

**AFFORDABLE HOUSING VIABILITY REPORT
FOR RESIDENTIAL DEVELOPMENT AT 5-7
STATION ROAD, HAYLING ISLAND, HAMPSHIRE,
PO11 0EA.**

On behalf of PWP Architects Ltd

By Simon Corp BSc (Hons)
14th March 2019



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1.0 Introduction and Instructions

- 1.1 S106 Affordable Housing Ltd have been instructed by PWP Architects Ltd to prepare an affordable housing viability study to determine the viable level of affordable housing provision that can be delivered on the proposed development on the site of 5-7 Station Road, Hayling Island providing 19no apartments and new commercial space.
- 1.2 The report has been prepared by Simon Corp. I have a BSc (Hons) in Residential Development from Nottingham-Trent university and 26 years experience in affordable housing development. I am a Director of S106 Affordable Housing Ltd a specialist consultancy providing viability, development and affordable housing consultancy services.
- 1.3 The purpose of the study is to set out the policy background, development details, viability and cost issues and make a case for the level of affordable housing provision the development can viably sustain.
- 1.4 Our methodology will be to carry out a viability assessment without any affordable housing and compare this with the existing use value to determine the total development surplus that is available to fund any affordable housing contribution.
- 1.5 The appraisal has been carried out using the HCA (now Homes England) Development Appraisal Toolkit (DAT), where information is not available any assumptions made are either in line with industry norms or the default settings of the toolkit.
- 1.6 The updated NPPF and Planning Practice Guidance (Viability) issued in July 2018 state that an applicant must make a case why a viability assessment is required. The adopted affordable housing requirement is based on a viability assessment carried out in 2013. This is now over 5 years out of date and the market conditions have changed significantly since this was produced specifically Brexit has affected sales confidence, there have been changes to the SDLT rules significantly increasing buying costs and build costs have increased. In our opinion this justifies the need for a site by site viability assessment to reflect current costs and values.

2.0 Viability Assessment

- 2.1 The site is currently occupied an existing detached residential property at 7 Station Road and 7no existing business units at 5 Station Road, Hayling Island. The proposed scheme will involve demolishing the existing buildings and redeveloping the site with a three storey block providing 19no apartments and new business space which for viability assessment purposes has been assumed to be retail.
- 2.2 The Havant Borough Council Local Plan under policy CS9 requires 30-40% affordable provision on sites in excess of 15no dwellings, we have therefore adopted a mid point provision of 35% which equates to 6.65 units which we have rounded up to 7no units. We have assumed this would need to be delivered as 5no units for affordable rent and 2no units for shared ownership.
- 2.3 S106 Affordable Housing Ltd has been instructed to assess if the policy compliant level of affordable housing provision can be provided and if not the maximum level of affordable housing the scheme can viably support. A site is deemed to be viable if the residual land value derived from the proposed scheme is above the existing use benchmark value of the site and therefore generates a surplus to support affordable housing provision. Our methodology will therefore be to prepare an DAT appraisal with no affordable housing and compare this to the existing use value of the site to determine if a surplus is generated to support affordable housing provision.
- 2.4 The DAT works by putting the benchmark land value into the appraisal cash flow as a land cost and calculates if a development surplus is generated. In this case the DAT shows a negative viability position with a deficit of -£1,456,324. With a negative viability position the development is clearly unable to viably provide any affordable housing provision.
- 2.5 To populate the DAT appraisal we therefore need to know the existing use benchmark value of the site. The RICS Financial Viability in Planning guidance recommended a market value approach but subsequent appeal judgements have moved away from the market value approach and adopted the EUV plus premium method which essentially means assessing the existing use value of the land with its current lawful planning use and adding on a landowners margin to provide an incentive to encourage them to release the land for development. This approach has been further reinforced by the revised Planning Practice Guidance on Viability which both advocate the use of the EUV plus premium method.

- 2.6 In this case the existing use value of the site will be made up of the value of the existing properties on the site. The existing use of the site is made up of the existing house at 7 Station Road and the 7no business units at 5 Station Road. We understand the existing house is a three bedroom property and extends to 103.88m², to establish its value we have looked at comparable three bedroom detached properties within 0.5 miles of the site which range from £325,000-365,000. To reflect the position of the property next to existing commercial premises we have valued this at the lower end of the range at £325,000.
- 2.7 To value the commercial units we need to capitalise the rental income these properties will achieve in the open market. The VOA provides rateable values for all these properties which we have included in the appendices to this report, the combined rateable value for all 7no properties is £29,025pa. If we capitalise this rental income with an anticipated yield at 8% the existing use value will be £362,813.
- 2.8 The combined EUV is therefore £687,813.
- 2.9 It is established viability practice and an integral part of the EUV plus premium valuation method that a landowner's margin needs to be added to the base existing use value to encourage a landowner to bring the site forward for development. It should be at a level to incentivise the landowner and the typical range is 15-40%, we consider a 15% return would provide the landowners with sufficient return generating a benchmark land value of £790,985 which we have rounded down to £790,000.
- 2.10 An appraisal of the scheme based on an all open market DAT without any affordable housing provision shows a negative viability position with a deficit of -£1,456,324 and clearly therefore the site is unable to viably support any affordable housing provision.
- 2.11 The appraisal has also been constructed with developers profit at 18% of GDV which is within the profit range recommended in the Planning Practice Guidance, The site does show a negative viability outcome with a deficit and so the developer will need to take a commercial view on development profit to allow the scheme to come forward.
- 2.12 The appraisal uses sales values based on comparable sales evidence within 0.5 miles of the site and BCIS median build costs, all other assumptions are in line with standard viability assumptions we have previously agreed with the DVS and market norms.

- 2.13 For comparative purposes we have also run a policy compliant appraisal with 7no affordable housing units delivered as 5no affordable rent and 2no shared ownership. This shows a deficit of - £1,664,389 and clearly introducing affordable housing just compounds the viability pressure.
- 2.14 The appraisal includes for CIL based on a rate of £111.79/m² on the net additional floor area but we have made no allowances for any other s106 payments.
- 2.15 In summary the appraisal without any affordable housing shows viability deficit and for the site to come forward the developer will need to take a view to accept a lower profit level. It is clearly evident that introducing any affordable housing provision would just compound the viability pressure.

3.0 Policy Background

Local Plan Policies

- 3.1 Havant Borough Council affordable housing policy is contained within the Core Strategy which was adopted in March 2011.
- 3.2 The affordable housing Policy CS9 states that planning permission will be granted for housing proposals that will deliver on average 30-40% affordable housing on sites of 15no dwellings or more and secure a suitable contribution, or on-site provisions, equivalent to on average 30-40% on smaller housing developments between 5no and 14no dwellings (gross), unless a lesser requirement has been transparently justified on viability grounds.

National Planning Policy Framework July 2018

- 3.3 Following a consultation period the revised NPPF was issued on 24th July 2018 and the main sections which effect s106 viability are outlined below.
- 3.4 Section 34 states that Local Plans should set out the obligations that are expected from developments including affordable housing, however it says that such plans should not undermine the deliverability of the plan.
- 3.5 As set out in the 2012 framework planning obligations should only be sought where they meet the following tests:
 - Necessary to make the development acceptable in planning terms.
 - Directly related to the development
 - Fairly and reasonably related in scale and kind to the development
- 3.6 Section 57 of the framework sets out one of the keys changes around viability, this states that where policies around contributions have been set out in the plan, schemes that comply with them will be deemed to be viable. It is up to the applicant to demonstrate that particular circumstances differ from the Local Plan assumptions which require a viability assessment. Such examples would be particular existing use that was not modelled at plan making stage, abnormal costs or movement in the market since the plan was adopted.
- 3.7 Section 63 states that affordable housing should not be sought from schemes which are not major developments, this is defined at 10

units which puts the NPPF at odd's with Planning Practice Guidance which sets the threshold at 10 units or less and less than 1,000m². However we understand the Planning Practice Guidance maybe be updated shortly.

- 3.8 It is expected that 10% of homes should be made available as starter homes a form of discounted market sale apart from some specified exceptions.

Planning Practice Guidance

- 3.9 The viability section of the Planning Practice Guidance has also been updated and there have been some changes introduced in the recommended assumptions for constructing a viability assessment. The guidance now also states that a viability assessment should refer back to the viability assumptions which backed up the Local Plan and should evidence how circumstances have changed to justify the need for a viability assessment.
- 3.10 The guidance now specifically states the EUV plus premium method should be adopted where as before a range of options were set out including the market value approach. This is a clear change of direction to provide more clarity on how to set a benchmark land value in a viability assessment.
- 3.11 The guidance also states that the use of an alternative use value is allowed if it is a reasonable alternative use and a planning consent on the site exists for that use.
- 3.12 In the consultation draft developer's profit was stated at 20% of GDV but this has been watered down to a range of 15-20%.
- 3.13 The guidance also states methodologies for assessing gross development value and build costs but these are broadly unchanged since the previous version of the guidance.
- 3.14 The Planning Obligations section of the guidance also states that on developments of 10 or less units or below 1,000m² (or 5 units in certain rural areas) no affordable housing will be sought. This is currently in conflict with the NPPF.

Impact of Social Rent Changes 9th November 2015

- 3.15 A ministerial statement from Brandon Lewis MP, Minister of State for Housing and Planning, recognised that following the Budget

2015 announcement of reductions in social rents in the four years from 2016 – 20, Housing Associations have been forced to reconsider their financial commitments. As a result some schemes where housing associations are engaged with house builders through s106 agreements are being adversely impacted. In this statement, Mr Lewis recognises that this creates a risk to the Government and Local Authorities because of the potential for it to delay homes coming forward and impact on how councils will be able to demonstrate a five year land supply of deliverable housing land.

- 3.16 In the statement the Minister reminds Local Authorities that S106 agreements maybe renegotiated at any time by mutual consent and reinforces that “planning guidance is clear that local planning authorities should be flexible in their requirements, taking into account specific site circumstances and changing circumstances”.
- 3.17 He goes on to state “Developers are already entitled to apply to modify any obligation over five years old. They are also able to apply to revise the affordable housing element of any Section 106 planning obligation if it can evidence that the affordable housing element is making the scheme unviable and is stalling development”.
- 3.18 Mr Lewis urges planning authorities to “respond constructively, rapidly and positively ... and to take a pragmatic and proportionate approach to viability”.

4 Cost and Values

Existing Use Value (EUV)

- 4.1 The RICS Financial Viability in Planning guidance recommended a market value approach but subsequent appeal judgements have moved away from the market value approach and adopted the EUV plus premium method which essentially means assessing the existing use value of the land with its current lawful planning use and adding on a landowners margin to provide an incentive to encourage them to release the land for development. This approach has been further reinforced by the revised Planning Practice Guidance on Viability which both advocate the use of the EUV plus premium method.
- 4.2 In this case the existing use value of the site will be made up of the value of the existing properties on the site. The existing use of the site is made up of the existing house at 7 Station Road and the 7no business units at 5 Station Road. The existing house we understand is three bedroom and extends to 103.88m², to establish its value we have looked at comparable three bedroom detached properties within 0.5 miles of the site which range from £325,000-365,000. To reflect the position of the property next to existing commercial premises we have valued this at the lower end of the range at £325,000.
- 4.3 To value the commercial units we need to capitalise the achievable rent these properties will command. The VOA provides rateable values for all these properties which we have included in the appendices to this report, the combined rateable value for all 7no properties is £29,025pa. If we capitalise this rental income with an anticipated yield at 8% the existing use value will be £362,813.
- 4.4 The combined EUV is therefore £687,813.
- 4.5 It is established viability practice and an integral part of the EUV plus premium valuation method that a landowner's margin needs to be added to the base existing use value to encourage a landowner to bring the site forward for development. It should be at a level to incentivise the landowner and the typical range is 15-40%, we consider a 15% return would provide the landowners with sufficient return generating a benchmark land value of £790,985 which we have rounded down to £790,000.

Sales values

- 4.6 To establish the achievable sales values we have looked at comparable properties on the market and recently sold within 0.5 miles of the subject site. We were not able to identify any comparable newbuild schemes so we have looked at average second hand values and applied a newbuild premium.
- 4.7 For the one bedroom apartments we identified comparable properties from £120,000-145,000. To reflect the relatively large size of these apartments at 59-62m² and a newbuild premium we have therefore valued the one bedroom apartments at £160,000. We consider this to be the ceiling value for a one bedroom apartment as good quality two bedroom apartments are available from £155,000.-165,000.
- 4.8 For the two bedroom apartments we identified comparable properties from £140,000-230,000. A fairly modern two bedroom apartment on Station Road is currently on the market at £155,000 but we did identify another comparable on Manor Road on the market at £230,000. However this has not sold and its value lies outside the main range of values, the majority of apartments valued above around £165,000 appear to have a seafront location.
- 4.9 We also identified some sold evidence from Land Registry records:
- 51 Birch Tree £165,000 sold October 2018
3 Kensington House £180,000 sold December 2018
1 Brooklyn Hall £175,000 sold July 2018
- 4.10 The evidence suggests a reasonable average value for a two bedroom apartment in this locality would be £170,000-180,000 so we have valued a typical newbuild two bedroom apartment at £195,000. If we assume a two bedroom apartment at 64m² achieves £195,000 that equates to £3,047/m². This value has been applied to all the two bedroom apartments resulting in sales values from £190,000-257,000 depending on floor area.
- 4.11 The overall GDV is £4,048,313 which equates to £2,974/m².
- 4.12 The actual price achieved will be dependent on market conditions at the time of marketing, competitor developments and the completed specification and finishes.

Construction Costs

- 4.13 In line with standard viability practice we have used the BCIS median rates to inform the construction cost. We have used the 3-5 storey apartment rate which is £1,489/m².
- 4.14 The BCIS build costs exclude external works costs and the usual rule of thumb additional allowance is 5-15% depending on the scope of external works. In this case the allowance will need to fund surface car parking spaces, other hard and soft landscaping areas, site opening and access and new boundary treatments. For this we consider a 10% of base build cost allowance is justified increasing the build cost to £1,638/m².
- 4.15 Use of BCIS rates for estimating construction costs is an established viability practice and provides a good evidential base as it is based on actual tender returns in a given location. However its is becoming increasingly apparent that BCIS rates are not keeping up with the most recent build cost tenders, demand is currently out stripping sub-contractor capacity resulting in increased rates and material prices are increasing with extended call off periods.
- 4.16 The appraisal allows for the circulation space in the building which is 390m² this is some 28.67% of the net residential area which is higher than we normally expect.
- 4.17 We have assumed the new commercial space will only be constructed to a shell and core standard for fitting out by the incoming tenant and so we have adopted a lower allowance for these areas at £1,200/m².
- 4.18 We have additionally allowed for £50,000 for demolition and site clearance.
- 4.19 We have separately allowed for design fees at 7% and a contingency of 5%, both of which are below the default values of the toolkit and at a level previously agreed with the DVS.

Developers Profit

- 4.20 The revised Planning Practice Guidance recommends a developers profit allowance in the range of 15-20% and this should reflect the developers risk profile. In common with all apartment schemes the

whole block needs to be completed before sales can complete increasing the developers cash flow build up and risk. We have therefore adopted a profit allowance marginally above the mid point at 18% of GDV.

- 4.21 For the affordable housing we have adopted a profit allowance of 6% which has been previously agreed with the DVS.

Affordable Housing Inputs

- 4.22 To model the affordable housing value we have assumed the affordable rent units will have rents set at 80% of market rents subject to being no more than the relevant Local Housing Allowance rate. Local market rents would result in an affordable rent well in excess of the LHA, so we have adopted the LHA rate at £144.36pw for a two bedroom apartment.
- 4.23 The shared ownership has been based on an initial equity sale of 50% to maintain affordability and the rent at the Homes England maximum level of 2.75% pa on the unsold equity.
- 4.24 In line with HCA guidance in the AHP bidding round that grant would not be supported on s106 units, we have not included any grant funding in the appraisals except where stated.
- 4.25 The net affordable housing revenue has been capitalised at 4.75% which is a sector average.

Commercial Property Assumptions

- 4.26 We have assumed the proposed commercial space will be retail use and we have estimated these should achieve a rent of around £15 per square foot in the market. This income has been capitalised at a yield of 7% this is a stronger yield than we assumed for the existing use to reflect the units will be newbuild.
- 4.27 We have also assumed these units would be completed to a shell and core standard for fitting out by the incoming tenant and on this basis we have adopted a build cost at £1,200/m².

5 Other Model Assumptions and Inputs

- 5.1 The basis for assumptions on sales values, construction costs and profit are set out in section 4.

Programme

- 5.2 The DAT assumes a 6 month lead in to site start for detail design, building regulations approval, lining up sub-contract packages and site set up. The contract period is 18 months with a sales period of 5 months.

S106 and CIL Contributions

- 5.3 We have allowed for CIL on the net increase in floor area based on a rate at £111.79/m² but we have not allowed for any other s106 contributions.

Interest Rates

- 5.4 We have used a finance rate of 7% inclusive of all arrangement fees which is in our experience a typical level and a level agreed with the DVS on numerous occasions. The availability of development finance remains an issue with very few of the major banks still actively lending to residential development companies. Those still in the market can “pick and choose” deals to fund and expect to see healthy margins.

Sales and marketing costs

- 5.5 We have made an allowance of 2.75% of gross sales value for sales and marketing. This will fund an agent's fees at 1.5% together with additional costs for a show home, development branding, production of sales particulars and promotion.

Ground Rent Income

- 5.6 We have assumed the proposed apartments will command a ground rent of £200pa which we have capitalised at a yield of 5%. Previously a higher assumption on ground rent income would have been adopted but there is currently a drive from central government to reduce and cap ground rent levels. In this environment a prudent developer would assume a lower level of ground rent. In addition the Nationwide Building Society have a lending policy that the maximum ground rent should be 0.1% of the value of the dwelling.

Shared Ownership		£0			
Affordable Rent		£0			
Open market (all phases)		£76,000			
Capitalised Annual Ground Rents				£76,000	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME				£4,124,313	
TOTAL BUILD COST OF RESIDENTIAL SCHEME		£3,281,867			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					£842,446
Non-Residential					
		Cost		Values	
Office		£0		£0	
Retail		£168,898		£264,683	
Industrial		£0		£0	
Leisure		£0		£0	
Community Use		£0		£0	
Community Infrastructure Levy		£6,782			
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME				£264,683	
COSTS OF NON-RESIDENTIAL SCHEME		£175,680			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL					£89,003
GROSS DEVELOPMENT VALUE OF SCHEME				£4,388,996	
TOTAL BUILD COSTS		£3,457,547			
TOTAL CONTRIBUTION TO SCHEME COSTS					£931,449
External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£50,000		2,632	1.1%	
Roads and Sewers	£0				
Services (Power, Water, Gas, Telco and IT)	£0				
Strategic Landscaping	£0				
Off Site Works	£0				
Public Open Space	£0				
Site Specific Sustainability Initiatives	£0				
Plot specific external works	£0				
Other 1	£0				
Other 2	£0				
	£50,000			1.1%	
Other site costs					
Fees and certification	7.0%	£218,791	11,515	5.0%	
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		£268,791	14,147		
Statutory 106 Costs (£)					
Education		£0			
Sport & Recreation		£0			
Social Infrastructure		£0			
Public Realm		£0			
Affordable Housing		£0			
Transport		£0			
Highway		£0			
Health		£0			
Public Art		£0			
Flood work		£0			
Community Infrastructure Levy		£213,315	11,227		
Other Tariff		£0			
Other 1		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
		£213,315	11,227		
Statutory 106 costs					
Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	2.8%	£111,329	5,859		
Legal Fees (per Open Market unit):	£750	£14,250	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£0			
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		£125,579			
Total Direct Costs					£4,065,232
Finance and acquisition costs					
Land Payment		£790,000	41,579 per OM home	#DIV/0!	#DIV/0!
Arrangement Fee		£0	0.0% of interest		
Misc Fees (Surveyors etc)		£0	0.00% of scheme value		
Agents Fees		£7,900			
Legal Fees		£3,950			
Stamp Duty		£29,000			
Total Interest Paid		£431,593			
Total Finance and Acquisition Costs					£1,262,443
Developer's return for risk and profit					
Residential					

Market Housing Return (inc OH) on Value	18.0%	£728,696	38,352 per OM unit
Affordable Housing Return on Cost	0.0%	£0	per affordable unit
Return on sale of Private Rent	0.0%	£0	#DIV/0! per PR unit
Non-residential			
Office	£0		
Retail	£47,643		
Industrial	£0		
Leisure	£0		
Community-use	£0	£47,643	

Total Operating Profit £776,339

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST £6,104,014

Surplus/(Deficit) at completion 1/8/2021 (£1,715,018)

Present Value of Surplus (Deficit) at 15/3/2019 (£1,456,324)

Scheme Investment MIRR -2.0% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 18.0% Peak Cash Requirement -£4,895,972

Site Value (PV) per hectare No area input per hectare No area input per acre

Shared Ownership		£0			
Affordable Rent		£0			
Open market (all phases)		£48,000			
Capitalised Annual Ground Rents				£48,000	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME				£3,505,417	
TOTAL BUILD COST OF RESIDENTIAL SCHEME		£3,281,867			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					£223,549
Non-Residential					
	Cost		Values		
Office	£0		£0		
Retail	£168,898		£264,683		
Industrial	£0		£0		
Leisure	£0		£0		
Community Use	£0		£0		
Community Infrastructure Levy	£6,782				
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME			£264,683		
COSTS OF NON-RESIDENTIAL SCHEME		£175,680			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL					£89,003
GROSS DEVELOPMENT VALUE OF SCHEME			£3,770,100		
TOTAL BUILD COSTS		£3,457,547			
TOTAL CONTRIBUTION TO SCHEME COSTS					£312,553
External Works & Infrastructure Costs (£)					
Site Preparation/Demolition	£50,000	Per unit	% of GDV		per Hectare
Roads and Sewers	£0	2,632	1.3%		
Services (Power, Water, Gas, Telco and IT)	£0				
Strategic Landscaping	£0				
Off Site Works	£0				
Public Open Space	£0				
Site Specific Sustainability Initiatives	£0				
Plot specific external works	£0				
Other 1	£0				
Other 2	£0				
	£50,000		1.3%		
Other site costs					
Fees and certification	7.0%	£218,791	11,515	5.8%	
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants	£0				
Decontamination	£0				
Other	£0				
Other 2	£0				
Other 3	£0				
Other 4	£0				
Other 5	£0				
	£0				
Total Site Costs inc Fees		£268,791	14,147		
Statutory 106 Costs (£)					
Education	£0				
Sport & Recreation	£0				
Social Infrastructure	£0				
Public Realm	£0				
Affordable Housing	£0				
Transport	£0				
Highway	£0				
Health	£0				
Public Art	£0				
Flood work	£0				
Community Infrastructure Levy	£136,206	7,169			
Other Tariff	£0				
Other 1	£0				
Other 2	£0				
Other 3	£0				
Other 4	£0				
	£136,206	7,169			
Statutory 106 costs					
Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	2.8%	£71,211	5,934		
Legal Fees (per Open Market unit):	£750	£9,000	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£0			
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		£80,211			
Total Direct Costs				£3,942,755	
Finance and acquisition costs					
Land Payment	£790,000	65,833 per OM home	#DIV/0!	#DIV/0!	
Arrangement Fee	£0	0.0% of interest			
Misc Fees (Surveyors etc)	£0	0.00% of scheme value			
Agents Fees	£7,900				
Legal Fees	£3,950				
Stamp Duty	£29,000				
Total Interest Paid	£374,995				
Total Finance and Acquisition Costs		£1,205,845			
Developer's return for risk and profit					
Residential					

Market Housing Return (inc OH) on Value	18.0%	£466,109	38,842 per OM unit
Affordable Housing Return on Cost	6.0%	£67,790	9,684 per affordable unit
Return on sale of Private Rent	0.0%	£0	NDIV/0% per PR unit
Non-residential			
Office	£0		
Retail	£47,643		
Industrial	£0		
Leisure	£0		
Community-use	£0	£47,643	

Total Operating Profit £581,543

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST £5,730,143

Surplus/(Deficit) at completion 1/8/2021 (£1,960,043)

Present Value of Surplus (Deficit) at 15/3/2019 (£1,664,389)

Scheme Investment MIRR -10.3% (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 21.0% Peak Cash Requirement -£3,951,016

Site Value (PV) per hectare No area input per hectare No area input per acre

£/m² study

Description: Rate per m² gross internal floor area for the building Cost including prelims.

Last updated: 02-Mar-2019 00:39

> Rebased to 1Q 2019 (322; forecast) and Portsmouth (107; sample 40)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
816. Flats (apartments)							
Generally (15)	1,572	766	1,312	1,502	1,772	5,291	964
1-2 storey (15)	1,500	940	1,274	1,437	1,653	2,795	233
3-5 storey (15)	1,548	766	1,305	1,489	1,766	3,106	642
6+ storey (15)	1,948	1,137	1,580	1,833	2,068	5,291	86

As part of our ongoing work with HMRC and the Government Gateway team, over the next couple of weeks when you sign in to the check and challenge service you may be asked to confirm your name, email address and set up a recovery word. You can opt out of this if you wish to do so.

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Address	Description	Total area (m ² /unit)	Price per m ² /unit	Current rateable value
5 E, Station Road, Hayling Island, Hants, PO11 0EA	Vehicle repair workshop and premises	69.37	£37.5	£2,550
5 C, Station Road, Hayling Island, Hants, PO11 0EA	Workshop and premises	79.18	£47.5	£3,700
5 D, Station Road, Hayling Island, Hants, PO11 0EA	Workshop and premises	27.51	£47.5	£1,250
17-19, Station Road, Hayling Island, Hants, PO11 0EA	Offices and premises	572.58	£75	£35,250
37, Station Road, Hayling Island, Hants, PO11 0EA	Shop and premises	55.2	£160	£6,400
33, Station Road, Hayling Island, Hants, PO11 0EA	Restaurant and premises	49	£160	£6,700
Car Park, Station Road, Hayling Island, Hants, PO11 0EA	Car park and premises	40	£115	£4,400

5 G, Station Road, Hayling Island, Hants, PO11 0EA	Vehicle repair workshop and premises	194.38	£50	£9,400
5, Station Road, Hayling Island, Hants, PO11 0EA	Shop and premises	84.1	£150	£5,900
Unit 2 At 3, Station Road, Hayling Island, Hants, PO11 0EA	Shop and premises	23.7	£150	£3,350
Unit 3 At 3, Station Road, Hayling Island, Hants, PO11 0EA	Shop and premises	31.3	£150	£4,100
Unit 1 At 3, Station Road, Hayling Island, Hants, PO11 0EA	Shop and premises	46.9	£150	£4,000
Unit 4 At 3, Station Road, Hayling Island, Hants, PO11 0EA	Shop and premises	42.76	£150	£4,400
5 A, Station Road, Hayling Island, Hants, PO11 0EA	Offices and premises	31.89	£70	£2,225
5 B, Station Road, Hayling Island, Hants, PO11 0EA	Car showroom and premises	64.82	£80	£7,700
Front Of 5f, Station Road, Hayling Island, Hants, PO11 0EA	Vehicle repair workshop and premises	60.53	£55	£3,200
R/o 5f, Station Road, Hayling Island, Hants, PO11 0EA	Vehicle repair workshop and premises	46.84	£55	£2,500

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PO11 0EA



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1 Bedroom Flats For Sale in PO11 0EA, within 0.25 miles, including sold STC

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2 results

Highest Price ▼



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7

£145,000

1 bedroom apartment for sale

Sea Front, Hayling Island

0.33 miles

Added yesterday

fox & sons



5



£120,000

1 bedroom flat for sale
Seafront, Hayling Island

0.33 miles

Added on 26/02/2019

Hugh
Hickman
& Son



5





£120,000

Offers Over

1 bedroom property for sale
Sea Front, Hayling Island, PO11

0.32 miles

Added on 09/11/2018



8

£120,000

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Highest Price ▼



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£350,000

From

WATERSIDE

2 bedroom penthouse for sale
Sea Front, Hayling Island, Hampshire

0.47 miles

NEW HOME

Added on 09/08/2018



£230,000

Guide Price

**PREMIUM
LISTING**

2 bedroom flat for sale

Kensington House, Manor Road, Hayling Island, Hampshire, PO11

0.08 miles

Reduced on 24/01/2019

Morris Dibben





£230,000

2 bedroom flat for sale

65 Sea Front, Hayling Island

0.33 miles

Added on 14/03/2018





£200,000

2 bedroom flat for sale

Birch Tree, Mark Anthony Court, Hayling Island, Hampshire, PO11

0.04 miles

SOLD STC

Added on 03/09/2018

Morris Dibben



18





£169,995

Offers in Excess of

PREMIUM
LISTING

2 bedroom flat for sale

Annes Court, Hayling Island, Hampshire, PO11

0.34 miles

Reduced on 21/02/2019

Morris Dibben



9



£169,995

2 bedroom flat for sale

Seafront, Hayling Island

0.34 miles

Reduced on 21/02/2019

Hugh
Hickman
& Son

10



£160,000

PREMIUM LISTING

2 bedroom flat for sale

Deansfield Court, 39-45 West Lane, Hayling Island, Hampshire, PO11

0.28 miles

SOLD STC

Added on 05/02/2019

Morris Dibben

8





£155,000

2 bedroom flat for sale
Station Road, Hayling Island

0.13 miles

UNDER OFFER

Reduced on 15/10/2018



12





£140,000

2 bedroom flat for sale
Sea Front, Hayling Island
0.33 miles
Reduced on 27/02/2019



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House Prices in PO11 0EA

11 sold properties found

3, Kensington House, Manor Road, Hayling Island, Hampshire PO11 0EZ

£180,000	Flat, Leasehold, Residential	14 Dec 2018
£162,000	Flat, Leasehold, Residential	29 Jan 2016
£149,950	Flat, Leasehold, Residential (New Build)	02 Nov 2007

Flat 15, Maple Court, 3a, Staunton Avenue, Hayling Island, Hampshire PO11 0EF

£66,500	Flat, Leasehold, Residential	06 Dec 2018
£38,000	Flat, Leasehold, Residential	12 Sep 1997

Flat 33, Maple Court, 3a, Staunton Avenue, Hayling Island, Hampshire PO11 0EF

£78,000	Flat, Leasehold, Residential	08 Nov 2018
£61,500	Flat, Leasehold, Residential	21 Jun 2002

Flat 51, Birch Tree, Mark Anthony Court, Hayling Island, Hampshire PO11 0AE

£165,000	Flat, Leasehold, Residential	02 Oct 2018	2 bedrooms
£58,000	Flat, Leasehold, Residential	07 May 1999	
£46,500	Flat, Leasehold, Residential	01 Oct 1996	
£46,000	Flat, Leasehold, Residential	13 Nov 1995	



Flat 1, Oak Tree, Mark Anthony Court, Hayling Island, Hampshire PO11 0AE

£163,500	Flat, Leasehold, Residential	27 Jul 2018	2 bedrooms
£105,000	Flat, Leasehold, Residential	08 Feb 2013	



Flat 1, Brooklyn Hall, 1a, Bacon Lane, Hayling Island, Hampshire PO11 0DN

£175,000	Flat, Leasehold, Residential	18 Jul 2018
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Flat 26, Maple Court, 3a, Staunton Avenue, Hayling Island, Hampshire PO11 0EF

£79,000	Flat, Leasehold, Residential	22 Jun 2018
£80,000	Flat, Leasehold, Residential	28 May 2009
£42,500	Flat, Leasehold, Residential	09 Dec 1998

Flat 29, Maple Court, 3a, Staunton Avenue, Hayling Island, Hampshire PO11 0EF

£78,000	Flat, Leasehold, Residential	22 Jun 2018
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4, Kensington House, Manor Road, Hayling Island, Hampshire PO11 0EZ

£176,000	Flat, Leasehold, Residential	29 May 2018
£139,250	Flat, Leasehold, Residential	23 Oct 2009
£149,000	Flat, Leasehold, Residential (New Build)	14 Nov 2007

Flat 7, Bank House, 46, Station Road, Hayling Island, Hampshire PO11 0FH

£165,000	Flat, Leasehold, Residential	27 Apr 2018
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Flat 12, 46, Station Road, Hayling Island, Hampshire PO11 0FH

£157,000	Flat, Leasehold, Residential	04 Apr 2018
£140,000	Flat, Leasehold, Residential (New Build)	27 Apr 2007
£120,000	Flat, Leasehold, Residential	09 Aug 2005