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Dacorum Borough Council – Site Allocations DPD

Update to Development Viability Testing for Local Allocations

Prepared for

Dacorum Borough Council

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1 Introduction

Dacorum Borough Council ('The Council') has commissioned BNP Paribas Real Estate to prepare updates to the viability assessments we undertook in 2013[1], for the three Local Allocation sites that include with a requirement to provide a traveller site (LA1, LA3 and LA5). We understand that the Council submitted its Site Allocations Development Plan Document (DPD) to the Planning Inspectorate for public examination on 5 February 2016 and that this updated viability work will provide further evidence to support the DPD at Examination.

Representations to the Pre-Submission Site Allocations Consultation made by Barton Willmore on behalf of CALA Homes (who control the majority of land for Local Allocation LA5, Icknield Way) raised concerns about the impact of the requirement to deliver a traveller site on the viability of the delivery of the Local Allocation. Further, the representation asserts that the Council has not tested the viability of delivering all the policy requirements of the site, because the viability assessment undertaken in 2013 did not consider the requirement to deliver a traveller site. We understand that the inspector, in her pre-hearing correspondence to the Council, has asked that the Council provide evidence that the inclusion of the requirement for travellers' sites within these allocations will not 'threaten the ability of the sites and scale of that development to be developed viably', as required by the National Planning Policy Framework (NPPF).

This report therefore outlines the results of the updated viability testing of the three strategic sites required to deliver traveller sites. The study tests the cumulative impact of the Council's existing and emerging policy requirements in line with the requirements of the National Planning Policy Framework ('NPPF') and the Local Housing Delivery Group guidance '*Viability Testing Local Plans: Advice for planning practitioners*' (June 2012) and reaches conclusions about the ability of the three sites to be delivered viably, taking into account likely planning obligations and other planning requirements. If any viability issues are highlighted for any of the three sites, the Council requires BNP Paribas Real Estate to set out clear recommendations regarding how these could potentially be resolved.

1.1 Report Structure

This report is structured as follows:

Section 2 identifies the local allocation sites that have been tested;

Section 3 details the methodology of our testing and inputs to our appraisals;

Section 4 outlines the results of our appraisals and considers the implications for the Council's proposed policy requirements; and

Section 6 sets out our conclusions of recommendations.

1.2 Disclaimer

In accordance with PS 1.6 of the RICS Valuation – Professional Standards (January 2014 Edition) (the 'Red Book'), the provisions of VPS 1 to VPS 4 are not of mandatory application and accordingly this report should not be relied upon as a Red Book valuation.

This report has been carried out in accordance with National Planning Practice Guidance (March 2014) and the Local Housing Delivery Group guidance 'Viability Testing Local Plans: Advice to Planning Practitioners' (2012).

[1] BNP Paribas Real Estate Report entitled 'Dacorum Borough Council – Community Infrastructure Levy Strategic Sites Testing' October 2013

2 Local Allocation sites tested

The Council's Site Allocations DPD follows on from and supports the Core Strategy, which was adopted in September 2013 and sets out the planning framework for Dacorum for the next 20 years. The Site Allocations DPD is the next part of the framework. Its principal role is to deliver the objectives of the Core Strategy by forming detailed proposals and requirements for sites and areas. It allocates sites for future development; defines the boundaries of planning designations; and ensures appropriate infrastructure is identified and delivered alongside new development. This includes consultation on the master plans for Green Belt housing sites known as Local Allocations.

The Council has instructed BNP Paribas Real Estate to consider the viability of the three Local Allocations identified in Table 2.1.1 which require the provision of traveller sites.

Table 2.1.1: Strategic sites

Location/ Site ref.	Location / Name	Development
LA1	Marchmont Farm (Hemel Hempstead)	• 300 - 350 homes[2] • Traveller site of 5 pitches at 0.5 Ha
LA3	West Hemel Hempstead (Chaulden)	• 900 homes • Community hall • Shops and doctors surgery • 2fe primary school • Traveller site of 7 pitches at 0.7 Ha
LA5	Icknield Way, West of Tring (Tring)	• 180 - 200 homes[2] • Extension to Employment Area at Icknield Way Industrial Estate • Cemetery extension • Traveller site of 5 pitches at 0.4 Ha

The sites also require other general contributions, which have been factored into their assessment e.g. SUDs, children's play areas, open land, cycle links, and junction/local road improvements. Details of the assumptions adopted are set out later in this report.

We understand the sites are in a variety of ownerships and are at various stages in the planning system.

[2] The increase in dwelling numbers on Local Allocations LA1 and LA5 reflect changed assumptions in relation to the sites' capacities as per the submitted Site Allocations DPD.

3 Development appraisals

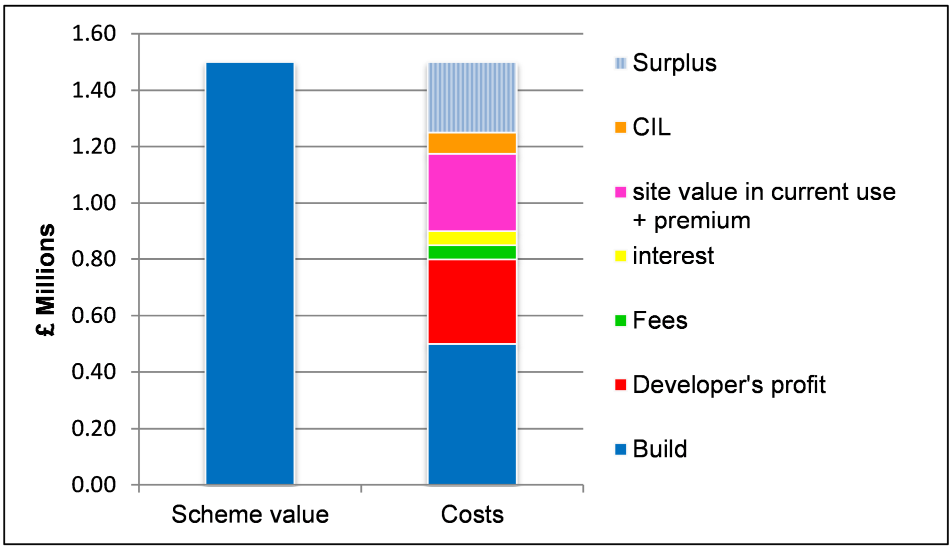
In this section we provide a short summary of our methodology following by the assumptions we have adopted for the development appraisals.

3.1 Methodology

Our methodology follows standard development appraisal conventions, using assumptions that reflect local market and planning policy circumstances. The study is therefore specific to Dacorum and reflects the Council's planning policy requirements.

3.1.1 Approach to testing development viability

Appraisal models can be summarised via the following diagram. The total scheme value is calculated, as represented by the left hand bar. This includes the sales receipts from the private housing and the payment from a Registered Provider ('RP') for the completed affordable housing units. For a commercial scheme, scheme value equates to the capital value of the rental income. The model then deducts the build costs, fees, interest, Section 106 and CIL contributions and developer's profit. A 'residual' amount is left after all these costs are deducted – this is the land value that the Developer would pay to the landowner. The residual land value is represented by the red portion of the right hand bar in the diagram.



The Residual Land Value is normally a key variable in determining whether a scheme will proceed. If a proposal generates sufficient positive land value (in excess of existing use value), it will be implemented. If not, the proposal will not go ahead, unless there are alternative funding sources to bridge the 'gap'.

Problems with key appraisal variables can be summarised as follows:

- Development costs are subject to national and local monitoring and can be reasonably accurately assessed in 'normal' circumstances. For example in some local authority areas, nearly all sites coming forward will be previously developed. These sites can sometimes encounter 'exceptional' costs such as decontamination. Such site costs can be very difficult to anticipate before detailed site surveys are undertaken;
- Development value and costs will also be significantly affected by assumptions about the nature and type of affordable housing provision and other Planning Obligations. In addition, on major projects, assumptions about development phasing; and infrastructure required to facilitate each phase of the development will affect residual values. Where the delivery of the obligations are deferred, the less the real cost to the applicant (and the greater the scope for increased affordable

housing and other planning obligations). This is because the interest cost is reduced if the costs are incurred later in the development cashflow.

- While Developer's Profit has to be assumed in any appraisal, its level is closely correlated with risk. The greater the risk, the higher the profit level required by lenders. While profit levels were typically up to around 15% of completed development value at the peak of the market in 2007, banks now require schemes to show a higher profit to reflect the current risk. Typically developers and banks have been targeting profit levels of between 17% to 20% on Gross Development Value (GDV) or Cost. Profit on cost is a more common approach to measuring profit in commercial schemes, whilst profit on GDV is usual on residential developments.

Ultimately, the landowner will make a decision on implementing a project on the basis of return and the potential for market change, and whether alternative developments might yield a higher value. The landowner's 'bottom line' will be achieving a residual land value that sufficiently exceeds 'existing use value[3]' or another appropriate benchmark to make development worthwhile i.e. provides a 'competitive return' (para 173 NPPF).

Clearly, however, landowners have expectations of the value of their land which often exceed the value of the current use. S106 including affordable housing and CIL will be a cost to the scheme and will impact on the residual land value. Ultimately, if landowners' expectations are not met, they will not voluntarily sell their land and (unless a Local Authority is prepared to use its compulsory purchase powers) some may simply hold on to their sites, in the hope that policy may change at some future point with reduced requirements. It is within the scope of those expectations that developers have to formulate their offers for sites. The task of formulating an offer for a site is complicated further still during buoyant land markets, where developers have to compete with other developers to secure a site, often speculating on increases in value.

The NPPG usefully clarifies that land owner expectations must be reasonable:

*"A competitive return for the land owner is the price at which a **reasonable** land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy."* **(bold** added).

3.1.2 Viability benchmark

The NPPF is not prescriptive on the type of methodology local planning authorities should use when assessing viability. The National Planning Practice Guidance indicates that the NPPF requirement for a "competitive return" to the landowner will need to allow for an incentive for the land owner to sell and options may include "the current use value of the land or its value for a realistic alternative use that complies with planning policy" (Para 024; reference ID 10-024-20140306).

The Local Housing Delivery Group published guidance on 22 June 2012[4], which provides guidance on testing viability of Local Plan policies. The guidance notes that "consideration of an appropriate Threshold Land Value [or viability benchmark] needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy".

In light of the weaknesses in the market value approach, the Local Housing Delivery Group guidance recommends that benchmark land value "*is based on a premium over current use valu*e" with the "*precise figure that should be used as an appropriate premium above current use value [being] determined locally"*. The guidance considers that this approach "*is in line with reference in the NPPF to take account of a "competitive return" to a willing land owner"*.

[3] For the purposes of this report, existing use value is defined as the value of the site in its existing use, assuming that it remains in that use. We are not referring the RICS Valuation Standards definition of 'Existing Use Value'.
[4] Viability Testing Local Plans: Advice for planning practitioners, Local Housing Delivery Group, Chaired by Sir John Harman, June 2012

The examination on the Mayor of London's CIL charging schedule considered the issue of an appropriate land value benchmark. The Mayor had adopted existing use value, while certain objectors suggested that "Market Value" was a more appropriate benchmark. The Examiner concluded that:

"The market value approach…. while offering certainty on the price paid for a development site, suffers from being based on prices agreed in an historic policy context." (Para 8) and that "*I don't believe that the EUV approach can be accurately described as fundamentally flawed or that this examination should be adjourned to allow work based on the market approach to be done*" (Para 9).

In his concluding remark, the Examiner points out that

"the price paid for development land may be reduced [so that CIL may be accommodated]. *As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges."* (Para 32 – emphasis added).

It is important to stress, therefore, that there is no single threshold land value at which land will come forward for development. The decision to bring land forward will depend on the type of owner and, in particular, whether the owner occupies the site or holds it as an asset; the strength of demand for the site's current use in comparison to others; how offers received compare to the owner's perception of the value of the site, which in turn is influenced by prices achieved by other sites. Given the lack of a single threshold land value, it is difficult for policy makers to determine the minimum land value that sites should achieve. This will ultimately be a matter of judgement for each planning authority.

Respondents to consultations on planning policy documents in Dacorum and other authorities have made various references to the RICS Guidance on "Viability in Planning" and have suggested that councils should run their analysis on market values. This would be an extremely misleading measure against which to test viability, as market values should reflect *existing policies already in place*, and would consequently tell us nothing as to how future (as yet un-adopted) policies might impact on viability. It has been widely accepted elsewhere that market values are inappropriate for testing planning policy requirements. We would also highlight that Dacorum's CIL viability evidence base adopted an existing/current use value approach to benchmark land values, which was considered to be an appropriate approach by the Examiner.

Relying upon historic transactions is a fundamentally flawed approach, as offers for these sites will have been framed in the context of *current* planning policy requirements, so an exercise using these transactions as a benchmark would tell the Council nothing about the potential for sites to absorb *as yet unadopted* policies. Various Local Plan inspectors and CIL examiners have accepted the key point that Local Plan policies and CIL will ultimately result in a reduction in land values, so benchmarks must consider a reasonable minimum threshold which landowners will accept. For local authority areas such as Southwark, where the vast majority of sites are previously developed, the "bottom line" in terms of land value will be the value of the site in its existing use. This fundamental point is recognised by the RICS at paragraph 3.4.4 of their Guidance Note on "Financial Viability in planning":

"For a development to be financially viable, any uplift from current use value to residual land value that arises when planning permission is granted should be able to meet the cost of planning obligations while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project (the NPPF refers to this as "competitive returns" respectively). The return to the landowner will be in the form of a land value in excess of current use value".

Commentators also make reference to "market testing" of benchmark land values. This is another variant of the benchmarking advocated by respondents outlined above. These respondents advocate using benchmarks that are based on the prices that sites have been bought and sold for. There are significant weaknesses in this approach which none of the respondents who advocate this have addressed. In brief, prices paid for sites are a highly unreliable indicator of their actual value, due to the following reasons:

- Transactions are often based on bids that "take a view" on squeezing planning policy requirements below target levels. This results in prices paid being too high to allow for policy targets to be met. If these transactions are used to "market test" benchmark land values for testing planning policies, the outcome would be unreliable and potentially highly misleading.

- Historic transactions of housing sites are often based on the receipt of grant funding, which is no longer available.

- There would be a need to determine whether the developer who built out the comparator sites actually achieved a profit at the equivalent level to the profit adopted in the viability testing. If the developer achieved a sub-optimal level of profit, then any benchmarking using these transactions would produce unreliable and misleading results.

- Developers often build assumptions of growth in sales values into their appraisals, which provides a higher gross development value than would actually be achieved today. Given that our appraisals are based on current values, using prices paid would result in an inconsistent comparison (i.e. current values against the developer's assumed future values). Using these transactions would produce unreliable and misleading results.

These issues are evident from a recent BNP Paribas Real Estate review of the differences between the value ascribed to developments by applicants in their viability appraisals and the amounts the sites were purchased for by the same parties. The prices paid exceeded the value of the consented schemes by between 52% and 1,300%.

For the reasons set out above, the approach of using current use values is a more reliable indicator of viability than using market values or prices paid for sites, as advocated by certain respondents.

3.2 Proposed Strategic Development and inputs to appraisals

Site	Density – units per ha	Number of units	Commercial (Use Class)	Gross site area (ha)	Net site area (ha)[5]
LA1 - Marchmont Farm (lower)	30	300	N/A	20	10
LA1 - Marchmont Farm (higher)	35	350	N/A	20	10
LA3 - West Hemel Hempstead	30	900	15,000 sq ft (D1)	54.04	30.17
			2,000 sq ft (A1)		
LA5 - Icknield Way (lower)	18.56	180	25,000 (B2-B8)	16	9.7
LA5 - Icknield Way (higher)	20.62	200	25,000 (B2-B8)	16	9.7

3.2.1 Residential unit mix

The unit mix applied to the strategic sites reflects the various site types as adopted in the CIL Viability Study and as advised by the Council. The adopted mixes are summarised in Table 3.2.1.

The alternative mix identified for the starter homes scenario for Local Allocation LA5 was provided by the Council for the Starter Homes scenario. This is not an unreasonable assumption in the basis that the Starter Homes on this site are likely to be smaller units due to the implications of the price cap on Starter Homes. The mix for Local Allocations LA1 and LA3 remain the same for both the 'traditional' and Starter Homes scenarios.

[5] The net site area identified relates to the resi and employment element only. The Gypsy and Travellers sites and cemetery extension are planned to be accommodated within the larger area of open land.

Table 3.2.1 Unit mix

Local Allocation Ref	2 bed house	3 bed house	4 bed house	5 Bed House
Unit Size	79 sq m	102 sq m	115 sq m	128 sq m
LA1 - Marchmont Farm (with and without Starter Homes)	25%	50%	25%	-
LA3 - West Hemel Hempstead (with and without Starter Homes)	30%	40%	30%	-
LA5 - Icknield Way (without Starter Homes)	25%	40%	25%	10%
LA5 - Icknield Way (with Starter Homes)	30%	35%	25%	10%

3.2.2 Residential Sales values

We note that the Land Registry House Price index database identifies price increases in Dacorum Borough of 38% since October 2013 and 43% since October 2012. On this basis we have undertaken research into comparable evidence of both new build and second hand properties which have transacted or which are currently on the market in the area to establish appropriate current values for testing purposes. Sources of this comparable evidence include Land Registry data on sales values achieved as identified on the Rightmove website, pricing on individual new build developments, properties being advertised on Rightmove and finally following discussions with active local agents. The average values we have assumed in our appraisals are shown in Table 3.2.2. This has shown that sales values have increased significantly in the Borough since the 2013 study was undertaken, which relied on earlier data from the CIL study researched in 2012 and are reflective of the increases identified by the Land Registry database. We note however that the values for LA5 in Tring have increased in excess of the Land Registry analysis, but consider our fine grain analysis to be more relevant in such circumstances.. The increase in value more accurately reflects new build values for the area, which are now available. These show a significant increase with respect to a price per square foot analysis from the previous position where second hand values were more heavily relied on in the absence of new build data.

Table 3.2.2: Sales values used in the appraisals

Site	Sales values (average £s per square metre) adopted in 2016 update study	Sales values (average £s per square metre) adopted in 2013 study
LA1 - Marchmont Farm	£4,025	£2,906
LA3 - West Hemel Hempstead	£4,306	£3,229
LA5 - Icknield Way	£5,812	£3,229

3.2.3 Residential Sales rate

Our appraisals assume a sales rate of 4 units per month on all three sites, with multiple outlets on the sites providing in excess of 500 units. In this regard we have assumed two sales outlets on the West Hemel Hempstead site only. This sales rate is applied to the private housing only, with the developers assumed to contract with a Registered Provider for the disposal of the affordable housing prior to commencement of construction. The agreed acquisition price for the affordable housing is assumed to be received over the build period.

3.2.4 Affordable housing

The Council's policy position (Policy 20) requires the onsite provision of 35% affordable housing on sites in excess of 10 units, with the preferred tenure mix of 75% rented housing and 25% intermediate. We note however that within the Core Strategy the policies relating to the strategic sites require a site specific affordable housing provision. All three of the Local Allocations that are being re-tested as part of this update study are required to provide 40% affordable housing, which we have tested in the study.

Given that the CLG/HCA '*Affordable homes Programme 2015-2018: prospectus'* reconfirms that RPs will not receive grant funding for any affordable housing provided through planning obligations we have consequently assumed nil grant in all our appraisals.

To value the rented accommodation we have adopted the Local Housing Allowance levels deducting an allowance for service charges. In the July 2015 Budget, the Chancellor announced that RPs will be required to reduce rents by 1% per annum for the next four years. This will reduce the capital values that RPs will pay developers for completed affordable housing units. At this stage, it is unclear whether this requirement will roll forward beyond the four year period 2015/16 to 2018/19.

Our assessment of the value of shared ownership units is based on the following assumptions. RPs will sell 25% initial equity stakes and charge a rent of up to 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%.

The Housing and Planning Act ('the Act'), which received Royal Assent on 12 May 2016 identifies that, *'An English planning authority must carry out its relevant planning functions with a view to promoting the supply of Starter Homes in England.'* Further the Act goes on to identify that, *'The Secretary of State may by regulations provide that an English planning authority may only grant planning permission for a residential development of a specified description if the Starter Homes requirement is met.'* The key definitions of a Starter Home as set out in the Act are as follows:

- a new dwelling;
- available for purchase by qualifying first-time buyers only between the ages of 23 and 40 years of age;
- to be sold at a discount of at least 20% of the market value; and
- to be sold for less than the price cap (identified as £250,000 outside of Greater London).

Further detail on the delivery of Starter Homes is expected to be published as Regulations in October 2016. Notwithstanding this, the Council have identified that they wish to test a scenario for all three Local Allocation sites to include 20% Starter Homes. The Council have identified that this should be tested as part of the affordable housing requirement forming half of the 40% requirement. The other half of the affordable housing requirement would all be available for affordable rent.

3.2.5 Build costs and infrastructure

In line with our approach in the previous study we have sourced build costs from the RICS Build Cost Information Services (BCIS), which is based on tenders and actual schemes. The database identifies that mean average base build costs for houses generally rebased to Dacorum are £1,118 per square metre. On large sites, it is possible that the developers will be able to value engineer costs to lower levels than we have adopted. In addition, we have allowed a 15% allowance over and above base build costs for external works The allowance included for external works accounts for any additional costs that may be incurred due to the physical nature of the sites plus any works required for landscaping, security enhancement and driveways/parking works within the site. We have also allowed a 4% extra over cost above base build costs for meeting Code for Sustainable homes level 4 increased to 6% for Carbon Zero.

As with the previous study we have included an allowance for infrastructure costs on the strategic sites identified as greenfield developments, which in our experience would require the development of infrastructure such as servicing and roads etc. to open up the sites. We have tested these schemes with an allowance of £20,000 per unit, which would be at the upper end of the range for such costs. We have also undertaken a sensitivity test at £10,000 per unit, reflecting the lower end of the range of such costs.

Sites LA1 and LA3 have costs associated with SUDs schemes, however such costs would be covered by the per unit infrastructure allowances (£20,000 - £10,000) of developing a greenfield site and the 15% external costs allowed for.

Costs associated with s106 contributions are considered in the next section.

3.2.6 Section 106 contributions

We have adopted residual S.106 contributions in line with advice from the Council. This is based on the following assumptions set out in table 3.2.6.

Table 3.2.6.1 Residual S106 contributions

No. bedrooms	Residual S106 Contribution per unit
1	£700
2	£900
3	£1,300
4	£1,500
5	£1,600

On the basis of the values detailed above we have established the total S106 costs attributable to each site on the assumption of the unit mix detailed in section 3.2.1 of this report.

Whilst the Residual 106 costs above include an assumption for open space and play requirements, the Council have advised that on the larger strategic sites it is expected that additional space will be required on site. The Council has estimated that an additional £50,000 per site will be required in order to meet the need for open space at LA1 Marchmont Farm, LA3 West Hemel Hempstead,and LA5 Icknield Way. We have therefore assumed these costs within our appraisal.

In 2013 the Council provided advice on additional site specific infrastructure that would be required and sought through S106 agreements on these sites (See BNP Paribas Real Estate Site Specific Viability Report October 2013 for further details). The Council have advised that these are the most up to date cost assumptions related to the required infrastructure on the Local Allocation sites. On this basis the Council have recommended that we maintain these costs indexed to current day values. Given this, we have indexed these costs from the date of our previous report (October 2013) to the current date (June 2016) using the BCIS All in Tender Price Index (TPI) (see Appendix 1 for a copy of the BCIS All in TPI Index). The BCIS database has identified that this results in an increase in costs of 15.48%. We set out in Table 3.2.6.2 below the site specific infrastructure requirements as identified by the Council as adopted in the 2013 assessment and indexed to current day, the latter of which we have adopted in this update assessment.

Table 3.2.6.2 Residual S106 contributions

Site	Infrastructure item	2013 cost	2016 cost
LA1 - Marchmont Farm	Open/Play Space Junction improvements and roundabout incorporation	£ 50,000 £ 500,000	£ 57,751 £ 577,406
LA3 - West Hemel Hempstead	Open/Play Space 2 form entry primary school GP Surgery NHS contribution Signalised Junctions and Roundabouts Assumed cost of community facility	£ 50,000 £7,640,000 £ 792,000 £2,000,000 £1,660,000	£ 57,751 £8,822,762 £ 914,611 £2,309,623 Included as build cost[6]

[6] We have included the cost of delivering a community facility based on updated BCIS build costs as identified in table 3.2.10 which amounts to £1,387,941 to which a further 12% allowance is made for professional fees and 5% contingency.

LA5 - Icknield Way	Open/Play Space Priority Junction Safer Route to School Speed management	£ 50,000 £ 400,000 £ 10,000 £ 14,000	£ 57,751 £ 461,000 £ 11,548 £ 14,167

The infrastructure costs in the table above have been pro-rated between the relevant sites on a per unit basis to establish the total costs applicable to each site. We set out this analysis of the S106 costs at **Appendix 2**.

In addition to the above the Council advised in 2013 that there was a need for an expansion of the local cemetery located adjacent to the Icknield Way site in Tring. We understand that this still remains a requirement and as such we have maintained the expansion area of 1.6 hectares (4 acres) in our update study as this will be required to meet the needs of this settlement.

3.2.7 CIL rates

The Council adopted its CIL Charging schedule in February 2015. This identifies the following charges for the three Local Allocations:

- Marchmont Farm: Zone 1 - £100 per square metre
- West Hemel Hempstead: Zone 4 - £0 per square metre; and
- Icknield Way: Zone 2 - £150 per square metre

The CIL Regulations allow for indexation of the CIL charge in line with the RICS BCIS All in TPI, which is calculated annually from November. Therefore the appropriate CIL charge for 2016 would be indexed based on an uplift of 4.25% between November 2014 and November 2015 (i.e. Q4 2014 – Q4 2015, see **Appendix 1**), which we have allowed for in our appraisals.

3.2.8 Other assumptions

The other assumptions in our appraisals are as follows:

- Allowance for professional fees of 12% of build costs;
- Finance costs of 7% on negative balances; 0% on positive balances;
- Profit of 20% of private housing Gross Development Value (GDV) and 6% on affordable housing GDV;
- Acquisition costs: 5% stamp duty land tax, 1% agent's fee and 0.8% legal fees;
- Marketing costs: 3% of private housing GDV; and
- Sales legal fee of 0.5% of private housing GDV.

3.2.9 Gypsy and Traveller pitches

BNP Paribas Real Estate have been advised as to the costs of delivering the Gypsy and Travellers pitches on the Local Allocation sites in line with the Council's identified requirements by WT Partnership (WTP), which we have adopted in our appraisals. We provide a full copy of their report at **Appendix 3**.

WTP have carried out an order of cost estimate for LA1 Marchmont Farm, which builds up to the costs of a typical Gypsy and Traveller's site based on 5 pitches and 0.50 hectares (see **Appendix 3**). This indicates a cost of circa £242,000 per pitch or a total cost of circa £1,210,000.

Based on this estimate WTP recommend using the sum of £242,000 per pitch for site LA3, which equates to a total cost of circa £1,694,000. However for LA5, as it is a smaller site they have recommended a rate of £225,000 per pitch, which results in a total cost of circa £1,125,000.

We would highlight that we have only adopted the costs of delivering these sites and have not allowed for any revenue generation from these uses. These uses are likely to generate an income so the position presented is a worst case scenario.

3.2.10 Commercial Revenue and Assumptions

The assumptions used in the appraisals to value the commercial accommodation are summarised in Table 3.2.10 below. These have been considered in light of research into current commercial values achievable on new space including databases such as EGi and Costar as well as discussions with active local agents.

Table 3.2.10 Commercial revenue assumptions

Site	Accommodation	Rent (£ / sq ft)	Yield	Void Period (Inc. Rent Free)	Build Cost (£ / sq ft)
LA3 - West Hemel Hempstead (Chaulden)	A1 (Retail)	£11	7%	2 years	£136
	D1 (Non-Residential Institutions)	N/A	N/A	N/A	£195
LA5 - Icknield Way, Tring (Tring)	B2 (General Industrial)	£8	7%	2 years	£90

Other cost assumptions adopted that relate to the commercial accommodation to be provided on the above sites are as follows:

- Purchase costs of 6.8%;
- Letting agent's fee of 10% of annual rent;
- Sales agent's fee of 1% of capital value;
- Legal fees of 0.75% of capital value;
- External works of 10% on build cost; and
- 20% profit on cost.

3.2.11 Benchmark land values

Further to the commentary set out above at section 3.1.2 we have undertaken an assessment of appropriate benchmark land values based on the existing use of the sites. We understand that in line with the previous viability assessment all three of the Local Allocation sites being considered in this update study are currently greenfield sites.

On this basis we have adopted an appropriate greenfield benchmark. We are aware that research undertaken for the Department for Communities and Local Government[7] identified a range of £247,000 to £370,500 per Ha for such sites. Our October 2013 report adopted a benchmark figure of £305,893 per Ha for such sites.

These values have further been confirmed as still being a reasonable by active agents in Hertfordshire who have specialist knowledge in the sales and acquisition of greenfield sites. Their advice indicated that such sites would be worth in the region of circa £300,000 to £366,000 per hectare.

In light of our research we have assessed the viability of the Local Allocations against a lower and higher greenfield benchmark land value of £305,893 per Ha and £370,500 per Ha respectively.

[7] DCLG '*Cumulative impacts of regulations on house builders and landowners Research paper*' 2011

4 Appraisal results and analysis

4.1 Appraisal results

We have run appraisals of the three Local Allocation sites with the relevant policy requirements as well as sensitivity testing. The scenarios tested are set out below.

- Policy Position - 40% AH split 75% Affordable Rent and 25% Shared Ownership;
- Affordable housing tenure split - 40% AH split 50% Affordable Rent and 50% Shared Ownership;
- Affordable housing tenure - 40% AH split 50% Affordable Rent and 50% Starter Homes (i.e. 20% Starter Homes);
- Policy Position with increased sustainability to Carbon Zero;
- Policy position with growth in sales values (10%) and build costs (5%); and
- Policy position with reduced greenfield infrastructure cost from £20,000 to £10,000 per unit.

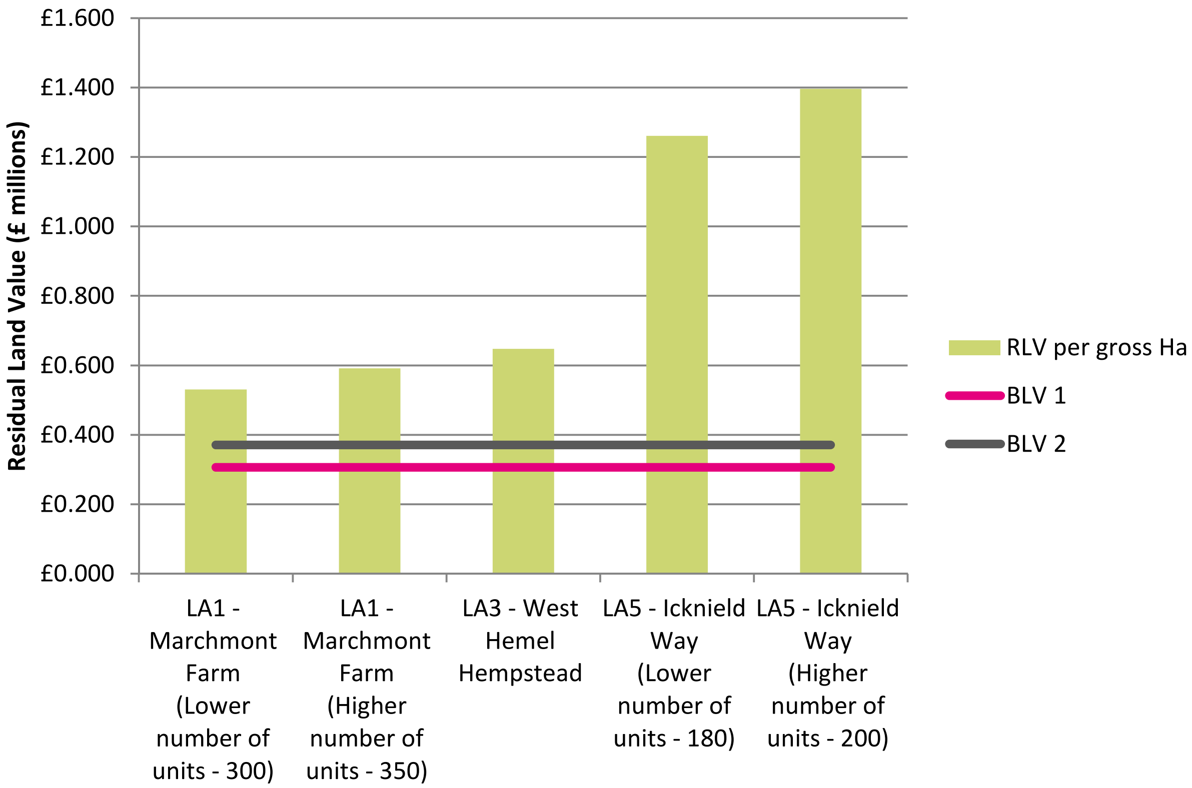
We have then converted the residual land values for each entire site into a per hectare land value, so that we can determine whether this might be sufficient for the site to be brought forward for development by comparing it to the two benchmark land values as identified in in section 3.2.11 above.

The results and analysis of the appraisals of the base policy position assumptions are summarised in Table 4.1 below and Figure 4.1 overleaf.

Table 4.1.1: Appraisal results – Policy Compliant Affordable Housing Provision and £20,000 Greenfield infrastructure allowance

Site Name	Residual land value (£millions)	Residual land value per gross ha (£millions)
LA1 - Marchmont Farm (Lower number of units - 300)	£10.612	£0.531
LA1 - Marchmont Farm (Higher number of units - 350)	£11.829	£0.591
LA3 - West Hemel Hempstead	£35.009	£0.648
LA5 - Icknield Way (Lower number of units - 180)	£20.170	£1.261
LA5 - Icknield Way (Higher number of units - 200)	£22.333	£1.396

Figure 4.1.1: Residual land values per hectare compared to benchmark land values (Policy Compliant AH and £20,000 Greenfield Infrastructure Costs)



The strategic sites generate residual land values of between £0.531 million per hectare and £1.396 million per hectare. All three schemes generate residual land values exceeding both benchmark land values and are therefore considered to be viable at a policy compliant position.

4.2 Sensitivity Testing

As identified at the beginning of this section we have undertaken several sensitivity scenarios of the three Local Allocation sites. The results of the sensitivity testing are summarised in tables below

Table 4.2.1 LA1 Marchmont Farm – sensitivity appraisal results

Appraisal assumption	Lower number of units (300) Residual land value (£millions)	Lower number of units (300) Residual land value per gross ha (£millions)	Higher number of units (350) Residual land value (£millions)	Higher number of units (350) Residual land value per gross ha (£millions)
Policy Position 40% 75:25	£10.612	£0.531	£11.829	£0.591
AH Tenure Split 40% 50:50 (Rented:Intermediate)	£9.598	£0.480	£10.631	£0.532
AH Tenure 40% 50:50 (Rented:Starter Homes)	£12.618	£0.631	£14.066	£0.703
Growth (Sales Values 10% Costs 5%)	£9.998	£0.450	£11.139	£0.557

Appraisal assumption	Lower number of units (300) Residual land value (£millions)	Lower number of units (300) Residual land value per gross ha (£millions)	Higher number of units (350) Residual land value (£millions)	Higher number of units (350) Residual land value per gross ha (£millions)
Sustainability (Carbon Zero)	£13.112	£0.656	£13.046	£0.652
Reduced Greenfield Infrastructure Cost	£10.612	£0.531	£11.829	£0.591

Figure 4.2.1: LA1 Marchmont Farm Residual land values per hectare compared to benchmark land values – Sensitivity testing scenarios

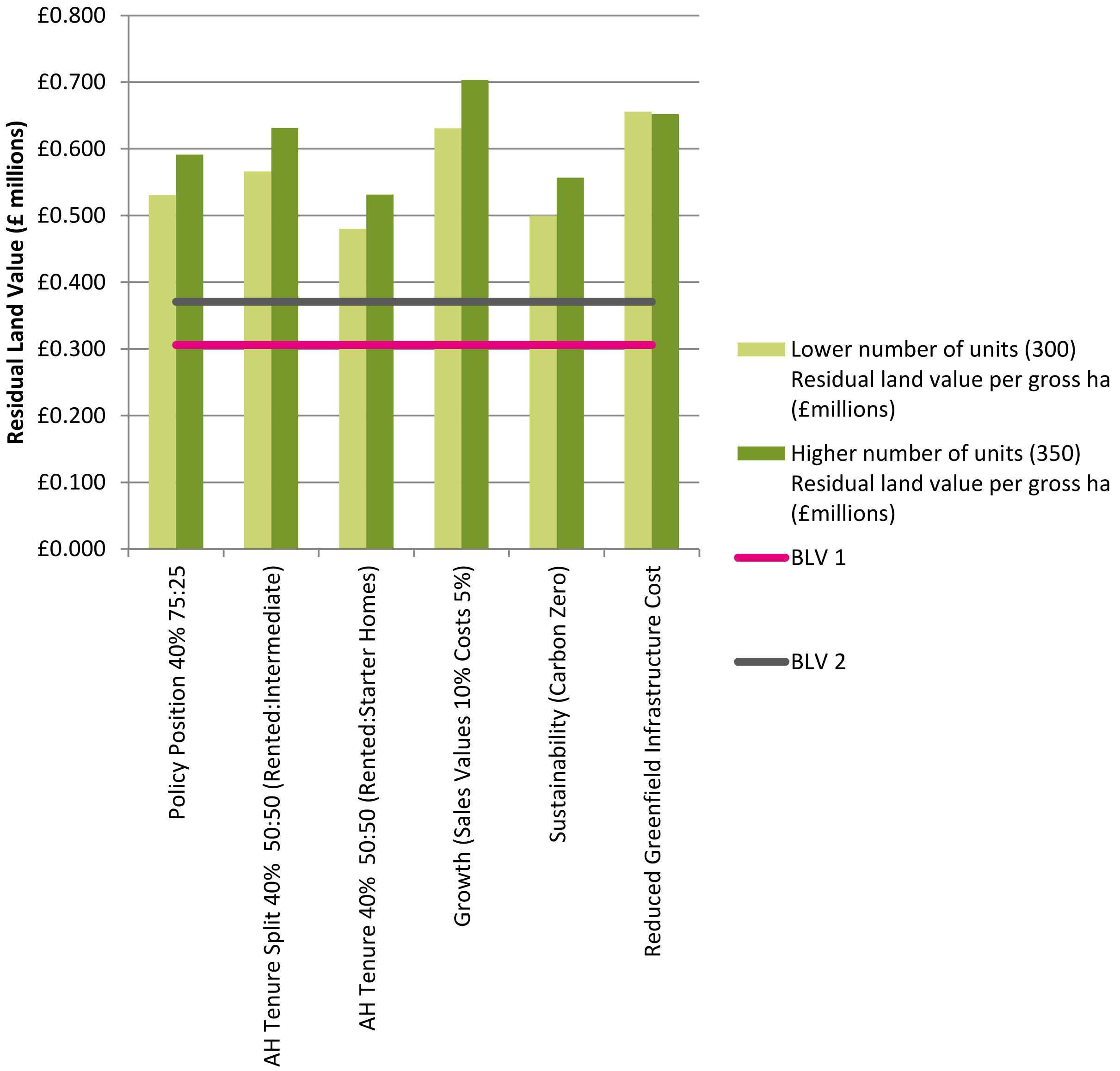


Table 4.2.2 LA3 West Hemel Hempstead – sensitivity appraisal results

Appraisal assumption	Residual land value (£millions)	Residual land value per gross ha (£millions)
Policy Position 40% 75:25	£35.009	£0.648
AH Tenure Split 40% 50:50 (Rented:Intermediate)	£40.159	£0.743
AH Tenure 40% 50:50 (Rented:Starter Homes)	£29.521	£0.546
Growth (Sales Values 10% Costs 5%)	£41.150	£0.761
Sustainability (Carbon Zero)	£33.414	£0.618
Reduced Greenfield Infrastructure Cost	£41.974	£0.777

Figure 4.2.2: LA3 West Hemel Hempstead Residual land values per hectare compared to benchmark land values – Sensitivity testing scenarios

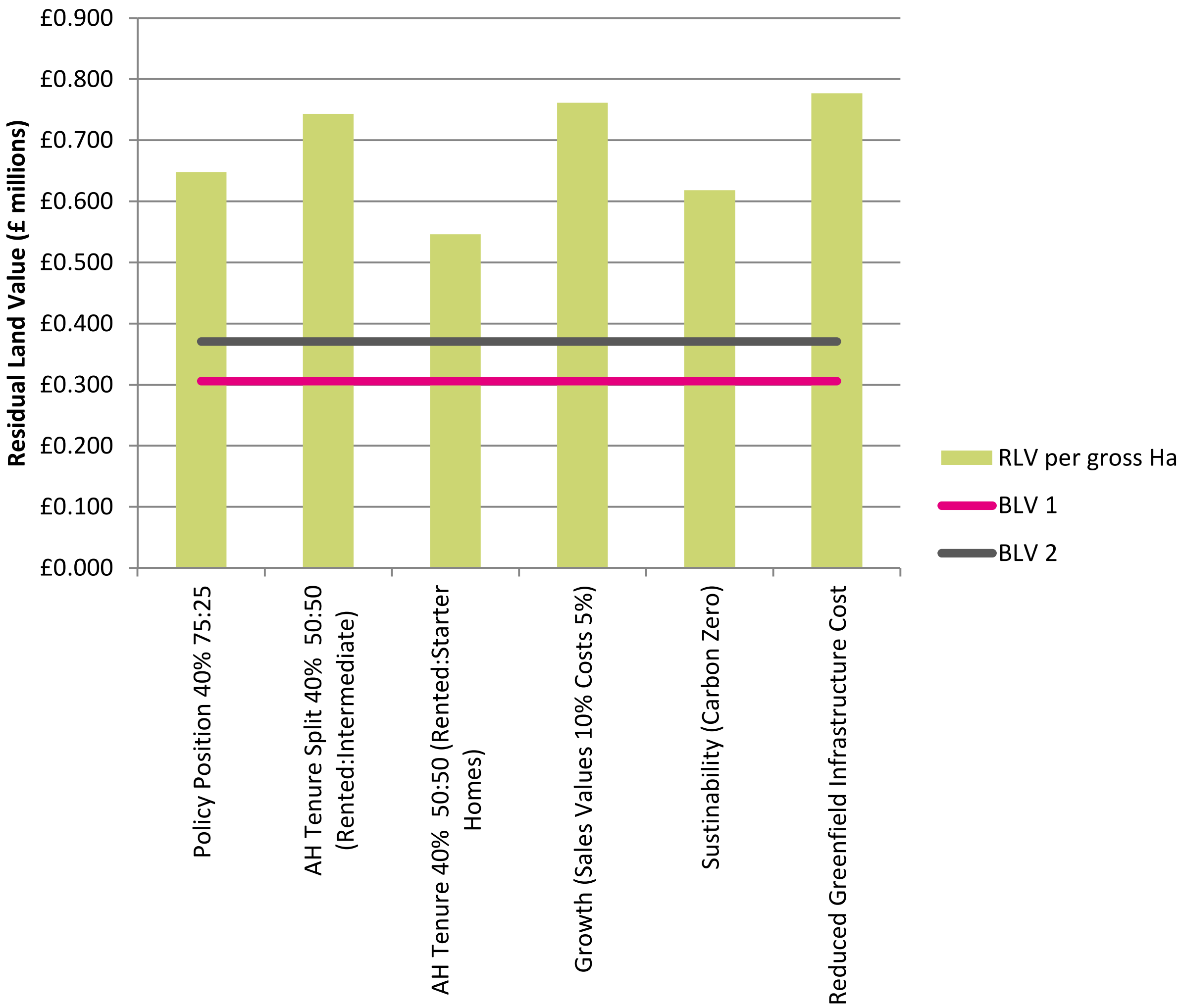
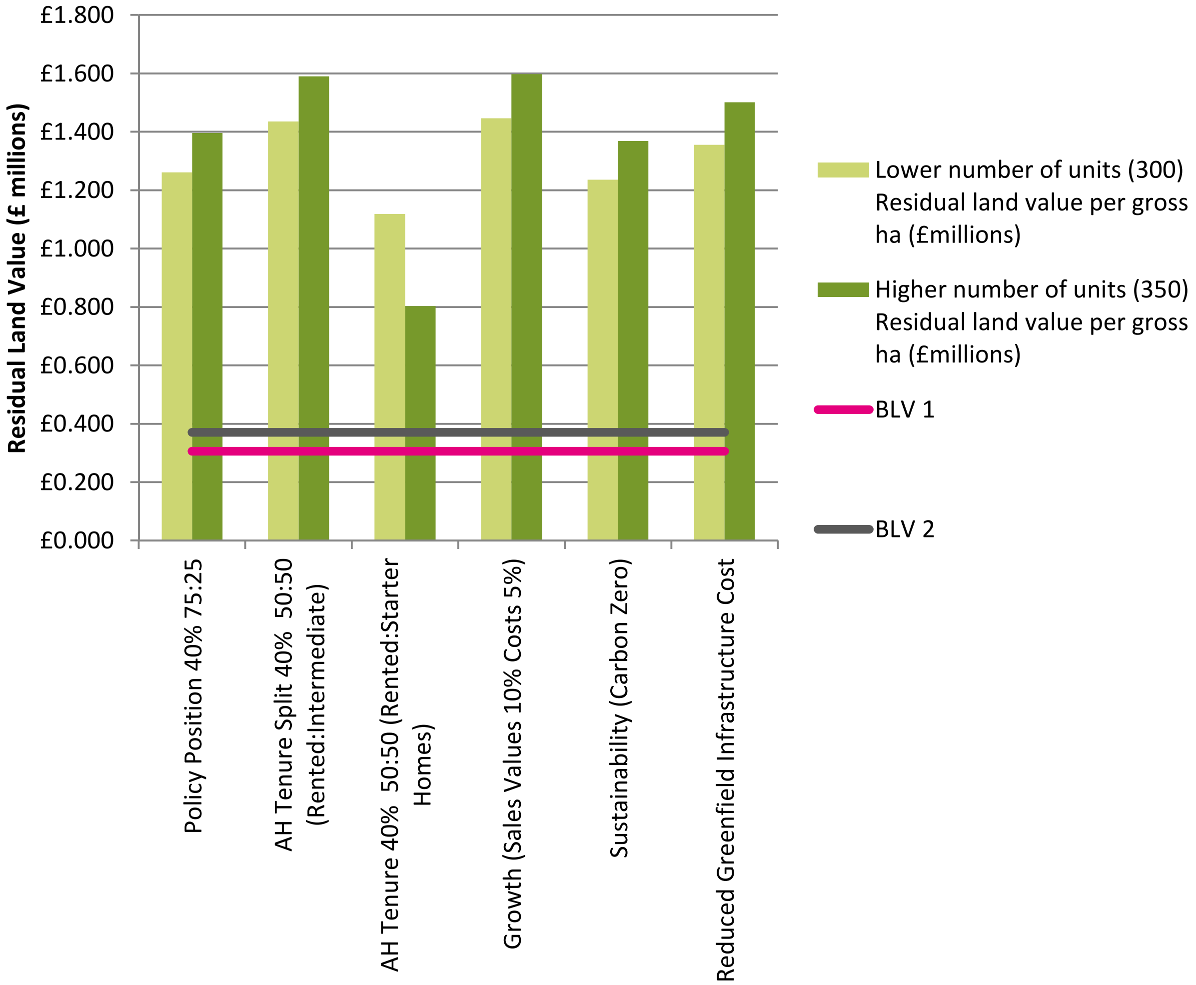


Table 4.2.3 LA5 Icknield Way – sensitivity appraisal results

Appraisal assumption	Lower number of units (300) Residual land value (£millions)	Lower number of units (300) Residual land value per gross ha (£millions)	Higher number of units (350) Residual land value (£millions)	Higher number of units (350) Residual land value per gross ha (£millions)
Policy Position 40% 75:25	£20.170	£1.261	£22.333	£1.396
AH Tenure Split 40% 50:50 (Rented:Intermediate)	£22.959	£1.435	£25.444	£1.590
AH Tenure 40% 50:50 (Rented:Starter Homes)	£17.901	£1.119	£12.843	£0.803
Growth (Sales Values 10% Costs 5%)	£23.136	£1.446	£25.560	£1.597
Sustainability (Carbon Zero)	£19.783	£1.236	£21.897	£1.369
Reduced Greenfield Infrastructure Cost	£21.694	£1.356	£24.014	£1.501

Figure 4.2.3: LA5 Icknield Way Residual land values per hectare compared to benchmark land values – Sensitivity testing scenarios



5 Conclusions and Recommendations

The NPPF states that the cumulative impact of local planning authority standards and policies 'should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle'. In this regard we have tested the impact of the Council's affordable housing policies and other requirements (Gypsy and Travellers site allocations, sustainability, CIL and Section 106 and requirements) on three specified Local Allocations with a requirement to deliver Gypsy and Traveller pitches on site.

The results of our appraisals demonstrate that Local Allocations LA1 Marchmont Farm, LA3 West Hemel Hempstead and LA5 Icknield Way can viably deliver the proposed development for the site in line with policy requirements.

Our appraisals indicate that the policy allocations of Gypsy and Travellers' pitches on the Local Allocations do not significantly impact on the viability of the sites so as to make them undeliverable. The delivery of such uses on the sites equates to no more than 1.5% of the schemes' development costs. This level of costs is unlikely to be a determining factor in whether a developer brings forward a site or not. Further we would highlight that we have adopted a cautious approach in this study by not allowing for any income from the Gypsy and Travellers pitches, however it is likely that they will generate revenue which would improve the viability of the schemes.

We would further highlight that the Council's flexible approach to applying its policy requirements, will ensure an appropriate balance between delivering the required growth to meet the needs of the local population, affordable housing, sustainability objectives, necessary infrastructure and the need for landowners and developers to achieve competitive returns, as required by the NPPF. This will ensure that sites can come forward and deliver the maximum reasonable quantum of affordable housing. In particular we would identify that given the surpluses generated by the sites, were they to come forward with Starter Homes they could also deliver a larger quantum of traditional affordable housing (i.e. affordable rent and shared ownership.) over and above the potential 20% Starter Homes requirement. We would also support the Council's proposed approach to Starter Homes being smaller units as the cap of £250,000 has a greater impact on scheme viability on larger units.

Maintaining this flexible approach will ensure the 'scale of obligations and policy burdens' (para 174 of the NPPF) are appropriate in all instances to ensure that sites are, as far as possible, able to be developed viably and thus facilitate the growth envisaged by the Council's plans over the economic cycle, without jeopardising the delivery of the aspirations of the adopted Core strategy and Site Allocations DPD.

Appendix 1 - RICS BCIS All in TPI, 2010 -2016

BCIS®

RICS®

BCIS All-in TPI #101

Base date: 1985 mean = 100 | **Updated:** 10-Jun-2016 | #101

			Percentage change		
Date	Index	Sample	On year	On quarter	On month
1Q 2010	209	63	-6.3%	-1.4%	
2Q 2010	218	45	0.9%	4.3%	
3Q 2010	219	42	1.4%	0.5%	
4Q 2010	220	49	3.8%	0.5%	
1Q 2011	219	45	4.8%	-0.5%	
2Q 2011	223	33	2.3%	1.8%	
3Q 2011	220	33	0.5%	-1.3%	
4Q 2011	223	38	1.4%	1.4%	
1Q 2012	215	42	-1.8%	-3.6%	
2Q 2012	230	30	3.1%	7.0%	
3Q 2012	223	33	1.4%	-3.0%	
4Q 2012	224	36	0.4%	0.4%	
1Q 2013	234	36	8.8%	4.5%	
2Q 2013	236	31	2.6%	0.9%	
3Q 2013	234	32	4.9%	-0.8%	
4Q 2013	239	37	6.7%	2.1%	
1Q 2014	247	37	5.6%	3.3%	
2Q 2014	259	39	9.7%	4.9%	
3Q 2014	259	32	10.7%	0.0%	
4Q 2014	259	31	8.4%	0.0%	
1Q 2015	269	29	8.9%	3.9%	
2Q 2015	277	Forecast 15	6.9%	3.0%	
3Q 2015	269	Forecast 17	3.9%	-2.9%	
4Q 2015	270	Forecast 8	4.2%	0.4%	
1Q 2016	272	Forecast 8	1.1%	0.7%	
2Q 2016	276	Forecast	-0.4%	1.5%	

Appendix 2 - Summary of S106 costs

Analysis of Infrastructure and S106 Requirements

No. bedrooms	Residual S106 Contribution per unit
1	£700
2	£900
3	£1,300
4	£1,500
5	£1,600

Local Allocation Ref	2 bed house	3 bed house	4 bed house	5 Bed House
Unit Size	79 sq m	102 sq m	115 sq m	128 sq m
LA1 - Marchmont Farm	25%	50%	25%	
LA3 - West Hemel Hempstead	30%	40%	30%	
LA5 - Icknield Way (without starter homes)	25%	40%	25%	10%
LA5 - Icknield Way (with starter homes)	30%	35%	25%	10%

115.48%	Indexation Oct 2013 - June 2016

Residual S106

Marchmont Farm LA1 (lower)	**300**		**Per unit**
2 bed	75	£67,500	
3 bed	150	£195,000	
4 bed	75	£112,500	
5 bed	0	£0	
		£375,000	£1,250
Marchmont Farm LA1 (higher)	**350**		
2 bed	87.5	£78,750	
3 bed	175	£227,500	
4 bed	87.5	£131,250	
5 bed	0	£0	
		£437,500	£1,250
West Hemel LA3	**900**		
2 bed	270	£243,000	
3 bed	360	£468,000	
4 bed	270	£405,000	
5 bed	0	£0	
		£1,116,000	£1,240
Iknield Way LA 5 Lower (no SH)	**180**		
2 bed	45	£40,500	
3 bed	72	£93,600	
4 bed	45	£67,500	
5 bed	18	£28,800	
		£230,400	£1,280
Iknield Way LA 5 higher (no SH)	**200**		
2 bed	50	£45,000	
3 bed	80	£104,000	
4 bed	50	£75,000	
5 bed	20	£32,000	
		£256,000	£1,280
Iknield Way LA 5 Lower (SH)	**180**		
2 bed	54	£48,600	
3 bed	63	£81,900	
4 bed	45	£67,500	
5 bed	18	£28,800	
		£226,800	£1,260
Iknield Way LA 5 higher (SH)	**200**		
2 bed	60	£54,000	
3 bed	70	£91,000	
4 bed	50	£75,000	
5 bed	20	£32,000	
		£252,000	£1,260

Specific infrastructure (£20K Greenfield)

Specific infrastructure (£20K Greenfield)		Indexation
Marchmont Farm LA1 (lower)		
Travelers pitches	£ 1,210,000	£ 1,210,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 6,000,000	£ 6,000,000
Junction improvements and roundabout incorporation	£ 500,000	£ 577,406
Ave per unit	£ 25,866.67	£ 26,150.49
Marchmont Farm LA1 (higher)		
Travelers pitches	£ 1,210,000	£ 1,210,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 7,000,000	£ 7,000,000
Junction improvements and roundabout incorporation	£ 500,000	£ 577,406
Ave per unit	**£ 25,028.57**	**£ 25,271.85**
West Hemel LA3		
Travelers pitches	£ 1,694,000	£ 1,694,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 18,000,000	£ 18,000,000
2 form entry primary school	£ 7,640,000	£ 8,822,762
GP Surgery	£ 792,000	£ 914,611
Signalised Junctions and Roundabouts	£ 2,000,000	£ 2,309,623
Ave per unit	**£ 33,528.89**	**£ 35,331.93**
Iknield Way LA 5 Lower (no SH)		
	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 3,600,000	£ 3,600,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 28,883.33**	**£ 29,291.00**
Iknield Way LA 5 higher (no SH)		
Travelers pitches	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 4,000,000	£ 4,000,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 27,995.00**	**£ 28,361.90**
Iknield Way LA 5 Lower (SH)		
Travelers pitches	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 3,600,000	£ 3,600,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 28,883.33**	**£ 29,291.00**
Iknield Way LA 5 higher (SH)		
Travelers pitches	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 4,000,000	£ 4,000,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 27,995.00**	**£ 28,361.90**

Specific infrastructure (£10K Greenfield)

Specific infrastructure (£10K Greenfield)		Indexation
Marchmont Farm LA1 (lower)		
Travelers pitches	£ 1,210,000	£ 1,210,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 3,000,000	£ 3,000,000
Junction improvements and roundabout incorporation	£ 500,000	£ 577,406
Ave per unit	£ 15,866.67	£ 16,150.49
Marchmont Farm LA1 (higher)		
Travelers pitches	£ 1,210,000	£ 1,210,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 3,500,000	£ 3,500,000
Junction improvements and roundabout incorporation	£ 500,000	£ 577,406
Ave per unit	**£ 15,028.57**	**£ 15,271.85**
West Hemel LA3		
Travelers pitches	£ 1,694,000	£ 1,694,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 9,000,000	£ 9,000,000
2 form entry primary school	£ 7,640,000	£ 8,822,762
GP Surgery	£ 792,000	£ 914,611
Signalised Junctions and Roundabouts	£ 2,000,000	£ 2,309,623
Ave per unit	**£ 23,528.89**	**£ 25,331.93**
Iknield Way LA 5 Lower (no SH)		
Travelers pitches	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 1,800,000	£ 1,800,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 18,883.33**	**£ 19,291.00**
Iknield Way LA 5 higher (no SH)		
Travelers pitches	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 2,000,000	£ 2,000,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 17,995.00**	**£ 18,361.90**
Iknield Way LA 5 Lower (SH)		
Travelers pitches	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 1,800,000	£ 1,800,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 18,883.33**	**£ 19,291.00**
Iknield Way LA 5 higher (SH)		
Travelers pitches	£ 1,125,000	£ 1,125,000
Open/Play Space	£ 50,000	£ 57,741
Greenfield opening up costs	£ 2,000,000	£ 2,000,000
Priority Junction	£ 400,000	£ 461,925
Safer Route to School	£ 10,000	£ 11,548
Speed management	£ 14,000	£ 16,167
Ave per unit	**£ 17,995.00**	**£ 18,361.90**

Summary of Infrastructure and S106 allowances per unit

Site & Scenario	Total S106 Higher GF per unit	Total S106 Lower GF per unit
Marchmont Farm LA1 (lower)	£27,400.49	£17,400.49
Marchmont Farm LA1 (higher)	£26,521.85	£16,521.85
West Hemel LA3	£36,571.93	£26,571.93
Iknield Way LA 5 Lower (no SH)	£30,571.00	£20,571.00
Iknield Way LA 5 higher (no SH)	£29,641.90	£19,641.90
Iknield Way LA 5 Lower (SH)	£30,551.00	£20,551.00
Iknield Way LA 5 higher (SH)	£29,621.90	£19,621.90

Appendix 3 - WT Partnership advice on costs of Gypsy and Travellers' pitches

Review of Traveller’s Sites on Three Locations in the Dacorum Borough Council

Short Report on requirements and costs

June 2016

Rev 1

WT PARTNERSHIP

www.wtpartnership.com

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INTRODUCTION, METHODOLOGY , REPORT AND BENCHMARK

Introduction and methodology

WT Partnership have been requested by BNP Paribas to review the requirements and costs of providing traveller's sires on three potential development sites at Marchmont Farm, Hemel Hempstead (LA1) West Hemel Hempstead (Chaulden) LA3, and Icknield Way ,Tring (LA5).

The three potential development sites will be mainly for residential development and it is intended the traveller's sites will form part of this development. It is intended to create the following pitches (plots) on the sites
LA1 Marchmont Farm, Hemel Hempstead - Traveller site of 5 pitches at 0.5ha.
LA3 West Hemel Hempstead (Chaulden) - Traveller site of 7 pitches at 0.7ha
LA5 - Icknield Way ,Tring Traveller site of 5 pitches at 0.4ha

We have reviewed the site plans and the following documents, Designing Gypsy and Traveller's sites, Good Practice Guide dated May 2008 published by The Department of Communities and Local Government and Elim Housing's brochure for Weston Super Mare dated 2015

In relation to infrastructure, as the traveller's sites will be part of the residential development we assume there will be mains sewers, mains electricity and water adjacent to the site. We have assumed a small amount of roadway and a crossover and an allowance for the mains services. It has been assumed gas will not be required and a Liquid Propane Gas (LPG) store constructed on the site. Around the site we have assumed fencing with gates and dense planting

Within the site we have assumed a road of 4.00m width for emergency vehicles, landscaping, external lighting, drainage, play area and refuse store. We have assumed no site manager's office will be required. We have allowed for planting and fencing around each pitch , hardstanding for the caravan and parking for two cars, patio, amenity building with wash area and sink area, water , sewerage and electric points.

We have carried out an order of cost estimate for LA1 .A build up to the costs of a typical traveller's site based on 5 pitches and 0.50 hectares is attached herewith. This indicates a cost of circa £242,000 per pitch or circa £1,210,000

Based on this estimate we would recommend using the sum of £242,000 per pitch on the site for LA3 being circa £1,694,000. For LA5 as it is a smaller site we would recommend the rate of £225,000 per pitch being circa £1,125,000 as the build up

.
Benchmarking

We have benchmarked against several projects and have adjusted the costs to 2nd Quarter 2016 and located in The Borough of Dacorum

The costs includes design fees and contingency but excludes any land costs etc

Location	Cost per pitch	Nr of pitches	Type	Comments
Brighton	£195,000	12	Permanent	
Guildford	£168,000	5	Permanent	Extension from 13 to 18
Cheshire	£235,000	10	Permanent	
Torfean Wales	£122,000	20	Permanent	
Weston super Mare	£153,000	24	Permanent	Elim Housing
Bath	£153,000	13	Permanent	Elim Housing
Average	**£171,000**	14		
Dacorum average	**£236,000**	5.66	Permanent	

It is always difficult to use benchmarks as we are not aware of all the details, specifications, site area and the like

The costs for the Dacorum are the upper end, if not marginally higher than the benchmarks. The main reason for this is the number of pitches on the site compared to the other schemes. The exception to this on the other schemes is Guildford which was an extension to an existing site so much of the initial works had been carried out in the first phase

The information contained in this report is confidential to the parties involved in the preparation of the Dacorum Strategic Report and may not be relied upon by any third or used for any other purpose than the for mentioned report

Borough of Dacorum Traveller's Site

Order of Estimate -LA1

No	Description	Quantity	Unit	Rate	£
	Infrastructure				
	Proportion of mains drainage, electricity and water	5	nr	5,000	25,000
	Access Road 10m	1	item	40,000	40,000
	External lighting	1	item	4,000	4,000
	Crossover	1	item	5,000	5,000
	Infrastructure				**74,000**
	Traveller's site				
	Site preparation	5000	m2	10	50,000
	Perimter fencing and planting	300	m	250	75,000
	Gate	1	nr	4,000	4,000
	Signage	1	nr	250	250
	Roadway	500	m2	200	100,000
	Play area	200	m2	100	20,000
	Play equipment	1	item	5,000	5,000
	Landscaping	3025	m2	40	121,000
	External lighting	1	item	20,000	20,000
	Drainage	700	m2	15	10,500
	LPG store	1	item	6,000	6,000
	Bin store	1	item	3,000	3,000
	Pitches				
	Pitch mesh fencing and planting	140	m	200	28,000
	Gate	5	nr	2,500	12,500
	Pedestrian gate	5	nr	1,000	5,000
	Fence protection	140	m	100	14,000
	Hardstanding	900	m2	150	135,000

Borough of Dacorum Traveller's Site

Order of Estimate -LA1

No	Description	Quantity	Unit	Rate	£
	Parking	300	m2	75	22,500
	Patio	100	m2	75	7,500
	Landscaping	100	m2	50	5,000
	Amenity building 2500 x 5000m	5	nr	25,000	125,000
	Post box and sign	5	nr	200	1,000
	Bin store within pitch	5	nr	500	2,500
	Drainage connection	5	nr	3,000	15,000
	Electrical and water connection	5	nr	4,000	20,000
	Travellers site			Total	**807,750**
				Total	**881,750**
	Preliminaries		13%		**114,628**
	Overheads and profit		5%		**49,819**
				Total	**1,046,196**
	Design fees etc		10%		**104,620**
					1,150,816
	Contingency	5.00%	item	1,150,816	**57,541**
				Overall total	**1,208,357**
				Overall cost per m2	**242**
				Overall cost per unit	**241,671**
	See notes for exclusions and clarifications				

Borough of Dacorum Traveller's Site

WT PARTNERSHIP

Order of Estimate LA5

No	Description	Quantity	Unit	Rate	£
	Infrastructure				
	Proportion of mains drainage, electricity and water	5	nr	5,000	25,000
	Access Road 10m	1	item	40,000	40,000
	External lighting	1	item	4,000	4,000
	Crossover	1	item	5,000	5,000
	Infrastructure				**74,000**
	Traveller's site				
	Site preparation	4000	m2	10	40,000
	Perimter fencing and planting	260	m	250	65,000
	Gate	1	nr	4,000	4,000
	Signage	1	nr	250	250
	Roadway	500	m2	200	100,000
	Play area	200	m2	100	20,000
	Play equipment	1	item	5,000	5,000
	Landscaping	2025	m2	40	81,000
	External lighting	1	item	20,000	20,000
	Drainage	700	m2	15	10,500
	LPG store	1	item	6,000	6,000
	Bin store	1	item	3,000	3,000
	Pitches				
	Pitch mesh fencing and planting	140	m	200	28,000
	Gate	5	nr	2,500	12,500
	Pedestrian gate	5	nr	1,000	5,000
	Fence protection	140	m	100	14,000
	Hardstanding	900	m2	150	135,000

Borough of Dacorum Traveller's Site

Order of Estimate LA5

No	Description	Quantity	Unit	Rate	£
	Parking	300	m2	75	22,500
	Patio	100	m2	75	7,500
	Landscaping	100	m2	50	5,000
	Amenity building 2500 x 5000m	5	nr	25,000	125,000
	Post box and sign	5	nr	200	1,000
	Bin store within pitch	5	nr	500	2,500
	Drainage connection	5	nr	3,000	15,000
	Electrical and water connection	5	nr	4,000	20,000
	Travellers site			Total	**747,750**
				Total	**821,750**
	Preliminaries		13%		**106,828**
	Overheads and profit		5%		**46,429**
				Total	**975,006**
	Design fees etc		10%		**97,501**
					1,072,507
	Contingency	5.00%	item	1,072,507	**53,625**
			Overall total		**1,126,132**
			Overall cost per m2		**225**
			Overall cost per unit		**225,226**
	See notes for exclusions and clarifications				

Dulwich Care Village

WT PARTNERSHIP

Order of costs rev 2

Notes

Excludes VAT ,local authority fees , party wall fees, site investigations, surveys and the like

Assumes greenfield site

Based on prices as at 2nd Quarter 2016 with no allowance for inflation

These costs are of a ball park preliminary budget nature and will be reconciled as the design progresses.

We have included a 5% contingency

Assumes flat site

Assumes no ground issues

Assumes no management office

Assumes main services and sewers adjacent to site

Assumes attenuation dealt with as part of overall residential development

Excludes water butts, clothes driers and the like

Elim has worked closely with North Somerset Council and the Gypsy and Traveller community, to design a scheme that will improve the lives and wellbeing of those that will live there.

Elim Housing

Providing homes, supporting people.

You can register if you

- **are a member of the Gypsy & Traveller community and**
- **have a local connection to North Somerset**

Register online with HomeChoice – NSC's lettings and allocations system, visit:

www.homechoicensomerset.org.uk

If you need help with registering please call 01934 426 330.

To find out more about Elim Housing, contact us.

01454 411 172

info@elimhousing.co.uk

www.elimhousing.co.uk

Elim Housing Association

@ElimHousing

Elim Housing

Providing homes, supporting people.

HomeChoice North Somerset

North Somerset Council

(This leaflet uses sample images that may not be representative of final pitches)

New Gypsy and Traveller Pitches!

Elim Housing is currently developing 24 affordable permanent Gypsy and Traveller pitches for rent in Weston-super-Mare.

Each pitch will include a living block containing living space, kitchen, bathroom and utility facilities. There will also be a private outdoor area with most pitches having room for two caravans and vehicles.

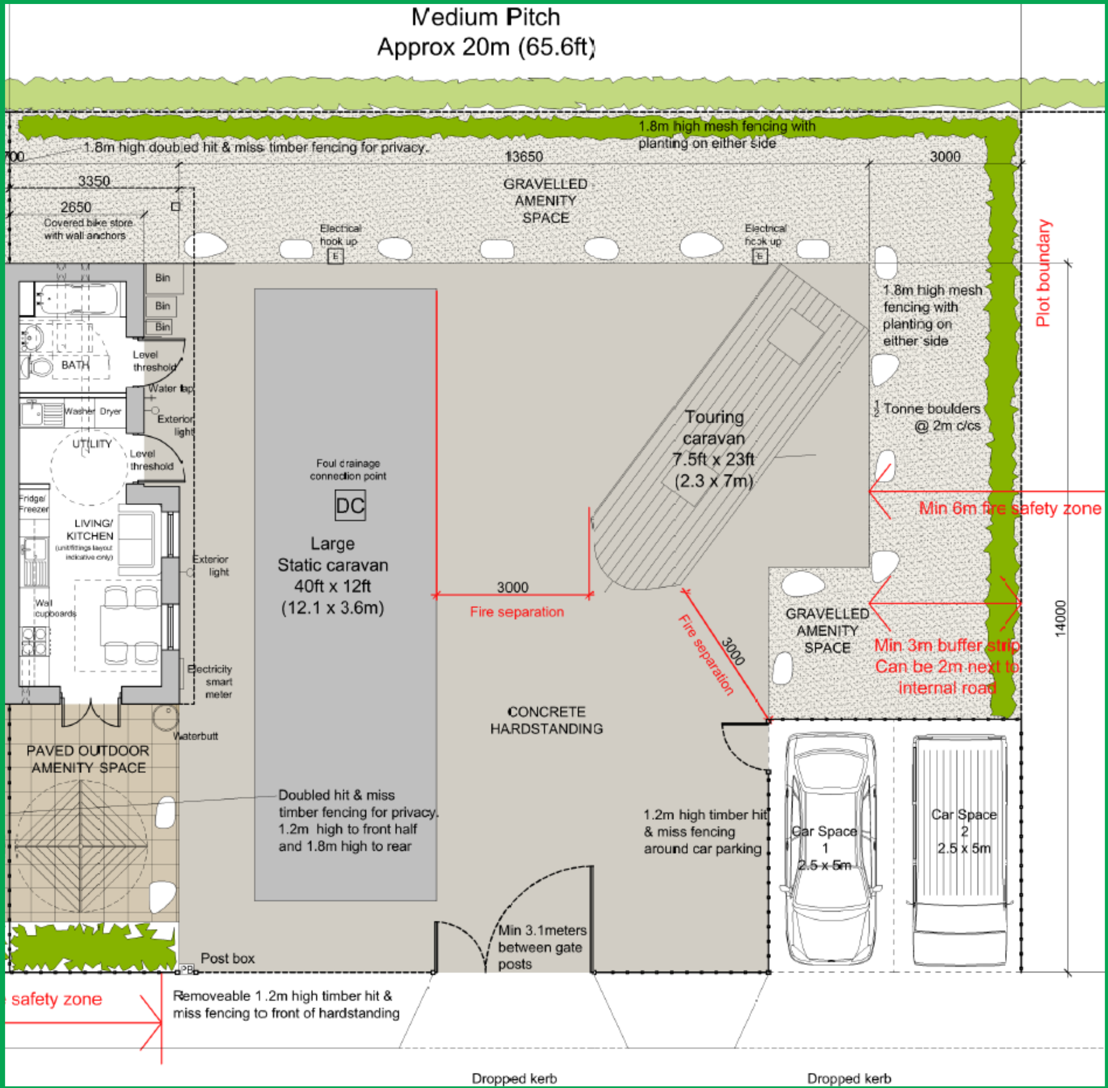
Elim Housing

Providing homes, supporting people.

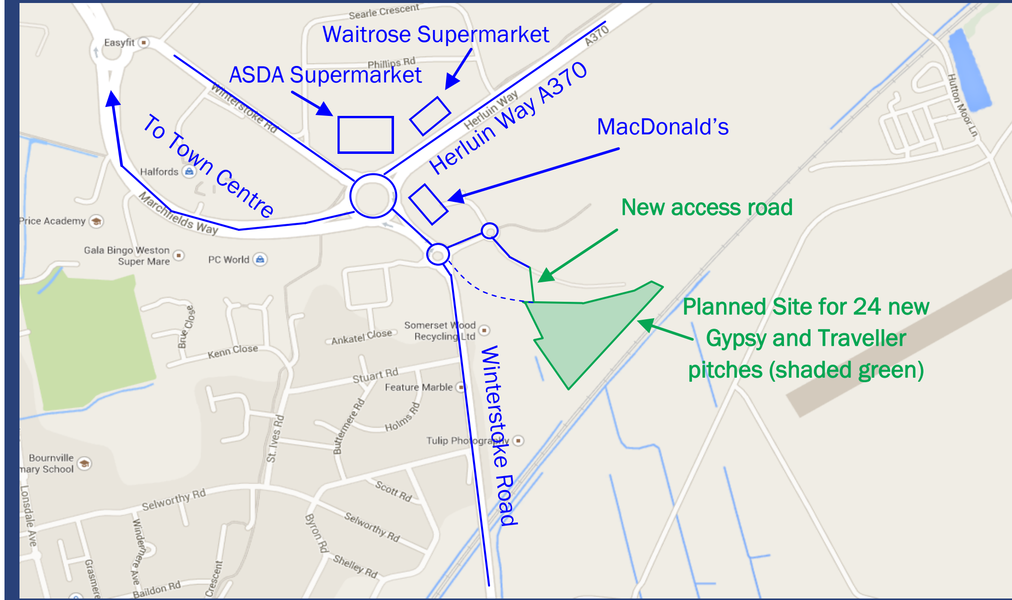
HomeChoice North Somerset

North Somerset Council

The scheme, supported with grant funding from the Homes & Communities Agency and North Somerset Council, is scheduled to complete in early 2015.



Example of medium pitch



Site location map

Site layout design