new build floorspace created by any given development scheme[18]. The following will not pay CIL:

[12] The Regulations allow differentiation by “uses of development”. “Development” is specially defined for CIL to include only ‘buildings’, it does not have the wider ‘land use’ meaning from TCPA 1990, except where the reference is to development of the area, in which case it does have the wider definition. See S 209(1) of PA 2008, Reg 2(2), and Reg 6.

[13] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:2:6)

[14] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2;2;2;6)

[15] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:2:6)

[16] Section 211 (7A) of the Planning Act 2008

[17] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:2:4)

[18] DCLG (February 2014) Community Infrastructure Levy Guidance (Sections 2:1:1, 2:1:2 and 2:3:12)

- New build that replaces demolished existing floorspace that has been in use for six months in the last three years on the same site, even if the new floorspace belongs to a higher-value use than the old;
- Retained parts of buildings on the site that will not change their use, or have otherwise been in use for six months in the last three years;
- Development of buildings with floorspace less than 100 sq m (if not a new dwelling), by charities for charitable use, of homes by self-buiders, and of social housing as defined in the regulations.

What the examiner will be looking for

2.23 According to the statutory guidance, the independent examiner should check that:

- The charging authority has complied with the requirements set out in legislation.
- The draft charging schedule is supported by background documents containing appropriate available evidence.
- The proposed rate or rates are informed by and consistent with the evidence on economic viability across the charging authority's area.
- Evidence has been provided that shows the proposed rate or rates would not threaten delivery of the relevant Plan as a whole.[19]

Policy and other requirements

2.24 Above, we have dealt with legal and statutory guidance requirements which are specific to establishing a CIL. More broadly, the CIL Guidance says that charging authorities '*….should consider relevant national planning policy when drafting their charging schedules. This includes the National Planning Policy Framework in England and Planning Policy Wales in Wales'.* In addition, where consideration of development viability is concerned, the CIL Guidance draws specific attention to paragraphs 173 to 177 of the NPPF.[20]

2.25 The only policy requirements which refer directly to CIL are set out at paragraph 175 of the NPPF, covering, firstly, working up CIL alongside the plan making where practical; and secondly placing control over a meaningful proportion of funds raised with neighbourhoods where development takes place. Since April 2013[21] this policy requirement has been complemented with a legal duty on charging authorities to pass a specified proportion of CIL receipts to local councils, to spend it on behalf of the neighbourhood if there is no local council for the area where development takes place. Whilst important considerations, these two points are outside the immediate remit of this study.

[19] DCLG (February 2014) Community Infrastructure Levy Guidance (Section 2:2:5:5)
[20] DCLG (February 2014) Community Infrastructure Levy Guidance (Sections 2:2 and 2:2:1):
[21] http://www.legislation.gov.uk/uksi/2013/982/pdfs/uksi_20130982_en.pdf

Summary

2.26 To meet legal requirements and satisfy the independent examiner, a CIL charging schedule published as a Draft for consultation after 24 February 2014, when the 2014 Amendment Regulations become law should:

'strike an appropriate balance' between the need to fund infrastructure and the impact of CIL; and

'Not threaten delivery of the relevant plan as a whole'.

2.27 As explained in statutory guidance, this means that the net effect of the levy on total development across the area should be positive. CIL may reduce development by making certain schemes which are not plan priorities unviable. Conversely, it may increase development by funding infrastructure that would not otherwise be provided, which in turn supports development that otherwise would not happen. The law requires that the net outcome of these two impacts should be judged to be positive. This judgment is at the core of the charge-setting and examination process.

2.28 Legislation and guidance also set out that:

- Authorities should avoid setting charges up to the margin of viability.
- CIL charging rates may vary across geographical zones, building uses, and, scale of development (and only across these three factors). But there are restrictions on this differential charging. It must be justified by differences in development viability, not by policy or by varying infrastructure costs; it should not introduce undue complexity; and it should have regard to State Aid rules.
- Charging rates should be informed by 'appropriate available evidence', which need not be 'fully comprehensive'.

2.29 While charging rates should be consistent with the evidence, they are not required to 'mirror' the evidence. In this, and other ways, charging authorities have discretion in setting charging rates.

2.30 In our analysis and recommendations, we aim both to meet these legal and statutory guidance requirements and to maximise achievement of the Councils' own priorities, using the discretion that the legislation and guidance allow.

3 PLANNING AND DEVELOPMENT CONTEXT

Introduction

3.1 We need to ensure that the CIL supports development in general, and delivery of the Council's priorities. In this chapter therefore we first review recent patterns of development and then the objectives and proposals of the District's Local Plan.

3.2 The work presented here is an update of the 2012/13 studies. Changes have occurred in the residential markets as the economic outlook for the UK has improved. We have therefore updated the appraisal analysis incorporating data from 2014.

3.3 At the end of this chapter, we look at the implications of this analysis for the charging schedule.

History

Recent development in Wealden

3.4 One guide to the likely pattern of future development is to look at development in the recent past.

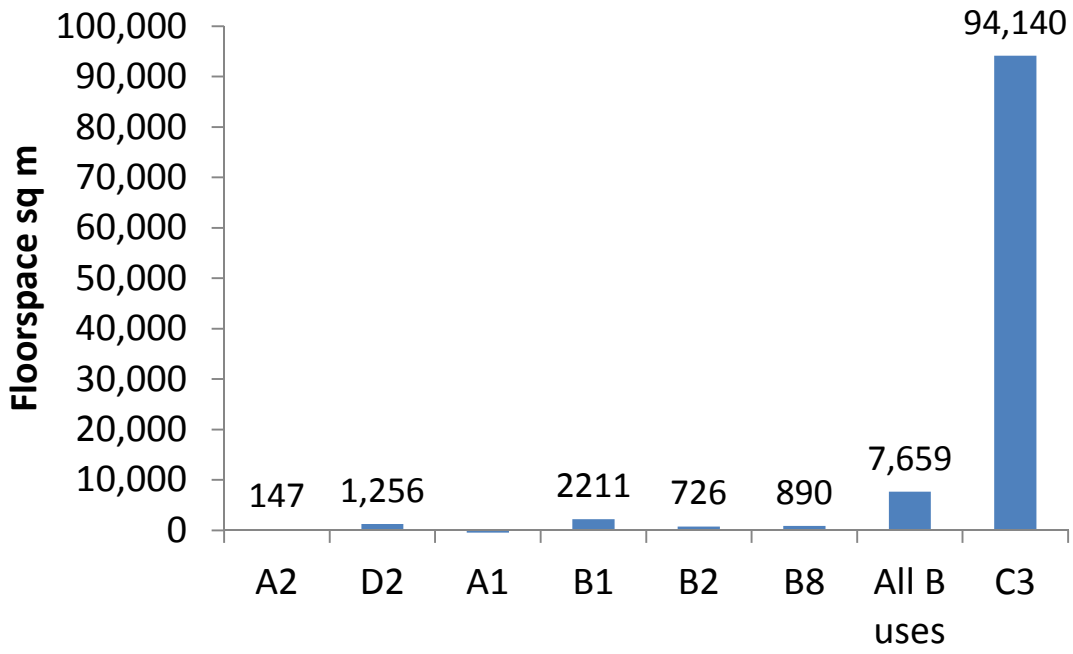
3.5 Figure 3.1 below, based on Wealden's Annual Monitoring Reports, analyses the mix of development from 2009/10 to 2010/11. It shows that by far the largest volume of new floorspace built over the last two years was residential (C3). From 2009/10 to 2010/11, ten times more residential floorspace has been created than any other development category.

3.6 The Annual Monitoring Report (2012/13) trajectory shows annual housing completions of 674 in 2012/13 which exceeds the projected target of 571. This follows completion figures for 2010/11 of 709 and for 2011/12 of 617 and therefore the last three years of housing delivery all significantly exceed the annual requirement figure set in the Council's Core Strategy of 450 dwellings per annum.

3.7 A high level of completions is expected over the next few years as sites with outline planning consent and those with resolutions to approve are built out. Supply also consisted of windfall sites with 244 of the 674 falling within this category.

3.8 After residential, the second largest volume of new floorspace was B uses. The smallest volume of floorspace built in this period is A2 (financial and professional services). A1 (retail) has fractionally lost space over this time period.

Figure 3.1 Net Floorspace Completed 2009-10 to 2010-11

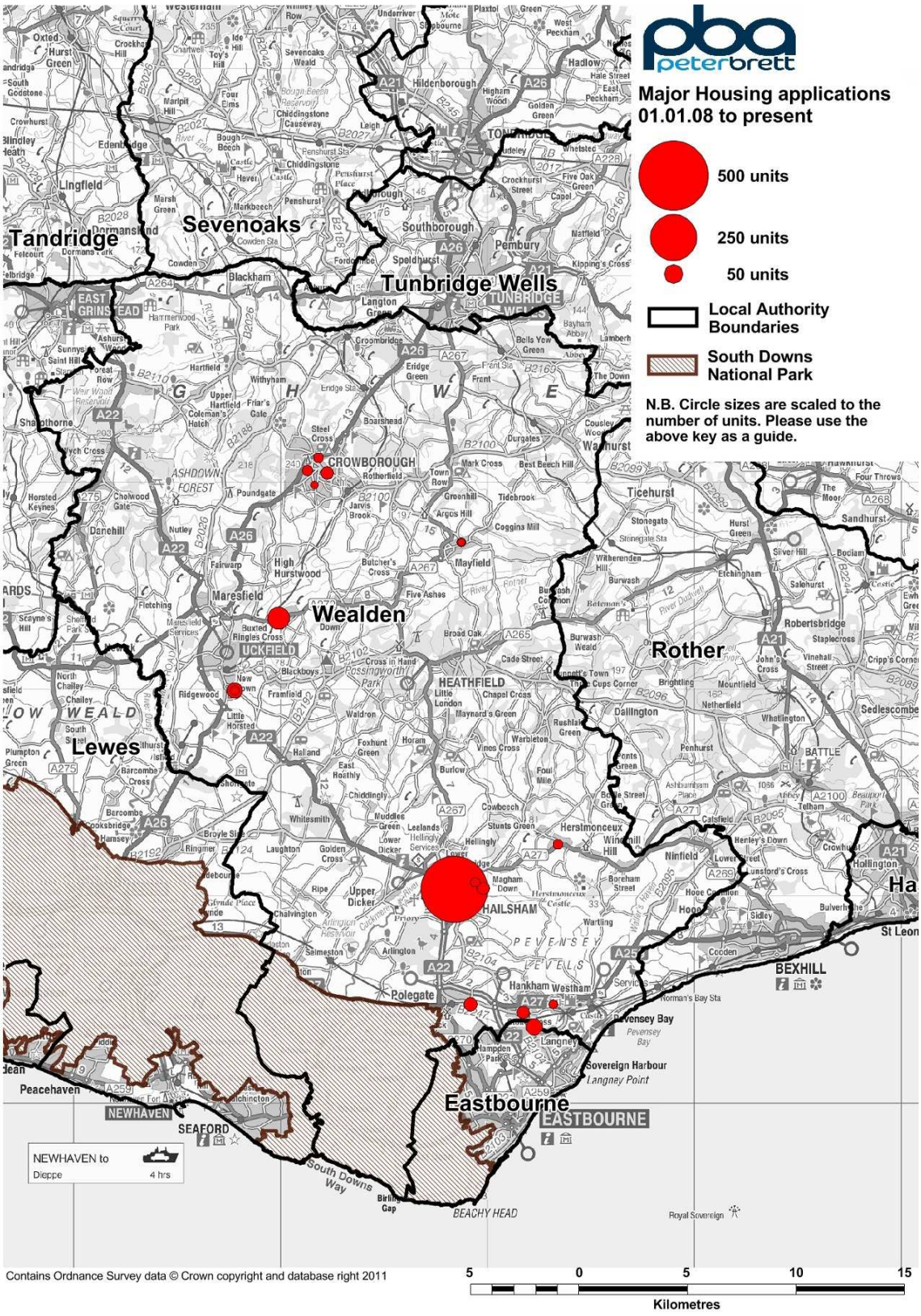


Source: Wealden DC Annual Monitoring Report 2010/2011, PBA

Size of applications

3.9 We have mapped data from Wealden DC in Figure 3.2. This shows that, between 2008 and 2012, the majority of housing applications were for less than 50 units. There was a large application in Hailsham for a site of 460 units, and a number of other applications predominantly in and around the main Wealden towns of Crowborough and Uckfield.

Figure 3.2 Major housing applications (1st Jan 2008 to 2012)



Source: Wealden DC

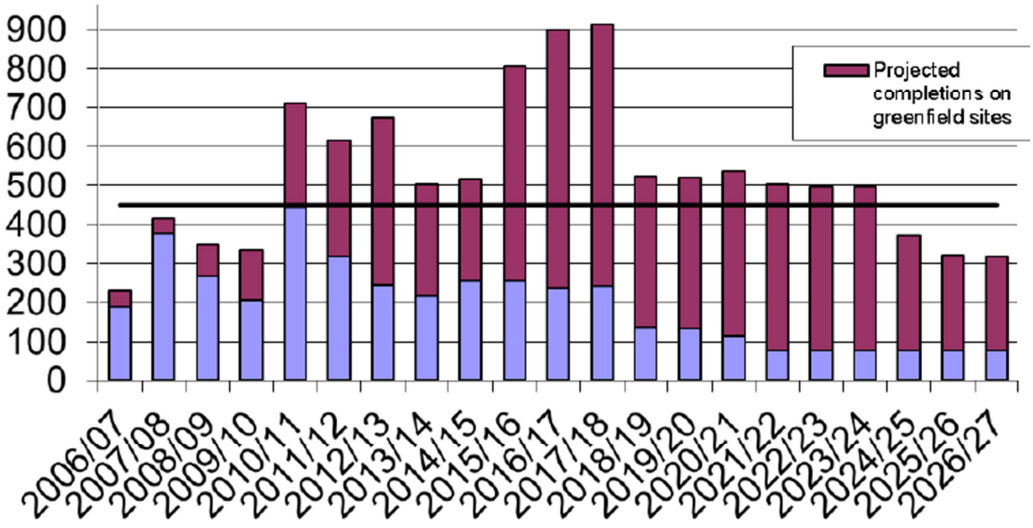
Changing patterns of development

3.10 While the majority of these housing completions in more recent years were windfall completions, this pattern is now beginning to change. The 2012/13 AMR states that:

'Due to the very high level of completions over the last three years, many of the sites with planning consent have now been built out. It is therefore anticipated that the level of completions will be significantly lower for the next two years. From 2015 onwards, however, it is anticipated that completions will start coming forward from sites which have been identified in the Core Strategy and Strategic Sites Local Plan. Some of these sites have now been granted planning consent whilst other sites have planning applications pending.'

3.11 From 2015/16, it is projected that completions will come forward from sites which are allocated in the LDF. Figure 3.3 (taken from the 2012/13 Annual Monitoring Report) shows WDC's projections of this shift.

Figure 3.3 Past and future housing trajectory (period up to 2012/13 shows actual completions; not including any projection for completions on new windfall sites)



Source: WDC AMR 2012/13

Future development and the Core Strategy

3.12 The Core Strategy Local Plan comprises a long-term spatial vision and strategic objectives for the Wealden District area for the period 2013 to 2027, including the area within Wealden which is in the South Downs National Park.

3.13 The Adopted Core Strategy (pdf) was considered for adoption and approved by Wealden District Full Council on 28 November 2012 and the South Downs National Park Authority on 19 February 2013.

3.14 The Core Strategy identifies the quantum of growth and broad locations for delivering housing and other major development needs such as employment, retail and transport.

3.15 To promote sustainability, ease of access to services and to reduce the carbon footprint of development most growth is proposed in the form of sustainable urban extensions. The Strategy proposes significant growth within Hailsham (1300 dwellings) and Uckfield (1000 dwellings) with additional growth at Stone Cross (650 dwellings) and Polegate (700 dwellings) to help meet the needs of the south of the District and to support the agenda for regeneration and investment emerging from the Local Plan of neighbouring authorities.

3.16 Lesser and proportionate growth is proposed for Crowborough (300 dwellings) and Frant (120 dwellings) owing to environmental and economic constraints. To further support sustainable development, increase in economic performance and the provision of employment opportunities. [22]

3.17 The Core Strategy allocates some 40,000 sq metres of employment land, principally in Hailsham, Polegate and Uckfield and promotes provision of an additional 17,000 sq m of retail floorspace, centred upon Uckfield and Hailsham.

3.18 The core strategy forms the basis of our testing as CIL is designed to help enable its delivery.

Development central to the delivery of the Core Strategy

3.19 A review of the Core Strategy suggests that a number of development types are going to be critical to the delivery of the Core Strategy. These types of development will deliver the majority of development in Wealden over the plan period as shown in table3.1 below.

Residential development

3.20 Policy WCS1 in the Core Strategy proposes that the CS and later development plan documents allocate land for at least 4,525 additional dwelling units in the period 2010-2027[23]. Policy WCS2 shows that this development will be distributed as follows:

- Hailsham and Hellingly: 1,300 units. Around 600 of these homes will be in an extension to the urban area to the east of Hailsham on land to the north of Vicarage Lane. Around 700 homes will be in an extension to the urban area north of Hailsham towards Hellingly.
- Uckfield: 1,000 units. Land will be allocated for housing as part of the comprehensive redevelopment of land to the south west of the town.
- Polegate and Willingdon: 700 units. These dwellings will be located on land South of Polegate and East of Willingdon.
- Stone Cross and Westham: 650 units. 220 of these are to be located in an extension to the urban area of Stone Cross to the east and south east; and around 430 in an extension to the urban area of Stone Cross to the north, but with a certain degree of flexibility between the areas.

[22] Wealden DC, 2011, Core Strategy (22)
[23] Wealden DC, Core Strategy (25)

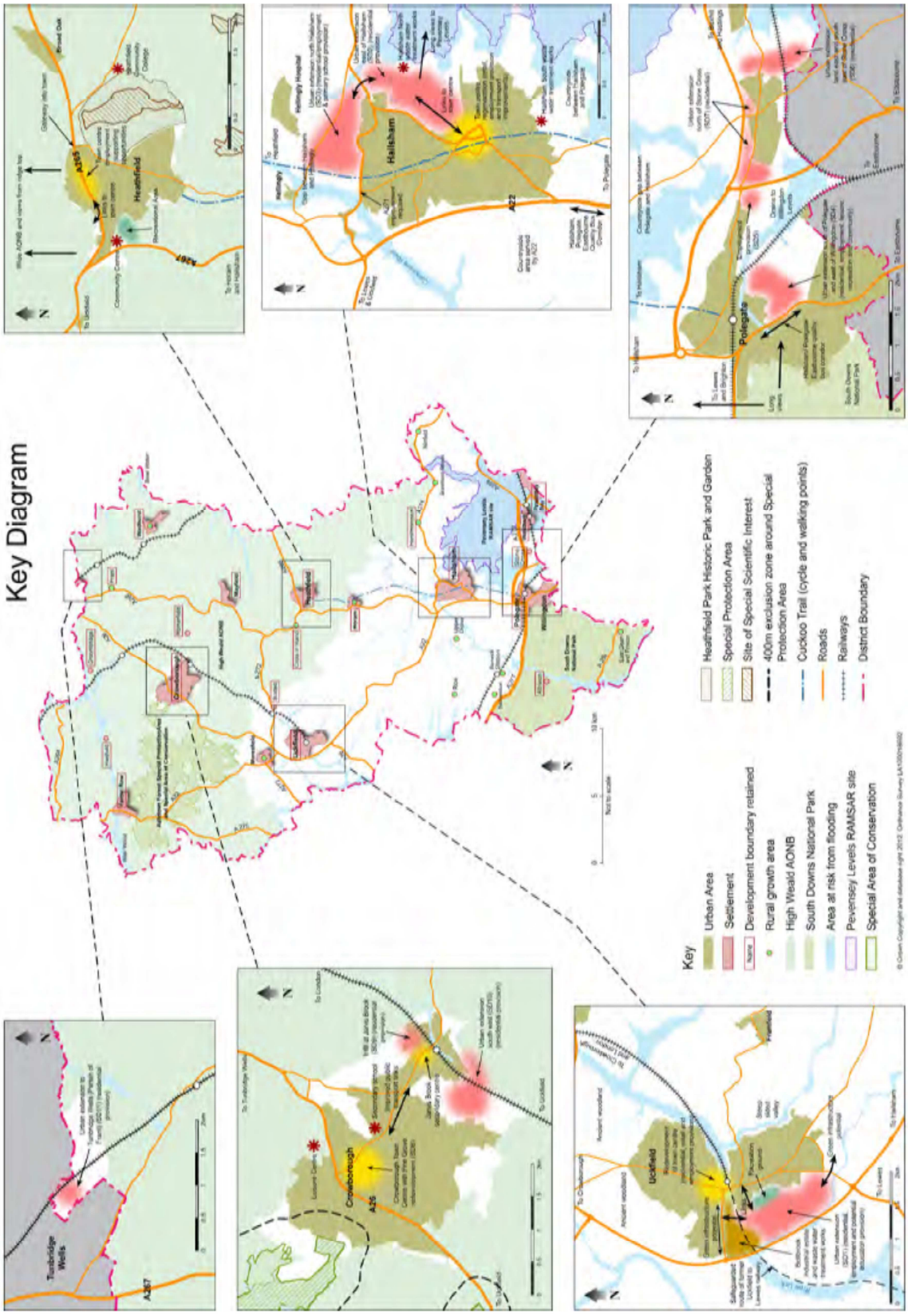
- Crowborough: 300 units. Around 140 homes are to be located in the urban area, including land in the town centre at Pine Grove and Jarvis Brook; around 160 units will be located in the extension to the urban area to the south east of Crowborough.
- Land adjacent to Tunbridge Wells boundary (within Frant Parish): 120 units.
- Rural villages: 455 units.[24] Smaller development sites are located across the district.

Table 3.1 Core strategy

Town Settlement	Built or already committed (4) (dwellings)	New allocations (dwellings)	Total dwellings (2006 – 2027)
Uckfield	742	1000	1742
Hailsham and Hellingly	1645	1300	2945
Polegate and Willingdon	565	700	1265
Stone Cross and Westham	42	650	692
Crowborough	632	300	932
Heathfield and Waldron	292	To be determined in a subsequent DPD	292
Adjacent to Turnbridge Well boundary (within Frant Parish)	53(5)	120	173
Rural villages	918	455	1373
Total Wealden	4889	4525	9414

[24] Wealden DC, Core Strategy (26, 36, 40, 45, 48, 50)

Figure 3.4 Core Strategy key diagram



Employment development

3.21 The Core Strategy says that Polegate and Willingdon/Stone Cross, Uckfield, and Hailsham and Hellingly are likely to be the main focus for new employment floorspace. Around 38,190 sq m of B1, B2 and B8 net floorspace (new allocations) is planned for these areas.[25]

- In Uckfield, 12,560 sq m of net employment floorspace (new allocations) will be provided as part of the extension to the urban area to the west of New Town. Development of offices and commercial premises will also be encouraged around the town centre.[26]
- In the Hailsham and Hellingly area, 8,650 sq m of employment floorspace will be provided in an extension to the urban area north of Hailsham. In Hailsham, the provision of office space and commercial premises will also be encouraged around the town centre.[27]
- In the Polegate and Willingdon/Stone Cross area, 8,600 sq m of employment floorspace will be provided on the land South of Polegate and East of Willingdon with 8,290 sq m provided on the land south of Dittons Road.[28]
- In Heathfield, the Core Strategy proposes small-scale new employment development around the town centre as well as improving and intensifying the use of existing employment areas and, where appropriate, expanding them.[29]
- In Crowborough, no large amounts of employment floorspace are planned, but the provision of office space and commercial premises will be encouraged in the town centre.[30]

Retail development

3.22 Uckfield, and Hailsham and Hellingly are identified in the Core Strategy as the main focus for new retail development (class A1: comparison and convenience). [31]

- In Uckfield, 10,707 sq m of additional retail floorspace will be provided as part of a comprehensive scheme of improvements, which will increase the attractiveness of Uckfield and help create a vibrant and inclusive town centre.[32]
- In the Hailsham and Hellingly area, 300 sq m of retail floorspace will be provided in an extension to the urban area north of Hailsham towards Hellingly. An additional 5,930 sq m of floorspace will be delivered as part of a comprehensive redevelopment scheme in Hailsham town centre.[33]

[25] Wealden DC, Core Strategy (28)
[26] Wealden DC, Core Strategy (36-37)
[27] Wealden DC, Core Strategy (40-41)
[28] Wealden DC, Core Strategy (45)
[29] Wealden DC, Core Strategy (50)
[30] Wealden DC, Core Strategy (48)
[31] Wealden DC, Core Strategy (28)
[32] Wealden DC, Core Strategy (36-37)
[33] Wealden DC, Core Strategy (41)

3.23 In Wealden's other settlements, no large-scale retail development is planned, but there are likely to be small amounts of new space. In Polegate the improvement of the choice of shops will be encouraged and in Crowborough an increase or improvement in the retail floorspace offer of the town centre will be supported. Increase or improvement in the retail floorspace offer will also be encouraged in Heathfield town centre.[34]

Education, health and community facilities

3.24 The Core Strategy states that education provision will be provided in the Uckfield area as part of the extension to the urban area to the west of New Town, and in the extension to the urban area north of Hailsham towards Hellingly.[35] In Crowborough, the Council will support improvements to the range and diversity of social and community facilities including the provision of a new multi-purpose community building in the town centre which is currently under construction.[36]

Other types of development

3.25 The Core Strategy states that tourist opportunities will be encouraged in Crowborough by supporting additional visitor accommodation, interpretation facilities and other attractions and helping establish the farmers' market as a central feature of the towns offer.[37]

3.26 The Council are also proposing to improve the range and quality of the leisure and cultural facilities in the District which will involve the development of some new floorspace. This new development is to be focused at Hailsham, the land south of Polegate and East of Willingdon and Crowborough.

Implications

3.27 We have shown above that the great majority of floorspace proposed in the Core Strategy is in four categories:

- Residential
- Employment
- Retail
- Education, health and other community facilities

3.28 We focus our viability assessments on these types of development, aiming to ensure that they remain broadly viable after the CIL charge is levied. To satisfy the independent examiner, we do not need to prove that each and every proposed development in these categories will remain viable after CIL is levied. But we do need to demonstrate that the bulk of development will remain viable.

[34] Wealden DC, Core Strategy (48, 50)
[35] Wealden DC, Core Strategy (37, 40)
[36] Wealden DC, Core Strategy (47)
[37] Wealden DC, Core Strategy (48)

3.29 In spatial terms, a key priority of the Core Strategy is the development of the urban extensions. In our analysis and recommendations, we aim to ensure that CIL will not put at risk the main elements of this development.

4 VIABILITY ASSESSMENT METHOD

Development appraisal

4.1 Viability assessment is at the core of the charge-setting process. The purpose of the assessment is to identify charging rates at which the bulk of the development proposed in the development plan is financially viable, in order to ensure that the CIL does not put at risk the overall development planned for the area.

4.2 Our viability assessments are based on development appraisals of hypothetical schemes, using the residual valuation method. This approach is in line with accepted practice and as recommended by RICS guidance[38] and the Harman report.[39] Residual valuation is applied to different land uses and where relevant to different parts of the Borough, aiming to show typical values for each. It is based on the following formula:

Value of completed development scheme

Less development costs - including build costs, fees, finance costs etc

Less developer's return (profit) - the minimum profit acceptable in the market to undertake the scheme

Less policy costs - building in (for example) Section 106 costs but at this stage excluding CIL

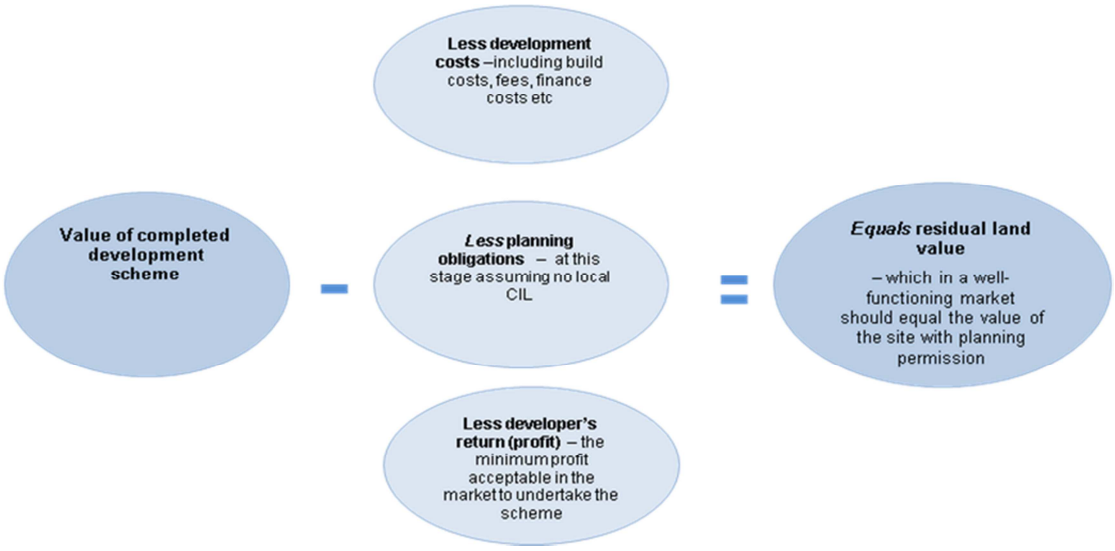
Equals residual land value

- which in a well-functioning market should equal the value of the site with planning permission

[38] RICS (2012), Financial Viability in Planning, RICS First Edition Guidance Note

[39] Local Housing Delivery Group Chaired by Sir John Harman (2012) Viability Testing Local Plans

Figure 4.1 Method diagram



4.3 For each of the hypothetical schemes tested, we use this formula to estimate typical residual land values, which is what the site should be worth once it has full planning permission. The residual value calculation requires a wide range of inputs, or assumptions, including the costs of development, the required developer's return.

4.4 The arithmetic of residual appraisal is straightforward (we use the popular ARGUS Developer software for the bulk of our appraisals). However, the inputs to the calculation are hard to determine for a specific site (as demonstrated by the complexity of many S106 negotiations). The difficulties grow when we are required to make calculations that represent a typical or average site – which is what we need to do for CIL purposes. Therefore our viability assessments are necessarily broad approximations, subject to a margin of uncertainty.

4.5 Detailed individual appraisals are at Appendix 1.

The summary tables

4.6 Having estimated the residual value, we compare this residual value with the 'threshold land value' or 'land cost', which is the minimum land value the landowner will accept to release his or her land for the development specified.

4.7 This process of comparison takes place in what we call the "summary table". These summary tables can be found in the relevant sections.

4.8 Threshold values will vary to reflect the landowner's judgements, which might include the contextual nature of development, the site density achievable, the approach to the delivery of affordable housing (in the context of residential development) and so on. There are a wide range of permutations here. In order to make progress, we have to assume a central value, even though there could be a margin of error in practice. These values are discussed further in section 5.

- If the residual land value shown by the Argus appraisals is below the threshold value, the development is not financially viable, even without CIL. That means that unless the circumstances change it will not happen.
- If the residual value and the threshold values are equal, the development is just viable, but there is no surplus value available for CIL.
- If the residual land value shown by the Argus appraisals is above the threshold value, the development is viable. The excess of residual over threshold value measures the maximum amount that may be potentially captured by CIL. The summary table then converts this amount available for CIL into a per square metre charge in the column at the far right.

4.9 It is important to bear in mind that these calculations are no more than approximations, surrounded by margins of uncertainty but are based on best available evidence and judgement. In drawing the implications for CIL, we take account of this uncertainty and use professional judgment to interpret the figures. We explain below.

Recommending a CIL charge

4.10 The summary table discussed above may indicate that theoretical CIL charges are far in excess of the proposed rates. However, we are likely to recommend that the charge is set well under this point. The principal reasons for this are that:

- Markets fluctuate over time. There must be sufficient latitude for fluctuations to happen without rendering the CIL Charge unviable; and
- Individual site costs and values vary. Developments should remain viable after CIL Charge is paid in the bulk of cases.

4.11 It is conceivable that a simple, arithmetical approach could be used to take us from the 'overage' that the summary table suggests is available for CIL, to a recommended CIL Charge. For example, it would be possible to set a CIL at 50% of the overage indicated in the viability testing, and to mechanically apply this deflator across the study.

4.12 However, we have intentionally avoided this approach, because the viability tests necessarily cannot take account of developers' market understanding of risk, or of institutional investors' willingness to invest. These are important components of the judgement on a sensible level of CIL charge, but they cannot emerge arithmetically from the viability model. Instead, we use our market judgement in arriving at a sensible charge.

5 VIABILITY ASSESSMENT ASSUMPTIONS

5.1 In this chapter we discuss the main assumptions used in our development appraisals. A number of these assumptions require detailed explanation and are discussed in the next section. Other assumptions will be set out briefly in Table 5.1 below.

Threshold land values

5.2 Our estimates of threshold values are based on market comparables. We have examined a wide variety of land transactions in Wealden over the past five years, using two main sources:

- Consultations with local property agents
- Consultation with housebuilders active in the area
- For the residential sector, the values reported in viability studies submitted to the Council as part of recent S106 negotiations.

5.3 Our consultees are listed at Appendix 3 below. The actual comparables we have used were provided in confidence and cannot be made public.

5.4 Throughout, we have only looked at new-build schemes rather than conversions, because CIL is levied on net additional floorspace. The economics of conversion schemes are very different.

5.5 It is important to appreciate that assumptions on threshold land values can only be broad approximations, subject to a wide margin of uncertainty. We take account of this uncertainty in drawing conclusions and recommendations from our analysis.

Residential threshold values

5.6 We have examined a cross section of residential land comparables across Wealden district. These comparable recent transactions generally relate to urban, brownfield sites, which were fully serviced with roads and major utilities to the site boundary. In future, however, much of the new housing in Wealden will be in greenfield urban extensions, on formerly agricultural land. These sites are likely to be unserviced, so they will need infrastructure and perhaps ground improvements. Market mechanisms should ensure the cost of these investments is reflected in the price that developers pay for the land.

5.7 In collecting evidence on residential land values, we have identified a wide variation in site values across the district. These are as follows

- Low value area £900,000 per ha
- Medium value £1,400,000 per ha
- High value £1,800,000 per ha

Offices

5.8 Employment land has fewer transactions in Wealden district (for both office and industrial development). Based on discussions with various agents in the area, we estimate that a serviced development plot suitable for office or industrial development would have a value of between £430,000 - £440,000 per ha, depending on location. Based on these discussions we have adopted a value of **£430,000 per ha**.

5.9 This level reflects the base level at which landowners would be willing to dispose of land in a standard functioning market and not in a forced situation.

Industrial

5.10 We have adopted a value of **£430,000 per ha across all of Wealden.** This is assumed to be the threshold value for a fully serviced industrial site, ready to accept development immediately. We have adopted an approach compatible with a RICS Red Book type approach which assumes a willing buyer and seller.

5.11 Employment land has relatively few transactions in Wealden district (for both office and industrial development) and we have based our figures on discussions with local agents. The price reflects a value which a potential occupier would pay for a site, given that land available for sale and which is suitable for industrial development is in short supply.

5.12 In order to compare our assumptions with the current market we analysed a site in Dittons Road, Polegate. This was a 9.5 acre site which is part of Strategic Development Area 5 in the Core Strategy. The site sold at auction in January 2012 at a price equivalent to £74,000/ha. Clearly, these values are not comparable with the values we have assumed above. The discrepancy between this land price figure, and the threshold land price figure we are assuming is explained by the fact that the Dittons Road site was a forced sale, and the site is not fully serviced. After understanding the specific particulars of the Dittons Road site by speaking to agents, we believe that the threshold value quoted is a realistic minimum level at which we would expect landowner to be selling this type of fully serviced site.

Retail

5.13 We have examined the convenience and comparison retail sectors separately and concluded that land values for convenience retailing are higher than comparison retailing, although comparable evidence is scarce for both sectors. We have adopted the following values;

- Comparison retail at **£865,000 per ha** in Crowborough and Uckfield and **£1,600,000 per ha** outside of the main retail zone (assuming edge of centre sites of sufficient scale to accommodate a car park and being appropriate for retail 'shed' type development). We have arrived at these values following discussion with local agents. However, there is a lack of transactional evidence to directly support these values, so we have triangulated our evidence from local agents with information on local rent and yields in Uckfield, Heathfield and Hailsham together with evidence from outside the District in Eastbourne & Hastings.

- Convenience **£2,470,000 per ha** across all of Wealden. We have used a residual method to identify a threshold land value and compared this against other existing uses in the District, taking note of the broad values in Wealden town centres and then the rest of the District. This land value is in line with the most comparable transaction by Lidl to acquire land at Ropemaker Park in Hailsham for a new supermarket. We were informed by local agents that the supermarket paid just over £3,000,000 per ha on an unconditional basis.

S106 contributions on residential development

5.14 In order to assess development viability, we need to make assumptions about the broader policy costs faced by development. S106 is one of these policy costs, and so these costs need to be allowed for in our viability calculations.

5.15 Section 106 will continue to exist after CIL begins to be charged. However, the use of S106 will be scaled back. Under recent CIL Regulations (which also cover Section 106), Section 106 is now expected to be very tightly targeted at mitigating the impacts of individual developments. The revised 2014 guidelines also helped define the different uses for which CIL and 106 contributions could be used with site specific obligations purely to benefit one scheme being excluded from any potential CIL contribution.

5.16 We therefore expect that Section 106 agreements, together with Section 278 highways agreements and planning conditions, will still be used to secure the following elements:

- Site-specific mitigation. These might be local improvements/infrastructure necessary to enable the grant of planning permission such as access roads, on-site open space, archaeology, and some off-site requirements directly related to support individual sites.
- Development-specific infrastructure on large-scale major development sites (of around 200-300 or more dwellings). In these instances, developers frequently prefer the use of S106 agreements, because they provide comfort that key infrastructure (which is frequently essential to sales) will be delivered.
- Affordable housing. Under the current Regulations, Section 106 agreements will also continue to be used to secure affordable housing.

5.17 Based on the above, and in agreement with the client team, our appraisals allow £1,700 per housing unit for S106 and S278 contributions, excluding affordable housing.

5.18 This estimate is made for the sole purpose of the CIL viability assessment. It does not commit Wealden district to allocating CIL receipts or S106 receipts to any infrastructure theme or stakeholder.

S106 contributions on non-residential development

5.19 Because S106 payments are now very precisely determined by the impacts of a specific development, it is very difficult to be specific about what, if anything, might be required under S106. Wealden does not have a S106 policy which can be applied to non-residential development. Generally speaking, therefore, we have not allowed for S106 payments on non-residential development.

5.20 However, in the case of convenience retail development, our viability assessments have allowed for some modest S106 payments (on the basis that CIL will now pick up area-wide strategic infrastructure requirements). Our viability assessments we have allowed for

- **£5,000 S106 payment for each smaller in-town convenience development.**
- **£10,000 S106 payment for each larger out-of-town convenience development.**

Other assumptions

5.21 The other assumptions underlying our development appraisals are in Table 5.1 below. Inevitably, these assumptions are broad estimates. We have aimed to model typical new build schemes, as opposed to high-specification or particularly complex schemes that require particular construction techniques or materials.

Table 5.1 Viability testing assumptions

<table>
<tr><th colspan="3">Revenue</th></tr>
<tr><td rowspan="2">Sales value of completed scheme</td><td rowspan="2">Land Registry, nethouseprices.com Rightmove, and consultation</td><td>For housing, Land Registry data forms a basis for analysis. This provides a full record of all individual transactions. This data is then supplemented following conversations with agents and house builders' sales representatives, which allows us to form a view on new build sales values. Values used are as follows:</td></tr>
<tr><td>
<table>
<tr><th></th><th>Typology</th><th>£psm</th></tr>
<tr><td>Lower Value</td><td>Houses</td><td>£2,600</td></tr>
<tr><td>Middle Value</td><td>Houses</td><td>£2,950</td></tr>
<tr><td>Higher Value</td><td>Houses</td><td>£3,000</td></tr>
</table>
</td></tr>
</table>

Affordable housing transfer values	HCA policy and consultation with RSL's	**Lower Value Social Rent** 80%	Type Houses	**Value £psm** £930
		Intermediate 20%	Type Houses	**Value** £1,820
		Middle Value Social Rent 80%	Type Houses	**Value £psm** £980
		Intermediate 20%	Type Houses	**Value** £1,988
		Higher Value Social Rent 80%	Type Houses	**Value £psm** £1,225
		Intermediate 20%	Type Houses	**Value** £2,450
Densities	Core Strategy	The Wealden Core Strategy recommends a range of densities on the 11 strategic sites ranging from 27dph up to 33 dph. Other sites will be examined on a site specific basis. Our generic appraisals have adopted a figure of **35 dwellings per hectare (houses)** In making this assumption for the generic testing, we have erred on the side of assuming lower densities and conservative housing types. This is not in order to endorse a particular interpretation of the density policy. Instead, we are a) following our local market knowledge of typical site densities delivered, and are b) following CIL guidance, and have made prudent assumptions in CIL appraisal work. In the words of the Statutory Guidance, it is essential to show that the CIL Charges set do not 'set a charge right up to the margin of economic viability.'[40] This evidence base needs		

[40] DCLG (March 2010) CIL Charge Setting and charging schedule Procedures (10)

		to demonstrate that CIL charges at stated levels will not render the main components of development across the District unviable. Developments at higher densities than those assumed above will tend to be more viable.
Construction Costs		
Construction	BCIS Quarterly Review of Building Prices Issue No 133 May 2014	BCIS is published by RICS on a quarterly basis. BCIS offers a range of prices dependent on the final specification. Build costs used are derived from recent (Oct 11) data of actual prices in the marketplace. As early as 2009, the market across the UK was building at round Code for Sustainable Homes Level 3 to 4 for private and Level 4 for social housing.[41] Wealden district will detail requirements in the Delivery and Site Allocations DPD.[42] The following costs have been used in this study and are considered to cover realistic costs for Code Level 4: **Build costs houses £938 per sq m** Costs may alter in future. In particular, there may be national policy change regarding Code for Sustainable Homes building standards. The final effect of these changes on viability is difficult to foresee. While we have reviewed current Government research on cost impacts of CSH[43] we note that past forecasts of price changes (such as that predicted in the original Cyril Sweete work)[44] have never affected costs to the extent forecast. When these future requirements come into force, they will impact on both development costs and land values. We have not incorporated these possible impacts into our calculations, because CIL should deal with current market conditions, not forecasts of potential future change. Our

[41] In 2009, the NHBC stated that Code 3 and 4 was the level most commonly specified in new building. See NHBC (2009, revised Jan 2010) The Code for Sustainable Homes Simply Explained

[42] Wealden DC (2012) Core Strategy (68)

[43] DCLG (2010) Code for Sustainable Homes – a Cost Review

[44] Cyril Sweete for DCGL (2008) Cost Analysis of The Code for Sustainable Homes

		approach to incorporating these (and other) potential but unknown costs is to set a wide margin for error that will cover variations in factors such as build costs, site conditions, and timing. All major non-domestic development which does not qualify for assessment under Code for Sustainable Homes will to be built to a minimum of BREEAM (Building Research Establishment Assessment Method) Excellent standard.
Floorspace size assumptions	Industry standard	The Wealden Core Strategy states that the Strategic Sites and Delivery and Site Allocations DPDs will produce further guidance on housing mix and design.[45] In advance of this guidance, we have assumed average floorspaces of • **90 sq m (houses)** Floorspace assumptions for non-residential uses are detailed in the specific scenarios for that use explained in each chapter.
Contingency	Industry standard	Contingency is an expression of risk relating to a specific scheme and will vary from site to site. We have adopted a **generic average of 5%** though in practice it will vary.
Road/site works/ external works	Industry standard	On-site preparation for internal access roads and other external works. This will vary from site to site, but we have assumed a figure of **10% of build costs**
Affordable housing (Section 106)	Housing Viability Report	In line with Wealden Core Strategy Policy WCS8[46] we have tested schemes at the following level. • **Sites of 1-4 houses: 0% affordable housing (assuming sites are less than 0.2ha)** • **Sites of 5 or more houses: 35% affordable housing (80:20 social rent:**

[45] Wealden District Council (2012) Core Strategy (59)
[46] Wealden District Council (2012) Core Strategy (60)

		intermediate rent) We have also tested an alternative affordable housing policy. This assumes the following split on windfall sites of 20 units and above. • **Sites of more than 20 houses or flats: 35% affordable housing, comprised of 40:40:20 social rent: affordable rent: intermediate rent**
Section 106 assumptions for residential development	Wealden district analysis	See text above this table in paragraph 5.15 onwards.

Fees		
Architect	Industry standard	We assumed **8% of development costs** based on accepted industry standards
Marketing	Industry standard	We assume **£1,000 per residential unit** based on accepted industry standards. For non-residential appraisals, we have assumed 10% of the first year's annual rental. This is supplemented with appropriate legal and marketing costs based on the quantum of development
Sales agent	Industry standard	**1% of Gross Development Value** on the market sale property for residential and commercial properties.

Sales legal	Industry standard	Approximately **£500-600 per unit for residential and £5,000-£20,000 per transaction on commercial** properties depending on the size and nature of the product.
Finance		
Finance	Industry standard	Residential: Finance costs assume an **interest rate of 7%**. We assume that all dwellings are sold within 12 weeks of practical completion. Commercial: Our finance charges for commercial projects are also **at 7%.**
Commercial	DCLG[47]	To take account of unoccupied property rates on commercial property during void periods. Rates are set by HM Treasury at 48.5 pence in the pound.
Profit	Industry standard	This has been assessed at **20% on costs.** This is based on our knowledge of comparable schemes and on knowledge of institutions lending criteria. It represents a developer's minimum return on a speculative project. In practice this may vary with pre-let commercial projects being able to proceed with a reduced profit (reflecting

[47] http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/

		the lower risk) and more speculative projects in uncertain markets requiring a higher profit margin. For non-residential appraisals, we also have assumed a 20% profit as a minimum return.

Source: PBA; various

6 RESIDENTIAL CHARGING ZONES

Introduction

6.1 In this chapter we explain our approach to suggesting charging zones for residential development in Wealden.

Charging zones

6.2 As we showed in Chapter 2 above, CIL Regulations allow the charging authority to introduce charge variations by geographical zone within its area, by land use, or both. All differences in rates need to be justified by reference to the economic viability of development. Setting up a CIL which levies different amounts on development in different places increases the complexity of evidence required, and may be contested at examination. However, it will be worthwhile if the additional complexity generates significant additional revenues for the delivery of infrastructure and therefore growth.

Principles

6.3 Identifying different charging zones for CIL has inherent difficulties. One reason for this is that house prices are an imperfect indicator; we are not necessarily comparing like with like. Even within a given type of dwelling, such as terraced houses, there will be variations in, say, quality or size which will impact on price.

6.4 Another problem is that even a split that is correct 'on average' may produce anomalies when applied to individual houses - especially around the zone boundaries. Even between areas with very different average prices, the prices of similar houses in different areas may considerably overlap.

6.5 A further problem with setting charging area boundaries is that they depend on how the boundaries are defined, as well as the reality of actual house prices. Boundaries drawn in a different place might alter the average price of an area within the boundary, even with no change in individual house prices.

6.6 To avoid these statistical and boundary problems, it is our view that a robust set of differential charging zones should ideally meet two conditions:

i The zones should be separated by substantial and clear-cut price differences.

ii They should also be separated by substantial and clear-cut geographical boundaries - for example with zones defined as individual settlements or groups of settlements, as urban or rural parts of the authority. We certainly should avoid any charging boundaries which might bisect a strategic site or development area.

6.7 We have held to these principles in devising zone boundaries in Wealden.

Method

6.8 Setting zones requires us to marshal the 'appropriate available evidence' available from a range of sources in order to advise on the best way forward. We took the following steps.

- We looked at home prices. Sales prices of homes are a good proxy for viability. We downloaded Land Registry data to do this.
- We talked to agents, developers and members of the District Council. Together with Land Registry data, this allowed us to generate a main hypothesis.

6.9 We then tested this main hypothesis through formal development appraisals.

6.10 We explain this process below.

Consultation

6.11 We talked to a range of sources on residential markets, including local agents and local housebuilders active in the Wealden area. We also discussed residential markets with Wealden WDC officers: they were able to relate the experience of their very recent Core Strategy examination, which heard a number of witnesses discussing housing viability around the district.

6.12 The consultation explored a number of issues. One point tested with interviewees was around the relative strengths of the different markets across Wealden.

6.13 The general sentiment was that

- Rural areas were very strong, particularly in the north of the district;
- Hailsham, Polegate and the south was towards the lower end of viability and demand, with Uckfield being in this quite broad category.
- Comparing the main settlements, the Crowborough residential market was distinct, and relatively buoyant.

House prices

6.14 In advising on charging zones, our first step was to look at residential sales prices. In Figure 6.1 below, we looked at the average sales prices of detached houses over a two year period. Average prices are shown for each Census Standard Table (ST) ward.[48] Aside from the highest and lowest bands (which are tailored to actual values), average prices are broken in eight equal bands of £60,000 each.

6.15 We have presented this data on a map because it allows us to understand the broad contours of residential prices in the Wealden area. Sales prices are a reasonable, though imperfect, proxy for development viability, so the map provides us with a broad idea of which areas would tend to have more viable housing developments, other things being equal.

6.16 It is worth noting that new homes are typically more expensive than second hand homes, but the prices we have mapped include both second hand and new homes. We used data on both new and second hand homes because, firstly, datasets on sales values for new homes only would be very much smaller (and so more unstable), and secondly, because at this stage it is the differentials between areas

[48] ST wards are used because very precise boundary mapping exists which shows ward boundaries, and is not subject to the degree of change that electoral wards or postcode boundaries are subject to.

that we are seeking to identify, not the absolute price levels.[49] There were therefore good reasons to look at both new and second hand data, and no compelling reasons to avoid it.

6.17 The map shows that:

- Areas in the south and east of the District tend to have lower prices compared to those areas in the north and west. One possible reason for this is that North Wealden is within commuting distance of high-paid jobs in places such as Tunbridge Wells, Gatwick and London.[50] (Research for the Council has also suggested that houses in rural North Wealden tend to be larger and more of them are detached.)[51]
- The towns of Crowborough, Uckfield, Hailsham, Polegate and Heathfield tend to have lower prices than less densely populated rural areas and villages.

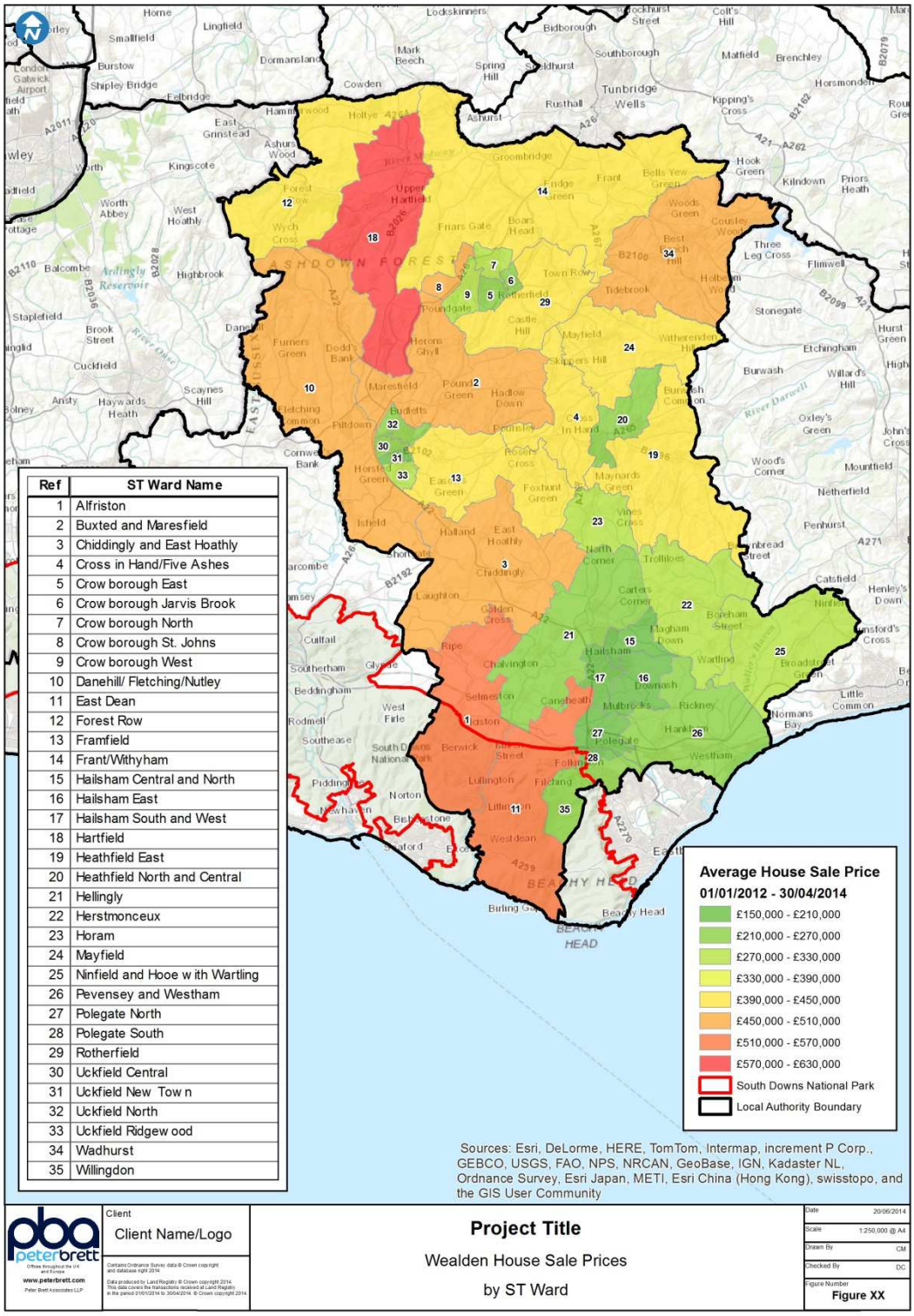
6.18 Some of the more sparsely populated areas such as Alfriston have relatively few house sales, so the averages in those areas are more prone to distortion by a few transactions.

[49] Note that the map we have produced here is sophisticated, in that shows the results after eliminating the outlier values which skew the average. We have removed these outlier values using an accepted Interquartile Range test.

[50] Wealden District Council (2007) Wealden Housing Market Assessment (1)

[51] Wealden District Council (2007) Wealden Housing Market Assessment (2)

Figure 6.1 Average sales price of homes (January 2012 – April 2014)



Source: Land Registry, PBA

6.19 Table 6.1 is based on the same data as the map but shows actual averages by ward, rather than fitting the data into bands. This data is particularly helpful in allowing us to explore the breadth of the differences in price levels by area. The very highest

average prices are found in the Hartfield ST ward, while the lowest average prices are in Polegate North.

6.20 The price differentials by area in Wealden are wider than some areas, but narrower than in others.

6.21 Table 6.1 shows that (on detached house prices) the average price in the highest value ward (£600,000) is around 3 times more expensive than the lowest price band (£180,000). The polarisation of house prices within the district would suggest that CIL differentiation in respect of residential development would be advisable.

Table 6.1 Average house prices by ST ward (Jan 2012 - April 2014)

St Ward	Sales Count	Average Sale Price
Hailsham East	41	£145,825
Polegate North	243	£184,011
Uckfield New Town	92	£194,232
Hailsham Central and North	226	£197,107
Hailsham South and West	260	£199,763
Polegate South	94	£205,885
Crowborough Jarvis Brook	90	£209,147
Uckfield North	194	£216,758
Old Town	1	£218,000
Pevensey and Westham	345	£240,079
Crowborough East	166	£241,130
Willingdon	327	£241,936
Heathfield North and Central	319	£252,415
Uckfield Central	103	£259,819
Hellingly	168	£276,067
Crowborough North	189	£281,346
Horam	76	£288,612

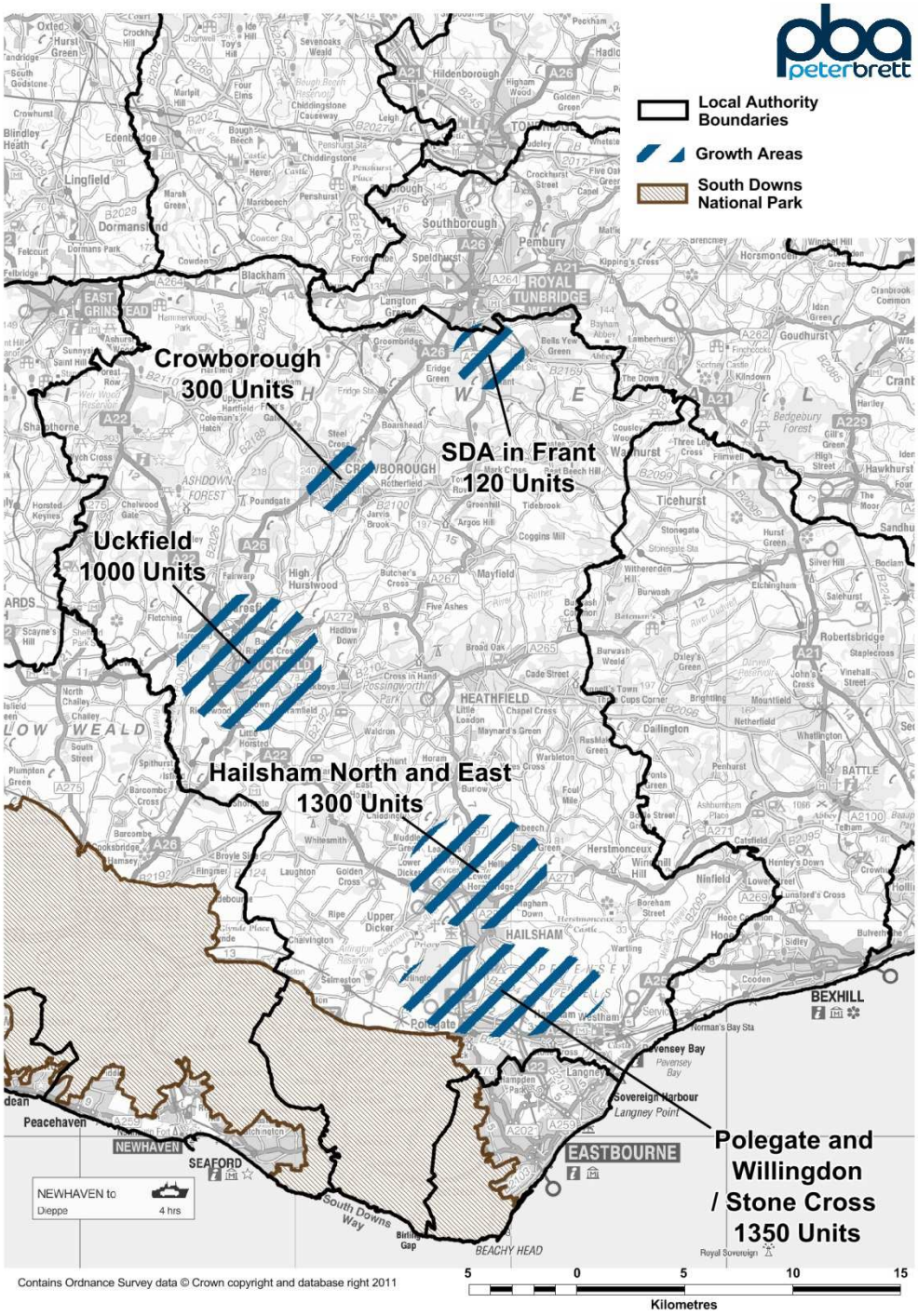
St Ward	Sales Count	Average Sale Price
Uckfield Ridgewood	80	£299,218
Herstmonceux	101	£310,933
Crowborough West	187	£340,582
Ninfield and Hooe with Wartling	79	£357,824
Rotherfield	85	£412,936
Framfield	91	£419,593
Forest Row	143	£427,817
Cross in Hand/Five Ashes	77	£449,160
Mayfield	101	£461,113
Frant/Withyham	148	£466,360
Crowborough St. Johns	96	£467,488
Buxted and Maresfield	170	£482,740
Heathfield East	63	£484,006
Danehill/ Fletching/Nutley	162	£509,534
Chiddingly and East Hoathly	73	£511,382
Wadhurst	187	£522,732
East Dean	96	£550,688
Alfriston	53	£563,458
Hartfield	84	£651,097

Source: Land Registry, PBA

6.22 As previously stated, this spread of prices suggested that it might be worthwhile to create more than one charging band. However, it is also important to analyse how development is distributed before coming to a decision. If all development was going in a single price area, making geographical distinctions in the charging schedule would not be necessary.

6.23 Understanding the patterns of development is therefore the next stage in our analysis. If we overlay a rough approximation of the likely housing development areas (see Figure 6.3) we can better understand whether it is worthwhile creating separate charging bands for residential development in different areas.

Figure 6.2 Core Strategy Strategic Development Areas



6.24 The maps suggest that:

- A large proportion of Wealden's housing development will come in the lower-priced areas of the District in the south. The Polegate, Willingdon and Stone

Cross area sees development of 1350 units; North and East Hailsham sees 1,300 units.

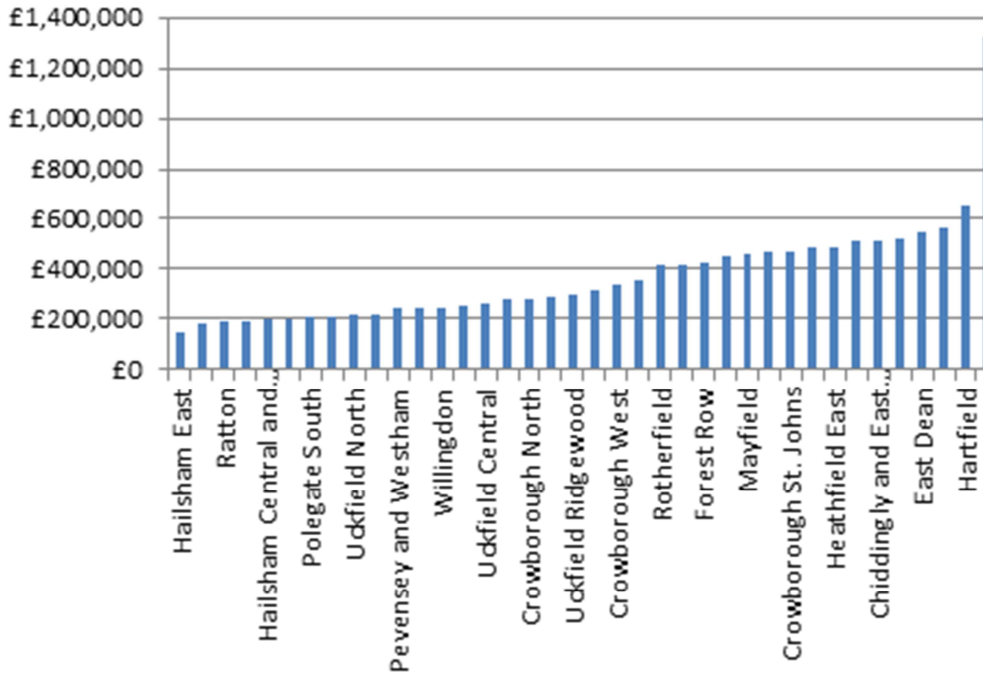
- In Uckfield an extension of 1,000 units is proposed, and Crowborough 300 units.
- Looking at the higher priced areas of the District (which, as we have shown, are typically rural areas to the north and west of the District), development planned will take place on a larger number of smaller sites. 455 dwellings are planned in the rural areas, and, assuming previous rates of windfall carry through to the period 2017 to 2027, then 2000 dwellings might be delivered outside the five main towns and Stone Cross.

6.25 At this stage in the analysis undertaken in 2012, there appeared to be arguments in favour of setting a three band charge across Wealden because of the distinct markets identified. In this view, Crowborough was be seen as a separate charging zone and would occupy a 'mid' charging band, sitting between the higher band for the rural areas, and the lower band for the remaining areas covering Uckfield, Polegate and Hailsham.

6.26 However, since the original consultation we have noted however that the markets in Uckfield, Polegate and Hailsham have seen market price increases along with the higher value rural areas. Prices increases in Crowborough (despite the market being reportedly buoyant) have been less pronounced. This is illustrated in the price data presented here, and the viability testing discussed in later chapters.

6.27 The levelling out of prices is reflected in the data below which shows the average prices by ST ward.

Figure 6.3 Sales values by ST ward 2014



Source: Land Registry /PBA

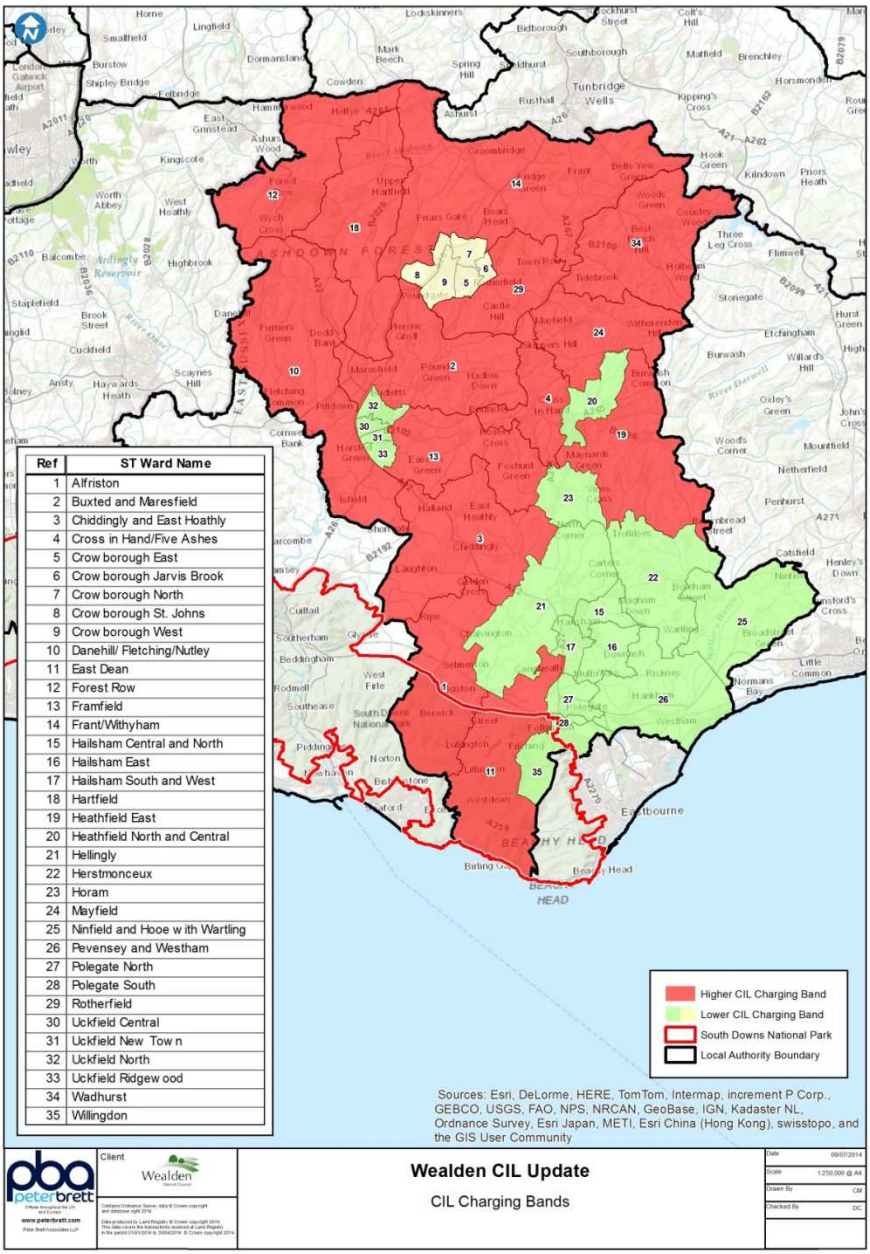
6.28 Our hypothesis in this iteration of the evidence was therefore modified to see CIL charging in Wealden broken into two bands. Nevertheless, to test this hypothesis we still undertook separate testing for the previously classed mid band Crowborough area.

6.29 The final step was to test this hypothesis using development appraisals.

CIL charging bands

6.30 We have mapped the boundaries of the potential Charging Zones at Figure 6.4.

Figure 6.4 Charging zone boundaries



7 RESIDENTIAL VIABILITY APPRAISAL

Introduction

7.1 In this section, we use development appraisals to advise on the possible levels at which CIL may be levied, ensuring that the bulk of development remains viable.

7.2 The process explained in the chapter above only generates a broad hypothesis about charging zones. In order to finalise the zones, as well as set the charges for each zone, we have to test the hypothesis through development appraisals.

7.3 Development appraisals are necessary to set a CIL, because the data used so far is only a proxy for viability testing, rather than a viability test in itself. Only development appraisals can properly combine the receipts and costs of development to arrive at an overall picture of viability. To explain:

- First, development appraisals use sales prices which relate to the last six months only, and relate to new dwellings specifically. To arrive at these prices we consulted with developers and agents who have been selling new housing over the last six months. By contrast, Land Registry prices presented cover the last two years and second-hand as well as new houses.
- Secondly, the results of the development appraisal (which shows the price that a developer can afford to pay for land) can be compared with prevailing threshold land values (in effect, what the landowner will accept in order to sell the land). As we show below in Table 6.6 and Table 6.7, threshold values vary between areas. Threshold values have an important bearing on the amount of CIL assumed to be available.

7.4 The appraisals confirmed that although Wealden had three different housing areas, the results on the viability testing between the lower and mid band areas were broadly similar. We discuss the findings of the appraisals in further detail in paragraph onwards.

Scenarios tested

7.5 For both of the above affordable housing scenarios, we have produced indicative development appraisals of hypothetical schemes, comprising:

- 4 units (houses)
- 5 units (houses)
- 50 units (houses)
- 100 units (houses)

7.6 This mix of schemes was selected in discussion with the client group, making use of their local knowledge, to create a representative but focused profile of residential likely to come forward in the District for the foreseeable future. Specifically, the choices of schemes to model were arrived at as follows.

- The 4 and 5 unit schemes were chosen to show the effects of affordable housing policy: an affordable housing contribution is not required on schemes of 1-4 units, whereas it is required on schemes of 5 units and over.
- The schemes of 50 and 100 houses were chosen because in current market conditions developers struggle to finance individual schemes phases larger than this. The larger urban extensions, therefore, are likely to will be delivered in sub-schemes of roughly this size.

Affordable housing assumptions

7.7 As mentioned earlier, we were asked to test viability using two different affordable housing policy assumptions. Both assumed 35% affordable housing, but used different tenure assumptions.

- The first scenario uses Wealden's affordable housing policy contained within the Core Strategy (WCS 8)[52] which states that the presumption is that around 80% of the total number of affordable homes provided will be for social rented accommodation with the remainder being for intermediate accommodation.
- The second scenario takes into account the flexibility within affordable housing policy WCS8, which allows a variance in affordable housing policy for sites contained within future site allocations development plan documents and builds in assumptions about the Government's new approach to 'affordable rents'.

Table 7.1 Affordable housing - current policy

4 units	0% affordable – no cash contribution (assuming site less than 0.2 ha)
5 units	35 % affordable (80% social rent, 20 % intermediate)
50 units	35 % affordable (80% social rent, 20 % intermediate)
100 units	35 % affordable (80% social rent, 20 % intermediate)

Table 7.2 Affordable housing - alternative policy

4 units	0% affordable no cash contribution (assuming site less than 0.2 ha)
5 units	35 % affordable (80% social rent, 20 % intermediate)
50 units	35 % affordable (40% social rent, 40% affordable rent, 20 % intermediate)

[52] Wealden District Council (2011) Core Strategy Submission Document (60)

100 units	35 % affordable (40% social rent, 40% affordable rent, 20 % intermediate)

Findings

7.8 Table 6.6 summarise the residential development appraisals, based on the core strategy development appraisals. The strategic sites affordable testing policy is shown in Figure 6.7

7.9 Our objective in these summary tables is to show, for each notional development scenario, how much money might be theoretically available for a CIL charge. The tables calculate the betterment, or overage produced by each scheme - which is the difference between the residual land value of the scheme and its threshold land value, assuming at this stage that no district-level CIL is payable. This overage equals the maximum level of CIL per square metre that the scheme may be able to carry, while still remaining viable. Given the uncertainties surrounding viability appraisal, it is of course an approximate number, surrounded by a wide margin of uncertainty. We take account of this uncertainty in our recommendations.

7.10 Reading the tables from left to right, successive columns are as follows:

- Scenario - defines the scheme
- Number and type of units (in this case, all houses and no flats)
- Net site area
- Floorspace gross chargeable - the accommodation within the scheme liable to CIL, equal to the floorspace of market housing (affordable housing is not liable).
- Residual value - £ per hectare. The residual value is produced by an indicative appraisal using Argus software. The method and assumptions used in this appraisal are described in the report. Briefly, the residual site value is the difference between the value of the completed development and the cost of that development, including developer's profit.
- Residual value per sq m - the residual land value of the site, divided by the chargeable floorspace.
- Benchmark (threshold) land value - the estimated minimum a developer would typically need to pay to secure a site of this kind, expressed in £ per ha
- Benchmark (threshold) land value per sq m - the benchmark land value of the site, divided by its chargeable floorspace
- Overage per ha - the difference between the Residual land value and the benchmark land value. As noted earlier, this overage is an estimate of the CIL 'ceiling' - the maximum CIL that could be charged consistent with the development being financially viable, expressed per ha.
- Overage per sq m gross chargeable. Calculated by deducting the benchmark land value per sq m from the residual value per gross chargeable sq m to produce the overage per sq m. Again, this 'overage' is an estimate of the CIL 'ceiling', this time expressed as a rate per sq m. Given the uncertainties

surrounding viability appraisal, it is of course an approximate indicator, which should be used cautiously.

7.11 The theoretical maximum CIL charge per square metre for each development is therefore shown in the far right column of the summary table below. As we explain below, though, we do not recommend that this theoretical maximum be directly translated into a CIL Charge.

Table 7.3 Summary viability assessment, residential development based on core strategy strategic policy on affordable housing

	Zoning	No of dwellings	Net site area ha	Total Floor Space per sq.m	CIL Chargeable Floor Space per sq.m	Residual land value after policy contributions		Benchmark		Buffer	
				Floor Space	Floor Space	Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm
Houses - 0% affordable (Lower)	Lower band	4	0.11	360	360	£2,421,104	£769	£900,000	£286	£1,521,104	£483
Houses 35% affordable (Lower)		5	0.14	450	293	£1,427,318	£453	£900,000	£286	£527,318	£258
Houses 35% affordable (Lower)		50	1.43	4,500	2,925	£1,374,840	£436	£900,000	£286	£474,840	£232
Houses 35% affordable (Lower)		100	2.86	9,000	5,850	£1,352,791	£429	£900,000	£286	£452,791	£221
Houses - 0% affordable (Middle)	Mid Band	4	0.11	360	360	£3,100,578	£984	£1,400,000	£444	£1,700,578	£540
Houses 35% affordable (Middle)		5	0.14	450	293	£1,908,368	£606	£1,400,000	£444	£508,368	£248
Houses 35% affordable (Middle)		50	1.43	4,500	2,925	£1,870,365	£594	£1,400,000	£444	£470,365	£230
Houses 35% affordable (Middle)		100	2.86	9,000	5,850	£1,833,983	£582	£1,400,000	£444	£433,983	£212
Houses - 0% affordable (Higher)	Higher Band	4	0.11	360	360	£4,006,543	£1,272	£1,800,000	£571	£2,206,543	£700
Houses 35% affordable (Higher)		5	0.14	450	293	£2,764,809	£878	£1,800,000	£571	£964,809	£471
Houses 35% affordable (Higher)		50	1.43	4,500	2,925	£2,704,869	£859	£1,800,000	£571	£904,869	£442
Houses 35% affordable (Higher)		100	2.86	9,000	5,850	£2,643,641	£839	£1,800,000	£571	£843,641	£412

7.12 Note that the theoretical overages suggested for the mid and lower areas are so similar as to justify simplifying the CIL charge into two bands: one lower charge, and one higher. These findings agreed with the modified hypothesis set out in paragraph 6.28 above.

The charging schedule

7.13 Both Government CIL guidance and common sense indicate that charges should be below the maximum, or ceiling, which is estimated in the last column of Table 6.5. We wish to ensure that all development scenarios remain viable in each charging band. We have therefore recommended that the charge be set below the indicated CIL charging ceiling on the least viable development in each band.

7.14 The main reason for avoiding the maximum rate is that our estimates are surrounded by uncertainty. As noted earlier, while our appraisals relate to typical, or average, developments at the present time, in real life viability will vary widely across individual schemes and over time.

7.15 If charging rates were equal to the ceiling, there would be a high probability, or risk, that a large proportion of development would be rendered unviable by the charge.

7.16 The greater the gap between the ceiling and the charge, the smaller will be that risk. How great a risk is acceptable, is of course a matter of judgment. We have used our own professional judgment to arrive at our recommendations.

7.17 Assuming that the Council implements its current affordable housing policy, we recommend the following charges for the lower, medium and higher value zones for residential development.

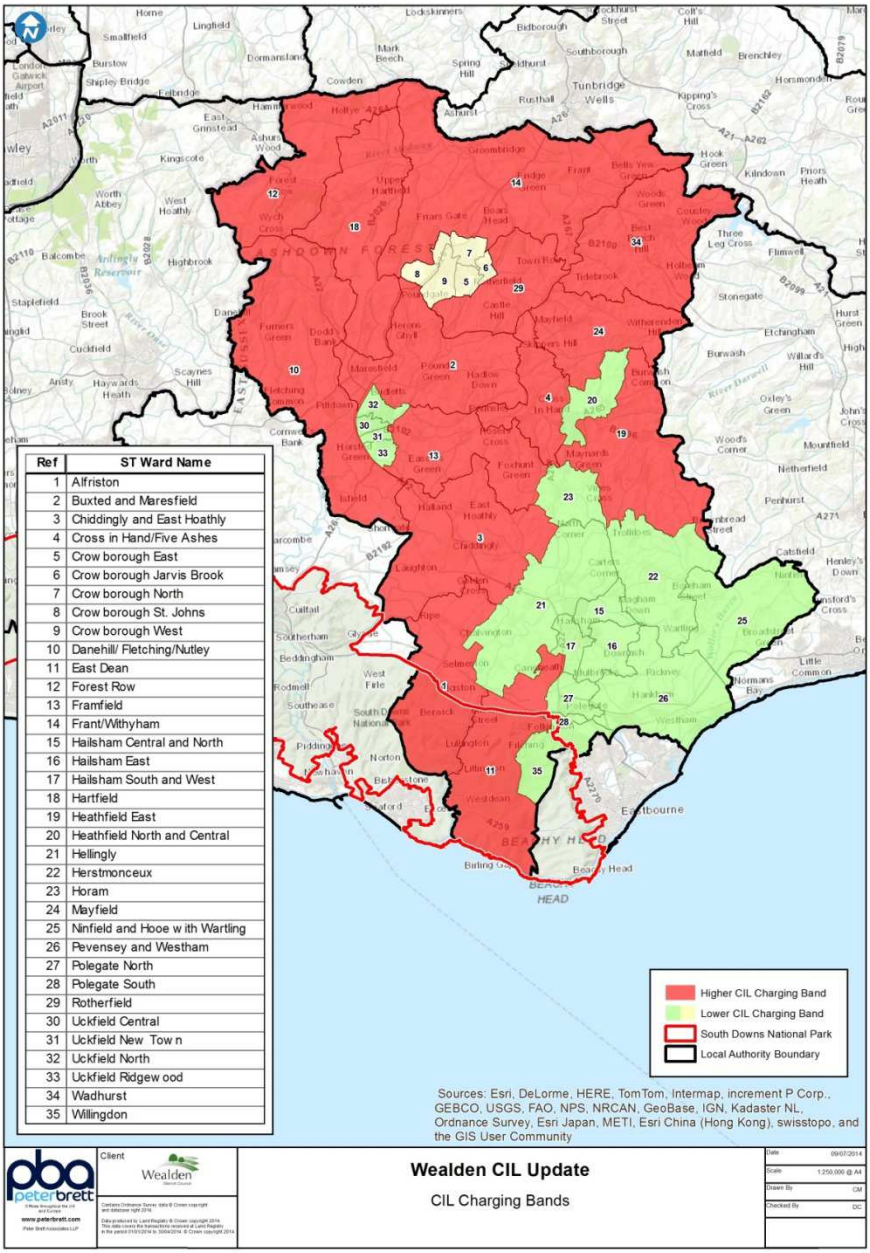
Table 7.4 Recommended charging rates – core strategy affordable housing policy

Development	CIL Charge (£ per sq m)
Residential (higher band)	£200
Residential (lower band)	£150

Source: PBA

7.18 The boundaries of the charging zones are set out on the map below.

Figure 7.1 Charging zone boundaries (red = higher band; green and beige = lower band)



Comparison with earlier residential S106 contributions and CIL as a percentage of sales values

7.19 We should be wary of making direct comparisons between S106 and CIL receipts. The housing market has experienced significant fluctuations over the past 5 years as evidenced by the recent price increases, changes to affordable housing grant in 2014 and more recently the positive stimulation created by the Governments help to buy policy.

7.20 The proposed CIL charges are roughly 5% in the lower and mid value area and 6% in the higher value area of average sales values. These charges are regarded as within acceptable tolerance levels when compared to other CIL charging schedules around England and Wales.

8 VIABILITY TESTING THE STRATEGIC RESIDENTIAL SITES

Introduction

8.1 In this section, we deal directly with

- the 2014 CIL guidance, which emphasises the importance of ensuring that strategic sites remain viable after all policy costs (which includes CIL and affordable housing) are taken into account.

8.2 the Harman Report's suggestion that we provide an additional level of detailed testing on specific sites. It is not our objective in this chapter to make a definitive statement of the viability of the sites tested. This is because there is currently a lack of information about a) how sites will be developed, and b) the economic conditions that will prevail at the time of development.

8.3 This document does not substitute for detailed viability assessment for S106, affordable housing negotiation or other purposes. More detailed assessment may be undertaken separately when individual sites come forward.

8.4 No part of these documents is a formal 'Red Book' valuation (RICS Valuation - Professional Standards, March 2012) or should be relied upon as such.

Defining strategic sites

8.5 Although PPS12 is no longer current, it has a useful definition of strategic sites. It states that ‘strategic sites [are] those sites considered central to achievement of the strategy.’[53]

Selecting sites to review

8.6 We visited the strategic sites, and then worked through the list of sites in order to decide how the viability of the strategic sites might be best understood. In doing this, we have been mindful to ensure that we have had regard to NPPF's requirement to focus the greatest amount of attention on sites which are coming forward in the first five years (which must be viably 'deliverable'). We have also followed the spirit of the CIL guidance, which states that the 'focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant.'

[53] DCLG Planning Policy Statement 12 (para 4.6)

8.7 The emerging Local Plan sites of relevance to the CIL schedule are:

Table 8.1 Strategic sites and charging band

Band	Ref.	Average Prices per Sq M
Lower Band (lower and mid bands share a charge)	SDA 1: Land West of Uckfield SDA 2: Land at East Hailsham SDA 3: Land at North Hailsham SDA 4: Land at South Polegate & East Willingdon SDA 6 & 7: Land at Stone Cross	£2,600
Middle Band (lower and mid bands share a charge)	SDA 8: Land at Pine Grove, Crowborough SDA 9: Land at Jarvis Brook, Crowborough SDA 10: Land at South East, Crowborough	£2,950
Higher Band	SDA 11: Land adjacent to Tunbridge Wells (Frant Parish)	£3,500

8.8 The sites were extensively tested as part of Wealden's core strategy process and in particular PBA's 'Strategic Site Testing Local plan Viability Report November 2013' The report concluded that all the site were deliverable in the context of existing planning policy in relation to affordable housing and other section 106 obligations.

8.9 We have not sought to revisit the entire appraisal but have instead in the viability appraisal below updated the standard scenarios by

- Adopting the affordable housing policy scenario
- Increasing build costs and residential sales prices in line with the generic testing
- Including within the appraisals, the proposed CIL charges of £150m2 for the low and mid band areas and £200m2 for the high band area

Results

8.10 Our updated viability testing is outlined in the table below showing the overages once CIL is taken into account at the proposed rates

Table 8.2 Summary viability assessment, residential development based on strategic site policy testing on scenarios of 50 units and above

			Total Floor Space per sq.m	CIL Chargeable Floor Space per sq.m	Residual land value after policy contributions		Benchmark		Buffer	
	No of dwellings	Net site area ha	Floor Space	Floor Space	Per Ha	Per £psm	Per Ha	Per £psm	Per Ha	Per £psm
Houses 35% affordable (Lower)	50	1.43	3,870	2,925	£1,300,462	£480	£900,000	£332	£400,462	£196
Houses 35% affordable (Lower)	100	2.86	7,740	5,850	£1,271,527	£469	£900,000	£332	£371,527	£181
Houses 35% affordable (Middle)	50	1.43	3,870	2,925	£1,975,981	£729	£1,400,000	£517	£575,981	£281
Houses 35% affordable (Middle)	100	2.86	7,740	5,850	£1,927,111	£711	£1,400,000	£517	£527,111	£257
Houses 35% affordable (Higher)	50	1.43	3,870	2,925	£2,555,237	£943	£1,800,000	£664	£755,237	£369
Houses 35% affordable (Higher)	100	2.86	7,740	5,850	£2,486,430	£918	£1,800,000	£664	£686,430	£335

8.11 The viability testing shows that there are still substantial levels of overage once CIL has been taken into account. Therefore in accordance with earlier studies we do not propose to vary the CIL charges for the strategic sites within Wealden.

9 OFFICES

Introduction

9.1 The main elements of the analysis presented here were carried out for earlier rounds of CIL testing. We have detected no significant market changes since then, and so the analysis presented below follows the approach suggested in earlier evidence.

Market overview

9.2 The Employment Land Review found that the office markets in Wealden are predominantly reliant on local companies. There has been little inward investment due to relatively poor infrastructure and communications.[54]

9.3 The study reports that there have been very few major office developments in North Wealden since the 1980s. Of the total office stock, it is estimated that only around 2% was completed since 2000. In South Wealden and Eastbourne the study estimated that only 3% of office stock was completed since 2000.[55]

9.4 The office market in Wealden services small local firms, which is reflected in the low level of overall transactions and the small size of the majority of units taken. The study, found that the majority of buildings larger than 930 sq m occupied from 2003-2008 have been taken by public sector organisations.

9.5 The ELR found that rental levels in both north and south Wealden were not at the levels which would make speculative office development viable.[56] Office markets have deteriorated over the past 5 years. Discussions with agents in Wealden indicate that there is a lack of demand from office occupiers throughout the size range. Property owners' duty to pay business rates on empty property has driven down values on existing stock. This is apparent not only in Wealden but throughout Sussex. As an example, office space in Polegate is at £64 per sq m, and agents report that there are still no occupiers coming forward. The picture is similar in neighbouring areas. One agent quoted an example of a new scheme near Hastings. This accommodation has been completed for nearly 3 years and is still vacant.

Viability analysis

Scenarios tested

9.6 We have produced indicative development appraisals of hypothetical schemes, comprising a 929 sq m scheme, typical 2-3 storey business park style scheme. We have identified no movement in rents or yields since 2012/13 and the viability results are unchanged.

[54] Roger Tym & Partners & Cluttons for Wealden DC (2008) Employment Land Review (43,44)
[55] Ibid (44)
[56] Ibid (49,50)

Findings

9.7 The table below summarises the development appraisals for offices, at this stage assuming that no CIL is chargeable (for an explanation of the table format, see paragraph 6.41). The appraisals themselves are in the appendix.

Table 9.1 Summary viability assessment (office development)

Zone	Site area	Floorspace sq m		Residual land value		Benchmark land value		Overage (CIL Ceiling)	
	Ha	Gross (GIA)	Net (NIA)	Per ha	Per sq m	Per ha	Per sq m (GIA)	Per ha	Per sq m
Wealden	0.40	929	929	-£2,074,883	-£893	£430,000	£185	-£2,504,883	-£250

9.8 We have produced an outline development appraisal based on current values, yields and development costs and concluded that the speculative office development produces a negative land value. The development therefore does not generate an overage that could be captured by CIL.

9.9 Viability is unlikely to be achieved in the short to medium term. We believe that some development may occur on traditional employment sites but this will be linked to specific user requirements, or through mixed use developments which incorporate office accommodation alongside other more viable uses such as residential or retail.

The charging schedule

9.10 We conclude that, based on our research, office development is not viable. We therefore recommend that a CIL Charge should not be set for office floorspace.

10 INDUSTRIAL AND WAREHOUSING

Introduction

10.1 The main elements of the analysis presented here were carried out for earlier rounds of CIL testing. We have detected no significant market changes since then, and so the analysis presented below follows the approach suggested in earlier evidence.

10.2 We have appraised industrial and warehouse space as a single use, covering use classes B1c (light industrial), B2 (general industrial) and B8 (warehousing and distribution). Most of the new space developed is likely to consist of small units, largely occupied by services and light industry rather than traditional manufacturing.

Market overview

10.3 Industrial/warehousing space in Wealden is concentrated in Uckfield (Bellbrook Industrial Estate and Ridgewood Industrial Estate). There is also a concentration in Hailsham, including the Diplocks Way and Station Road Industrial Estates, and to the west of Polegate where Chaucer Industrial Estate and Westham (Mountney Bridge and Potts Marsh Industrial Estates) are located. There are also smaller concentrations in the main centres of Crowborough (Farningham Road and Millbrook Industrial Estates), Heathfield (Station Road and Ghyll Road Industrial Estates), Wadhurst (Durgates Industrial Estate and Wadhurst Business Park) and Forest Row (Station Road Industrial Estate).

Viability analysis

10.4 Using the same approach as for housing, in this section we begin by assessing the viability of employment (B-class). We calculate the surplus land values, or overages, from which the levy may be paid.

10.5 Comparables are scarce, and there is little evidence of new build accommodation being brought forward in the current market.

10.6 However, we are aware of one historical scheme which is being developed out slowly in the area. This is the Chaucer Business Park in Polegate which is still under construction. This scheme is likely to have been planned and started during the pre-recessionary period of stronger demand, and must be finished if any value is to be realised by the developers. Now that schemes are coming to market during recession, demand is weak, meaning that there are lengthy delays in occupation.

10.7 We have identified no movement in rents or yields since 2012/13 and the viability results are unchanged.

Scenarios tested

10.8 We have produced indicative development appraisals of a hypothetical scheme, comprising a scheme of 3,500 sq m which could be potentially either let as a single unit or subdivided into smaller units.

Findings

10.9 The Employment Land Review written in 2008 suggested that it was generally considered necessary to achieve rents in excess of £7.50-£8.00 /sq ft for industrial space to make a development viable (assuming average costs). At the time of the Employment Land Review, rents in Wealden were generally below this, but rents in Uckfield suggested that speculative industrial development was just becoming viable in the right locations.[57] The market has declined since this peak and speculative industrial development is not viable.

10.10 The appraisal presented at Table 10.1 concludes that industrial/warehouse development in Wealden is generally not viable and that there has been no significant changes in the market since our original testing. There is therefore no potential for sustaining a CIL charge.

10.11 It is difficult for private sector developers to fund speculative space in this sector. The perceived higher risk of such developments and the relatively low returns will limit the potential for new development.

The charging schedule

10.12 We conclude that, based on our research, industrial / warehouse development is not viable. We therefore recommend that a CIL Charge should not be set for industrial / warehouse development.

[57] Roger Tym & Partners & Cluttons for Wealden DC (2008) Employment Land Review (57)

Table 10.1 Summary viability assessment, industrial and warehousing development

Zone	Nº of units	Site area	Floorspace	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
		Ha	Total GIA sq m	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Wealden	3.0	0.5	3,500	-£647,948	-£555	£430,000	£61	-£1,077,948	-£108

Source: PBA

11 RETAIL

11.1 We have looked at both comparison and convenience retailing when developing our evidence and both in town and edge of town.

Defining retail categories

11.2 In this analysis of retail viability, we make an important distinction between convenience and comparison units. These distinctions are based on the definitions provided at Annex B of PPS4,[58] which we have slightly reworded to fit the present context (the Annex B definition discussion applies to goods, but we wish to define the sales units in which those goods are sold).

11.3 In March 2012, PPS 4 was superseded by the National Planning Policy Framework (NPPF). The NPPF does not define different categories of retail goods. This does not cause difficulties for this study, because the definitions provided below do not rely on PPS4. We do not rely on PPS4 to support a particular policy stance, or use it to justify a particular definition. Instead, we use PPS4 as analytical support to help us clearly distinguish between particular types of retailing commonly observable in the marketplace, and to provide reassurance that these distinctions are not ours alone.

- A convenience unit is a shop or store selling wholly or mainly everyday essential items, including food, drinks, newspapers/magazines and confectionery.
- A comparison unit is a shop or store selling wholly or mainly goods which are not everyday essential items. Such items include clothing, footwear, household and recreational goods.

11.4 Some stores sell a mixture of convenience and comparison goods. In those instances, a store should be categorised as being having convenience or comparison status according to its main use (our definition above defines convenience and comparison units as shops or stores selling mainly these types of items). We have used this phrasing carefully, and in this have taken the lead from the way that PPS4 defines superstores.[59]

11.5 Additional precision on the types of goods sold in convenience and comparison stores can be taken from Appendix A of the PPS4 companion document Practice guidance on need, impact and the sequential approach.[60] It is worth noting that this document remains in use following the March 2012 introduction of the NPPF.

[58] DCLG (2009) Planning Policy Statement 4: Planning for Sustainable Economic Growth

[59] DCLG (2009) Planning Policy Statement 4: Planning for Sustainable Economic Growth (27) Annex B provides the following definition. Superstores: Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking

[60] DCLG (2009) Practice guidance on need, impact and the sequential approach. Appendix A lists Convenience goods as follows: food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), newspapers and periodicals, non-durable household goods. Appendix A lists Comparison goods as follows: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils,

11.6 The definitions provided above do not rely on PPS4, because we do not rely on PPS4 to support a particular policy stance, or use it to justify a particular definition. Rather, we use PPS4 as analytical support to help us clearly distinguish between particular types of retailing commonly observable in the marketplace, and to provide reassurance that these distinctions are not ours alone.

Market overview

Comparison retailing

11.7 Work by Deloitte on the future for retailing is pessimistic, suggesting that 'reductions in store numbers of 30-40% are foreseeable over the next 3-5 years.'[61] The effects are seen to be increased vacancy rates, decreasing prime rents, and increasingly flexible rental terms, including shorter rental terms, lease free periods, shorter break clauses and monthly, as opposed to quarterly, rents.[62] Other reports describe a similar picture.[63]

11.8 Within the category of comparison retailing, it is possible to make a useful distinction between town centre high-street type retailing and edge of town centre shed-type retailing.

Town centre high-street type retailing

11.9 With the exception of Central London, town centre (high street) comparison retailing in the UK is in a period of transition. The majority of comparison retail-led regeneration schemes have stalled due to a combination of weak consumer demand, constraints on investment capital and poor retail occupier performance. There have been a number of insolvencies, and the traditional high-street operators are frequently struggling, particularly in secondary retail locations such as those in Wealden's town centres. Colliers retail market report (Autumn 2011) states that 'Secondary retail locations will continue to suffer as a result of the growing consumer trend of fewer shopping trips and the focus on the large retail destinations and online. Furthermore, daily/weekly shopping that would once have taken place in the local town centre is increasingly shifting to supermarkets, which now provide a wide range of comparison goods and services alongside the traditional convenience offer. Put simply, many towns do not need the same number of shops that historical trends justified and, thus, unless this outdated retail stock is converted into another use, the vitality of these town centres will continue to diminish'.

Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.

[61] Deloitte (2012) The changing face of retail: The store of the future (2) see https://www.deloitte.com/view/en_GB/uk/industries/consumer-business/28098047f3685310VgnVCM3000001c56f00aRCRD.htm

[62] Ibid (9)

[63] Financial Times December 29 2011 UK retail insolvencies expected to soar

11.10 Developers in the sector have therefore being going through a process of redesigning existing schemes in order to make them deliverable in the current economic climate and more appropriate to future consumer demand. This has often involved reducing the scale of potential developments and targeting better quality, financially stable retail operators.

11.11 Our feedback from local agents is that Wealden's town centres are struggling as a retail destination because of competition from other centres and a low tone of rents in comparison to other locations. Market sentiment is that new build comparison retailing development is not viable.

Edge-of-town warehouse operations and retail parks

11.12 Wealden tends not to have major out of town developments. Instead, Wealden has historically seen edge-of-town small warehouse operations.

11.13 Nationally, this type of warehouse operation (and larger retail parks) is performing better than in-town retailing. This is reflected in historical performance. The Portas report states that 'Shoppers have been flocking out of town. This shows up starkly in the statistics - in the last decade the amount of out-of-town retail floorspace has risen by 30% while that in-town has fallen by 14%.'[64]

11.14 While the long term trend suggests that out-of-town (and online) shopping is doing considerably better than in-town retail The sector has had difficulties, with the failure of retailers such as Focus DIY and Allied Carpets, but the market is gradually reabsorbing vacant space.[65]

11.15 Much depends on the specifics of any scheme. Colliers report that when well located, high quality sites 'come to the market competition is fierce', but this is not a consistent picture.[66] Colliers research states that 'added value can usually only be achieved by the construction of new rentalised space or substantial sub-division, creating a number of new smaller units that attract much higher rents per square foot'.[67]

Convenience retail

11.16 During the economic downturn the grocery market was very resilient; it saw growth where other parts of the retail sector were contracting. Many foodstore operators took advantage of the gap created in the market by the collapse of speculative development following the ‘credit crunch’ in 2007/08, and they used this opportunity to increase expansion activity.

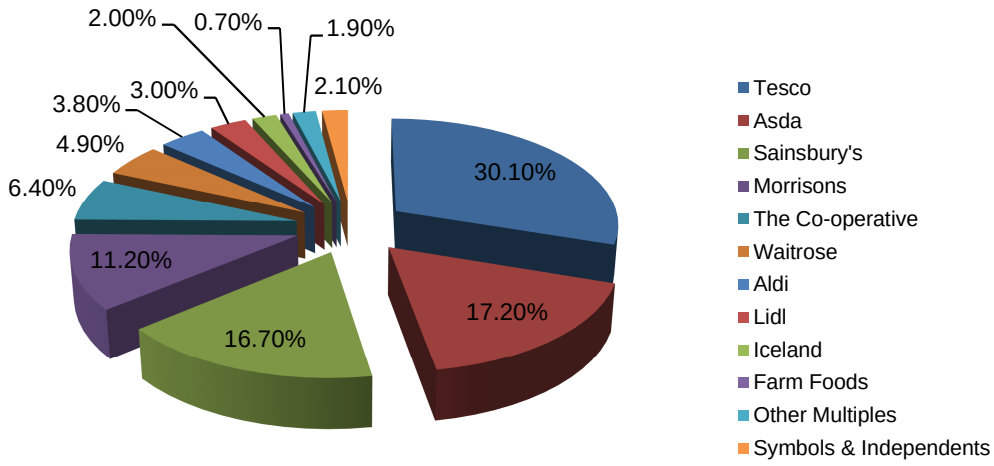
11.17 Senior industry executives have stated that the supermarket ‘race for space’ is over, with a focus away from large hypermarket formats (circa 9,300 sq m (100,000 sq ft). However, the extent to which this deal flow tapers down over time remains to be

[64] Portas, M (2011) The Portas Review (10)
[65] Colliers (2011) Midsummer Retail Report (30)
[66] Colliers (2011) Midsummer Retail Report (30)
[67] Colliers (2011) Midsummer Retail Report (30)

seen. Research from CBRE shows that development pipeline has grown by 67% since September 2007[68]. This includes sites with planning consent to become convenience stores or supermarkets, some of which may never be built. But the amount of new grocery space under construction has also risen by almost 20% from 274,000 sq m (2.95 million sq ft) in March 2013 to 326,000 sq m (3.51 million sq ft) in September 2013.

11.18 The main focus of store growth now is for the smaller for 'C' store metro-type format. These are circa 370 sq m (4,000 sq ft) stores and expansion has been predominantly through conversion of existing premise. The reason for growth in this format is because customers are supplementary a 'big' shopping trip with regularly smaller shops during the week. Also some customers are splitting their shopping trips between the big four supermarkets (defined in Figure 11.1) and discounters such as Aldi and Lidl.

Figure 11.1 Market Share of the UK's Nine Largest Foodstore Operators



Source: Kantar Worldpanel data for the 12 weeks to 13 December 2013

11.19 However, CBRE research shows that although growing rapidly, the metro-format stores contribute relatively little additional grocery space. Out-of-town development activity will continue to deliver the bulk of new grocery space.

11.20 Within convenience retail, residual land value is remarkably insensitive to precise location. Data from CBRE shows that grocery viability is similar in locations throughout the UK with a premium being paid for schemes in London. There is very little investment adjustment (around 1% on yield) between major supermarket developments based on the transactional evidence for leases of similar length and terms. Leases to the main supermarket operators (often with fixed uplifts) command premiums with investment institutions. We have therefore no broken out separate geographical charging zones for this building use.

[68] CBRE Market View – Grocery Outlets in the Pipeline, December 2013

Charging zones

11.21 The analysis above suggests that a separate charging zone for convenience retail is not necessary, given that viability is not sensitive to precise location. However, we looked at different types of schemes which would be appropriate for town centres, and in edge of centre locations.

11.22 The situation for comparison retail is more equivocal. Different locations determine the type of comparison retail development likely: for example, it is impossible to imagine a retail warehouse with car park being given permission and developed in the retail core area of (say) Uckfield.

11.23 We therefore investigated the difference in viability between in-town comparison retail in Wealden town centres and edge-of-town comparison retail. When investigating viability with interviewees, it was not necessary to precisely define the boundaries of town centres and edge of centre developments with reference to a map. This was implicit, given the type of development we were investigating.

11.24 As we show below, the results of our viability testing determined our recommendations on the way that Wealden DC structure the retail charge.

Viability analysis

Scenarios modelled

11.25 We have produced indicative development appraisals of hypothetical schemes, comprising:

- Comparison retailing:
  - A 465 sq m in-town high street scheme,
  - A 929 sq m edge of town/out of town centre retail park type scheme.
- Convenience retailing:
  - a larger edge of town/out of town centre grocery store of 4,000 sq m;
  - an in-town Metro-style grocery store of 465 sq m scheme.

11.26 Table 11.1, Table 11.2, Table 11.3, and Table 11.4 summarise the development appraisals for each area, at this stage assuming that no CIL is chargeable. The appraisals themselves are at Appendix 1 below.

Comparison retailing

Modelling the in-town high street comparison retail scheme

11.27 It is difficult to model the viability of town centre retail development, as values are usually more sensitive to location, footfall patterns and sizes of unit than office or residential development. These patterns can lead to large variations in values - even on the same street. Our response is therefore to adopt 'overall' rental values to understand the broad potential range of comparison retail viability across Wealden town centres.

11.28 We gained particular market feedback on viability in Uckfield, which local interviewees felt was one of the stronger, if not the strongest, high street retail area in Wealden. It follows, therefore, that if a scheme is not viable in Uckfield, it will not be viable at any other town centre site in Wealden.

11.29 The results of our viability assessment are summarised in the table below. The theoretical maximum CIL charge is shown on the far right column of the table. The assessment shows a negative theoretical charge, reflecting the fact that the development is not viable. For an explanation of the table format, see paragraph 6.41

Table 11.1 Summary viability assessment, in-town comparison retail development

Zone	Site area	Floorspace	Residual land value		Benchmark land value		Overage	
	Ha	Sq m	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Wealden Town Centres	0.08	465	£462,438	£80	£865,000	£149	-£402,562	-£69

Source: PBA

Modelling the edge-of-centre retail park scheme

11.30 Our approach was to look at how an edge-of-centre retail park type scheme might work using a cost of land typical for Wealden. There is no requirement to undertake different scenarios based on different locations around Wealden, because

- Land is not the most significant cost of these developments, which reduces the influence of location on viability;
- The planning system controls the location of these developments to areas which typically have roughly comparable land prices, which again reduces the influence of location on viability; and
- Occupier covenant (ie the financial strength of the occupier company) is frequently the most important component of viability in these developments. This factor is not spatially determined.

11.31 The results of our viability assessment are summarised in the table below. The theoretical maximum CIL charge is shown on the far right column of the table. For an explanation of the table format, see paragraph 6.41.

Table 11.2 Summary viability assessment, edge-of-town retail park comparison development

Zone	Site area	Floorspace	Residual land value		Benchmark land value		Overage	
	Ha	Sq m	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Wealden Retail Parks	0.40	929	£1,694,245	£729	£1,600,000	£689	£94,245	£41

Source: PBA

11.32 Viability modelling suggests that this type of development is relatively marginal, but does exist. Statutory guidance reminds Charging Authorities not to charge to the limits of viability (see paragraph 2.11 of this report), but as we have shown above in paragraph 2.5, it is for the Charging Authority to 'find the balance' between obtaining funding for infrastructure and not unduly depressing development viability on the majority of sites.

Convenience retailing

11.33 We have undertaken viability testing on convenience retailing. In both scenarios tested, we have concluded that convenience retailing is viable across the whole of Wealden.

11.34 There is no requirement to undertake different scenarios based on different locations around Wealden. This is again because the most significant determinant of convenience retail viability is occupier covenant. Although there are some small regional variations on yields, they remain generally strong with investors focussing primarily on the strength of the operator covenant and security of income. We would therefore suggest the evidence base for convenience retail can be approached on a wider regional or even national basis when justifying CIL charging.

11.35 The tables below summarise our appraisals. The theoretical maximum CIL charge is shown on the far right column of the tables below. For an explanation of the table format, see paragraph 6.41.

Table 11.3 Summary viability assessment, convenience retail development (edge of town, large store scheme)

Zone	Site area	Floorspace	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
	Ha	Sq m	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Wealden Large	0.80	4,000	£3,237,682	£648	£2,470,000	£494	£767,682	£154

Source: PBA

Table 11.4 Summary viability assessment, convenience retail development (in-town Metro type scheme)

Zone	Site area	Floorspace	Residual land value		Benchmark land value		Overage (CIL Ceiling)	
	Ha	Sq m	Per ha	Per sq m	Per ha	Per sq m	Per ha	Per sq m
Wealden In town Metro style	0.10	465	£2,976,000	£640	£2,470,000	£531	£506,000	£109

Source: PBA

The charging schedule

11.36 The viability testing indicates that the following CIL charges are capable of being sustained in the District.

- Convenience retailing: the edge of town scheme can afford £154 per sq m, and the in town scheme can afford £109 per sq m.
- Comparison retailing: the in-town scheme is unviable and the edge of town scheme can afford £41 per sq m.

11.37 We recommend the following rates for convenience and comparison retailing:

Table 11.5 Recommended retail charging rates

Development	CIL Charge (£ per sq m)
Retail – wholly or mainly convenience	£100

Retail – wholly or mainly comparison	£20

Source: PBA

11.38 The precise charge chosen is at the discretion of the Council. In coming to their decision, the Council will need to bear in mind the requirements set out by statutory guidance and regulations. These are summarised in paragraph 2.5 to 2.12.

11.39 This charging structure may appear at first sight to be counter-intuitive: although viability testing indicates that edge of town comparison development is viable, it also shows that comparison retailing in Wealden town centres is not viable, but we have still suggested that a charge be made. We explain our approach below.

Explaining our approach to comparison retail charging

11.40 Our approach has been informed by the following factors

- Firstly, we have referred to the retail policies in the Emerging Core Strategy and the associated evidence base;
- Secondly, our approach is informed by the principle that we should do no further harm to comparison uses. (Our evidence shows that comparison uses in town centres are non-viable);
- Thirdly, our approach is informed by the principle that CIL should have positive effects by raising funding for infrastructure.

Retail policies

11.41 The text regarding retail uses in the Core Strategy is carefully worded. The Core Strategy does not commit the council to planning for large amounts of additional retail floorspace (either comparison or convenience).

- The 2008 Shopping Study 'acknowledges that the level of commercial demand for further floorspace in most of Wealden's centres is relatively weak,'[69] and came to relatively tentative conclusions that there was some justification for the provision of a limited amount of additional floorspace in Hailsham and Uckfield, that 'the scale of such need is of an order that could be met through incremental improvements and/or the extension of existing stores in town centres where this may be possible during the plan period'.[70]
- The Shopping Study 2010 Update pointed out that commercial demand for new non-food retail remained weak across Wealden[71], but housing growth in Hailsham and Uckfield might lead to additional convenience and comparison growth 'in or around the town centre'[72]. Conclusions were relatively tentative, with the report in our view sensibly noting that 'there are inherent difficulties in

[69] Chase & Partners (2008) WDC Interim Shopping Study (66)
[70] Chase & Partners (2008) WDC Interim Shopping Study (67)
[71] Chase & Partners (2010) Shopping Study 2010 Update (30)
[72] Chase & Partners (2010) Shopping Study 2010 Update (27)

projecting potential expenditure growth and then drawing firm conclusions about floorspace needs over such extended timescales.' [73]

- Building on this evidence, the Core Strategy reiterates the Wealden District Council Shopping Study's (2008) recommendation to make provision for retail development in Wealden towns.[74] We note that development, in this context, can include change of use, or re-provision of existing space. It does not exclusively refer to the provision of new space.
- The Core Strategy discusses 'reviewing' and 'enhancing' shopping provision, especially in Uckfield and Hailsham; and 'enhancing provision in District, Service, and Local Service Centres where appropriate'.[75]

11.42 Based on our understanding of policy and the evidence base, neither emerging policy nor the evidence base appears to provide settled plans for the provision of large amounts of new build comparison retail across Wealden's town centres, although there is clearly the flexibility for the provision of such space should it be required over the plan period.

The positive effects of the recommended comparison retail charge

11.43 Our comparison retail CIL charge is set at a rate that is appropriate for edge-of-centre type comparison developments. As we have shown above, these are the types of retail comparison developments which are viable enough to come forward in future in Wealden, and are thus of a type expected by the Council. Because these developments are likely to be viable, a CIL charge has been recommended in order that these developments may contribute to infrastructure provision.

Doing no harm to unviable comparison uses in town centres

11.44 While setting a CIL Charge would appear to be appropriate for edge-of-town centre comparison retail, it would have the apparent problem of rendering in-town comparison retailing even more unviable than it is currently.

11.45 However, this problem is more apparent than real, firstly because of the policy position set out at para 9.40 above, which does not strongly encourage new build comparison developments, and secondly because the CIL charge is not likely to do any harm to the prospects of town centre comparison uses. This for the following reasons:

- As our evidence suggests, town centre comparison retail is unlikely to take place in foreseeable market conditions. This means that the CIL charge is highly unlikely to depress rates of town centre comparison retail development: CIL does no harm, because development is unlikely to happen in the short or medium term anyway. From this narrow perspective, we are therefore entirely compliant with the statutory guidance. We note that statutory guidance states that the examiner should only step in if a CIL rate puts 'at serious risk the overall

[73] Chase & Partners (2010) Shopping Study 2010 Update (12)
[74] WDC Core Strategy August 2011 (web version) (17)
[75] WDC Core Strategy August 2011 (web version) (17)

development of the area…in considering whether the Development Plan and its targets have been put at serious risk, the examiner should only be concerned with whether the proposed CIL rate will make a material or significant difference to the level of that risk. It may be that the Development Plan and its targets would be at serious risk in the absence of CIL.'[76]

- The second, and more important, reason is that we are doing no harm to Wealden town centres. This is because typical town centre comparison retail developments will be exempt from CIL charge. The typical pattern of change in Wealden town centres is that one shop will cease trading, and vacant premises will be taken over by a new enterprise. That enterprise may refit the shop, or even extend it by demolishing an existing outbuilding and rebuilding into that space. Alternatively, there may be a change of use from (say) a bank to a retail unit. Skilful drafting of the CIL Regulations and statutory guidance means that CIL will do no harm to these typical patterns of change, as follows.
  - CIL Regulations state that CIL is not payable on non-residential developments which create less than 100 sq m of floorspace.[77]
  - CIL can only be levied on the net additional floorspace created by any given development scheme.[78] Floorspace which replaces existing floorspace on the same site will be exempt from CIL.
  - Changes of use which take place in the same floorspace are not subject to CIL Charge, even if the new use belongs to a higher-value use than the old.

11.46 Therefore, to be caught under CIL to any significant extent, comparison retail developments would have to be in new net additional floorspace. In Wealden's town centres, the creation of such space is currently not a likely scenario.

11.47 For these reasons, then, we believe that our suggested approach strikes the right balance between, firstly, complying with published plans, by avoiding further potential significant negative effects of charging CIL on already non-viable town centre comparison developments; and secondly through raising money for infrastructure to support development from viable uses. It is thus compliant with the regulations and statutory guidance.

[76] DCLG (March 2010) CIL Charge Setting and charging schedule Procedures (6)
[77] DCLG (Nov 2010) Community Infrastructure Levy – An Overview (para 39)
[78] DCLG (Nov 2010) Community Infrastructure Levy – An Overview (para 39)

12 EDUCATION, HEALTH AND COMMUNITY FACILITIES

12.1 We see this category as including, but not necessarily being limited to:

- Schools, including free schools;
- Community facilities, including community halls, community arts centres, and libraries;
- Medical facilities; and
- Emergency services facilities.

Viability analysis

12.2 A number of these facilities may be delivered in the District over the plan period and would potentially occupy net additional floorspace (thereby creating development which is liable for CIL).

12.3 We do not recommend that the Council proposes to levy a CIL charge on these uses, for the following reasons.

- Completed developments of these types are not commercial in nature. They do not have a commercial value in themselves. They therefore do not create a residual site value. In other words, considered from a commercial perspective, such developments are not viable.
- Non-state education projects such as private schools generally have charitable status. They will therefore be exempt from CIL. There is therefore no point breaking out a separate charge in the schedule.

12.4 There is the exception of primary care facilities that are predominantly occupied by GPs. There is a commercial market for properties of this sort. We have analysed the price paid for completed investments across the country by specialist investments in the field and concluded that, again, the sites used are usually sourced on a preferential basis and the land values generated are not significant in most cases. It is possible that privately-funded BUPA-type health provision might be developed, but this is likely to be de minimis.

12.5 10.5 Given that these facilities are commonly not commercially-driven developments, it is considered that there can be no evidence to justify a change from the CIL charge for such uses. Indeed, there is simply no evidence to suggest that 'value capture' could be achieved from such uses which usually require public funding to be delivered.

The charging schedule

12.6 We recommend that a CIL Charge should not be set for these types of developments.

13 THE STANDARD CHARGE

13.1 In the chapters above, we have outlined the key development types that will be central to the delivery of the Core Strategy. Where relevant, we have then undertaken viability testing of these principal types of development that will come forward in future, and have shown that CIL charges at the stated levels will not render the main components of development unviable. We have therefore undertaken the tests required by the CIL Regulations.

13.2 The question now is how to use this analysis to help set a charge for development of peripheral uses that are not central to the delivery of the Core Strategy.

Our approach to peripheral uses

13.3 These peripheral types of development might be as diverse as scrapyards, laundrettes, youth hostels and so on. We have not undertaken individual viability testing of this range of possible uses, for the following reasons.

i These uses are not critical to the delivery of the Core Strategy, and historical evidence suggests that they have not been particularly important in the past.

ii Because limited amounts of net new floorspace will be delivered in these categories, it is likely that only small amounts of CIL would be raised.

iii Frequently (in the case of, say, taxi offices and laundrettes) these uses will be in units smaller than 100 sq m, or in units which have been subject to a change of use. In these cases, they would not be liable for CIL.

iv Any robust viability assessment of these (often quite specialist) uses would be required to look at the interaction between a) the category of development and b) the type of business taking place in the building. It is not possible to anticipate the combinations of development category and business types accurately. Even if these combinations of development category and business activities could be accurately forecast, a robust viability assessment would need industry specific valuation expertise, which even then would be relatively speculative.

13.4 Individual viability testing for peripheral uses is therefore neither particularly feasible, nor particularly helpful.

Recommendations

13.5 While we have not undertaken individual viability testing for these peripheral uses, we can use the work carried out in this report on the principal development types to indicate the level of values which might be achievable by sui generis uses and other development not specifically covered in our research.

13.6 Of the sui generis uses, for example,

- Laundrettes, nightclubs, taxi businesses and amusement centres are likely to be in the same type of premises as small comparison uses and covering similar purchase or rental costs. (We note that these types of development are not

particularly prevalent in Wealden now, nor are likely to be in future, but we mention them here in order to cover unforeseen future scenarios). Mindful that the lowest of the recommended charges for comparison retail is zero, a precautionary approach here would suggest that a zero charging rate is appropriate.

- Scrapyards and the selling and/or displaying of motor vehicles are likely to occupy the same sorts of premises and locations as many B2 uses. Our work on light industrial therefore provides a guide to a sensible level of CIL charge which would suggest no charge is appropriate.

13.7 Based on the scale of charges assessed for the various peripheral uses we have tested, we recommend that a CIL charge is not set for other peripheral uses not already specifically dealt with in this report. This will apply to all uses not specified separately.

14 THE CIL CHARGING SCHEDULE

Introduction

14.1 In this section, we make recommendations on the content of the Charging Schedule.

Summary

14.2 Table 14.1 below summarises the recommended charges. Current affordable housing policy is used.

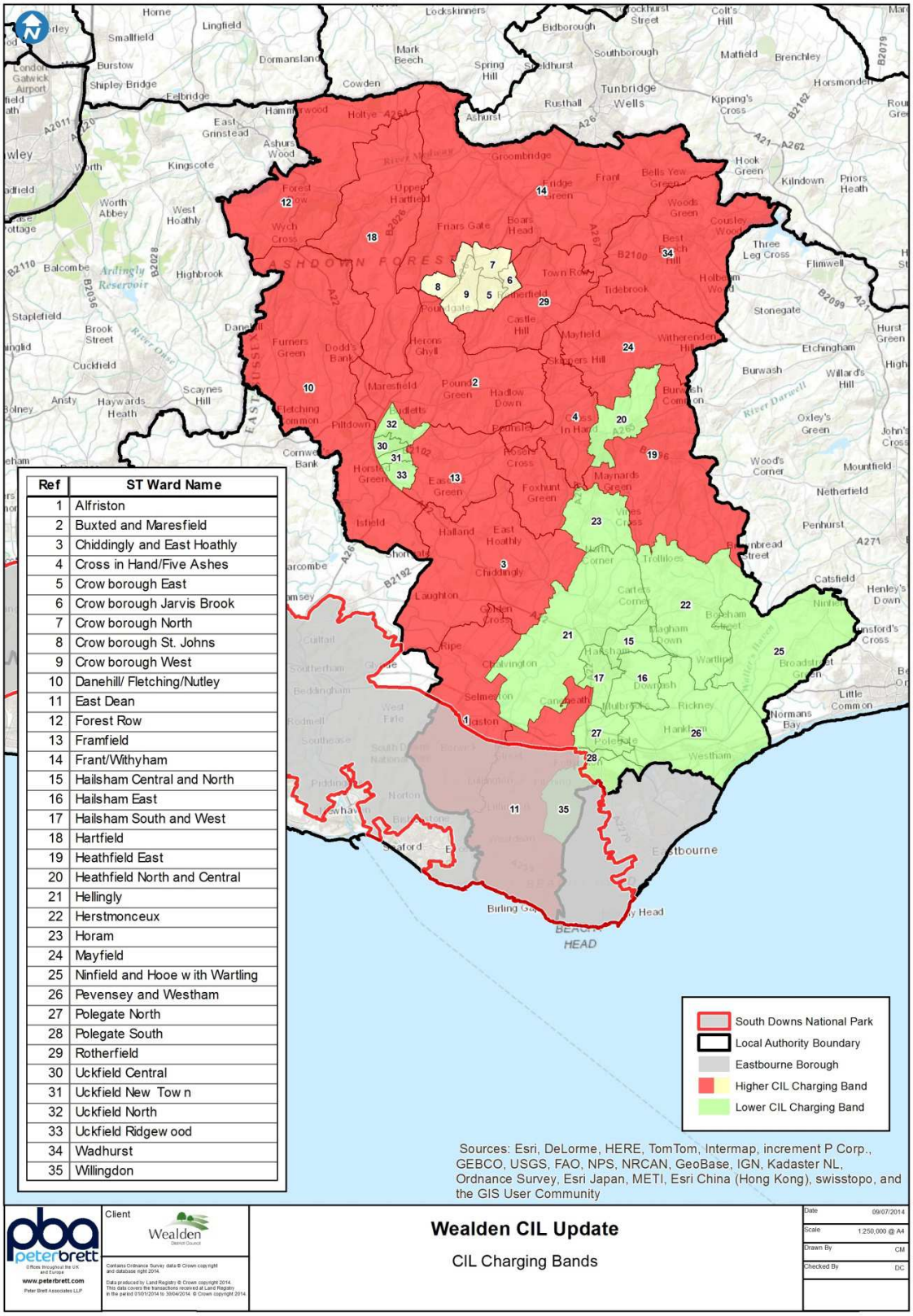
Table 14.1 Recommended charging rates for Wealden District Council CIL (£ per sq m) (using core strategy housing policy)

Development	CIL Charge (£ per sq m)
Residential (higher charge areas)	£200
Residential (lower charge areas)	£150
Retail – wholly or mainly convenience	£100
Retail – wholly or mainly comparison	£20
Standard Charge (applies to all development not separately defined)	£0

Source: PBA

14.3 The Strategic Sites DPD shows improved viability due to the introduction of the affordable rent product. The potential CIL charge a scheme can pay will change. The new 'affordable rent' housing is more viable than social rented properties, and therefore the charge could be increased.

Figure 14.1 Residential charging zone boundaries (red = higher band; green and beige = lower band)



APPENDIX 1 DEVELOPMENT APPRAISALS

Existing Affordable Policy

Houses – **4.0** **units**

ITEM

Net Site Area	0.11	**£2,421,104**	**per ha**
		Private	**Affordable**
Yield	4.00	**4.00**	**0.00**

Development Value

		No. of units	Unit size sq.m	Total sq.m	£psm	Total Value
Private Units	Houses -	4.00	90	360	£2,600	£936,000
		4.00		360		
Social Rent	Houses -	0.00	90	0	£930	£0
		0.00		0		
Intermediate	Houses -	0.00	90	0	£1,820	£0
		0.00		0		
		4.00		**360**		**£936,000**

Development Cost

Site Acquisition

Site Value		£276,698
	Plus Purchaser Costs @	4.75%
		£289,841

Build Costs

		No. of units	Total sq.m	Cost per sq.m	Total Costs
Private units	Houses -	4.00	360	£915	£329,400
		4.00			
Social Rent	Houses -	0.00	0	£915	£0
		0.00			
Intermediate Rent	Houses -	0.00	0	£915	£0
		0.00			
		4.00	360		**£329,400**

Additional Costs

Plot external	10%	of build costs	£32,940
			£32,940

Professional Fees

Based on percentage of construction costs (build and additional)	8%		£28,987
			£28,987

Contingency

Based on percentage of construction costs (build and additional)	5%		£18,117.00
			£18,117

Developer contributions

S.106	£1,700	per unit	£6,800
CIL	£0	per GIA sq m	£0
			£6,800

Sale cost

Legals -	£500	per unit	£2,000
Sales agents fee -	1.25%		£11,700
Marketing cost -	£1,000	per private unit	£4,000
			£17,700

TOTAL DEVELOPMENT COSTS	**£723,785**

Developers' Profit

Based upon percentage of gross development value	Rate	
Private -	20%	£187,200
Affordable -	6%	£0.00
		£187,200

TOTAL PROJECT COSTS [EXCLUDING INTEREST]	**£910,985**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]	£25,015

Finance Costs		APR	PCM	
Assumes 100% debt financed		7.00%	0.565%	-£25,015
TOTAL PROJECT COSTS [INCLUDING INTEREST]				£936,000

This appraisal has been prepared by Peter Brett Associates on behalf of Wealden District Council. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform ealden District Council as to the impact of planning policy has on viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2014) valuation and should not be relied upon as such.

Houses – **5.0** **units**

ITEM

Net Site Area	0.14	**£1,427,318**	**per ha**
		Private	**Affordable**
Yield	5.00	**3.25**	**1.75**

Development Value

		No. of units	Unit size sq.m	Total sq.m	£psm	Total Value
Private Units	Houses -	3.25	90	293	£2,600	£760,500
		3.25		293		
Social Rent	Houses -	1.40	90	126	£930	£117,180
		1.40		126		
Intermediate	Houses -	0.35	90	32	£1,820	£57,330
		0.35		32		
		5.00		**450**		**£935,010**

Development Cost

Site Acquisition

Site Value		£203,903
	Plus Purchaser Costs @	2.75%
		£209,510

Build Costs

		No. of units	Total sq.m	Cost per sq.m	Total Costs
Private units	Houses -	3.25	293	£915	£267,638
		3.25			
Social Rent	Houses -	1.40	126	£915	£115,290
		1.40			
Intermediate Rent	Houses -	0.35	32	£915	£28,823
		0.35			
		5.00	450		**£411,750**

Additional Costs

Plot external	10%	of build costs	£41,175
			£41,175

Professional Fees

Based on percentage of construction costs (build and additional)	8%		£36,234
			£36,234

Contingency

Based on percentage of construction costs (build and additional)	5%		£22,646.25
			£22,646

Developer contributions

S.106	£1,700	per unit	£8,500
CIL	£0	per GIA sq m	£0
			£8,500

Sale cost

Legals -	£500	per unit	£2,500
Sales agents fee -	1.25%		£9,506
Marketing cost -	£1,000	per private unit	£3,250
			£15,256

TOTAL DEVELOPMENT COSTS	**£745,071**

Developers' Profit

Based upon percentage of gross development value	Rate	
Private -	20%	£152,100
Affordable -	6%	£10,470.60
		£162,571

TOTAL PROJECT COSTS [EXCLUDING INTEREST]	**£907,642**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]	£27,368

Finance Costs		APR	PCM	
Assumes 100% debt financed		7.00%	0.565%	-£27,368
TOTAL PROJECT COSTS [INCLUDING INTEREST]				£935,010

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Houses –	**50.0**	**units**				
ITEM						
Net Site Area	1.43	**£1,374,840**	**per ha**			
		Private	**Affordable**			
Yield	50.00	**32.50**	**17.50**			
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	32.50	90	2,925	£2,600	£7,605,000
		32.50		2925		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£930	£1,171,800
		14.00		1,260		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	3.50	90	315	£1,820	£573,300
		3.50		315		
		50.00		**4500**		**£9,350,100**
Development Cost						
Site Acquisition						
Site Value						£1,964,057
			Plus Purchaser Costs @			5.75%
						£2,076,990
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	32.50	2925	£915		£2,676,375
		32.50				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	14.00	1260	£915		£1,152,900
		14.00				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	3.50	315	£915		£288,225
		3.50				
		50.00	4500			**£4,117,500**
Additional Costs						
Plot external			10%	of build costs		£411,750
						£411,750
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£362,340
						£362,340
Contingency						
Based on percentage of construction costs (build and additional)			5%			£226,462.50
						£226,463
Developer contributions						
S.106			£1,700	per unit		£85,000
CIL			£0	per GIA sq m		£0
						£85,000
Sale cost						
Legals -			£500	per unit		£25,000
Sales agents fee -			1.25%			£95,063
Marketing cost -			£1,000	per private unit		£32,500
						£152,563
TOTAL DEVELOPMENT COSTS						**£7,432,605**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£1,521,000
Affordable -			6%			£104,706.00
						£1,625,706
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£9,058,311**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£291,789
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£291,789
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£9,350,100

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Houses –	**100.0**	**units**					
ITEM							
Net Site Area	2.86		**£1,352,791**	**per ha**			
			Private	**Affordable**			
Yield	100.00		**65.00**	**35.00**			
Development Value							
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	65.00	90	5,850	£2,600	£15,210,000	
		65.00		5850			
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	28.00	90	2,520	£930	£2,343,600	
		28.00		2,520			
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	7.00	90	630	£1,820	£1,146,600	
		7.00		630			
		100.00		**9000**		**£18,700,200**	
Development Cost							
Site Acquisition							
Site Value						£3,865,118	
			Plus Purchaser Costs @			5.75%	
						£4,087,362	
Build Costs							
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	65.00	5850	£915		£5,352,750	
		65.00					
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	28.00	2520	£915		£2,305,800	
		28.00					
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	7.00	630	£915		£576,450	
		7.00					
		100.00	9000			**£8,235,000**	
Additional Costs							
Plot external			10%	of build costs		£823,500	
						£823,500	
Professional Fees							
Based on percentage of construction costs (build and additional)			8%			£724,680	
						£724,680	
Contingency							
Based on percentage of construction costs (build and additional)			5%			£452,925.00	
						£452,925	
Developer contributions							
S.106			£1,700	per unit		£170,000	
CIL			£0	per GIA sq m		£0	
						£170,000	
Sale cost							
Legals -			£500	per unit		£50,000	
Sales agents fee -			1.25%			£190,125	
Marketing cost -			£1,000	per private unit		£65,000	
						£305,125	
TOTAL DEVELOPMENT COSTS						**£14,798,592**	
Developers' Profit							
Based upon percentage of gross development value			Rate				
Private -			20%			£3,042,000	
Affordable -			6%			£209,412.00	
						£3,251,412	
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£18,050,004**	
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£650,196	
Finance Costs			APR		PCM		
Assumes 100% debt financed			7.00%		0.565%	-£650,196	
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£18,700,200	

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Houses –	**4.0**	**units**				
ITEM						
Net Site Area	0.11	**£3,100,578**	**per ha**			
		Private	**Affordable**			
Yield	4.00	**4.00**	**0.00**			
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	4.00	90	360	£2,900	£1,044,000
		4.00		360		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	0.00	90	0	£980	£0
		0.00		0		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	0.00	90	0	£1,988	£0
		0.00		0		
		4.00		**360**		**£1,044,000**
Development Cost						
Site Acquisition						
Site Value						£354,352
			Plus Purchaser Costs @			4.75%
						£371,183
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	4.00	360	£915		£329,400
		4.00				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	0.00	0	£915		£0
		0.00				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	0.00	0	£915		£0
		0.00				
		4.00	360			**£329,400**
Additional Costs						
Plot external			10%	of build costs		£32,940
						£32,940
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£28,987
						£28,987
Contingency						
Based on percentage of construction costs (build and additional)			5%			£18,117.00
						£18,117
Developer contributions						
S.106			£1,700	per unit		£6,800
CIL			£0	per GIA sq m		£0
						£6,800
Sale cost						
Legals -			£500	per unit		£2,000
Sales agents fee -			1.25%			£13,050
Marketing cost -			£1,000	per private unit		£4,000
						£19,050
TOTAL DEVELOPMENT COSTS						**£806,478**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£208,800
Affordable -			6%			£0.00
						£208,800
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£1,015,278**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£28,722
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£28,722
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£1,044,000

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Houses –	**5.0**	**units**					
ITEM							
Net Site Area	0.14		**£1,908,368**	**per ha**			
			Private	**Affordable**			
Yield	5.00		**3.25**	**1.75**			
Development Value							
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	3.25	90	293	£2,900	£848,250	
		3.25		293			
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	1.40	90	126	£980	£123,480	
		1.40		126			
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	0.35	90	32	£1,988	£62,622	
		0.35		32			
		5.00		**450**		**£1,034,352**	
Development Cost							
Site Acquisition							
Site Value						£272,624	
			Plus Purchaser Costs @			4.75%	
						£285,574	
Build Costs							
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	3.25	293	£915		£267,638	
		3.25					
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	1.40	126	£915		£115,290	
		1.40					
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	0.35	32	£915		£28,823	
		0.35					
		5.00	450			**£411,750**	
Additional Costs							
Plot external			10%	of build costs		£41,175	
						£41,175	
Professional Fees							
Based on percentage of construction costs (build and additional)			8%			£36,234	
						£36,234	
Contingency							
Based on percentage of construction costs (build and additional)			5%			£22,646.25	
						£22,646	
Developer contributions							
S.106			£1,700	per unit		£8,500	
CIL			£0	per GIA sq m		£0	
						£8,500	
Sale cost							
Legals -			£500	per unit		£2,500	
Sales agents fee -			1.25%			£10,603	
Marketing cost -			£1,000	per private unit		£3,250	
						£16,353	
TOTAL DEVELOPMENT COSTS						**£822,232**	
Developers' Profit							
Based upon percentage of gross development value			Rate				
Private -			20%			£169,650	
Affordable -			6%			£11,166.12	
						£180,816	
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£1,003,048**	
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£31,304	
Finance Costs			APR		PCM		
Assumes 100% debt financed			7.00%		0.565%	-£31,304	
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£1,034,352	

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Houses –	**50.0**	**units**				
ITEM						
Net Site Area	1.43	**£1,870,365**	**per ha**			
		Private	**Affordable**			
Yield	50.00	**32.50**	**17.50**			
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	32.50	90	2,925	£2,900	£8,482,500
		32.50		2925		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£980	£1,234,800
		14.00		1,260		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	3.50	90	315	£1,988	£626,220
		3.50		315		
		50.00		**4500**		**£10,343,520**
Development Cost						
Site Acquisition						
Site Value						£2,671,950
			Plus Purchaser Costs @			5.75%
						£2,825,587
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	32.50	2925	£915		£2,676,375
		32.50				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	14.00	1260	£915		£1,152,900
		14.00				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	3.50	315	£915		£288,225
		3.50				
		50.00	4500			**£4,117,500**
Additional Costs						
Plot external			10%	of build costs		£411,750
						£411,750
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£362,340
						£362,340
Contingency						
Based on percentage of construction costs (build and additional)			5%			£226,462.50
						£226,463
Developer contributions						
S.106			£1,700	per unit		£85,000
CIL			£0	per GIA sq m		£0
						£85,000
Sale cost						
Legals -			£500	per unit		£25,000
Sales agents fee -			1.25%			£106,031
Marketing cost -			£1,000	per private unit		£32,500
						£163,531
TOTAL DEVELOPMENT COSTS						**£8,192,171**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£1,696,500
Affordable -			6%			£111,661.20
						£1,808,161
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£10,000,332**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£343,188
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£343,188
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£10,343,520

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Houses –	**100.0**	**units**				
ITEM						
Net Site Area	2.86	**£1,833,983**	**per ha**			
		Private	**Affordable**			
Yield	100.00	**65.00**	**35.00**			
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	65.00	90	5,850	£2,900	£16,965,000
		65.00		5850		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	28.00	90	2,520	£980	£2,469,600
		28.00		2,520		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£1,988	£1,252,440
		7.00		630		
		100.00		**9000**		**£20,687,040**
Development Cost						
Site Acquisition						
Site Value						£5,239,951
			Plus Purchaser Costs @			5.75%
						£5,541,248
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	65.00	5850	£915		£5,352,750
		65.00				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	28.00	2520	£915		£2,305,800
		28.00				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£915		£576,450
		7.00				
		100.00	9000			**£8,235,000**
Additional Costs						
Plot external			10%	of build costs		£823,500
						£823,500
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£724,680
						£724,680
Contingency						
Based on percentage of construction costs (build and additional)			5%			£452,925.00
						£452,925
Developer contributions						
S.106			£1,700	per unit		£170,000
CIL			£0	per GIA sq m		£0
						£170,000
Sale cost						
Legals -			£500	per unit		£50,000
Sales agents fee -			1.25%			£212,063
Marketing cost -			£1,000	per private unit		£65,000
						£327,063
TOTAL DEVELOPMENT COSTS						**£16,274,416**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£3,393,000
Affordable -			6%			£223,322.40
						£3,616,322
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£19,890,738**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£796,302
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£796,302
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£20,687,040

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Houses –	**4.0**	**units**					
ITEM							
Net Site Area	0.11		**£4,006,543**	**per ha**			
			Private	**Affordable**			
Yield	4.00		**4.00**	**0.00**			
Development Value							
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	4.00	90	360	£3,300	£1,188,000	
		4.00		360			
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	0.00	90	0	£1,225	£0	
		0.00		0			
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**	
	Houses -	0.00	90	0	£2,450	£0	
		0.00		0			
		4.00		**360**		**£1,188,000**	
Development Cost							
Site Acquisition							
Site Value						£457,891	
			Plus Purchaser Costs @			4.75%	
						£479,640	
Build Costs							
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	4.00	360	£915		£329,400	
		4.00					
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	0.00	0	£915		£0	
		0.00					
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**	
	Houses -	0.00	0	£915		£0	
		0.00					
		4.00	360			**£329,400**	
Additional Costs							
Plot external			10%	of build costs		£32,940	
						£32,940	
Professional Fees							
Based on percentage of construction costs (build and additional)			8%			£28,987	
						£28,987	
Contingency							
Based on percentage of construction costs (build and additional)			5%			£18,117.00	
						£18,117	
Developer contributions							
S.106			£1,700	per unit		£6,800	
CIL			£0	per GIA sq m		£0	
						£6,800	
Sale cost							
Legals -			£500	per unit		£2,000	
Sales agents fee -			1.25%			£14,850	
Marketing cost -			£1,000	per private unit		£4,000	
						£20,850	
TOTAL DEVELOPMENT COSTS						**£916,735**	
Developers' Profit							
Based upon percentage of gross development value			Rate				
Private -			20%			£237,600	
Affordable -			6%			£0.00	
						£237,600	
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£1,154,335**	
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£33,665	
Finance Costs			APR		PCM		
Assumes 100% debt financed			7.00%		0.565%	-£33,665	
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£1,188,000	

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Houses – **5.0** **units**

ITEM

Net Site Area	0.14	**£2,764,809**	**per ha**
		Private	**Affordable**
Yield	5.00	**3.25**	**1.75**

Development Value

		No. of units	Unit size sq.m	Total sq.m	£psm	Total Value
Private Units	Houses -	3.25	90	293	£3,300	£965,250
		3.25		293		
Social Rent	Houses -	1.40	90	126	£1,225	£154,350
		1.40		126		
Intermediate	Houses -	0.35	90	32	£2,450	£77,175
		0.35		32		
		5.00		**450**		**£1,196,775**

Development Cost

Site Acquisition

Site Value		£394,973
	Plus Purchaser Costs @	4.75%
		£413,734

Build Costs

		No. of units	Total sq.m	Cost per sq.m	Total Costs
Private units	Houses -	3.25	293	£915	£267,638
		3.25			
Social Rent	Houses -	1.40	126	£915	£115,290
		1.40			
Intermediate Rent	Houses -	0.35	32	£915	£28,823
		0.35			
		5.00	450		**£411,750**

Additional Costs

Plot external	10%	of build costs	£41,175
			£41,175

Professional Fees

Based on percentage of construction costs (build and additional)	8%		£36,234
			£36,234

Contingency

Based on percentage of construction costs (build and additional)	5%		£22,646.25
			£22,646

Developer contributions

S.106	£1,700	per unit	£8,500
CIL	£0	per GIA sq m	£0
			£8,500

Sale cost

Legals -	£500	per unit	£2,500
Sales agents fee -	1.25%		£12,066
Marketing cost -	£1,000	per private unit	£3,250
			£17,816

TOTAL DEVELOPMENT COSTS	**£951,855**

Developers' Profit

Based upon percentage of gross development value	Rate	
Private -	20%	£193,050
Affordable -	6%	£13,891.50
		£206,942

TOTAL PROJECT COSTS [EXCLUDING INTEREST]	**£1,158,796**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]	£37,979

Finance Costs	APR	PCM	
Assumes 100% debt financed	7.00%	0.565%	-£37,979
TOTAL PROJECT COSTS [INCLUDING INTEREST]			£1,196,775

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Houses –	**50.0**	**units**				
ITEM						
Net Site Area	1.43		**£2,704,869**	**per ha**		
			Private	**Affordable**		
Yield	50.00		**32.50**	**17.50**		
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	32.50	90	2,925	£3,300	£9,652,500
		32.50		2925		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£1,225	£1,543,500
		14.00		1,260		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	3.50	90	315	£2,450	£771,750
		3.50		315		
		50.00		**4500**		**£11,967,750**
Development Cost						
Site Acquisition						
Site Value						£3,864,099
			Plus Purchaser Costs @			5.75%
						£4,086,284
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	32.50	2925	£915		£2,676,375
		32.50				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	14.00	1260	£915		£1,152,900
		14.00				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	3.50	315	£915		£288,225
		3.50				
		50.00	4500			**£4,117,500**
Additional Costs						
Plot external			10%	of build costs		£411,750
						£411,750
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£362,340
						£362,340
Contingency						
Based on percentage of construction costs (build and additional)			5%			£226,462.50
						£226,463
Developer contributions						
S.106			£1,700	per unit		£85,000
CIL			£0	per GIA sq m		£0
						£85,000
Sale cost						
Legals -			£500	per unit		£25,000
Sales agents fee -			1.25%			£120,656
Marketing cost -			£1,000	per private unit		£32,500
						£178,156
TOTAL DEVELOPMENT COSTS						**£9,467,493**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£1,930,500
Affordable -			6%			£138,915.00
						£2,069,415
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£11,536,908**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£430,842
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£430,842
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£11,967,750

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Houses –	**100.0**	**units**				
ITEM						
Net Site Area	2.86		**£2,643,641**	**per ha**		
			Private	**Affordable**		
Yield	100.00		**65.00**	**35.00**		
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	65.00	90	5,850	£3,300	£19,305,000
		65.00		5850		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	28.00	90	2,520	£1,225	£3,087,000
		28.00		2,520		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£2,450	£1,543,500
		7.00		630		
		100.00		**9000**		**£23,935,500**
Development Cost						
Site Acquisition						
Site Value						£7,553,261
			Plus Purchaser Costs @			5.75%
						£7,987,574
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	65.00	5850	£915		£5,352,750
		65.00				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	28.00	2520	£915		£2,305,800
		28.00				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£915		£576,450
		7.00				
		100.00	9000			**£8,235,000**
Additional Costs						
Plot external			10%	of build costs		£823,500
						£823,500
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£724,680
						£724,680
Contingency						
Based on percentage of construction costs (build and additional)			5%			£452,925.00
						£452,925
Developer contributions						
S.106			£1,700	per unit		£170,000
CIL			£0	per GIA sq m		£0
						£170,000
Sale cost						
Legals -			£500	per unit		£50,000
Sales agents fee -			1.25%			£241,313
Marketing cost -			£1,000	per private unit		£65,000
						£356,313
TOTAL DEVELOPMENT COSTS						**£18,749,991**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£3,861,000
Affordable -			6%			£277,830.00
						£4,138,830
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£22,888,821**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£1,046,679
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£1,046,679
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£23,935,500

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Strategic Site Appraisal Policy

Houses –	**50.0**	**units**				
ITEM						
Net Site Area	1.43		**£1,300,462**	**per ha**		
			Private	**Affordable**		
Yield	50.00		**32.50**	**17.50**		
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	32.50	90	2,925	£2,600	£7,605,000
		32.50		2925		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	3.50	90	315	£910	£286,650
		3.50		315		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£1,820	£1,146,600
		7.00		630		
affordable rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£1,300	£819,000
		7.00		630		
		43.00		**3870**		**£9,857,250**
Development Cost						
Site Acquisition						
Site Value						£1,857,802
			Plus Purchaser Costs @			5.75%
						£1,964,626
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	32.50	2925	£938		£2,743,650
		32.50				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	3.50	315	£938		£295,470
		3.50				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£938		£590,940
		7.00				
affordable rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£938		£590,940
		7.00				
		43.00	3870			**£4,221,000**
Additional Costs						
Plot external			10%	of build costs		£422,100
						£422,100
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£371,448
						£371,448
Contingency						
Based on percentage of construction costs (build and additional)			5%			£232,155.00
						£232,155
Developer contributions						
S.106			£1,700	per unit		£85,000
CIL rate 1			£150	per GIA sq m		£438,750
						£523,750
Sale cost						
Legals -			£500	per unit		£21,500
Sales agents fee -			1.25%			£95,063
Marketing cost -			£1,000	per private unit		£32,500
						£149,063
TOTAL DEVELOPMENT COSTS						**£7,884,141**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£1,521,000
Affordable -			6%			£135,135.00
						£1,656,135
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£9,540,276**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£316,974
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£316,974
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£9,857,250

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Houses – **100.0** **units**

ITEM			
Net Site Area	2.86	**£1,271,527**	**per ha**

		Private	**Affordable**
Yield	100.00	**65.00**	**35.00**

Development Value

Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	65.00	90	5,850	£2,600	£15,210,000
		65.00		5850		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£910	£573,300
		7.00		630		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£1,820	£2,293,200
		14.00		1260		
affordable rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£1,300	£1,638,000
		14.00		1260		
		86.00		**7740**		**£19,714,500**

Development Cost

Site Acquisition

Site Value		£3,632,934
	Plus Purchaser Costs @	5.75%
		£3,841,828

Build Costs

Private units	**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
Houses -	65.00	5850	£938		£5,487,300
	65.00				
Social Rent	**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
Houses -	7.00	630	£938		£590,940
	7.00				
Intermediate Rent	**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
Houses -	14.00	1260	£938		£1,181,880
	14.00				
affordable rent	**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
Houses -	14.00	1260	£938		£1,181,880
	14.00				
	86.00	7740			**£8,442,000**

Additional Costs

Plot external	10%	of build costs	£844,200
			£844,200

Professional Fees

Based on percentage of construction costs (build and additional)	8%	£742,896
		£742,896

Contingency

Based on percentage of construction costs (build and additional)	5%	£464,310.00
		£464,310

Developer contributions

S.106	£1,700	per unit	£170,000
CIL rate 1	£150	per GIA sq m	£877,500
			£1,047,500

Sale cost

Legals -	£500	per unit	£43,000
Sales agents fee -	1.25%		£190,125
Marketing cost -	£1,000	per private unit	£65,000
			£298,125

TOTAL DEVELOPMENT COSTS	**£15,680,859**

Developers' Profit

Based upon percentage of gross development value	Rate	
Private -	20%	£3,042,000
Affordable -	6%	£270,270.00
		£3,312,270

TOTAL PROJECT COSTS [EXCLUDING INTEREST]	**£18,993,129**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]	£721,371

Finance Costs	APR	PCM	
Assumes 100% debt financed	7.00%	0.565%	-£721,371

TOTAL PROJECT COSTS [INCLUDING INTEREST]	£19,714,500

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Houses –	**50.0**	**units**				
ITEM						
Net Site Area	1.43		**£1,975,981**	**per ha**		
			Private	**Affordable**		
Yield	50.00		**32.50**	**17.50**		
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	32.50	90	2,925	£2,950	£8,628,750
		32.50		2925		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	3.50	90	315	£1,033	£325,238
		3.50		315		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£2,065	£1,300,950
		7.00		630		
affordable rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£1,475	£929,250
		7.00		630		
		43.00		**3870**		**£11,184,188**
Development Cost						
Site Acquisition						
Site Value						£2,822,830
			Plus Purchaser Costs @			5.75%
						£2,985,143
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	32.50	2925	£938		£2,743,650
		32.50				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	3.50	315	£938		£295,470
		3.50				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£938		£590,940
		7.00				
affordable rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£938		£590,940
		7.00				
		43.00	3870			**£4,221,000**
Additional Costs						
Plot external			10%	of build costs		£422,100
						£422,100
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£371,448
						£371,448
Contingency						
Based on percentage of construction costs (build and additional)			5%			£232,155.00
						£232,155
Developer contributions						
S.106			£1,700	per unit		£85,000
CIL rate 1			£150	per GIA sq m		£438,750
						£523,750
Sale cost						
Legals -			£500	per unit		£21,500
Sales agents fee -			1.25%			£107,859
Marketing cost -			£1,000	per private unit		£32,500
						£161,859
TOTAL DEVELOPMENT COSTS						**£8,917,455**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£1,725,750
Affordable -			6%			£153,326.25
						£1,879,076
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£10,796,532**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£387,656
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£387,656
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£11,184,188

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Houses – **100.0** **units**

ITEM			
Net Site Area	2.86	**£1,927,111**	**per ha**
		Private	**Affordable**
Yield	100.00	**65.00**	**35.00**

Development Value

Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	65.00	90	5,850	£2,950	£17,257,500
		65.00		5850		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£1,033	£650,475
		7.00		630		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£2,065	£2,601,900
		14.00		1260		
affordable rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£1,475	£1,858,500
		14.00		1260		
		86.00		**7740**		**£22,368,375**

Development Cost

Site Acquisition

Site Value		£5,506,030
	Plus Purchaser Costs @	5.75%
		£5,822,627

Build Costs

Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
	Houses -	65.00	5850	£938	£5,487,300
		65.00			
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
	Houses -	7.00	630	£938	£590,940
		7.00			
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
	Houses -	14.00	1260	£938	£1,181,880
		14.00			
affordable rent		**No. of units**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
	Houses -	14.00	1260	£938	£1,181,880
		14.00			
		86.00	7740		**£8,442,000**

Additional Costs

Plot external	10%	of build costs	£844,200
			£844,200

Professional Fees

Based on percentage of construction costs (build and additional)	8%	£742,896
		£742,896

Contingency

Based on percentage of construction costs (build and additional)	5%	£464,310.00
		£464,310

Developer contributions

S.106	£1,700	per unit	£170,000
CIL rate 1	£150	per GIA sq m	£877,500
			£1,047,500

Sale cost

Legals -	£500	per unit	£43,000
Sales agents fee -	1.25%		£215,719
Marketing cost -	£1,000	per private unit	£65,000
			£323,719

TOTAL DEVELOPMENT COSTS	**£17,687,252**

Developers' Profit

Based upon percentage of gross development value	Rate	
Private -	20%	£3,451,500
Affordable -	6%	£306,652.50
		£3,758,153

TOTAL PROJECT COSTS [EXCLUDING INTEREST]	**£21,445,404**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]	£922,971

Finance Costs	APR	PCM	
Assumes 100% debt financed	7.00%	0.565%	-£922,971

TOTAL PROJECT COSTS [INCLUDING INTEREST]	£22,368,375

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Houses –	**50.0**	**units**				
ITEM						
Net Site Area	1.43		**£2,555,237**	**per ha**		
			Private	**Affordable**		
Yield	50.00		**32.50**	**17.50**		
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	32.50	90	2,925	£3,300	£9,652,500
		32.50		2925		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	3.50	90	315	£1,155	£363,825
		3.50		315		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£2,310	£1,455,300
		7.00		630		
affordable rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£1,650	£1,039,500
		7.00		630		
		43.00		**3870**		**£12,511,125**
Development Cost						
Site Acquisition						
Site Value						£3,650,338
			Plus Purchaser Costs @			5.75%
						£3,860,233
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	32.50	2925	£938		£2,743,650
		32.50				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	3.50	315	£938		£295,470
		3.50				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£938		£590,940
		7.00				
affordable rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£938		£590,940
		7.00				
		43.00	3870			**£4,221,000**
Additional Costs						
Plot external			10%	of build costs		£422,100
						£422,100
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£371,448
						£371,448
Contingency						
Based on percentage of construction costs (build and additional)			5%			£232,155.00
						£232,155
Developer contributions						
S.106			£1,700	per unit		£85,000
CIL rate 2			£200	per GIA sq m		£585,000
						£670,000
Sale cost						
Legals -			£500	per unit		£21,500
Sales agents fee -			1.25%			£120,656
Marketing cost -			£1,000	per private unit		£32,500
						£174,656
TOTAL DEVELOPMENT COSTS						**£9,951,592**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£1,930,500
Affordable -			6%			£171,517.50
						£2,102,018
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£12,053,609**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£457,516
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£457,516
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£12,511,125

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Houses –	**100.0**	**units**				
ITEM						
Net Site Area	2.86		**£2,486,430**	**per ha**		
			Private	**Affordable**		
Yield	100.00		**65.00**	**35.00**		
Development Value						
Private Units		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	65.00	90	5,850	£3,300	£19,305,000
		65.00		5850		
Social Rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	7.00	90	630	£1,155	£727,650
		7.00		630		
Intermediate		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£2,310	£2,910,600
		14.00		1260		
affordable rent		**No. of units**	**Unit size sq.m**	**Total sq.m**	**£psm**	**Total Value**
	Houses -	14.00	90	1,260	£1,650	£2,079,000
		14.00		1260		
		86.00		**7740**		**£25,022,250**
Development Cost						
Site Acquisition						
Site Value						£7,104,085
			Plus Purchaser Costs @			5.75%
						£7,512,570
Build Costs						
Private units		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	65.00	5850	£938		£5,487,300
		65.00				
Social Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	7.00	630	£938		£590,940
		7.00				
Intermediate Rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	14.00	1260	£938		£1,181,880
		14.00				
affordable rent		**No. of units**	**Total sq.m**	**Cost per sq.m**		**Total Costs**
	Houses -	14.00	1260	£938		£1,181,880
		14.00				
		86.00	7740			**£8,442,000**
Additional Costs						
Plot external			10%	of build costs		£844,200
						£844,200
Professional Fees						
Based on percentage of construction costs (build and additional)			8%			£742,896
						£742,896
Contingency						
Based on percentage of construction costs (build and additional)			5%			£464,310.00
						£464,310
Developer contributions						
S.106			£1,700	per unit		£170,000
CIL rate 2			£200	per GIA sq m		£1,170,000
						£1,340,000
Sale cost						
Legals -			£500	per unit		£43,000
Sales agents fee -			1.25%			£241,313
Marketing cost -			£1,000	per private unit		£65,000
						£349,313
TOTAL DEVELOPMENT COSTS						**£19,695,289**
Developers' Profit						
Based upon percentage of gross development value			Rate			
Private -			20%			£3,861,000
Affordable -			6%			£343,035.00
						£4,204,035
TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£23,899,324**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£1,122,926
Finance Costs			APR		PCM	
Assumes 100% debt financed			7.00%		0.565%	-£1,122,926
TOTAL PROJECT COSTS [INCLUDING INTEREST]						£25,022,250

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APPENDIX 2 ORGANISATIONS CONSULTED

Wealden consultees

Company	Comments
Stiles Harold Williams	Provided commercial evidence and general overview of market in the various areas of Wealden
Ross & Co	Provided some commercial evidence for units/land in the area. In particular retail units in Hailsham & Heathfield
Cluttons	Information on commercial unit scheme in Flimwell
Craddick	Information on retail unit scheme in Heathfield
Lawson	Information on industrial units at Uckfield
Brian Caddick & Co	Information on retail unit at Uckfield
Taylor Wimpey	Provided residential evidence of schemes in the area (Crowborough, Hailsham, Polegate, Uckfield)
Redrow	Provided residential evidence of schemes in the area (Willow Garden scheme at Uckfield)
Linden Homes	Provided residential evidence of schemes in the area (Uckfield)