

**Development
Appraisal
Report**



Sherston 08/16

Sherston Mixed Use Development

Sopworth Lane
Sherston
Wiltshire

Site Grid Reference:
X = 384969
Y = 186046

Report Version Date: 8th February 2017

Sherston 08/16

Contents

Tables	3
Figures	3
Background	4
Executive Summary	5
Report Assumptions	6
Appraisal Risks	7
Location.....	8
Site Constraints.....	9
Potential Site Layout	10
Profile of Sherston.....	11
Mix of Buildings Proposed in this Development	12
Sales Valuation	13
Gross Development Value	14
Phasing Construction & Sales Timeframe.....	15
House Construction Costs.....	16
Infrastructure Costs	18
Contribution Costs.....	20
Other Costs	21
Land Value	22
Developer's Return.....	23
Options.....	23
Elemental Proportions (Cost) For Development.....	24
Reference Documents & Data Sources.....	25
Terms.....	26

Sherston 08/16

Tables

Table 1 – Residual Land Value Calculation & Improvement Factor.....	6
Table 2 – House Type Gross Internal Area.....	12
Table 3 – Total Gross Internal Area	12
Table 5 – Plot Sizes.....	14
Table 6 – Gross Development Value	14
Table 7 – Build Cost	16
Table 8 – Professional Fees	17
Table 9 – External Works & Infrastructure Costs.....	19
Table 10 – Statutory Payments & Other Requirements.....	20
Table 11 – Other Project Costs.....	21
Table 12 – Existing Land Use Values	22
Table 13 – Development Land Sale Prices	22
Table 14 – Developer’s Return	23

Figures

Figure 1 – Location Map.....	8
Figure 2 – Satellite Image of Site	9
Figure 3 – Town Plan	9
Figure 4 – Site Layout	10
Figure 5 – Financing Requirements	15
Figure 6 – Typical House Style	17

Sherston 08/16

Background

Seymour Surveyors Ltd (SSL) is a building and quantity surveying private practice regulated by the Royal Institution of Chartered Surveyors (RICS). SSL are not registered valuers and have therefore sought the expertise of a local agent for this aspect of the report.

In the production of the Neighbourhood Plan for Sherston, the matter of housing development and community facilities has been under review. A Steering Group was established to investigate the viability of a housing development in or near to Sherston and whether such could support the inclusion of extended community services.

A number of potential sites have been considered with the Steering Group deciding to investigate further the opportunity presented at Sopworth Lane. Consequently, SSL have been instructed to undertake a development appraisal of the site to establish the viability of the proposal. The report is to consider development of the site for residential housing to include forty-five units with a mix of two, three, four and five bedroom properties. Wiltshire Council has stipulated that the development should include an allocation of 40% affordable houses as well as a contribution towards the Community Infrastructure Levy. Further, there should be a stated contribution towards educational facilities and provision for improvements to off-site foul sewerage infrastructure as well as for the upgrading of highway access via Sopworth Lane.

As recommended within the RICS guidance note (2012b), this report has adopted the 'Residual Land Value' (RLV) approach, whereby an assessment of development value is calculated from which the cost of the build plus other contributory costs is taken, including an allowance for the developer's profit, leaving a sum that is available to the landowner. It should be noted however, that the viability of the project is dependent upon the land owner's willingness to release the site for development. The 'Threshold Land Value' (TLV) is the price above the 'Existing Use Value' (EUV) at which point the landowner is likely to be willing to release the land for development. Research in 2015 by the RICS (ref.1) states that 'it is generally accepted that the landowner should receive an additional sum over and above the amount for which they could sell the site assuming that it remained in existing use' and that 'if the site has planning consent for an alternative use then a usually higher land value results'. In an attempt to benchmark the increased value of development land the Housing & Communities Agency (HCA) commented that 'evidence from planning appeals (were shown to be) in a range of 10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value'.

The calculations within this viability report have followed the process detailed within The HCA Development Appraisal Tool (adapted to fit the project).

Sherston 08/16

Executive Summary

This appraisal has been based upon 45 housing units incorporating a mix of property sizes, the affordable houses are based on 2 & 3 beds whilst the open market houses are 3, 4 & 5 bed. Included within the assessment are the following:

- 40% affordable housing included
- Construction of a 500m² GP Surgery
- £400K contribution to educational facilities
- £20K contribution to play park facilities
- Contribution towards the Community Infrastructure Levy (CIL)
- Upgrading off site of Sopworth Lane from new site entrance to Court Street
- Sustainable drainage systems
- Upgrading works off site of foul water sewerage
- 557 linear metres of site roads
- Footways, lighting & landscaping to the site
- Provision for utilities (water, electricity, telecoms)
- Professional fees
- Contingency allowance on build costs
- Developer's margin, planning, finance, legal & marketing costs

This report has calculated the Residual Land Value (RLV) for the site based upon the above criteria. A number of alternative options are presented at the end of the report.

The financial viability of a development is dependent upon the right combination of variable factors. The 2014 National Planning Policy Framework guidance note states, 'there is no standard answer to questions of viability nor is there a single approach for assessing viability'. An RICS report from 2015 suggested that 'there may be no universal assumptions for developer's profit, finance costs, threshold land value and so on'.

However, the RLV and Developer's Return calculated within this report are consistent with comparable schemes and are considered to be at an acceptable level for the project to be viable.

The increase in value from the Existing Use Value (EUV) is within the envelop for greenfield land of ten to twenty times as reported by the HCA (2010,9 refers).

In summary, and subject to the comments on the following pages, the development is financially viable.

Sherston 08/16

Table 1 – Residual Land Value Calculation & Improvement Factor

Summary	% of GDV	Amounts
Sales (GDV)	100%	£ 16,312,275
Build	51%	£ 8,307,491
Infrastructure	8%	£ 1,327,898.01
Contribution (incl. surgery)	13%	£ 2,082,657.50
Other Costs	4%	£ 644,290.00
Developer Return	18%	£ 2,916,428
Residual Land Value	6%	£ 1,033,511
Residual Land Value (per acre)		£ 130,874

Threshold Land Value (Improvement Factor)

Description	Amount
Residual Land Value	£ 1,033,511
Existing Land Value	£ 65,369
Threshold Land Value	£ 968,141
Improvement Factor	14.8

Report Assumptions

1. Property sales valuations are based on figures from James Pyle & Co (JP&C). Note JPC letter confirming this attached
2. Gross Internal Area (GIA) of the new housing also based on an assessment by JP&C.
3. Open market houses to be 3, 4 & 5 bed as these are in high demand within the village, as identified by JP&C.
4. Developer to undertake the infrastructure works for the whole site and construction of the open market housing.
5. Developer to build affordable housing and sell to a housing association at a reduced price (alternatively land to be provided with infrastructure for affordable housing within the development by a housing association).
6. Affordable housing to be sold to a Housing Association at 65% of open market prices.
7. GP Surgery elemental build cost estimate provided by Alistair Black (GP Surgery Financial Consultant).
8. Future maintenance of the highway to be the responsibility of the Highway Authority.
9. Drainage system to be adopted by the relevant authorities.
10. Finance charges based on a fifteen-month borrowing period.
11. Inflationary effects to both house sales and build costs are assumed to balance.

Development Appraisal Report

Sherston 08/16

Appraisal Risks

1. Site owner unwilling to sell property
2. Property sales market suffers a downturn
3. Housing Association requirements in excess of the allowances made
4. Ground requires remedial action
5. Archaeological remains discovered
6. Under-estimate of cost for service connections
7. Increase of estimated work required to handle foul & surface water drainage
8. Highway improvement scope creep
9. Insufficient contingency for build costs
10. Cost of borrowing increases

Development Appraisal Report

Sherston 08/16

Location

Sherston is a village in the North of Wiltshire situated 5 miles west of Malmesbury and approximately 30 minutes from Bristol, Swindon, Chippenham and Cirencester. The village is within the SN16 postcode area.

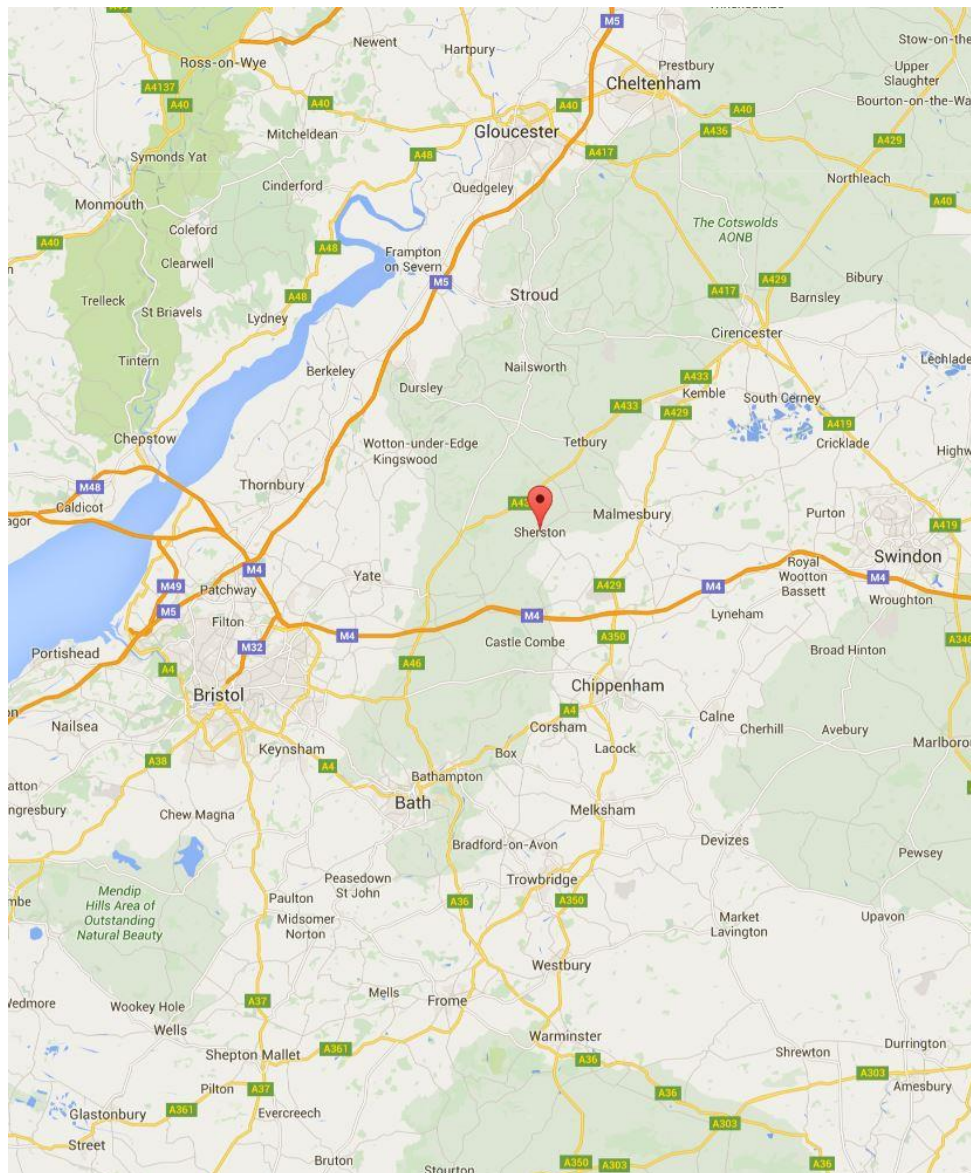


Figure 1 – Location Map

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Site Constraints

The proposed site totals 7.897 acres and is situated adjacent to the current primary school, between Sopworth Lane to the South, the playing fields to the North and the houses on Knockdown Road to the East. Vehicular access to the site is from Sopworth Lane to the South, a narrow two-way road approximately six metres wide. Pedestrian access is possible from the North along a single-way access track to the water tower. The site has a gradual slope from the high point of the water tower in the North-West corner down to the South-East corner.

The site borders the primary school, houses on Knockdown Road, a house to the West, the water tower access track and farmed fields. The use of the site is arable cultivation with no buildings currently in place. The site has a high-pressure water main running below ground from the water tower at the North-West corner across the site and out under the entrance of the primary school to the South-East. The garden to the West of the GP Surgery site shown on the layout is possibly available for development but has not been considered within this report. SSL have been made aware of an interest to the benefit of Wiltshire Council (WC) in respect of the Southern section of the plot. It is through this section that access to Sopworth Lane is achieved, as such it is evident that the Northern section can only be developed along with the Southern section. Any development of the site therefore requires the support of WC.

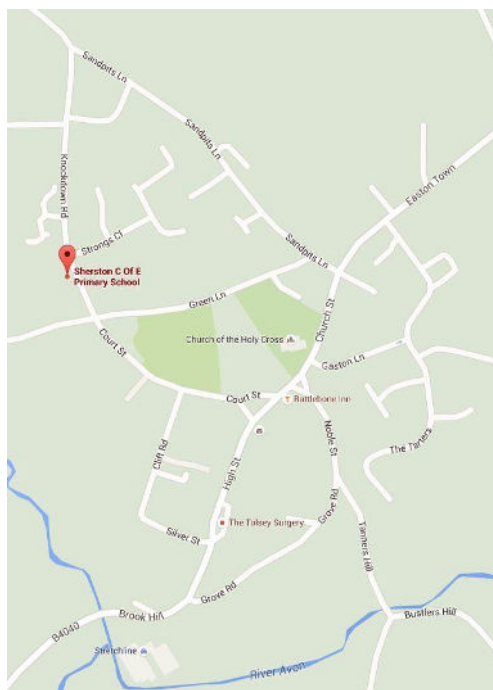


Figure 3 – Town Plan



Figure 2 – Satellite Image of Site

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Potential Site Layout

The indicative layout of the site shown below allocates the North-East section, North of the high-pressure water main, for housing. This area measures approximately 4.5 acres.

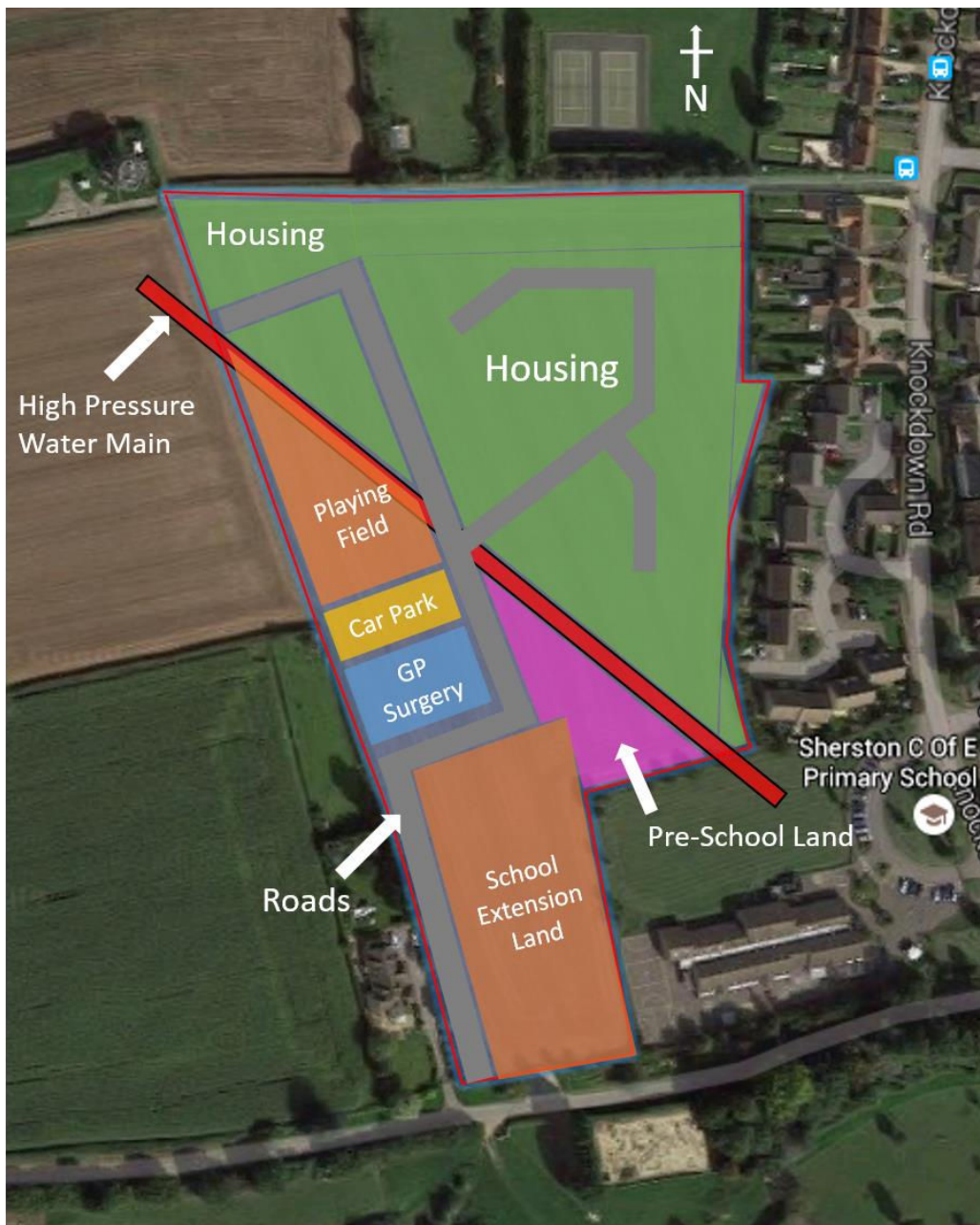


Figure 4 – Site Layout

Sherston 08/16

Profile of Sherston

As established by the 2011 Census Sherston is home to 1,639 people in 686 households with an average of 2.4 people per household.

The 2012 Sherston Housing Report found that in the 2001 Census, houses in Sherston were 76.4% owner-occupied, 12.2% privately rented, 6.6% socially rented and 4.4% rent free. This report also identifies both the type and size of houses that are most sought after by residents of Sherston. These were semi-detached, terraced and detached houses, with 12%, 19% and 18% respectively. In addition, the most sought after house sizes were 1 Bed 18%, 2 Bed 52%, 3 Bed 15%, 4 Bed 11% and 5+ Bed at 4%.

At the time of the report the total social housing stock in the parish was 50 homes. These properties represent just over 7% of the total housing stock in the parish, which is lower than the Wiltshire social housing average of 19.2%.

Wiltshire Council's 'Housing Strategy' has stated the following aims for new housing developments in Wiltshire for the next 7 years.

- Increase the number of high quality homes
- Maintain and make better use of the council's existing housing
- Deliver excellent housing and housing support services for the most vulnerable people.
- Encourage a quality, thriving private housing sector.

As well as meeting the following challenges by 2021:

- Maximise numbers of new affordable homes
- Address and resolve homelessness
- Work with the private rented sector to improve housing opportunities and standards
- Improve energy efficiency and ways to address fuel poverty
- Provide housing for those who need it most

The development of this site seeks to provide affordable housing of 2 & 3 beds plus larger open market housing of 3, 4 & 5 beds. It is anticipated that current residents of Sherston will seek to move to the larger houses freeing up smaller, more affordable houses in the village.

Sherston 08/16

Mix of Buildings Proposed in this Development

The size of property and the number of each type is a variable within the context of an appraisal, in this report the total number of properties was fixed at forty-five whilst sizes have been based on figures provided by JP&C as shown in the table below. Gross Internal Area (GIA) for each property type has been compared to a survey undertaken by Scott Wilson for the Chartered Association of Building Engineers (CABE) in 2010 (ref.2). This demonstrates that the figures provided are comparable to national averages in all but the largest house size.

Table 2 – House Type Gross Internal Area

Dwelling Type	Ave GIA m2 (CABE Survey)	GIA Used m2 (JP&C)
2 Bed House	70	76
3 Bed House	96	93
4 Bed House	121	130
5 Bed House	164	185

Alternative mixes of property numbers were entered into the model, it was found that greater numbers of two or three bed houses provided a reduced RLV whilst more four & five bed houses delivered a higher RLV. However, to provide a balanced development it was considered an even mix of properties was advisable.

Table 3 – Total Gross Internal Area

Property Type	Nr	GIA per Unit (m2)	Total GIA (m2)
2 Bed Open Market	0	76	0
3 Bed Open Market	9	93	837
4 Bed Open Market	9	130	1170
5 Bed Open Market	9	185	1665
2 Bed Affordable	9	76	684
3 Bed Affordable	9	93	837
Total	45	653	5193

Sherston 08/16

Sales Valuation

The sale price of property can be highly variable particularly in an uncertain market. The effect on the economy of the recent vote to leave the EU is yet to be established and other unknown future events may also have an impact on property prices. However, Sherston remains a popular location and house prices generally carry a premium. The property valuations within this report are based upon James Pyle & Co.'s (an estate agent based in Sherston) figures of £3,500 per square meter for open market and £2,275 per square meter for affordable housing.

Comparison to recently marketed properties in Sherston, as tabled below, show that the sales figure (asking prices) range from £3,295 to £3,814 per square metre. Further comparison to 4 & 5 bed new build properties in nearby Tetbury provide an average asking price of £3,671 suggesting that £3,500 is a realistic figure to use within this report.

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Sherston House Asking Prices (August 2016)

Location	Nr Beds	Price	GIA	£/m2
Noble Street	4	595,000	156	3,814
The Bartons	2	265,000	75	3,533
Noble Street	3	275,000	79	3,481
Bustlers Hill	2	290,000	88	3,295
Strongs Close	3	335,000	113	2,965
Average				3,418

Cala Homes in Tetbury House Asking Prices (August '16)

House Name	Nr Beds	Price	GIA	£/m2
The Beech	4	565,000	156	3,622
The Oak	5	809,000	226	3,580
The Elm	5	885,000	232	3,814
The Maple	5	690,000	188	3,670
Average				3,671

Sherston 08/16

The table below shows the allocation of space per dwelling and the total area required for forty-five houses. Assuming housing is restricted to the North-East section of the plot, i.e. North of the high-pressure water main, then there is a total area available of approximately 18,000m².

Table 4 – Plot Sizes

Nr Beds	Nr	GIA	Grnd Flr	Drive	Garden	Plot Size	Total Area
3 Open Market	9	93	47	25	150	222	1,998
4 Open Market	9	130	65	25	180	270	2,430
5 Open Market	9	185	92.5	25	180	297.5	2,678
2 Afford	9	76	38	25	150	213	1,917
3 Afford	9	93	46.5	25	150	221.5	1,994
						Total	11,017

Gross Development Value

The Gross Development Value (GDV) has been calculated in the table below.

Table 5 – Gross Development Value

Property Type	Nr	GIA per Unit (m ²)	Total GIA (m ²)	Sales Value per m ²	Sales Value per Unit	Sales Value Total
2 Bed Open Market	0	76	0	£3,500	£266,000	£ -
3 Bed Open Market	9	93	837	£3,500	£325,500	£2,929,500
4 Bed Open Market	9	130	1170	£3,500	£455,000	£4,095,000
5 Bed Open Market	9	185	1665	£3,500	£647,500	£5,827,500
2 Bed Affordable	9	76	684	£2,275	£172,900	£1,556,100
3 Bed Affordable	9	93	837	£2,275	£211,575	£1,904,175
Total	45	653	5193			£16,312,275

Sherston 08/16

Phasing Construction & Sales Timeframe

For this proposed development, it is assumed that the construction will be carried out in phases. The first phase would be the ground works and infrastructure. Next would be the GP surgery and approximately 50% of open market housing followed by 50% of the affordable housing. The remaining open market housing and affordable housing following on.

The phasing of the works helps to minimise the amount of borrowing for the project developer. The graph below shows the anticipated timeline and resultant borrowing requirements.

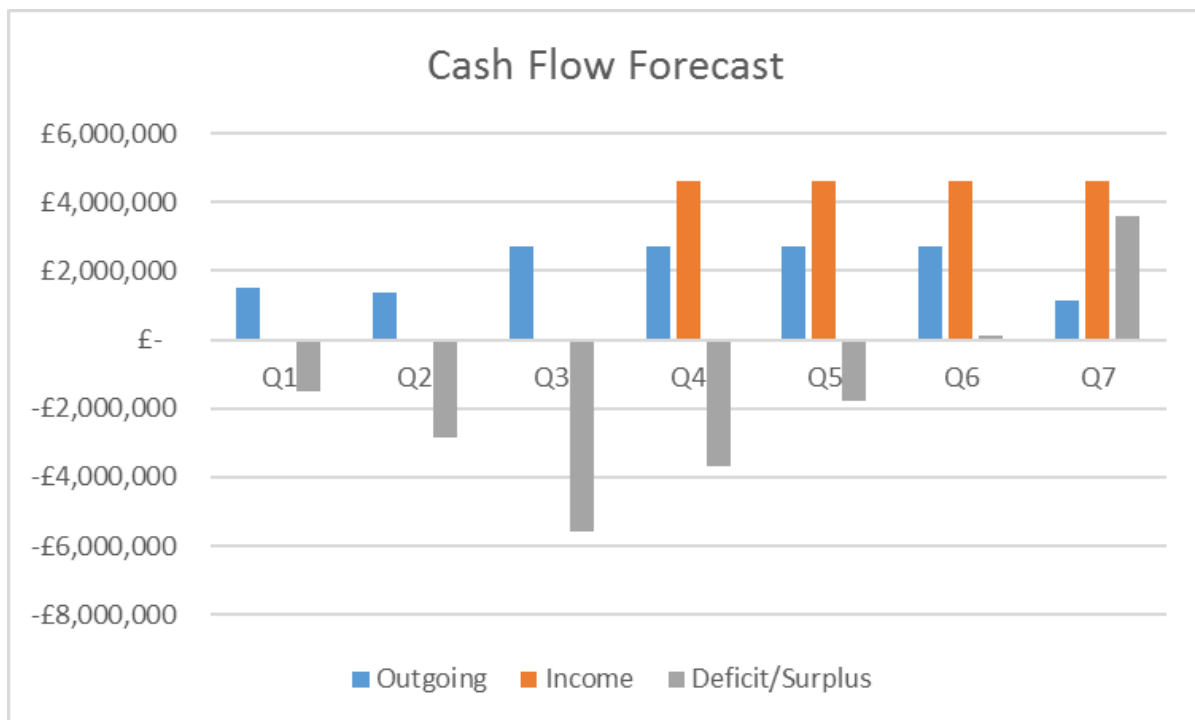


Figure 5 – Financing Requirements

The inflationary effects of the phasing of the project have been excluded from the report. It has been assumed that both the rates of inflation on the sales and the build costs would be similar. Current economic predictions support this position with most commentators forecasting a period of low growth.

Interest earned on positive cash in the bank has not been included.

Sherston 08/16

House Construction Costs

Table 6 – Build Cost

Property Type	Total GIA (m2)	Build Cost per m2	Total Build Cost	Add 5% Contingency	Add 10.7% Prof Fees	Build Cost Total
2 Bed Open Market	0	1,250	-	-	-	-
3 Bed Open Market	837	1,300	1,088,100	54,405	116,427	1,258,932
4 Bed Open Market	1170	1,500	1,755,000	87,750	187,785	2,030,535
5 Bed Open Market	1665	1,600	2,664,000	133,200	285,048	3,082,248
2 Bed Affordable	684	1,100	752,400	37,620	80,507	870,527
3 Bed Affordable	837	1,100	920,700	46,035	98,515	1,065,250
Total	5193		7,180,200	359,010	768,281	8,307,491

Construction costs for the house building have been based upon square metre rates that reflect current market figures. It is likely that the developer of the land would engage either a single builder or multiple contractors to undertake the build work. These cost rates therefore include for the building contractors, preliminary costs, overheads and profit. The rates used range from £1,100 to £1,600 which are in line with SPON'S building prices per square metre and the experience of SSL in the local market.

Build costs take account of the local architecture with design expected to include locally sourced rubble walling with ashlar quoins and reconstituted stone roof tiles providing for a traditional 'Cotswold' look. The affordable housing costs reflect the inclusion of these design points but with the inclusion of lower cost alternatives such as render on blockwork for exterior walls & concrete roof tiles.

Development Appraisal Report

Sherston 08/16

An example of build style is shown in the image below.



Figure 6 – Typical House Style

A contingency allowance of 5% has been included within the build cost with professional fees allowed for at 10.7% of the total build allowance.

Table 7 – Professional Fees

Profession	Mean Fee	Lower Quartile	Upper Quartile
Quantity Surveyor	2.0%	1.5%	2.5%
Architect	4.9%	3.9%	5.8%
Structural Engineer	1.9%	1.3%	2.1%
Services Engineer	1.8%	1.4%	2.2%
Local Authority	0.1%	0.1%	0.1%
Total	10.7%	8.2%	12.7%

Whilst it is likely that a housing association would undertake the building of the affordable units, it has been assumed for the purpose of this report that costs are likely to be the same or similar as if a single developer completed the whole of the project.

Sherston 08/16

Infrastructure Costs

The table on the following page shows the external works & infrastructure costs for the site.

These costs would remain relatively static for the development regardless of changes to the housing mix. It has been assumed that the ground is stable and does not require remediation. Surveys would be required to establish whether any archaeological remains are on the site, an allowance has been made for the survey but it has been assumed that nothing would be found. Similarly, ecological surveys would be included to investigate the presence of bats & reptiles and an allowance has been included for this and some minor works for relocation. Further allowances have been included for land drainage, sustainable drainage systems, upgrading of services, street lighting, visitor parking and landscaping.

A 5% contingency has also been included.

Development Appraisal Report

Sherston 08/16

Table 8 – External Works & Infrastructure Costs

External Works & Infrastructure Costs (£)	Qty	Unit	Rate	Amount
Site Preparation/Demolition				
ground investigation	31958	m2	£ 0.69	£ 22,051.02
bio mediation (assume none)	31958	m2	£ -	£ -
survey - archaeological	1	sum	£ 5,000.00	£ 5,000.00
survey – ecological	1	sum	£ 5,000.00	£ 5,000.00
site clearance	31958	m2	£ 0.13	£ 3,994.75
level site	31958	m2	£ 0.50	£ 15,979.00
land drain	3.2	ha	£ 5,700.00	£ 18,240.00
protect water main	1	sum	£ 25,000.00	£ 25,000.00
Roads and Sewers				
Access roads & paths (incl carrier drains)	557	m	£ 750.00	£ 417,750.00
Storm water outfall	1	sum	£ 10,000.00	£ 10,000.00
Contingency for EA requirements	1	sum	£ 50,000.00	£ 50,000.00
Work to foul (connection off site)	175	m	£ 1,000.00	£ 175,000.00
Soakaway, interceptor & pipework	150	m3	£ 400.00	£ 60,000.00
Services				
ducts & chambers for services	557	m	£ 50.00	£ 27,850.00
Bristol Water (allowance)	1	sum	£ 50,000.00	£ 50,000.00
Open Reach (allowance)	1	sum	£ 50,000.00	£ 50,000.00
SSE costs (quoted)	1	sum	£ 55,200.00	£ 55,200.00
Strategic Landscaping				
seeded areas	7000	m2	£ 4.90	£ 34,300.00
planted areas	3000	m2	£ 19.60	£ 58,800.00
trees	100	nr	£ 100.00	£ 10,000.00
Off Site Works				
Public Open Space				
park facility	1	sum	£ 20,000.00	£ 20,000.00
Site Specific Sustainability Initiatives				
SUDS	250	m3	£ 300.00	£ 75,000.00
Plot specific external works				
De-canting tenants				
Decontamination				
Street Lighting				
street lights	20	nr	£ 2,500.00	£ 50,000.00
Visitor Parking				
parking	15	car	£ 1,700.00	£ 25,500.00
Contingency				
allowance	£ 1,264,665	%	5%	£ 63,233.24
Total (incl. allowances where detailed costs are not available at this stage)				£ 1,327,898.01

Sherston 08/16

Contribution Costs

Table 9 – Statutory Payments & Other Requirements

Contribution & Statutory Payments

Description	Qty	Unit	Rate	Amount
Education				
school contribution	1	sum	£400,000.00	£400,000.00
Sport & Recreation				
Social Infrastructure				
Public Realm				
Affordable Housing				
Transport				
Highway (est'd cost allowance)				
access road improvement/widening	500	m2	£50.00	£25,000.00
new footway	170	m2	£25.00	£4,250.00
pedestrian island	3	nr	£750.00	£2,250.00
drainage	170	m	£50.00	£8,500.00
kerbs & edgings	200	m	£40.00	£8,000.00
gullies & chambers	10	nr	£1,000.00	£10,000.00
road markings	1	sum	£1,000.00	£1,000.00
street lighting	3	nr	£2,500.00	£7,500.00
signage	1	sum	£1,500.00	£1,500.00
junction improvements	1	sum	£10,000.00	£10,000.00
WCC Highways costs	£78,000	%	25%	£19,500.00
contingency	£97,500	%	5%	£4,875.00
Health				
GP surgery	500	m2	£ 1,850.00	£925,000.00
Prof. fees	£ 925,000	%	13%	£120,250.00
Car parking	40	nr	£ 1,700.00	£68,000.00
SUDS	250	m3	£ 300.00	£75,000.00
Move costs & fit out	1	sum	£ 10,000.00	£10,000.00
Contingency	£ 1,198,250	%	5%	£59,912.50
Flood work				
Community Infrastructure Levy				
CIL	3,672	m2	£85.00	£312,120.00
Other Tariff				
Fee allowance (road/surgery/sports)	1	sum	£10,000.00	£10,000.00
TOTAL				£2,082,657.50

Sherston 08/16

Contribution costs include an allowance for the school facilities and highway improvements. The building of the GP surgery will be funded as part of the development costs, on completion it is expected that the building will be owned and maintained by Wiltshire Council for a period of ten years. At the end of this period responsibility for the building will be transferred to Sherston Parish Council (or similar). Maintenance of the building will be funded by an annual rent provided by the NHS.

Guidance for build costs in respect of the GP surgery was provided by Alistair Black, a consultant specialising in the development of healthcare facilities. Costs were compared to published data from the Department of Health (Health Care Premises Cost Guide). Out-patient provision has a guide cost of £2,590 per square metre (Gross Internal Area) uplifted by the Public Sector Indices to 2016, this compares to the cost allowance within this report of £2,180 per square metre. The variance can be attributed to the inclusion of equipment within the guide price (approximately 15%) and it's exclusion within this report (it has been assumed that equipment from the existing facility will be transferred to the new surgery).

It has been assumed that the provision of community facilities within the report are supplemental to the Community Infrastructure Levy.

Other Costs

Table 10 – Other Project Costs

OTHER COSTS	Qty	Unit	Rate	Amount
SITE PURCHASE COSTS				
Agents Fees	£ 1	sum	£ 10,000.00	£ 10,000.00
Legal Fees	£ 1	sum	£ 1,500.00	£ 1,500.00
Stamp Duty (assumed)	£ 39,500	sum	£ 1.00	£ 39,500.00
PLANNING COSTS				
Planning Application Fee	£ 1	sum	£ 20,020.00	£ 20,020.00
Cost of Planning Application	£ 1	sum	£ 250.00	£ 250.00
FINANCE COSTS				
Arrangement Fee	1	sum	£ 2,000.00	£ 2,000.00
Interest Charges on Borrowing	1	sum	£ 184,000.00	£ 184,000.00
Misc Fees - Surveyors etc	£ 13,144,000	%	0.5%	£ 65,720.00
Credit balance reinvestment		n/a		£ -
MARKETING COSTS				
Estate Agent's Costs	£ 12,852,000	%	1.25%	£ 160,650.00
Marketing Costs	£ 12,852,000	%	0.75%	£ 96,390.00
Legal Fees	£ 12,852,000	%	0.50%	£ 64,260.00
TOTAL				£ 644,290.00

Sherston 08/16

Other costs associated with the development include site purchase fees, planning fees, finance costs and marketing are shown in the table above. Many of these are variable dependent upon finalised land and house prices, however the figures used broadly reflect the anticipated costs.

Land Value

Existing Use Value (EUV) has been established based on similar property on the market at the date of this report. The calculated average of £8,278 per acre is 6.5% above the national average for Q2 2016 (source Farmland Index, Knight Frank). The table below shows the average price per acre which if applied to this site creates an EUV of £64,371 (7.897 acres).

Table 11 – Existing Land Use Values

Location	Use	Asking Price	Area	Price per Acre
Royal Wotton Bassett	pasture	1,400,000	156.0	£8,974
East Knoyle	arable	1,100,000	128.0	£8,594
Melksham	arable & pasture	750,000	84.5	£8,876
Brinkworth	arable	100,000	15.0	£6,667
			average	£8,278

Analysis of title deeds from the Land Registry for development sites in nearby Tetbury demonstrate a wide range of valuations, as shown in the table below.

The variance is likely to be as a result of the type of development to be undertaken and the commercial relationship between the developer and the land owner.

Table 12 – Development Land Sale Prices

Location	Year	Area (acres)	Price	Price/Acre
Tiggers, Tetbury (without pp)	2013	0.978	£290,000	£296,524
Berrell's Road, Tetbury	2016	4.032	£2,629,590	£652,180
Highfield Farm, Tetbury	2016	21.285	£9,310,863	£437,438
High Trees, Tetbury	2016	4.425	£3,366,857	£760,872
Average Price Per Acre				£536,753

Sherston 08/16

Developer's Return

The Developer's Return used in this report is based upon the planning appeal for Shinfield Road, Reading (APP/X0360/A/12/2179141). In this case the inspector received statements from six national housebuilders identifying their net profit margin targets. This figures ranged from 17% to 28%, and the inspector concluded that a developer return of '20% of GDV is reasonable'. This case also included a return of 10% GDV for affordable housing resulting in a blended margin of 18% for both open market and affordable housing. The inspector commented that larger schemes carried greater risks and therefore warranted higher returns. The Sherston development is approximately one third of the size of the Shinfield Road project and should therefore involve less risk. Developer's return of 20% and 10% of GDV for open market and affordable housing respectively would appear reasonable for the Sherston development.

Table 13 – Developer's Return

Description	GDV	Return	Amount
Private Sales	£12,852,000	20.0%	£2,570,400
Affordable Housing Sales	£ 3,460,275	10.0%	£ 346,028
Total Return			£2,916,428

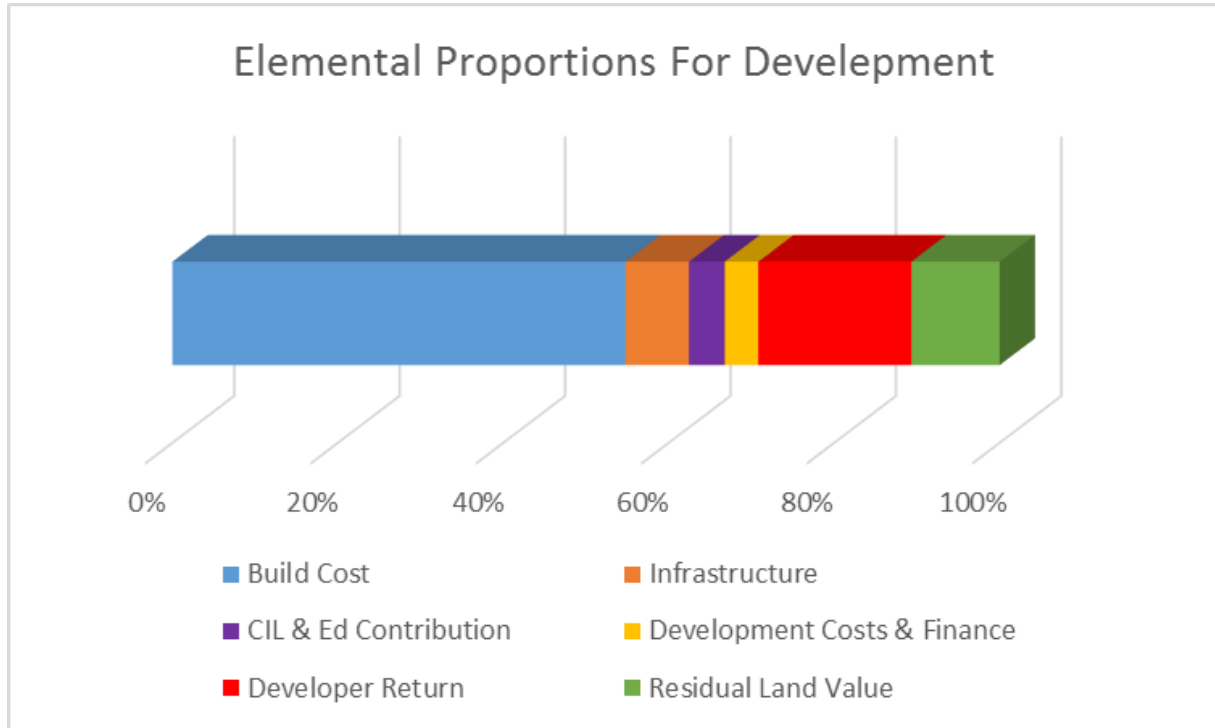
Options

Housing Numbers

Based on the above development parameters, including 45 houses and a 500m² GP surgery, the report concludes that the project is financially viable, sitting at the midpoint of the Threshold Land Value benchmark envelope.

Sherston 08/16

Elemental Proportions (Cost) For Development



Sherston 08/16

Reference Documents & Data Sources

1. Financial Viability Appraisal in Planning Decisions: Theory and Practice, RICS 2015
2. Dwelling Size Survey by Scott Wilson for CABE 2010
3. Sherston Neighbourhood Plan – Draft Plan Financial Viability
4. 2001 Census
5. 2011 Census
6. James Pyle House Value Estimate
7. Sherston – Parish Housing Needs Survey – Survey Report – February 2012
8. Land Registry
9. Rightmove website
10. UK Land & Farms website
11. Wiltshire Community Infrastructure Levy – Draft Wiltshire Infrastructure Delivery Plan 3, 2011-2026 – Appendix 1: Malmesbury Community Area – February 2016
12. Housing Standards: Evidence and Research – Dwelling Size Survey
13. Sherston Neighbourhood Plan – Sustainability Appraisal Scoping Report – February 2012
14. Protecting The Future of The GP Surgery in Sherston
15. HCA Development Appraisal Tool
16. Knight Frank Research Report – Farmland Index Q2 2016
17. Healthcare Premises Cost Guide 2010
18. Google Maps

Sherston 08/16

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