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St Albans District Council Local Plan Viability Study

Strategic Site Testing: West of London Colney

Prepared for

St Albans City and District Council

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Contents

Appendices

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1 Introduction

St Albans City and District Local Plan 2041 Publication Draft 2024 ('LPPD') sets out a planning framework for the City and District, identifying how much and what type of development is needed and where it should or should not be accommodated. To support the delivery of housing and employment growth over the plan period St Albans City and District Council ('the Council') has identified a number of Strategic Development Sites ('Strategic Sites'). Given the importance of these Strategic Sites to the local growth strategy the Council has instructed BNP Paribas Real Estate to consider their viability in detail.

The National Planning Practice Guidance on Viability 2024 ('NPPG') identifies at paragraph 003 that:

"Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage". However, it goes on to identify that *"in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies".* This is reiterated in paragraph 005 which sets out that, "*it is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan."*

Accordingly this report outlines the results of the additional high level viability testing undertaken on the West of London Colney strategic development site as allocated in the LPPD as site B6.

This report should be read in conjunction with the St Albans Local Plan Viability Study ('LPVS') report dated September 2024, which tested the ability of a range of development types throughout the City and District to support the planning policy requirements of the emerging LPPD and other key local policies and guidance as well as national policies.

We have prepared this report with the particular purpose of testing the cumulative impact of the Council's emerging requirements on the identified strategic development site B6 including affordable housing, on-site Section 106 obligations and on-site infrastructure measures. This approach is in line with the requirements of the National Planning Policy Framework 2023 ('NPPF'), the NPPG, the RICS Guidance Note 'Assessing viability in Planning under the National Planning Policy Framework for England (2021)' and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

This report is structured as follows:

- **Section 2** identifies the details of the strategic site that has been tested;
- **Section 3** details the methodology adopted in this assessment and the inputs to our appraisals;
- **Section 4** outlines the results of our appraisals and considers the implications for the Council's emerging LPPD policies; and
- **Section 5** sets out our conclusions and recommendations.

2 Details of strategic site

The Council has provided information on the development envisaged at West of London Colney as set out in the development requirements of Policy LG1 (a-s) – West of London Colney Broad Location in the LPPD. Table 2.1 sets out these assumptions including; the gross and net site areas, the number of residential units and the quantum of non-residential floorspace. Further details of the scheme appraised are set out at **Appendix 1**.

Table 2.1 Details of proposed strategic development at West of London Colney

Appraisal Input	Site Specifications
Site Size Gross Net	 13.5 Ha 8.1 Ha
Number of residential units (Density circa 40 units per Ha) Estimated Self Build units @ 3% of total units	324 10
Health provision	To be provided offsite

3 Development appraisals

3.1 Methodology

Our methodology follows standard development appraisal conventions and the standard methodology set out in the NPPG. It is also consistent with the Methodology in the LPVS. This study utilises the residual land value ('RLV') method of calculating the value of the indicative development on the West of London Colney strategic site. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance and policy requirements) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.

We have used *Argus Developer* ("Argus") to undertake the high level appraisal of the indicative development on the West of London Colney strategic site. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at www.argussoftware.com

Argus is essentially a cash-flow model. Such models all work on a similar basis:

- Firstly, the value of the completed development is assessed.
- Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.

As identified above, the difference between the total development value and total costs equates to the RLV. The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.

The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.

In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value ('BLV'). If a development generates a RLV that is higher than the BLV it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the BLV, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.

3.2 Appraisal inputs

Our assumptions adopted for the development appraisals of the indicative development on the site are set out in the following section.

3.2.1 Unit mix

Following discussions with the Council we have adopted the unit mix as summarised in Tables 3.2.1.1 and 3.2.1.2 based on the mix adopted for Typology 14 in the LPVS on the basis that this is a reasonable assumption to test in a viability assessment. However, this does not preclude other unit mixes if these meet identified housing need at the time a scheme is brought forward.

The sizes of units that we have adopted in the appraisal have been informed by and accord with the minimum gross internal floor areas set out in the former DCLG (now the Ministry of Housing

Communities and Local Government) 'Technical Housing standards nationally described space standard' published in March 2015.

Table 3.2.1.1: Market Housing Unit Mix

Unit type	2 Bed/4P House	3 Bed/5P House	4 Bed/7P House
Unit size[1]	79 sq/m	93 sq/m	115 sq/m
% tested in Scheme	25%	45%	30%

Table 3.2.1.1: Affordable Housing Unit Mix

Unit type	2 Bed/4P House	3 Bed/5P House	4 Bed/7P House	5 Bed/7P House
Unit size[2]	79 sq/m	93 sq/m	115 sq/m	125 sq/m
% tested in Scheme	28%	37%	25%	10%

3.2.2 Market Housing Residential Sales Values

We have adopted an average private/market residential sales value of £6,135 per sq/m (£570 per sq/ft) in our appraisal. This corresponds with the sales values adopted in the LPVS in the Rest of St Albans value area, which we based on research using sources including the Land Registry online database, Rightmove online database, our understanding of viability of live schemes in the District and discussions with active local agents.

3.2.3 Affordable housing

The LPPD indicates that the Council will require schemes capable of providing 10 or more units to provide 40% affordable housing with a tenure mix of 30% Social Rent, 30% Affordable Rent, 15% Shared Ownership and 25% First Homes.

Target rents are determined by Ministry for Housing Communities and Local Government's ("MHCLG") 'Rent Restructuring Framework' introduced into the registered provider sector in 2002. Under this framework, RPs are required to calculate a target rent for each property based on relative property values and relative local earnings, together with a bedroom weighting.

The weekly Social Rent for an individual property is calculated as follows:

- 70% of the average rent for the RP sector multiplied by relative county earnings multiplied by the bedroom weighting; plus
- 30% of the average rent for the RP sector multiplied by the relative property value (using January 1999 values as a common base date).

Consequently, our appraisals assume that the Social Rented housing is let at Social Rents summarised in Table 3.2.3.1.

Table 3.2.3.1: Social Housing Rents (Per Week)

	Houses		
Value Area	2 bed	3 bed	4 bed
Rest of St Albans	£132.63	£150.48	£175.15

Our appraisals assume that the Affordable Rent units are let at Local Housing Allowance Rents (South

[1] In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.
[2] In line with the Government's "Technical housing standards nationally described space standard" published in March 2015.

West Herts BRMA which we summarise in Table 3.2.3.2.

Table 3.2.3.2: Affordable Housing Rents (Per Week)

1 Bed	2 Bed	3 Bed	4 Bed
£218.63	£287.67	£345.21	£460.27

To establish the capital value of the rented units, we have used a discounted cashflow model which replicates the approach used by registered providers when preparing bids to acquire new housing stock. The model projects the rents over a 40 year period and deducts the estimated voids and bad debts, management costs, maintenance costs and allowances for major repairs. The model establishes the present value of the net rental income by applying a discount rate (reflecting the cost of funds and RP's risk margin), reflecting the price that can, in principle be paid to acquire the completed units from a developer. We summarise in tables 3.2.3.3 and 3.2.3.4 below the capital values we have adopted in our appraisals for the social and affordable rented units.

Table 3.2.3.3: Capital Values of the Social Rented Affordable Housing

Value Area	Houses 2 Bed (£ per sq/ft)	Houses 3 Bed (£ per sq/ft)	Houses 4 Bed (£ per sq/ft)
Rest of St Albans	£192	£187	£178

Table 3.2.3.4: Capital Values of the Affordable Rented Affordable Housing

Houses		
2 Bed (£ per sq/ft)	3 Bed (£ per sq/ft)	4 Bed (£ per sq/ft)
£415	£428	£473

We have valued the Shared Ownership units by firstly establishing the unrestricted market value of each unit by reference to comparable evidence of similar units. The value of the initial equity stake sold to the purchaser (typically 25%) is the first segment of value. The purchaser (with an income cap of £80,000 per annum) will also pay a rent on the retained equity at rate not exceeding 2.75% of the retained equity. The capital value of this rent is calculated using a discounted cashflow model. The two elements (initial equity stake sold plus capital value of rental income) are added together to establish a total value.

We summarise in Table 3.2.3.5 below the capital values of the Shared Ownership units we have adopted in our appraisals.

Table 3.2.3.5: Capital Values of Shared Ownership Units

Value Area	2 Bed (£PSF)	3 Bed (£PSF)	4 Bed (£PSF)
Rest of St Albans	£347	£330	£246

In line with the requirements of the NPPG on First Homes, we have valued the First Homes units on the basis of a value cap of £250,000 per unit which represents an discount on average market values of c. 56% in the Rest of St Albans.

The '*Affordable Homes Programme 2021-2026'* document clearly states that Registered Providers will not receive grant funding for any affordable housing provided through planning obligations on developer-led developments. Consequently, all our appraisals assume nil grant. Clearly if grant funding does become available over the plan period, it should facilitate an increase in the provision of affordable housing when developments come forward.

3.2.4 Self-Build Plots

At this site, emerging LPPD policy requires that 3% of new homes are to be provided as self-build housing. We have assumed that the cost of delivering the plots is equal to the value received for the plots and as a result we have omitted the costs/values from our appraisal. The effect of a requirement for self-build units is effectively neutral for a developer, as they will receive the market value for the plot (which reflects the end value less the construction costs).

3.2.5 Base build costs and infrastructure

We have sourced build costs for the residential schemes from the RICS Build Cost Information Services ('BCIS'), which is based on tenders for live schemes adjusted to reflect local circumstances in St Albans City and District area. The base build costs used in our appraisals are set out in Table 3.2.6.1 below, these are in line with the costs adopted in the LPVS.

Table 3.2.5.1 Base build costs adopted in appraisal

Use	Cost per sq/m
Residential houses	£1,489

In addition to these base costs, we have included an allowance which equates to an additional 10% of the base cost for external works on the residential uses. The allowance included for external works accounts for any work outside each dwelling including landscaping, pavements/driveways/parking works and so on.

In our experience it is likely that developers will be able to value engineer build costs to lower levels than assumed in this study on larger sites, such as the strategic sites in St Albans City and District area. We have not allowed for this in our assessment. Our appraisals also include a contingency of 5% of build costs.

In line with the LPVS we have also allowed for extra over costs associated with policy requirements. Which we summarise below

Table 3.2.5.2: Extra Over Costs

Use	Accessibility M4 (2) £ Per Sq/m	Accessibility M4 (3) £ Per Sq/m	10% Biodiversity £ Per Sq/m
Residential houses	£8.00	£19.00	£1.19
Extra care / Flexicare apartments	£19.84	£19.00	£1.19
Special needs supported living apartments	£18.84	£19.00	£1.19

We have also included an allowance of £29,000 per standard residential unit and £20,000 per unit for all other specialist residential units for infrastructure costs. In our experience greenfield sites such as West of London Colney are likely to require significant development of infrastructure such as servicing and roads etc.

3.2.6 Professional fees

In addition to base build costs, schemes will incur professional fees covering design, valuation, highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate an 8% allowance, which reflects the site being built out by a volume housebuilder using standard house types.

3.2.7 Development Finance

In line with the LPVS, our appraisal assumes that development finance can be secured at a rate of 6.5%.

3.2.8 Marketing, Agency and Legal Costs

Our assessment incorporates an allowance of 3% for marketing costs, which includes show homes and agents' fees for market/private residential units and the First Homes units

We have applied a 0.25% sales legal fee on GDV has been applied to the residential uses.

3.2.9 Acquisition/Purchaser Costs

Our appraisal deducts Stamp Duty at 5%, acquisition agent's fees at 1%; and acquisition legal fees at 0.8% of residual land value.

3.2.10 Section 106 obligations

The Council have advised as to appropriate Section 106 contributions for specific community infrastructure requirements associated with the delivery of this strategic site. We understand that these are broad estimates based on best available information including the apportionment of costs of delivering such infrastructure on existing sites in the District. These costs are likely to be refined as masterplanning of the strategic sites progresses. The Section 106 costs adopted in this study are as set out in Table 3.2.11.1 below.

Table 3.2.11.1: Section 106 contributions

Contribution description	Contribution	Comments on contribution
Education	£3,827,412	Based on £11,813 per unit
Healthcare	£680,000	Based on ARUP Costings
Sports & Community	£1,073,721	Based on Arup Costings
Green infrastructure: Local open/play Space/Green Infrastructure	£484,962	Based on ARUP Costings
Transport Infrastructure	£4,317,624	£6,826 per home for active travel (index linked in accordance with HCC developer contributions toolkit) £6,500 per home for transport requirements (e.g. Highways)
Total	**£10,383,719**	-

We have assumed a worst case scenario for the contributions outlined above, in that these will be upfront costs. It is likely however that some or all of these costs may be phased throughout the total development period of the strategic site.

We have also included an allowance for any residual S106 contributions over and above the identified items above and we have assumed £2,000 per unit and £20 per square metre for non-residential uses.

3.2.11 Profit

As identified in the LPVS, Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. The NPPG identifies at para 018 that, *"for the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."*

Based on our experience of the development of such uses and sites we have adopted the following profit assumptions in this assessment:

- 17.5% on Gross Development Value (GDV) for private housing units;
- 12% on GDV for the First Homes;
- 6% on GDV for affordable rent and shared ownership affordable housing.

3.2.12 Timescales

We have considered the size of the site and number of residential units being delivered and adopted appropriate development and phasing assumptions. We have assumed that the site will be delivered in two phases of c. 85 units each and that there will be multiple sales outlets. We have assumed that the sales rate will be 6 units per month (assuming two sales outlets), which is considered to be a conservative assumption and higher rates of sale could be experienced. The build out period will mirror the rate of sale, which is based on our understanding of developers' deliver of such large strategic sites. Sales start 12 months after commencement of construction. The timescales we applied are as detailed in Table 3.2.13.1 below.

Table 3.2.13.1: Development timescales

Phase	Phase 1	Phase 2	Total
Pre-construction (months)	9	9	18
Construction (months)	16	16	31
Residential Sales (months)	16	16	31

The sales rates are applied to the private housing units 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 capital receipt for the affordable housing is assumed to be received quarterly over the build period.

4 Appraisal Results and Analysis

We have run an appraisal of the strategic development envisaged at West of London Colney as set out in the previous sections and identified within the Council's LPPD. We have then compared the residual land value to the most appropriate BLV ('BLV') identified in the LPVS, which in this instance is the Greenfield value of £370,000 per gross hectare, in order to determine whether this might be sufficient for the strategic site to be brought forward for development.

The appraisals and results are summarised in Table 4.1 below.

Table 4.1: Appraisal results – West of London Colney

Scenario appraised	RLV	BLV (based on £370,000 per Ha	Viable/ Unviable
40% AH	£24,502,641	£4,995,000	**Viable**

The appraisal scenario tested for the West of London Colney strategic site identifies that the proposed development identified in the LPPD allocation scheme is viable when measured against the BLV of £370,000 per hectare when delivering 40% Affordable Housing. We therefore consider the strategic site to be developable as required by the NPPF i.e. it has a 'reasonable prospect' of being available and viably developed within the plan period.

5 Conclusions and Recommendations

This testing demonstrates that the West of London Colney strategic site is viable and developable having regard to both the Council's planning policy requirements including 40% affordable housing and additional planning polices as set out in our LPVS.

Appendix 1 - Working assumptions adopted in appraisal

Name of site	West of London Colney

Site Size (Gross) Ha	13.5
Site Size (Net) Ha	8.1
Total No Standard Residential units	324
Self build plots (3%)	10
Total units less self build (97%)	314
Care Home rooms	-
Extra Care / flexicare units	-
Special needs supporting living units	-
Traveller & Gypsy Pitches	-
No Phases	2

Unit mix Based on Typology 14

Market Housing Mix	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House	Total
Size (sq m)	50	70	86	108	79	93	115	125	
Percentage split	0%	0%	0%	0%	36%	56%	4%	0%	
Total Floor area (sq m)	-	-	-	-	8,930	16,353	1,444	-	26,728

Affordable Housing Mix	1 Bed 2p flat	2 bed 4p flat	3 bed 5p flat	4 bed 7p flat	2 Bed 2p House	3 Bed 5p House	4 Bed 7p House	5 Bed 7p House	Total
Size (sq m)	50	70	86	108	79	93	115	125	
Percentage split	0%	0%	0%	0%	46%	34%	19%	0%	
Total Floor area (sq m)	-	-	-	-	11,411	9,929	6,861	-	28,200

Affordable Housing Analysis

Percentage	40%
Rented (50% Social rent and 50% Affordable Rent)	60%
Intermediate (Shared Ownership)	15%
Intermediate (First Homes)	25%

Resi floor area analysis

	Total	Phase 1	Phase 2
Total Private Floor area	16,037	8,018	8,018
Total Affordable Floor Area	11,280	5,640	5,640
Rented (50% Social rent and 50% Affordable Rent)	6,768.08	3,384	3,384
Shared ownership	1,692.02	846	846
First Homes	2,820	1,410	1,410

Self-Build units

	Total	Phase 1	Phase 2
No plots	10	5	5

Health provision

	Total	Phase 1	Phase 2
Gross floor area (sq m)	-	-	-
Net floorarea (sq m)	-	-	-

Neighbourhood / Local Centre

	Total	Phase 1	Phase 2
Gross floorarea (sq m)	-	-	-
Net floorarea (sq m)	-	-	-

Care Homes	Phase 2		
National Care Standards requirements			
135	sq ft of useable floorspace, excluding ensuite		
38	sq ft of space for en-suite		
42	sq ft of communal space, excluding circulation		
-	rooms	-	floor area of rooms
		-	en-suite bathrooms
		-	communal space
		-	sq ft NIA
0.15	Circulation	-	sqft
		-	sqft GIA
		-	**sqm GIA**

Extra-Care / Flexi Care	Phase 2				Affordable Housing	
	1 Bed 2p flat	2 bed 4p flat	Total	Private	Rented (50% Social rent and 50% Affordable Rent)	Intermediate (Shared Ownership)
Size (sq m)	50	70				
Percentage split	50%	50%		60%		
Total Floor area (sq m) NIA	-	-	-	-	-	-
Total Floor area (sq m) GIA @60% Gross to Net assumption	-	-	-	-		

Special Needs Supported Living Units	Phase 2
	1 Bed 2p flat
Size (sq m)	50
Percentage split	100%
Total Floor area (sq m) (Net)	-
Total Floor area (sq m) GIA @ 75% Gross to Net assumption	-

	Total	Phase 1	Phase 2
Travellers Pitches in Ha	-	-	-

Timescales

	Total	Phase 1	Phase 2
Pre-constuction (months)	18	9	9
Construction (months)	31	16	16
Private Resi Sales (months)	31	16	16
	-	-	-

	Total	Phase 1	Phase 2
No Private units less self build units	188.4	94	94.2

Revenue

Standard Residential	Capital value £ per sq m
Private Housing	£ 6,135
Affordable Rented (50% Social Rent 50% Affordable Rent)	£ 3,104
Shared Ownership	£ 3,158
First Homes	£ 2,676

	Value per plot (assuming 4 bed house)
Self build plots (assumed to be cost/value neutral)	£ -

	Capital value
Special needs supported living units	£5,022

Care Home

Beds (Affordable)	0	£784	per week		90%	occupancy	£0
Beds (Pvt)	0	£1,300	per week		90%	occupancy	£0
					30%	of income	£0.00
Standard profit margin (EBITDA)					10%	yield	£0
Capitalise EBITDA							£0
Deduct	15%	for income shorfall to maturity					
Gross Adjusted turnkey value of Home							***£0***

Extra Care Housing	Capital value £ per sq m
Private	£ 8,784
Affordable Rented (50% Social Rent 50% Affordable Rent)	£ 3,104
Shared Ownership	£ 3,158

	Rent per sq m	Yield	Rent Free & Void (months)
Commercial	£215	7.00%	18

Costs

Residual S106

	unit of measure	Total	Phase 1	Phase 2
Standard residential per unit	£ 2,000	£ 648,000	£ 324,000	£ 324,000
Commercial per sq m	£ 20	£ -	£ -	£ -
Care Home per sq m	£ 20	£ -	£ -	£ -
Extra Care / Flexicare units per unit	£ 2,000	£ -	£ -	£ -
Special needs supported living per unit	£ 2,000	£ -	£ -	£ -
TOTAL			**£ 324,000**	**£ 324,000**

S106 Infrastructure Costs

	Total costs
Transport (£6,826 per unit & £6,500 for other requirements)	£ 4,317,624
Education - £11,813 per unit	£ 3,827,412
Healthcare	£ 680,000
Green Infrastructure	£ 484,962
Community Facilities	£ 1,073,721
	£ 10,383,719

	Per unit cost	Total costs
Strategic open space / green infrastructure	£ -	£ -
Local open space / play space / green infrastructure	£ -	£ -

	Per unit cost	Total costs	Phase 1	Phase 2
Site opening up costs Standard Resi	£ 29,000	£ 9,396,000	£ 4,698,000	£ 4,698,000
Site opening up costs Other Residential uses	£ 19,000	£ -	-	£ -
			£ 4,698,000	£ 4,698,000

Build costs

	Base per sq m	Externals per sq m	Accessibility M4(2)	Accessibility M4(3)	Biodiversity	Operational Carbon	Total
Resi	£ 1,489	£ 149	£ 8	£ 19	£ 1.19	£ -	**£ 1,666**

Contingency on build costs	5%

Traveller's pitches	No pitches	Cost
Info from Dacorum BC 5 pitches = 0.5 Ha Each travellers pitch estimated to cost £242,000	-	£ -

Profit

Private/Market Resi on GDV	17.5%
Affordable Resi on GDV	6%
First Homes	12.0%
Commercial on GDV	15%

Marketing /agency and legal fees

Resi Sales agent and marketing on GDV	2.50%
Resi Sales legal fees on GDV	0.25%
Commercial Letting fee on rent pa	10.00%
Commercial Letting Legal fee on rent pa	5.00%
Commercial Sales fee on GDV	1.00%
Commercial Legal fee on GDV	0.50%
Professional fees	8%
Finance	6.50%

Appraisal Outcome

Residual Land Value @ 40% AH	**£ 24,502,641**
Benchmark Land Value Greenfield	£ 4,995,000
Appraisal outcome (Surplus/ Deficit)	**£ 19,507,641**

Appendix 2 - Argus appraisal summary

Licensed Copy

Development Appraisal

West of London Colney

40% Affordable Housing

Report Date: September 25, 2024

APPRAISAL SUMMARY — LICENSED COPY

West of London Colney
40% Affordable Housing

Summary Appraisal for Phase 1

Currency in £

REVENUE

Sales Valuation	**Units**	**m²**	**Rate m²**	**Unit Price**	**Gross Sales**
Phase 1- Market Housing	1	8,018.00	6,135.00	49,190,430	49,190,430
Phase 1 - Social/Affordable Rent	1	5,640.00	3,104.00	17,506,560	17,506,560
Phase 1 - Shared Ownership	1	846.00	3,158.00	2,671,668	2,671,668
Phase 1 - First Homes	1	1,410.00	2,676.00	3,773,160	3,773,160
Totals	**4**	**15,914.00**			**73,141,818**

NET REALISATION				**73,141,818**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			24,502,641	
Stamp Duty		5.00%	1,225,132	
Agent Fee		1.00%	245,026	
Legal Fee		0.80%	196,021	
				26,168,820
CONSTRUCTION COSTS				
Construction	**m²**	**Rate m²**	**Cost**	
Phase 1- Market Housing	8,018.00 m²	1,666.00 pm²	13,357,988	
Phase 1 - Social/Affordable Rent	5,640.00 m²	1,666.00 pm²	9,396,240	
Phase 1 - Shared Ownership	846.00 m²	1,666.00 pm²	1,409,436	
Phase 1 - First Homes	1,410.00 m²	1,666.00 pm²	2,349,060	
Totals	**15,914.00 m²**		**26,512,724**	**26,512,724**
Contingency		5.00%	1,325,636	
Phase 1 - Site opening up costs			4,698,000	
Phase 1 - S106			324,000	
Phase 1 - Healthcare			680,000	
Phase 1 - Transport			4,317,624	
Phase 1 - Education			3,827,412	
Phase 1 - Sports & Community			1,073,721	
Phase 1 - Green Infrastructure			484,962	
				16,731,355
PROFESSIONAL FEES				
Professional fees		8.00%	2,602,909	
				2,602,909
DISPOSAL FEES				
Resi Sales Agent and Marketing Fee		2.50%	1,324,090	
Residential Sales Legal Fee		0.25%	182,855	
				1,506,944
Additional Costs				
Phase 1 - Market Housing Profit		17.50%	9,268,628	
Phase 1 - Affordable Housing Profit		6.00%	1,210,694	
Phase 1- First Homes Profit		12.00%	452,779	
				10,932,101
FINANCE				
Debit Rate 6.500% Credit Rate 0.000% (Nominal)				
Land			3,603,569	
Construction			2,238,537	
Other			6,355,842	
Total Finance Cost				12,197,948
TOTAL COSTS				**96,652,802**
PROFIT				
				(23,510,984)
Performance Measures				
Profit on Cost%		(24.33)%		
Profit on GDV%		(32.14)%		
Profit on NDV%		(32.14)%		
IRR		(10.58)%		
Profit Erosion (finance rate 6.500%)		N/A		