

**Viability Assessment
of the proposed
development at:
Land at Strand
Meadow, Burwash**

Report for:
Sarah Shepherd
Rother District Council

Prepared by:
DVS

Case Number: 1688021

Date: 25th October 2018

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1.0 Introduction

1.1 I refer to our Terms of Engagement dated 20th August 2018, regarding my review of the proposed development scheme at the above property. DVS is instructed by Rother District Council (RDC) to undertake a review of the development viability of the scheme.

1.2 The background to this review is as follows:

“Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.”

(National Planning Policy Framework 2018, Viability Planning Policy Guidance, para 010)

1.3 RDC Policy LHN2 of the Core Strategy requires on site provision of 30% Affordable Housing for development within the Hastings Fringes. For all applications where the proposal does not meet policy requirements, a detailed Viability Assessment is required to be submitted with the planning application, which will be published on the local authority website.

1.4 You may wish to consider whether any of this report contains Exempt Information within the terms of paragraph 9 of Schedule 12A to the Local Government Act 1972 (section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information Act 1985) as amended by the Local Government (access to Information) (Variation) Order 2006.

1.5 I have reviewed the information submitted by the applicant’s agent in relation to the planning application RR/2018/1787/P which follows from earlier application RR/2017/582/P where the applicant is seeking to vary an agreed Section 106.

1.6 My role is to provide a report to you where I :

- appraise the study to consider whether this is based on the correct viability methodology;
- assess whether the inputs are reasonable, properly evidenced and correctly applied;
- if applicable, advise whether any planning contributions are appropriate.

- 1.7 Conflict of interest checks have been undertaken in accordance with the requirements of the RICS standards. DVS have had no previous involvement on the site and no conflict of interest was identified.
- 1.8 My date of valuation is 25th October 2018.

2.0 Proposed scheme

- 2.1 The 1.9Ha (4.69 acre) site lies in East Sussex within the High Weald AONB and is situated just behind the High Street of Burwash. It comprises three adjoining fields that run from the north east (at the south western end of Strand Meadow) towards Ham Lane to the south west. The North Eastern Field slopes towards the north west and lies immediately south west of Strand Meadow. It is bordered to the west and north by a small un-named watercourse, and to the south by housing development occupying higher land at Rother View. The closest train station is 4 km east in Etchingham.
- 2.2 The site benefits from conditional planning consent, granted in March 2018, under planning reference RR/2017/582/P, described as:
'Proposed residential development with access from Strand Meadow'.

The site has extant permission for 30 dwellings comprising 4x 1-bed apartments, 4x 2-bed apartments, 8x 2-bed houses and 14x 3-bed houses. It should be noted that as part of this planning consent being granted, the applicant agreed to provide 40% Affordable Housing. Permission was granted earlier in 2018, and no detail has been supplied to justify why the applicant considered the scheme to be viable then but now considers the scheme is unviable.

The overall schedule of consented accommodation is as follows:

Unit Type	Number	NSA	
		sq m	sq ft
1 Bed Flat	4	181	1,956
2 Bed Flat	4	277	2,983
2 Bed Houses	8	576	6,200
3 Bed Houses	14	1,260	13,562
Total NSA	30	2,295	24,703
Communal Areas		137	1,476
Total GIA		2,432	26,179

2.3 I have largely relied on the areas provided. Any change in these areas may affect my opinion of the construction costs and end sales values, impacting on the viability of the scheme.

3.0 Information Provided by the Applicant

3.1 In undertaking this viability assessment, I have had regard to the following information:

- Executive Summary dated 25th June 2018 completed by Bespoke Property Consultants;
- Viability Report dated 25th June 2018, completed by Bespoke Property Consultants;
- Photos and inspection notes taken by Anindita Maitra on 27th September 2018.

3.2 I have also had regard to sales and construction evidence from various sources such as Rightmove, SDLT returns, Building Cost Information Service (BCIS), and our own internal records when forming my own opinion of value.

4.0 Review of the Applicant's Viability Assessment and Methodology

Summary of applicant's position

4.1 The applicant states that the extant scheme approved for the site is not viable and cannot support a policy compliant Affordable Housing contribution. The applicant has therefore sought to vary the unit mix and proposed a new scheme of 30 dwellings comprising 4x one and two bed apartments and 26x 3-bed houses. This is a proposed higher provision of 3 bed houses, and a removal of 2 bed houses from the scheme. The overall floor area of proposed residential accommodation is higher.

4.2 The applicant outlines in their report that the extant scheme and the proposed scheme both produce a negative residual land value and are therefore not viable enough to provide an Affordable Housing contribution.

The overall schedule of the proposed scheme is as follows:

Unit Type	Number	NSA	
		sq m	sq ft
1 Bed Flat	2	101	1,087
2 Bed Flat	2	186	2,002
3 Bed Houses	26	2,925	31,485
Total NSA	30	3,212	34,575
Communal Areas		81	872
Total GIA		3,293	35,447

Methodology

- 4.3 DVS are in broad agreement with the applicant's approach that it is based upon present day costs and values, and a residual appraisal has been provided. The applicant have undertaken their appraisals using HCA DAT, while I have used Argus Developer, an industry recognised toolkit which allows flexibility of input. Whilst the agent has discussed the value of the site from a number of ways, they have not suggested what they consider the Benchmark Land Value is so have not undertaken comparisons between the two values.
- 4.4 The recommended approach to undertaking development viability assessments is provided in a number of guides. These include the National Planning Policy Framework, RICS VIP 12 - "Valuation of development land", the RICS Guidance Note "Financial Viability in Planning", the National Planning Policy Framework 2018 and the Rother Planning Guidance.
- 4.5 The recommended approach is to assess viability based on a residual valuation basis. This means assessing the development value of the proposed scheme and deducting from this the costs of the development, including profit and planning obligations, to leave a residual value.
- 4.6 This residual site value is then compared to a Benchmark Site Value. If the residual site value is in excess of the Benchmark Site Value the scheme is considered able to viably provide planning contributions, up to an amount equal to the difference between the two figures. If it falls below the Benchmark Site Value it could be considered unviable although a later review should be undertaken.

Project Programme

- 4.7 The overall project programme adopted by the applicant for both extant and proposed schemes is an 18-month construction period, with sales commencing in Month 15 of construction, additionally allowing a 6-month period after construction completion to deal with run off sales.
- 4.8 I am of the opinion that an 18 month construction period is acceptable. The applicant's appraisal has included a 9-month sales period. As the subject scheme involves only 30 units, I consider this is reasonable, but have adopted a 6 month period for the scheme with only 18 Private units to sell, with sales commencing in Month 15 of the construction

period. I have modelled the payment for the Affordable Housing as being received quarterly during the construction period.

5.0 Gross Development Value

Residential Revenue- proposed scheme

5.1 The applicant has adopted individual sales values, based on sales values provided by three local real estate agents, which was averaged. The overall Gross Development Value in the agent's appraisal of the All-Private scheme is £10,395,995. The All-Private scheme includes 30 Private Units comprising 2x one- bed flats, 2x two-bed flats and 26x 3-bed houses, with the values as follows:

Nos.	Unit Type	GIA (sq m)	GIA (sq ft)	£ per sq m	£ per sq ft	Price (£)
2	1 Bed Flat	51	548	£2990.70	£278	£151,030
2	2 Bed Flat	93	1,001	£2990.70	£278	£278,135
26	3 Bed House	112.5	1,211	£3,260.74	£303	£366,833
30	Total					£10,395,995

5.2 The applicant has also provided a schedule of resale comparables. I do not consider adopting an average of sales values would provide an accurate indication of achievable sales values for the units, particularly when the evidence relied on is all second hand evidence. I have sought to verify these figures by undertaking a review of comparable evidence in the vicinity to compare with the proposed sales values. I have therefore attached more weight to new-build sales evidence within Etchingham and the wider locality of the subject property. I outline this evidence as below:

3-bed houses

Date	Address	Type	sft	sq m	Price (£)	Price (£/sqm)	Price (£/sft)
29-Jun-18	47, Herschel Place, Hawkhurst, TN18 4FA	3 bed detached	1,152	107	£490,000	£4,579	£425
28-Jun-18	44, Herschel Place, Hawkhurst, TN18 4FA	3 bed detached	1,152	107	£485,000	£4,533	£421
10-Apr-18	6, Hurstwood Close, Flimwell, Wadhurst, East Sussex, TN5 7FD	3 bed terraced	1,281	119	£380,000	£3,193	£297
10-Apr-18	5, Hurst Wood Close, Flimwell, Wadhurst, East Sussex TN5 7FD	3 bed terraced	969	90	£375,000	£4,167	£387

Date	Address	Type	sft	sq m	Price (£)	Price (£/sqm)	Price (£/sft)
29-Mar-18	60, Herschel Place, Hawkhurst, Cranbrook, Kent, TN18 4FA	3 bed detached	1,152	107	£480,000	£4,486	£417
28-Sep-15	3, The Coomes, Rye Road, Sandhurst, Cranbrook, Kent, TN18 5JG	3 bed detached	1,205	112	£330,000	£2,948	£274
25-Sep-15	4, The Coomes, Rye Road, Sandhurst, Cranbrook, Kent, TN18 5JG	3 bed semi	1,184	110	£350,000	£3,182	£296
Sep-15	5, Parsonage Croft, Etchingham, East Sussex, TN19 7BY	3 bed terraced	1,193	111	£325,000	£2,932	£272
01/06/2015	4, Parsonage Croft, Etchingham, East Sussex, TN19 7BY	3 bed terraced	1,152	107	£325,000	£3,037	£282
29/05/2015	9, Parsonage Croft, Etchingham, East Sussex, TN19 7BY	3 bed detached	1,598	148	£479,950	£3,233	£300
May-15	6, Parsonage Croft, Etchingham, East Sussex, TN19 7BY	3 bed terraced	1,255	117	£325,000	£2,788	£259
May-15	8, Parsonage Croft, Etchingham, East Sussex, TN19 7BY	3 bed detached	1,598	148	£479,950	£3,233	£300
Asking	50, Herschel Place, Hawkhurst, Cranbrook, Kent, TN18 4FA	3 bed	901	84	£370,000	£4,419	£411

5.3 I have had regard to three new-build schemes in Etchingham and the wider locality of the subject site. Evidence suggests that new-build 3-bed terraced houses of a similar size to that within the proposed scheme sold in the range of £325,000 to £380,000 analysing to £3,037 per sq m to £4,167 per sq m. A 3-bed house (84 sq m) in Herschel Place, Hawkhurst is currently being advertised for sale for £370,000 analysing to £4,419 per sq m.

2-bed houses

Date	Address	Type	sft	sqm	Price (£)	Price (£/sqm)	Price (£/sft)
13-Aug-18	2, Hurstwood Close, Flimwell, Wadhurst TN5 7FD	2 bed end terrace	797	74	£315,000	£4,257	£395
17-May-18	57, Plot 5, Herschel Place, Hawkhurst, Cranbrook, Kent, TN18 4LB	2 bed semi	785	72.94	£340,000	£4,661	£433
Asking	52 Herschel Place, Hawkhurst, Kent, TN18 4FA	2 bed terraced	785	72.94	£320,000	£4,387	£408
Asking	51 Herschel Place, Hawkhurst, Kent, TN18 4FA	2 bed semi	796	73.94	£325,000	£4,395	£408

5.4 I have had regard to sales evidence for two new-build schemes, Hurstwood Close and Herschel Place. Looking at achieved ranges for new-build homes in the nearby area, the range in values for 2 bed houses is £315,000 to £340,000 (£4,257 to £4,661 per m²). Asking prices for 2 bed houses are in the range of £320,000 to £325,000 (£4,387 per sq m to £4,395 per sq m).

2-bed flats

Date	Address	Type	sft	sqm	Price (£)	Price (£/sqm)	Price (£/sft)
13/12/2017	13, Lillesden House, Hastings Road, Hawkhurst, TN18 4QG	2 bed flat	1,227	114	£355,000	£3,114	£289
02/10/2017	8, Lillesden House, Hastings Road, Hawkhurst, TN18 4QG	2 bed flat	1,163	108	£355,000	£3,287	£305
19/05/2017	11, Lillesden House, Hastings Road, Hawkhurst, TN18 4QG	2 bed flat	1,195	111	£357,500	£3,221	£299
Asking	Sandrock House, High Street, Etchingam, East Sussex, TN19	2 bed flat	678	63	£250,000	£3,969	£369
Asking	Windsor Court, Heathfield, East Sussex	2 bed flat	672	62	£245,000	£3,924	£365

5.5 There is limited evidence for new-build apartments in the wider locality of the property. I have had regard to sales evidence within Lillesden House, Hawkhurst a converted residential apartment block, with 2 bed flats sold in the range of £355,000 to £357,500 analysing in the range of £3,114 per sq m to £3,287 per sq m. Sandrock House, a new-build scheme in Etchingam, has 2 bed flats currently being advertised for sale for £250,000. These flats are approximately 30 sqm smaller than those within the proposed scheme (93 sq m). I would therefore expect a two-bed flat in the proposed scheme to achieve a higher value than this.

1-bed flats

Date	Address	Type	sft	sqm	Price (£)	Price (£/sqm)	Price (£/sft)
Asking	Sandrock, High Street, Etchingam, TN19	1 bed flat	657	61	£220,000	£3,607	£335
Asking	Windsor Court, Heathfield, East Sussex	1 bed flat	592	55	£185,000	£3,364	£312

5.6 There is little to no evidence for new-build one-bed flats in the locality of the subject site. Asking prices for one-bed flats in the locality are in the range of £185,000 to £220,000. I have therefore also had regard to resale values as outlined below.

- Resale Comparables

5.7 I have also had regard to second hand sales evidence in addition to new build sales. Evidence shows **1 bed flats** sold for £108,500 to £109,950 analysing to £2,712 psm and £2,748 psm respectively, **2 bed flats** sold for £160,000 (57 sqm) to £325,000

(142.10 sqm) analysing to £2,287 psm to £3,734 psm, **3 bed houses** sold for £250,000 to £595,000 which analyse to £2,536 psm to £3,789 psm. I would expect that values for the proposed development would be higher than this as they are not second hand.

5.8 There are a range of values achieved based on the comparable transactions above. The values achievable depend on location, specification and the size of the units. The subject scheme has a good location being within an AONB. I consider the finished scheme will generate above average quality with the unit being generously sized and within AONB. I am of the opinion that the units in the subject would be very attractive to potential purchasers as a consequence.

5.9 My amendments to the pricing schedule result in an overall GDV for the 100% Private housing scheme of **£10,800,000** which is £604,737 above the applicant's proposed GDV.

The table below outlines the values adopted for the Private units.

No.	Unit Type	Beds	Tenure	SQM	Price per SQM	DVS
1	Flat	1	Private	50.5	£3,600	£180,000
2	Flat	1	Private	50.5	£3,600	£180,000
3	Flat	2	Private	93	£3,011	£280,000
4	Flat	2	Private	93	£3,011	£280,000
5	House	3	Private	112.5	£3,378	£380,000
6	House	3	Private	112.5	£3,378	£380,000
7	House	3	Private	112.5	£3,378	£380,000
8	House	3	Private	112.5	£3,378	£380,000
9	House	3	Private	112.5	£3,378	£380,000
10	House	3	Private	112.5	£3,378	£380,000
11	House	3	Private	112.5	£3,378	£380,000
12	House	3	Private	112.5	£3,378	£380,000
13	House	3	Private	112.5	£3,378	£380,000
14	House	3	Private	112.5	£3,378	£380,000
15	House	3	Private	112.5	£3,378	£380,000
16	House	3	Private	112.5	£3,378	£380,000
17	House	3	Private	112.5	£3,378	£380,000
18	House	3	Private	112.5	£3,378	£380,000
19	House	3	Private	112.5	£3,378	£380,000
20	House	3	Private	112.5	£3,378	£380,000
21	House	3	Private	112.5	£3,378	£380,000

No.	Unit Type	Beds	Tenure	SQM	Price per SQM	DVS
22	House	3	Private	112.5	£3,378	£380,000
23	House	3	Private	112.5	£3,378	£380,000
24	House	3	Private	112.5	£3,378	£380,000
25	House	3	Private	112.5	£3,378	£380,000
26	House	3	Private	112.5	£3,378	£380,000
27	House	3	Private	112.5	£3,378	£380,000
28	House	3	Private	112.5	£3,378	£380,000
29	House	3	Private	112.5	£3,378	£380,000
30	House	3	Private	112.5	£3,378	£380,000
Total				3,212		£10,800,000

Ground Rent income

- 5.10 I have included ground rents for the 1 bed and 2 bed flats at a rent of £250 per unit on private market units only, capitalised at a gross yield of 5.5%. This would give a total value of £18,182 in an All-Private scheme.
- 5.11 DVS is aware of the recent consultation paper by the Government, 'Tackling unfair practices in the leasehold market'. A press release followed which highlighted the government's intention "to cut out unfair and abusive practices" within the leasehold system. Included in these measures is the intention to ensure that all new long leases are charged at zero. Whilst DVS acknowledge these changes and will follow them when enacted, at present we consider that it is premature. Were these to be removed from the appraisal, a reconsideration of both the GDV of the flats and the Benchmark Site Value would need to be undertaken.

Affordable Housing Revenue

- 5.12 The applicant has modelled a policy compliant scenario based on the extant scheme in order to demonstrate that the extant scheme is not viable enough to provide an Affordable Housing contribution. Whilst the agent has provided appraisals in their appendix, they have not outlined how they have arrived at their values. I have adopted 40% of the Market Value for Affordable Rented units and 60% of Market Value for the Shared Ownership units based on market evidence.

6.0 Gross Development Costs

Construction Costs

- 6.1 The agent has adopted a construction cost of £1,424 per sqm for houses and £1,524 per sqm for flats. This is based on BCIS median costs for 3-5 storey flats and 3 storey houses within Rother as at 23rd June 2018. I have had regard to BCIS median costs for 3-storey houses and 3-5 storey flats in Rother and updated the construction costs as at September 2018 (the last available data). There has been a slight change in BCIS costs since June. The median cost for construction of 3-5 storey flatted schemes is £1,494 per sqm and 3 storey houses is £1,377 per sqm. I have reflected these updated costs within my appraisal.
- 6.2 The applicant has provided a cost plan for site works/ abnormal costs of £1,565,715 for the proposed scheme and £1,514,202 for the extant scheme, plus an allowance for preliminaries and profit, which includes an allowance for pile foundations, retaining walls, substructure and masonry. The site has a steep contour and would involve substantial amount of levelling and cut/fill in order to carry out the development. This is a significant portion of the overall construction costs, however some of these costs are attributed to external works. I do consider the identified abnormals are not unreasonable given the site typology but highlight that this has a significant impact on the scheme's viability. I also consider these abnormals would have been known to the agent when the previous quantum of Affordable Housing was agreed so I question why these have only been highlighted now.

Contingency

- 6.3 A contingency of 5% on development costs has been adopted by the applicant. I consider this is in the mid-point of an acceptable range reasonable and I have adopted this in my appraisal.

Professional Fees

- 6.4 The applicant has adopted 10% of total build costs for the extant scheme and proposed scheme. I consider this to be reasonable and have adopted this within my appraisal.

Planning Obligations

- 6.5 A S278 payment of £45,000 has been factored into the cost plan and I have adopted this within my appraisal. A CIL contribution of £200 per sqm GIA has also been factored into the appraisal, for the Private accommodation only.

Disposal & Marketing Fees

- 6.6 The applicant's report suggests disposal and marketing fees of 2.5% for Sales Agent Fees, £750 per dwelling for Sales Legal Fees for Private units. I have adopted 1.5% for Sales Agent Fees and the agent's figure for Legal Fees.

Site Acquisition Fees

- 6.7 I have adopted the tiered approach to SDLT calculations which became effective in 2016 in order to establish site acquisition costs, along with 1.8% for agency disposal fees.

Finance

- 6.8 The applicant has adopted a 6.75% finance rate and I am satisfied 6.75% is within an acceptable range. I have also adopted a 0.5% credit rate.

Developer's Profit

- 6.9 The applicant has evaluated the scheme on a target Profit on GDV basis at 20% for Private units. Whilst I am willing to accept 20% Profit on GDV for Private units, I consider the Affordable units should be assessed at 6% Profit on Cost as they carry lower risk and are pre-sold to a Registered Housing Provider in a single lot in advance. This equates to a lower blended Profit rate. I have therefore adopted 20% Profit on GDV for Private units and 6% Profit on Cost for the Affordable units.

Summary

- 6.10 Based on the assumptions above, I have undertaken appraisals based on the policy compliant extant scheme and the proposed scheme. I have detailed these appraisals as below:

Appraisal	Agent Appraisal	DVS Appraisal
Extant scheme (policy compliant) - 30 dwellings (18x Private, 12x Affordable)	-£1,313,982	£145,138
Extant scheme (All Private- 30x Private dwellings)	-£1,196,045	£848,929
Proposed scheme (All Private- 30x Private dwellings)	-£709,607	£193,182

7.0 Benchmark Land Value

- 7.1 A key factor in assessing viability is the assessment of the appropriate Site Value against which to compare the proposed scheme's residual land value.
- 7.2 The applicant's approach has been to assess the viability of the scheme on a residual basis. They have adopted a target profit of 20% on GDV for Private units. The applicant has adopted a notional value of £1 for Benchmark Land Value as both the extant and proposed schemes generate a negative residual land value. The applicant has had regard to an Existing Use Value as pasture/grazing land and states that farmland allocated for development would achieve between £100,000 to £150,000 per acre and therefore the Benchmark Land Value for 4.69 acres would be in the range of £1 and £469,509. No evidence has been provided to support this assumption, nor has commentary been provided to support why, when the proposed scheme appraisals have resulted in negative land values, the agent considers the value as residential land would be up to £469,509.
- 7.3 I consider the Benchmark Land Value of the scheme is based on the planning consent that is currently in place for the development site. I have therefore considered the policy compliant scheme, based on the consented affordable housing mix, as the Benchmark Land Value. I have calculated the residual site value by adopting the inputs above and adopted this as the Benchmark Land Value as I consider this complies with the guidance provided in the recent NPPF regarding how to arrive at a Benchmark Land Value.
- 7.4 Based on my inputs and reasoning above, I consider the Benchmark Site Value of the scheme based on the extant scheme would be **£145,138**. This equates to approximately £30,946 per acre and is significantly lower than available market evidence for residential development land. However, I do consider this accurately reflects the significant abnormalities that have been identified on this site which must also be reflected in the Benchmark Land Value. Evidence suggests that sites with residential development potential within Rother transact for circa £675,000 per net developable Hectare, or around £15,000 to £20,000 per residential unit. This would be where significant abnormalities are not present.

8.0 Development Viability

8.1 The position presented by the applicant of the viability of this scheme demonstrates a negative residual land value even when looked at on a 100% Private Market Unit basis. This would suggest the scheme is not viable and cannot support an Affordable Housing contribution.

8.2 I have undertaken three appraisals to reflect the value of the extant scheme, extant scheme with all Private accommodation and the proposed scheme with all Private accommodation. All of these schemes produce a positive residual land value as opposed to the applicant's conclusion, although the values are below what one might expect for a residential development site without the site abnormalities known here.

8.3 My appraisal values for the two all Private schemes are:

Appraisal	Agent Appraisal	DVS Appraisal
Extant scheme (All Private- 30x Private dwellings)	-£1,196,045	£848,929
Proposed scheme (All Private- 30x Private dwellings)	-£709,607	£193,182

8.4 This demonstrates that both schemes without Affordable Housing would result in higher land values, but that the proposed amended scheme does not achieve a higher value than the extant scheme unit mix. This is because whilst the GDV has increased, the area of the development has also increased and so build costs and CIL have also increased. The proposed unit mix appears, therefore, not to result in higher returns for the developer.

9.0 Conclusion

9.1 The main areas of difference in our reports are the Gross Development Value and approach to the Benchmark Land Value. This leads to my proposed conclusion that the scheme is more viable than the applicant's appraisal suggests.

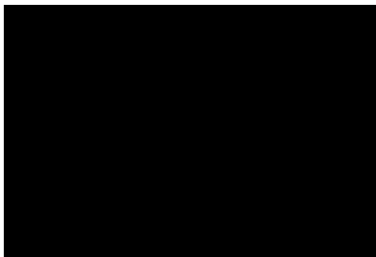
9.2 The proposed scheme has larger units as compared to that within the extant scheme which makes this scheme construction costs higher. Higher abnormal costs due to the topographical constraints of the site has also had an impact on the viability of the scheme.

9.3 I trust that the above viability review is clear. You may have queries on a number of the issues I have raised, and I would be pleased to provide further information if you require this.

Yours sincerely,



Reviewed by:



Appendix 1: Appraisal 1- Benchmark Site Value (extant scheme)

APPRAISAL SUMMARY						
Land at Strand Meadow, Burwash-extant scheme						
Summary Appraisal for Merged Phases 1 2						
Currency in £						
REVENUE						
Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	
1 bed flat-AR	4	181.72	1,782.96	81,000	324,000	
2 bed house-AR	4	288.00	1,968.75	141,750	567,000	
2 bed house-SO	2	144.00	2,625.00	189,000	378,000	
3 bed house-SO	2	180.00	2,026.67	182,400	364,800	
2 bed flat - pvt	4	277.20	4,040.40	280,000	1,120,000	
2 bed house-pvt	2	144.00	4,375.00	315,000	630,000	
3 bed house-pvt	<u>12</u>	<u>1,080.00</u>	<u>4,222.22</u>	<u>380,000</u>	<u>4,560,000</u>	
Totals	30	2,294.92			7,943,800	
Rental Area Summary						
	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV		
2 bed flats	<u>4</u>	250	<u>1,000</u>	<u>1,000</u>		
Totals	4		1,000	1,000		
Investment Valuation						
2 bed flats						
Current Rent	1,000	YP @	5.5000%	18.1818	18,182	
					18,182	
GROSS DEVELOPMENT VALUE					7,961,982	
NET REALISATION					7,961,982	
OUTLAY						
ACQUISITION COSTS						
Residualised Price			145,138		145,138	
Agent Fee		1.00%	1,451		1,451	
Legal Fee		0.80%	1,161		1,161	
					2,612	
CONSTRUCTION COSTS						
Construction	m²	Build Rate m²	Cost			
1 bed flat-AR	236.00	1,494.00	352,584			
2 bed house-AR	288.00	1,377.00	396,576			
2 bed house-SO	144.00	1,377.00	198,288			
3 bed house-SO	180.00	1,377.00	247,860			
2 bed flat - pvt	360.00	1,494.00	537,840			
2 bed house-pvt	144.00	1,377.00	198,288			
3 bed house-pvt	<u>1,080.00</u>	<u>1,377.00</u>	<u>1,487,160</u>			
Totals	2,432.00		3,418,596		3,418,596	
Contingency		5.00%	260,268			
Site Works/Abnormals			1,786,760			
CIL	1,584.00 m ²	200.00 /m ²	316,800			
					2,363,828	
PROFESSIONAL FEES						
Architect		10.00%	341,860		341,860	
MARKETING & LETTING						
Marketing		1.00%	63,100		63,100	
DISPOSAL FEES						
Sales Agent Fee		1.50%	94,923			
Sales Legal Fee	18.00 un	750.00 /un	13,500			
					108,423	
FINANCE						
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)						
Total Finance Cost					146,942	
TOTAL COSTS					6,590,499	
PROFIT					1,371,483	
Performance Measures						
Profit on Cost%			20.81%			
Profit on GDV%			17.23%			
Profit on NDV%			17.23%			
Development Yield% (on Rent)			0.02%			
Equivalent Yield% (Nominal)			5.50%			
Equivalent Yield% (True)			5.69%			

Appendix 2: Appraisal 2- Extant Scheme - All Private

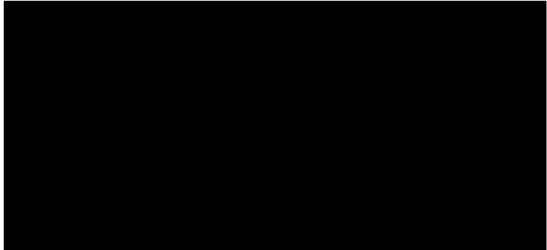
APPRAISAL SUMMARY					
Land at Strand Meadow, Burwash-extant scheme					
Summary Appraisal for Phase 1 Private					
Currency in £					
REVENUE					
Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
2 bed flat - pvt	4	277.20	4,040.40	280,000	1,120,000
2 bed house-pvt	8	576.00	4,375.00	315,000	2,520,000
3 bed house-pvt	14	1,260.00	4,222.22	380,000	5,320,000
1 bed flat- pvt	<u>4</u>	<u>181.72</u>	3,962.14	180,000	<u>720,000</u>
Totals	30	2,294.92			9,680,000
Rental Area Summary					
	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Flat Ground Rents	8	250	2,000	2,000	
Investment Valuation					
Flat Ground Rents					
Current Rent	2,000	YP @	5.5000%	18.1818	36,364
GROSS DEVELOPMENT VALUE					9,716,364
NET REALISATION					9,716,364
OUTLAY					
ACQUISITION COSTS					
Residualised Price			848,929		
				848,929	
Stamp Duty			31,946		
Agent Fee		1.00%	8,489		
Legal Fee		0.80%	6,791		
				47,227	
CONSTRUCTION COSTS					
Construction	m²	Build Rate m²	Cost		
2 bed flat - pvt	360.00	1,494.00	537,840		
2 bed house-pvt	576.00	1,377.00	793,152		
3 bed house-pvt	1,260.00	1,377.00	1,735,020		
1 bed flat- pvt	<u>236.00</u>	<u>1,494.00</u>	<u>352,584</u>		
Totals	2,432.00		3,418,596	3,418,596	
Contingency		5.00%	260,268		
Site Works/Abnormals			1,786,760		
CIL	2,432.00 m ²	200.00 /m ²	486,400		
				2,533,428	
PROFESSIONAL FEES					
Architect		10.00%	341,860		
				341,860	
MARKETING & LETTING					
Marketing		1.00%	96,800		
				96,800	
DISPOSAL FEES					
Sales Agent Fee		1.50%	145,745		
Sales Legal Fee	30.00 un	750.00 /un	22,500		
				168,245	
FINANCE					
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)					
Land			72,819		
Construction			203,376		
Other			41,811		
Total Finance Cost				318,005	
TOTAL COSTS					7,773,091
PROFIT					1,943,273
Performance Measures					
Profit on Cost%		25.00%			
Profit on GDV%		20.00%			

Appendix 3: Appraisal 3- Proposed scheme – all Private

APPRAISAL SUMMARY						LIC
Land at Strand Meadow, Burwash-proposed scheme- all private						
Summary Appraisal for Phase 1 Private						
Currency in £						
REVENUE						
Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales	
2 bed duplex- pvt	2	186.00	3,010.75	280,000	560,000	
3 bed house-pvt	26	2,925.00	3,377.78	380,000	9,880,000	
1 bed flat - pvt	<u>2</u>	<u>101.06</u>	3,562.24	180,000	<u>360,000</u>	
Totals	30	3,212.06			10,800,000	
Rental Area Summary						
	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV		
Ground rents	4	250	1,000	1,000		
Investment Valuation						
Ground rents						
Current Rent	1,000	YP @	5.5000%	18,1818	18,182	
GROSS DEVELOPMENT VALUE					10,818,182	
NET REALISATION					10,818,182	
OUTLAY						
ACQUISITION COSTS						
Residualised Price			193,182		193,182	
Stamp Duty			864			
Agent Fee		1.00%	1,932			
Legal Fee		0.80%	1,545		4,341	
CONSTRUCTION COSTS						
Construction	m²	Build Rate m²	Cost			
2 bed duplex- pvt	241.56	1,494.00	360,888			
3 bed house-pvt	2,925.00	1,377.00	4,027,725			
1 bed flat - pvt	<u>131.25</u>	1,494.00	<u>196,083</u>			
Totals	3,297.81		4,584,696	4,584,696		
Contingency		5.00%	321,612			
Site Works/Abnormals			1,847,544			
CIL	3,297.81 m ²	200.00 /m ²	659,561		2,828,717	
PROFESSIONAL FEES						
Architect		10.00%	458,470		458,470	
MARKETING & LETTING						
Marketing		1.00%	104,400		104,400	
DISPOSAL FEES						
Sales Agent Fee		1.50%	162,273			
Sales Legal Fee	30.00 un	750.00 /un	22,500		184,773	
FINANCE						
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)						
Land			16,050			
Construction			247,020			
Other			32,898			
Total Finance Cost					295,968	
TOTAL COSTS					8,654,545	
PROFIT					2,163,636	
Performance Measures						
Profit on Cost%		25.00%				
Profit on GDV%		20.00%				
Profit on NDV%		20.00%				
Development Yield% (on Rent)		0.01%				

Appendix 4: Addendum to Draft Report**DVS** Property Specialists
for the Public SectorCroydon Valuation Office
1 Ruskin Square
Croydon
CR0 2WFSarah Shepherd,
Development Management Team Leader
Strategy and Planning
Rother District Council
Town Hall
Bexhill-on-Sea
TN39 3JX

Our Reference : 1688021

Date : 3rd December 2018Sent by e-mail:
sarah.shepherd@rother.gov.uk

Dear Sarah,

Property Address: Land at Strand Meadow, Burwash

I have reviewed the applicant's response, sent via e-mail, in relation to the above scheme. The applicant provided a written response to the input assumptions adopted by DVS in their initial draft report on 12/11/2018, which was subsequently followed by a meeting to discuss on 13/11/2018. The main areas of difference that were discussed during the meeting were

- Gross Development Value
- Project Cash Flow
- Build costs
- Professional Fees
- CIL
- Residual Land Value
- Benchmark Land Value

This addendum should be read in conjunction with the initial draft report, dated 25/10/2018.

Gross Development Value

One of the main areas of difference is the Gross Development Value adopted for the scheme. The applicant has adopted sales values based on an average of opinions of value obtained from three local real estate agents, although the estate agents provided no reasoning or evidence to support their proposed values. The applicant is of the opinion that the sales values adopted by DVS were on the higher side. They are of the view that even if the private sales values proposed by DVS were adopted, the scheme would still produce a negative residual land value and have provided revised appraisals with the private sales values adopted by DVS in order to demonstrate this. They have also provided a schedule of resale comparables as there are no new build schemes under construction or being advertised within Burwash.

Proposed scheme

I have sought to rely on actual transaction evidence for new- build houses and flats in the area in order to form an opinion of value. There are no new-build schemes within Burwash and I have therefore considered transaction evidence for new-build units in the neighbouring villages such as Flimwell, Wadhurst, Etchingam, Hawkhurst and Heathfield. I have made adjustments for location where necessary. Hawkhurst is located in Kent with direct access to Tunbridge Wells and new-build units in Hawkhurst therefore have achieved higher values as compared to villages in the immediate vicinity of the site. I have therefore looked at new-build schemes in Etchingam, Flimwell and Wadhurst. It may be noted that Burwash is equidistant from Stonegate and Etchingam railway stations thereby offering good rail connectivity. I consider the private sales values for the proposed scheme adopted in the earlier draft report to be reasonable based on available evidence and have adopted this within my appraisal.

Extant Scheme

The applicant have highlighted that the units within the extant scheme are smaller and therefore should be priced lower than that adopted for the proposed scheme. I consider this to be reasonable and have amended the sales values for the extant scheme accordingly. The revised sales values adopted for the extant scheme are as below.

	Extant scheme		Proposed scheme	
	Unit Price (£)	Price per sq m	Unit Price (£)	Price per sq m
1 bed flat	£170,000	£3,742	£180,000	£3,562
2 bed flat	£220,000	£3,174	£280,000	£3,010
2 bed house	£280,000	£3,888	--	--
3 bed house	£335,000	£3,722	£380,000	£3,377

This equates to a revised GDV of £6,918,000 for the Extant policy compliant scheme and £8,490,000 for the Extant All-Private scheme.

Project cash flow

The applicant has adopted an 18-month construction period with a 9-month sale period beginning from Month 15 of the construction period. I have considered a 3-month pre-construction period, 15-month construction period and a 6-month sale period with sales commencing in Month 15 of the construction period as I consider this to be reasonable.

Following the submission of the DVS draft report, the applicant has agreed to amend the cash flow to reflect a 6 month sales period with sales commencing in Month 15 of the construction period.

I note there was a difference in the timescale and cash flow between the Extant scheme and Private scheme in the original draft report. I have now amended these cash flows for the Extant and Private schemes to bring it in line with below and reflected this within my revised appraisals

Stage	Period (in months)
Pre-construction	3 months
Construction	15 months
Sales	6 months (sales commencing in Month 15 of construction period)

Build costs

The applicant has adopted BCIS build costs in line with DVS. This equates to BCIS median costs for construction of 3-5 storey flatted schemes at £1,494 per sqm and 3 storey houses at £1,377 per sqm.

Professional fees

I have adopted Professional fees equating to 10% of build costs. The applicant is of the view that Professional fees should also include 10% of abnormal costs and contingency as well. Whilst I do agree that Professional fees should include 10% of abnormal costs to reflect the possibility of revised design requirements due to the site topography, I do not consider this should be inclusive of 10% of contingency costs as well. I have therefore amended the appraisals to include Professional fees at 10% of build costs and abnormal costs.

CIL

The CIL calculation within DVS appraisal has been adopted at £200 per sq m. This did not include indexation which, when included, equates to £219.64 per sq m. I have now amended the appraisal to include this indexed CIL amount.

Residual Land Value**Applicant**

The applicant has provided revised appraisals based on amendments to build costs, sales values, and timescale/phasing. They have summarised their appraisal outcome in the table below.

Scheme Mix	GDV	Dev OHP	RLV	Combined Margin	% of GDV
Extant Compliant	£7,096,206	£1,189,081	-£894,928	£294,153	4.15%
Extant Private	£8,526,366	£1,698,001	-£272,958	£1,425,043	16.71%
Proposed Private	£10,818,187	£2,160,001	-£210,048	£1,949,953	18.02%

All the scenarios above generate negative residual land values. This would suggest that both the extant and proposed schemes cannot viably provide Affordable Housing whilst still achieving the minimum amount of developer's profit.

DVS

I have undertaken revised appraisals based on amendments made to sales values for the extant scheme ,CIL ,Professional Fees, timescale/cash flows for both the extant and proposed schemes.

I have provided a summary of the appraisal outcome in the table below.

Scheme Mix	GDV	Dev OHP	RLV	Combined Margin	% of GDV
Extant Compliant	£6,936,182	£1,194,785	-£888,674	£306,111	4.48%
Extant Private	£8,526,364	£1,705,273	-£180,759	£1,524,514	17.88%

Scheme Mix	GDV	Dev OHP	RLV	Combined Margin	% of GDV
Proposed Private	£10,818,182	£2,163,636	-£148,712	£2,014,924	18.63%

Whilst my appraisals result in marginally different values than the agent, the outcome of the revised appraisals above show that all the scenarios generate negative residual land values which would suggest that the extant and proposed schemes cannot viably provide Affordable Housing when providing the CIL contribution and whilst still achieving the minimum amount of developer's profit.

Benchmark Land Value

I consider the Benchmark Land Value of the scheme is based on the planning consent that is currently in place for the development site. I have therefore considered the policy compliant scheme, based on the consented affordable housing mix, as the Benchmark Land Value. I have calculated the residual site value by adopting the inputs above and adopted this as the Benchmark Land Value. My revised appraisal for the Extant Policy Compliant scheme produces a negative residual land value of -£888,674. I therefore consider it reasonable to adopt notional £1 as the Benchmark Land Value.

Summary

The main areas of difference in our reports are the Gross Development Value, CIL, Professional fees, cash flow, timescale, phasing and Benchmark Land Value. The proposed scheme has larger units as compared to that within the extant scheme which makes this scheme's construction costs higher.

The amendments to CIL, Professional Fees, cash flow, phasing and private sales values result in negative residual land values for both All-Private as well as Policy Compliant scenarios. This appears to show that both the Extant and Proposed schemes are not viable enough to support provision of Affordable Housing.

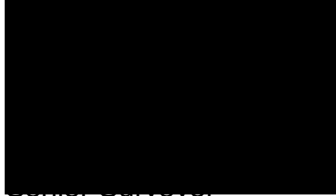
The applicant is of the view that the Proposed All-Private scheme generates a higher combined margin of £1,949,953 which is approximately £524,910 more than that of the Extant All-Private scheme and is therefore a more profitable development option. My appraisals show that the Proposed All-Private scheme generates a combined margin of £2,014,924 which is approximately £490,410 more than that of the Extant All-Private scheme.

Higher abnormal costs due to the topographical constraints of the site have had a material impact on the viability of this scheme. The applicant has highlighted that these abnormal costs were assessed on the basis of site investigations that took place earlier this year. The Council may therefore wish to consider a cost review mechanism for the scheme in order to analyse the actual costs incurred for the scheme at a later stage in the development. If these abnormal costs are lower than currently estimated, the appraisal could demonstrate a surplus.

Conclusion

Based on the further reasoning and revised assumptions outlined in this addendum, I consider that the Extant and Proposed schemes cannot viably provide Affordable Housing in addition to the CIL contribution.

Yours sincerely,



Senior Surveyor
DVS

Revised Appraisal - Extant scheme- Policy compliant

APPRAISAL SUMMARY				LICENSED COPY	
Land at Strand Meadow, Burwash-extant scheme					
Summary Appraisal for Merged Phases 1 2					
Currency in £					
REVENUE					
Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
1 bed flat-AR	4	181.72	1,496.81	68,000	272,000
2 bed house-AR	4	288.00	1,555.56	112,000	448,000
2 bed house-SO	2	144.00	2,333.33	168,000	336,000
3 bed house-SO	2	180.00	2,233.33	201,000	402,000
2 bed flat - pvt	4	277.20	3,174.60	220,000	880,000
2 bed house-pvt	2	144.00	3,888.89	280,000	560,000
3 bed house-pvt	<u>12</u>	<u>1,080.00</u>	<u>3,722.22</u>	<u>335,000</u>	<u>4,020,000</u>
Totals	30	2,294.92			6,918,000
Rental Area Summary					
	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
2 bed flats	<u>4</u>	250	<u>1,000</u>	<u>1,000</u>	
Totals	4		1,000	1,000	
Investment Valuation					
2 bed flats					
Current Rent	1,000	YP @	5.5000%	18,1818	18,182
					18,182
GROSS DEVELOPMENT VALUE					6,936,182
NET REALISATION					6,936,182
OUTLAY					
ACQUISITION COSTS					
Residualised Price (Negative land)			(888,674)		(888,674)
CONSTRUCTION COSTS					
Construction	m²	Build Rate m²	Cost		
1 bed flat-AR	236.00	1,494.00	352,584		
2 bed house-AR	288.00	1,377.00	396,576		
2 bed house-SO	144.00	1,377.00	198,288		
3 bed house-SO	180.00	1,377.00	247,860		
2 bed flat - pvt	360.00	1,494.00	537,840		
2 bed house-pvt	144.00	1,377.00	198,288		
3 bed house-pvt	<u>1,080.00</u>	<u>1,377.00</u>	<u>1,487,160</u>		
Totals	2,432.00		3,418,596	3,418,596	
Contingency		5.00%	260,268		
Site Works/Abnormals			1,786,760		
CIL	1,584.00 m ²	219.64 /m ²	347,910		
					2,394,938
PROFESSIONAL FEES					
Architect		10.00%	520,536		520,536
MARKETING & LETTING					
Marketing		1.00%	54,600		54,600
DISPOSAL FEES					
Sales Agent Fee		1.50%	82,173		
Sales Legal Fee	18.00 un	750.00 /un	13,500		
					95,673
FINANCE					
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)					
Total Finance Cost					145,729

APPRAISAL SUMMARY		LICENSED COPY
Land at Strand Meadow, Burwash-extant scheme		
TOTAL COSTS		5,741,397
PROFIT		1,194,785
Performance Measures		
Profit on Cost%	20.81%	
Profit on GDV%	17.23%	
Profit on NDV%	17.23%	
Development Yield% (on Rent)	0.02%	
Equivalent Yield% (Nominal)	5.50%	
Equivalent Yield% (True)	5.69%	
IRR	55.82%	
Rent Cover		N/A
Profit Erosion (finance rate 6.750)	2 yrs 10 mths	

Revised Appraisal - Extant scheme- All Private

APPRAISAL SUMMARY				LICENSED COPY	
Land at Strand Meadow, Burwash-extant scheme					
Summary Appraisal for Phase 1 Private					
Currency in £					
REVENUE					
Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
2 bed flat - pvt	4	277.20	3,174.60	220,000	880,000
2 bed house-pvt	8	576.00	3,888.89	280,000	2,240,000
3 bed house-pvt	14	1,260.00	3,722.22	335,000	4,690,000
1 bed flat- pvt	<u>4</u>	<u>181.72</u>	3,742.02	170,000	<u>680,000</u>
Totals	30	2,294.92			8,490,000
Rental Area Summary					
	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Flat Ground Rents	8	250	2,000	2,000	
Investment Valuation					
Flat Ground Rents					
Current Rent	2,000	YP @	5.5000%	18.1818	36,364
GROSS DEVELOPMENT VALUE				8,526,364	
NET REALISATION				8,526,364	
OUTLAY					
ACQUISITION COSTS					
Residualised Price (Negative land)			(180,759)		(180,759)
CONSTRUCTION COSTS					
Construction	m²	Build Rate m²	Cost		
2 bed flat - pvt	360.00	1,494.00	537,840		
2 bed house-pvt	576.00	1,377.00	793,152		
3 bed house-pvt	1,260.00	1,377.00	1,735,020		
1 bed flat- pvt	<u>236.00</u>	<u>1,494.00</u>	<u>352,584</u>		
Totals	2,432.00		3,418,596	3,418,596	
Contingency		5.00%	260,268		
Site Works/Abnormals			1,786,760		
CIL	2,432.00 m ²	219.64 /m ²	534,164		2,581,192
PROFESSIONAL FEES					
Architect		10.00%	520,536		520,536
MARKETING & LETTING					
Marketing		1.00%	84,900		84,900
DISPOSAL FEES					
Sales Agent Fee		1.50%	127,895		
Sales Legal Fee	30.00 un	750.00 /un	22,500		150,395
FINANCE					
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)					
Land			(17,738)		
Construction			259,908		
Other			4,061		
Total Finance Cost					246,231
TOTAL COSTS				6,821,091	
PROFIT				1,705,273	

APPRAISAL SUMMARY**LICENSED COPY****Land at Strand Meadow, Burwash-extant scheme****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
Development Yield% (on Rent)	0.03%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
IRR	44.90%
Rent Cover	852 yrs 8 mths
Profit Erosion (finance rate 6.750)	3 yrs 4 mths

Revised Appraisal - Proposed scheme- All Private

APPRAISAL SUMMARY				LICENSED COPY	
Land at Strand Meadow, Burwash-proposed scheme- all private					
Summary Appraisal for Phase 1 Private					
Currency in £					
REVENUE					
Sales Valuation	Units	m²	Sales Rate m²	Unit Price	Gross Sales
2 bed duplex- pvt	2	186.00	3,010.75	280,000	560,000
3 bed house-pvt	26	2,925.00	3,377.78	380,000	9,880,000
1 bed flat - pvt	<u>2</u>	<u>101.06</u>	3,562.24	180,000	<u>360,000</u>
Totals	30	3,212.06			10,800,000
Rental Area Summary					
	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Ground rents	4	250	1,000	1,000	
Investment Valuation					
Ground rents					
Current Rent	1,000	YP @	5.5000%	18.1818	18,182
GROSS DEVELOPMENT VALUE				10,818,182	
NET REALISATION				10,818,182	
OUTLAY					
ACQUISITION COSTS					
Residualised Price (Negative land)			(148,712)	(148,712)	
CONSTRUCTION COSTS					
Construction	m²	Build Rate m²	Cost		
2 bed duplex- pvt	241.56	1,494.00	360,888		
3 bed house-pvt	2,925.00	1,377.00	4,027,725		
1 bed flat - pvt	<u>131.25</u>	1,494.00	<u>196,083</u>		
Totals	3,297.81		4,584,696	4,584,696	
Contingency		5.00%	321,612		
Site Works/Abnormals			1,847,544		
CIL	3,297.81 m ²	219.64 /m ²	724,330		
				2,893,486	
PROFESSIONAL FEES					
Architect		10.00%	643,224		643,224
MARKETING & LETTING					
Marketing		1.00%	104,400		104,400
DISPOSAL FEES					
Sales Agent Fee		1.50%	162,273		
Sales Legal Fee	30.00 un	750.00 /un	22,500		
				184,773	
FINANCE					
Debit Rate 6.750%, Credit Rate 0.500% (Nominal)					
Land			(14,757)		
Construction			378,231		
Other			29,205		
Total Finance Cost				392,679	
TOTAL COSTS				8,654,546	
PROFIT				2,163,636	
Performance Measures					

APPRAISAL SUMMARY**LICENSED COPY****Land at Strand Meadow, Burwash-proposed scheme- all private**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
Development Yield% (on Rent)	0.01%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
IRR	38.77%
Rent Cover	N/A
Profit Erosion (finance rate 6.750)	3 yrs 4 mths