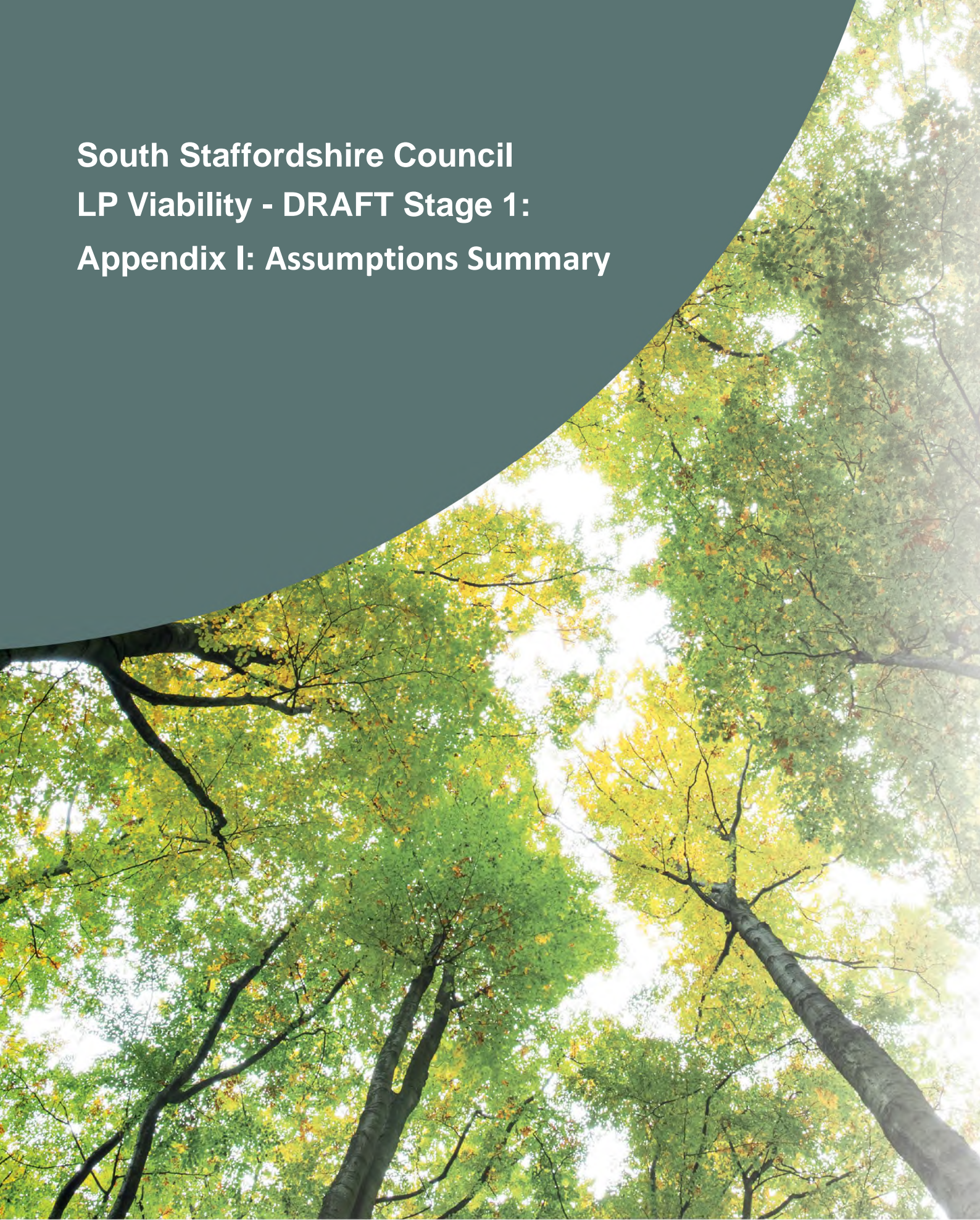


**South Staffordshire Council
LP Viability - DRAFT Stage 1:
Appendix I: Assumptions Summary**



**South Staffordshire Council - Appendix I - Draft Stage 1 Viability Assessment:
Local Plan & CIL Residential Assumptions (Sheet 1 of 3)**

Scheme Size (Assumed Dwelling numbers) Appraised - TYPOLOGY	Development type	Site type	Density	Net Land Area (ha)	OS Allowance (ha) (based on OS Assessment)	Gross Land Area (ha)	OS off-site contribution (£) (based on OS Assessment)	OS Maintenance Fee (£) (based on OS Assessment)	Build Period (Months)
5	Houses	Greenfield / PDL	30	0.17	n/a	0.19		£2,980	6
5	Flats	PDL	75	0.07	n/a	0.08		£2,980	6
10	Houses	Greenfield / PDL	35	0.29	n/a	0.33		£5,960	6
15	Houses	Greenfield / PDL	35	0.43	0.09	0.60		£8,940	12
25	Houses	Greenfield / PDL	35	0.71	0.15	0.99		£14,900	12
25	Mixed	PDL	40	0.63	0.15	0.89		£14,900	12
50	Mixed	Greenfield / PDL	40	1.25	0.30	1.78	n/a	£19,557	18
50	Flats (Sheltered)	PDL	125	0.40	0.30	0.81	n/a	£19,557	18
60	Flats (Extra Care)	PDL	125	0.48	0.36	0.97	n/a	£23,468	18
50	Houses	Greenfield / PDL	35	1.43	0.30	1.99	n/a	£19,557	18
100	Mixed	Greenfield / PDL	40	2.50	0.60	3.57	n/a	£39,114	24
500	Mixed	Greenfield	40	12.50	3.00	18.75	n/a	£195,570	48*
1000	Mixed	Greenfield	40	25.00	included in Gross	50.00	n/a	£391,140	100**
2000	Mixed	Greenfield	40	50.00	included in Gross	120.00	n/a	£782,280	200**

*Assumes multiple developers (sales outlets)

**Assumes multiple developers based on 2 no. sales outlets for the 1000 unit typology and 3-4 sales outlets for the 2000 unit typology at an assumed rate of approx. 0.75 market sales per week, per outlet, at this stage.

Notes:
The above scenarios tested at 0%, (5 and 10 units only), 20%, 30% and 40% AH following earlier phases of testing. The appraisals have been completed in each case to the point at which a negative result is returned - we consider there to be no merit in extending testing beyond the points where there is a negative residual land value. Affordable Housing tenure split assumed at 50% Social Rented and 50% Intermediate based on latest SHMA. 10% Low Cost / Affordable Home Ownership (AHO) of total overall requirements. 25% First Homes assuming 30% discount. The above assumes fully applied policy position - actual percentage will necessarily vary due to policy requirement.

15% Land Area Adjustment for non-developable areas - in addition to allowance based on Policy SAD7.

Mixed = development of houses and flats - mixed types

Unit Sizes (sq. m)*	Private	Affordable
1-bed flat	50	50
2-bed flat	61	61
2-bed house	79	79
3-bed house	93	93
4-bed house	130	106

*Note: Retirement/sheltered typology:

1-beds @ 55 sq. m; 2-beds @ 75 sq. m (Note 25% communal area content within retirement/sheltered typology)

*Note: Extra care typology:

60 units typology Comprised of a 3:2 ratio of 1-bed to 2-bed units (36 no. 1-b; 24 no. 2-b)

1-beds @ GIA 58.5 sq. m; 2-beds @ 76 sq. m (excluding communal areas - 35% communal area content).

*based also on Nationally Described Space Standard compliance

Dwelling mix principles - for building up assumptions

Market Housing: 10% 1-beds, 35% 2-beds, 30% 3-beds, 25% 4-beds

Affordable Housing: 20% 1-beds, 40% 2-beds, 30% 3-beds, 10% 4-beds

Note: All subject to 'best fit scenario'. Intermediate mix adjusted across 1 and 2-beds only. Based on emerging policy direction as agreed through discussions with SSDC.

Value Levels - South Staffordshire DC

Market Value (MV) - Assumed Value levels (VLS) tested) £/sq. m	VL1 £2,500	VL2 £2,800	VL3 £3,100	VL4 £3,400	VL5 £3,700	VL6 £4,000	VL7 £4,300	
Indicative Relevance of VLS	Lower end new build values/typical market falling		Typical new build values range			Higher end new build values and above/typical market rising		
	Locality Area 1 (including) Penkridge, Huntington, Bednall, Dunston							Tier 1 settlements
	Locality Area 2 (including) Brewood, Wheaton Aston, Coven, Bishops Wood							Tier 2 settlements
	Locality Area 3 Cheslyn Hay, Great Wyrley, Essington, Featherstone, Shares Hill							Tier 3 settlements
				Locality Area 4 (including) Codsall, Bilbrook, Perton, Pattingham				Tier 4 settlements
	Locality Area 5 (including) Wombourne, Kinver, Bobbington, Trysull, Swindon, Himley, Seisdon							Notes - Some small samples (judgements required). (Tier 5 not specifically researched)
VLS	VL1	VL2	VL3	VL4	VL5	VL6	VL7	
1-bed flat	£125,000	£140,000	£155,000	£170,000	£185,000	£200,000	£215,000	
2-bed flat	£152,500	£170,800	£189,100	£207,400	£225,700	£244,000	£262,300	
2-bed house	£197,500	£221,200	£244,900	£268,600	£292,300	£316,000	£339,700	
3-bed house	£232,500	£260,400	£288,300	£316,200	£344,100	£372,000	£399,900	
4-bed house	£325,000	£364,000	£403,000	£442,000	£481,000	£520,000	£559,000	
MV (£ / m ²)	£2,500	£2,800	£3,100	£3,400	£3,700	£4,000	£4,300	

Note: Sheltered Housing/Extra Care tested at VL4 - VL7 and an added VL8 @ £4,600/sq. m

Affordable Housing Revenue Assumptions

Unit	Market Size	Social Rent	
		Average across South Staffs District	Social Rent transfer price
1BF	50	£77.79	£63,828
2BF	70	£91.03	£74,574
2BH	79	£92.58	£75,844
3BH	100	£95.50	£78,236
4BH	130	£111.81	£91,598

Note: Social Rent assumptions taken from info on actual rents charged provided by SSDC with reference to average/median rents.

Shared Ownership Value assumes an average of 65% MV. As above, 25% of AH to be First Homes (FH) assuming 30% discount.

**South Staffordshire Council - Appendix I - Draft Stage 1 Viability Assessment:
Local Plan & CIL Residential Assumptions (Sheet 2 of 3)**

Development / Policy Costs	South Staffordshire DC	Notes / variances
RESIDENTIAL BUILDING, MARKETING & S106 COSTS		
Build Costs Estate Housing - generally (£/sq. m) ¹	£1,125	BCIS (5yr period) figures are exclusive of external works
Build Costs Mixed Developments - generally (£/sq. m) ¹	£1,140 (£1,038 LQ)	Build costs based on BCIS "median" - strategic-scale site typologies also tested at "lower quartile" rates.
Build Costs Flats - generally (£/sq. m) ¹	£1,258	85% Net:Gross floor area adjustment (Flats Only)
Build Costs (Supported Housing - Generally) (£/sq.m) ¹	£1,399	Retirement - Sheltered and Extra Care (plus additional allowances for communal areas (@ 25% & 35% respectively, from base 15%)
External Works	10% (Flats) 15% (Houses)	Added to build costs. Bespoke assumption for Sheltered/Extra Care typologies at 7.5%
Site Works (on gross)	£500,000/ha	Additional cost allowances for larger site typologies
Contingencies (% of build cost)	3%-15%	Assume 5% base test. Strategic-scale site typologies tested at 3%.
Professional & Other Fees (% of build cost)	7%-10%	Strategic-scale site typologies tested at 8%.
Sustainable Design / Construction Standards (% of build cost)	4%	Represents 31% CO ² reduction (based on the Future Homes Standard Option 2)
Biodiversity Net Gain (BNG) (% of build cost) ²	0.2% (PDL) 0.9% (Greenfield)	% varies based on site type (PDL/GF)
Electric Vehicle Charging Points (£ per dwelling)	£500/unit	
M4(2) Accessible and adaptable dwellings (per unit)	£1,646 (Flats) £2,447 (Houses)	30% of all new dwellings
Proxy s106 / CIL trial rates	Tested in £25/sq. m. steps up to £300/sq. m.	<i>Provide analysis of available surplus to indicate potential CIL scope leading to further review and Stage 2.</i>
Water Efficiency Standards	110 litres per person per day	
Empty Property Costs (Sheltered / Extra Care only)	£2,000/unit (Sheltered) £5,000/unit (Extra Care)	
Marketing & Sales Costs (% of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
Likely S106 Contributions - See Residential Assumptions Sheet 3 for detail (Currently all TBC, with S106 costs information provided for indicative comparison with current stage residual surpluses)		
Cannock Chase SAC (SAMM) (£ per dwelling)	£299.11/unit <i>plus £100 admin fee per development</i>	
Open Space Maintenance Fee (£)	<i>Variable</i>	based on OS Assessment provided by SSC
Sports Facilities & Playing Pitch Commuted Sums (£ per dwelling)	£2,379/unit	based on information provided by SSC.
Education Contributions	<i>Variable</i>	based on education contributions methodology as provided by SSC
DEVELOPER'S RETURN FOR RISK AND PROFIT		
Open Market Housing Profit (% of GDV)	17.5%	Range of 15% - 20%, DSP assumed testing at mid-point of range at 17.5%
Affordable Housing Profit (% of GDV)	6%	
First Homes Profit (% of GDV)	10-12%	no established experience or range available at the time of modelling, but assume 10-12% and have adopted 12% GDV in appraisal modelling at this stage.
FINANCE & ACQUISITION COSTS		
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	HMRC scale
Finance Rate - Build (%)	6.5%	
Finance Rate - Land (%)	6.5%	

Notes:

¹ Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - e.g. flats ; houses storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The BCIS figure for South Staffordshire has been used and averaged across the area. External added separately at 10-15%. Site works added separately.

² Biodiversity Net Gain Impact Assessment - Natural England (Table 19-20)

Dixon Searle Partnership (2021)

**South Staffordshire Council - Appendix I - Draft Stage 1 Viability Assessment:
Local Plan & CIL Residential Assumptions - Estimated s.106 costs for consideration alongside indicative surplus outcomes (Sheet 3 of 3)**

Scheme Size (Assumed Dwelling numbers) Appraised TYPOLOGY	Development type	Site type	Total Floor Area Sq. m.	OS Maintenance Fee <i>(based on OS Assessment)</i> - On sites <33 dwellings both the financial contribution and maintenance fee cost is shown below			Cannock Chase SAC (SAMM) £299.11/unit plus £100 admin fee per development			Sports Facilities & Playing Pitch Commuted Sums <i>(£2,379 per dwelling)</i>			Education Contributions <i>(based on SSDC methodology as provided to DSP)</i>					
													Two-Tier System			Three-Tier System		
				Total £	£/sq. m.	£/dwelling	Total £	£/sq. m.	£/dwelling	Total £	£/sq. m.	£/dwelling	Total £	£/sq. m.	£/dwelling	Total £	£/sq. m.	£/dwelling
5	Houses	Greenfield / PDL	474	£2,980	£6	£596	£1,496	£3	£299.11	£11,895	£25	£2,379	£38,343	80.893038	£7,669	£38,343	80.893038	£7,669
5	Flats	PDL	285	£2,980	£10	£596	£1,496	£5	£299.11	£11,895	£42	£2,379	£38,343	£135	£7,669	£38,343	£135	£7,669
10	Houses	Greenfield / PDL	929	£5,960	£6	£596	£2,991	£3	£299.11	£23,790	£26	£2,379	£76,687	£83	£7,669	£76,687	£83	£7,669
15	Houses	Greenfield / PDL	1394	£8,940	£6	£596	£4,487	£3	£299.11	£35,685	£26	£2,379	£115,030	£83	£7,669	£115,030	£83	£7,669
25	Houses	Greenfield / PDL	2324	£14,900	£6	£596	£7,478	£3	£299.11	£59,475	£26	£2,379	£191,717	£82	£7,669	£191,717	£82	£7,669
25	Mixed	PDL	2108	£14,900	£7	£596	£7,478	£4	£299.11	£59,475	£28	£2,379	£191,717	£91	£7,669	£191,717	£91	£7,669
50	Mixed	Greenfield / PDL	4215	£19,557	£5	£391	£14,956	£4	£299.11	£118,950	£28	£2,379	£383,433	£91	£7,669	£383,433	£91	£7,669
50	Flats (Sheltered)	Greenfield / PDL	3230	£19,557	£6	£391	£14,956	£5	£299.11	£118,950	£37	£2,379	£383,433	£119	£7,669	£383,433	£119	£7,669
60	Flats (Extra Care)	Greenfield / PDL	4014	£23,468	£6	£391	£17,947	£4	£299.11	£142,740	£36	£2,379	£460,120	£115	£7,669	£460,120	£115	£7,669
50	Houses	Greenfield / PDL	4647	£19,557	£4	£391	£14,956	£3	£299.11	£118,950	£26	£2,379	£383,433	£83	£7,669	£383,433	£83	£7,669
100	Mixed	Greenfield / PDL	8430	£39,114	£5	£391	£29,911	£4	£299.11	£237,900	£28	£2,379	£766,866	£91	£7,669	£766,866	£91	£7,669
500	Mixed	Greenfield / PDL	42150	£195,570	£5	£391	£149,555	£4	£299.11	£1,189,500	£28	£2,379	£3,834,330	£91	£7,669	£3,834,330	£91	£7,669
1000	Mixed	Greenfield	84300	£391,140	£5	£391	£299,110	£4	£299.11	£2,379,000	£28	£2,379	On-site Provision			On-site Provision		
2000	Mixed	Greenfield	168600	£782,280	£5	£391	£598,220	£4	£299.11	£4,758,000	£28	£2,379						

Note: Table shows the range of s106 costs for comparison with the full appraisal results surplus amounts (see Appendix IIa-d). These costs are excluded from the base assumptions contained in the appraisal modelling.

South Staffordshire DC - Draft Appendix I - Draft Stage 1 Viability Assessment: Local Plan & CIL - Commercial Assumptions

Use Class / Type	Example Scheme Type	GIA (m ²)	Site Coverage	Site Size (Ha)	Build Period (Months)*	Values Range - Annual Rents £ per sq m			Build Cost (£ per sq m)**	External works cost addition (%)	Total Build Cost (£/sq m excl fees etc)	Notes:
						Low	Mid	High				
Large Format Retail Unit	Foodstore/Supermarket - out of centre	2500	35%	0.71	18	£180	£200	£240	£1,312	15%	£1,509	BCIS - Hypermarkets / Supermarkets - generally.
Large Format Retail Unit	Retail Warehouse	1000	40%	0.25	7	£150	£175	£200	£770	15%	£886	BCIS - Retail warehouses - up to 1,000 sq m.
Settlement Centre Retail Unit	Comparison shops (general/non shopping centre)	200	60%	0.03	6	£150	£200	£250	£1,085	50%	£1,628	BCIS - Shops - Generally
Small/local/individual Retail Unit	Convenience Store - various locations	300	75%	0.04	6	£100	£125	£150	£1,085	15%	£1,248	BCIS - Shops - Generally
Business - Offices - Town Centre	Office Building	500	200%	0.03	12	£150	£175	£200	£1,750	15%	£2,013	BCIS - Offices - 3-5 Storey; airconditioned
Business - Offices - Out of town centre /Business Park	Office Building	1000	40%	0.25	12	£160	£200	£240	£1,612	15%	£1,854	BCIS - Offices - 1-2 Storey; airconditioned
Business - Industrial / Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	500	40%	0.13	6	£50	£75	£100	£1,076	15%	£1,237	BCIS - Advance factories / offices - mixed facilities (B1) - generally
Business - Industrial / Warehousing	Larger industrial / warehousing unit including offices - industrial estate	2000	40%	0.50	12	£60	£80	£100	£736	15%	£846	BCIS - Advance factories / offices - mixed facilities (B1) - >2000
Research & Development - Industrial /Warehousing / Office	R&D unit including production / warehouse facility and offices	5000	40%	1.25	18	£80	£100	£120	£736	15%	£846	BCIS - Advance factories / offices - mixed facilities (B1) - >2000
Hotel (budget)***	Hotel - edge of centre / edge of settlement	2100	50%	0.42	18	£4,000	£5,000	£6,000	£1,894	15%	£2,178	BCIS - Hotels
Residential Institution	Nursing Home	2500	60%	0.42	16	£4,000	£5,000	£6,000	£1,618	15%	£1,861	BCIS - Care Homes for the elderly
Other / Sui Generis	Variable - considered on strength of values / costs relationship basis for a range of other development uses including community / clinics / fitness/ leisure / nurseries etc. / holiday lets	Value / costs relationship strength considered in report										

Development Costs	
Sustainability Allowance / other enhancements additional contingency (% of cost)	5%
Professional Fees (% of cost)	10%
Contingencies (% of cost)	5%
Planning / Building Regs etc / insurances (% of cost)	2.0%
Site Works	15.0%
Site survey / preparation costs / S106	Variable
Potential CIL - trial rates testing	<i>Include analysis of available surplus to indicate potential CIL scope leading to further review and Stage 2.</i>
Finance Costs	
Finance rate p.a. (including over lead-in and letting / sales period)	6.5%
Arrangement / other fees (% of cost)	2.0%
Marketing Costs	
Advertising Fees (% of annual income)	1%
Letting Fees (% of Yr 1 annual rent income)	10%
Purchaser's costs	5.75%
Developer Profit (% of GDV)	15%
Yields	Variable applicability sensitivity tested across range at 5.0% to 8.0%
Site Acquisition Costs	
Agents Fees (% of site value)	1.50%
Legal Fees (% of site value)	0.75%
Stamp Duty (% of value - HMRC scale)	0 to 5%

*BCIS Construction Duration Calculator

**BCIS Median - Location Factor for both South Staffordshire

*** equivalent to £4,000 - £6,000 per room per annum based on 6% yield