

Table 1: Viability Table**Scheme: All Private Residential Units**

Input	Value / Cost	Notes
Gross Development Value		
- 11 x 5-bed dwellings	£4,950,000	1
- 3 x 4-bed dwellings	£1,200,000	2
Total Gross Development Value	£6,150,000	
Build Costs		
- Site clearance & preparation	£80,000	3
- Base build costs	£3,270,920	4
- Known abnormal costs	£104,000	5
- On site infrastructure and utilities	£323,020	6
- Offsite infrastructure	£30,000	7
- Contingencies	£190,397	8
Total Build Costs	£3,998,336	9
Planning Policy Costs		
- Primary School Contribution	£63,490	10
- Secondary School Contribution	£33,037	11
- Library Contribution	£672	12
- Play Equipment	£12,250	13
- Habitat Regulations	£8,400	14
- CIL	£0	15
Total Planning Policy Costs	£117,849	
Finance Costs	£175,000	16
Professional & Project Management Costs	£230,276	17
Sales & Legal Costs	£226,000	18
Total Development Costs	£4,747,462	
Developer's Profit	£1,076,250	19
Total Costs	£5,823,712	
Residual Land Value	£326,288	
Benchmark Land Value	£160,000	20

* All values rounded to nearest pound.

Notes

(1) Agreed by DSP (paragraphs 3.1.14 - 3.1.16, Review January 2018). Based on individual property value of £450,000. See Valuation Appraisal.

(2) Agreed by DSP (paragraphs 3.1.14 - 3.1.16, Review January 2018). Based on individual property value of £400,000. See Valuation Appraisal.

(3) Based on estimate from Kent County Surfacing (see Indicative Cost Report).

(4-8) See Indicative Cost Report.

(8) Agreed by DSP (email dated 19 February 2018). 5% of build costs applied as contingency.

(9) The estimated total build cost, with contingency applied, remains 10% lower than the average of the three quotes obtained (£4.44m). These quotes are provided by Coombs (Canterbury) Ltd (£4.4m - £4.6m), Honour Construction (£4.601m) and WW Martin (£4.32m).

(10-14) Agreed by DSP (paragraph 2.1.2, Review January 2018). Costs as set out in Committee Report for application. See Annex 4 to Viability Assessment.

(15) Agreed by DSP (Review January 2018). There is no adopted CIL charging schedule in Thanet.

(16) Agreed by DSP (email dated 19 February 2018). £175,000. It is noted that this figure is on the basis of marginally lower costs.

(17) Agreed by DSP (paragraph 3.1.32, Review January 2018). Design and professional fees calculated at 6% of build costs. This is consistent with the general application of 6-8% of base costs and other works.

(18) Agreed by DSP (email dated 19 February 2018). Agents Fees = 1.5% of GDV, Marketing Costs = £10,000 and legal fees = £2,250 per unit.

(19) Agreed by DSP (paragraph 3.1.39, Review January 2018). Whilst the Council's own Viability Assessment accepts a 20% return on the Gross Development Value of private units, a 17.5% return on the private units has been applied.

(20) Agreed by DSP (paragraph 3.1.12, Review January 2018). As the site benefits from both a residential allocation (emerging) and resolution to grant planning permission for residential development a land value of £200,000/ha has been applied. This is in the lower end of the scale considered by the Council's own Viability Assessment of between £100,000 - £400,000/ha (paragraph 3.3.3).

Valuation Appraisal

These values are based on the development illustrated in drawings 15128-05-C and 15128-06-B.

The following specification has been applied:

Quantity	Bedrooms	Floorspace/unit (sq.ft)	Storeys	Garage
11	5	1600	2	Yes
3	4	1400	2	Yes

Comparable, Up to Date Transactions and Market Evidence

Likely sale values have been estimated by reference to up to date transactions and market evidence relating to comparable properties (including new build) within a reasonable distance from the site.

5 Bedroom Properties

Address	Bedrooms	Date of Sale	Transaction Value	Source
14 Minster Road	5	05-07-17	£422,000	Rightmove
2 Lorne Road	5	22-06-17	£340,800	Rightmove
6 Millfield Road	5	09-03-17	£382,000	Rightmove
5 St Mildred's Ave	5	22-02-17	£480,000	Rightmove
4 Winsterstoke Cr	5	04-03-16	£427,500	Rightmove
8 Winterstoke Cre	5	14-12-15	£500,000	Rightmove

Average Unit Value = **£425,383**

This compares to market advice from LSL New Homes confirming market value of £440,000 for the 5 bedroom properties on site (dated 13th October 2017) (see enclosed).

A handful of outliers were identified such as 3 Ellington Road (£655,000), 28 Elms Avenue (£620,000) and The Orchard (£735,000) which were not comparable to the assessed properties. Both the Ellington Road and Elms Avenue properties housed additional accommodation within their grounds and The Orchard benefits from sea views.

A value of **£450,000** has been applied in this Viability Assessment for the 5 bedroom properties.

4 Bedroom Properties

Address	No. of Beds	Date of Sale	Transaction Value	Source
91a London Road	4	19/07/17	£317,500	Rightmove
73 London Road	4	23/06/17	£399,995	Rightmove
1 Hawthorn Grang	4	2017	£389,000	Reserved (see enclosed)
3 Hawthorn Grang	4	2017	£389,000	Reserved (see enclosed)
4 Hawthorn Grang	4	2017	£389,000	Reserved (see enclosed)

Average Unit Value = **£376,899**

This compares to market advice from LSL New Homes confirming market value of **£400,000** for the 4 bedroom properties on site (dated 13th October 2017) (see enclosed).

Hawthorn Grange, referenced above, is a comparable new build development on the outskirts of Ramsgate. It is a 14 unit high quality development, with four bedroom detached properties of 1,380 sq.ft. As set out above, the proposal involves four bedroom detached properties of 1,400 sq.ft. The Hawthorn Grange development is close to completion, and therefore reserve prices are only available at present. Details relating to the Hawthorn Grange development are enclosed.

A value of **£400,000** has been applied in this Viability Assessment for the 5 bedroom properties.

Indicative Cost Report

These costs are based on the development illustrated in drawings 15128-05-C and 15128-06-B.

The following specification has been applied:

Quantity	Bedrooms	Floorspace/unit (sq.ft)	Storeys	Garage
11	5	1600	2	Yes
3	4	1400	2	Yes

Costs assume the works will be competitively tendered as a single contract on current costs at today's date. No allowance has been included for any phasing of works. These costs are corroborated by the two quotes from Kent County Surfacing Ltd and Coombs Canterbury Ltd, attached.

Item	Cost	Notes
Demolition/site clearance/site preparation		
- Site clearance (including tree removal)	£45,000	
- Site Preparation (incl. build up of southern boundary to eliminate bank)	£35,000	
TOTAL SITE CLEARANCE	£80,000	
Base build costs		1
Houses	£3,041,320	
Garages	£229,600	
TOTAL BASE BUILD COSTS	£3,270,920	
Known abnormal costs		2
- Traffic Regulation Orders	£4,000	
- Piling	£90,000	
- Adoption of onsite road	£10,000	
TOTAL KNOWN ABNORMAL COSTS	£104,000	
On site infrastructure and utilities		3
- Roadways and utility trenches	£132,020	
- Footpaths	£37,000	
- Street Lighting	£30,000	
- Street signage	£3,000	
- Surface Water sewer works	£51,000	
- Foul water sewer works	£25,000	
- Soft landscaping to communal areas	£15,000	
- Perimeter boundary fencing	£30,000	
TOTAL ON-SITE INFRASTRUCTURE AND UTILITIES	£323,020	
Offsite infrastructure		4
- Highway works to Canterbury Road West	£30,000	
TOTAL OFFSITE INFRASTRUCTURE	£30,000	

Notes

(1) A figure of £139/sq.ft for the dwellings (21,880sq.ft x £139) and £41/sq.ft for the garages (5,600 sq.ft x £41) has been applied. This includes additional costs relating to laying driveways, Statutory Authority incoming Mains, individual house boundary fencing, individual house branch SW + FW Drainage and individual house Services/Entries.

(2) Known abnormal costs include traffic regulation orders (to include parking restrictions either side of the access road on Canterbury Road East), piling for some properties (assumption of 15% over standard foundation cost applied), and costs related to the adoption of the internal road. Known abnormal costs may increase, generally being 15-20% of base build costs.

(3) All figures are based on Kent County Surfacing Ltd quote (see attached) and applicant's informed estimate.

(4) Limited to off site road works, as quoted by Kent County Surfacing Ltd (see attached). All surface water connection costs, foul water connection costs and statutory authority incoming mains costs are included in base build costs and on site infrastructure and utility costs.