Ipswich, Babergh, Mid Suffolk & Suffolk Coastal

Affordable Housing Site Viability Study

fordham RESEARCH

June 2009

Final Report

Executive Summary

1. Fordham Research Group Ltd was commissioned by the four Councils to carry out a study of affordable housing viability in the Ipswich Housing Market Area (HMA). The viability study formed part of a wider Strategic Housing Market Assessment (SHMA) for this area. It was intended to inform ongoing work on the preparation of Local Development Frameworks (LDF), by examining the impact on housing viability of alternative levels of affordable housing requirement.

2. The study involved preparing financial appraisals for a number of permitted, proposed and notional housing sites in the HMA. The appraisals were designed to assess the impact on development viability of alternative requirements for affordable housing provision. Viability would be examined for a range of sites in a variety of development situations. A 'modelling' approach was taken, using bespoke spreadsheet software which allowed alternative scenarios to be tested quickly.

3. In discussions with the four Councils we identified a combination of eight 'actual' sites together with four notional sites, each of these in four locations, for testing. The sites ranged in size from three to 300+ dwellings.

4. The actual sites split evenly between those completed or permitted on the one hand; and sites subject to applications, and allocations or potential allocations. One site was for mixed development, with commercial uses alongside the main residential component. The sites were a mixture of greenfield, open space and brownfield land. The 'notional' sites, all deemed to be previously developed, though in one specific case garden land, were formulated in discussion, and in part generalised from several sites which had been rejected from the initial shortlist of actual sites.

5. In all, these sites provided 1,300 dwellings, at an average net density of 43.1 dwellings per hectare.

6. In devising development proposals to test for each site, we considered the site characteristics and any detailed development proposals, any Development Brief where such proposals had not yet come forward, and also looked at a number of recent development proposals across the study area. We also drew on experience from elsewhere to develop appropriate development mixes for each site.

7. Any area of this size might be expected to contain a considerable mixture of development types and situations. In this case, that is indeed so; the study area comprises a major urban centre surrounded by an extensive, predominantly rural hinterland. An urban form that has emerged in many parts of the country post Planning Policy Guidance 3 (PPG3) provides for a mix of flats, two and two and a half storey houses. In the study area this form typically produces a floorspace density of about 3,550 sq m per ha. There will be higher density schemes in larger urban areas like Ipswich, especially providing apartments in blocks. There are also rural and urban edge development forms with lower densities, often focusing on larger mainly detached units.

8. Our observation of development forms currently coming forward in the area, and experience from elsewhere, led us to develop a five class typology, with floorspace densities ranging from 10,000-100,000 sq ft per acre (2,300 to 23,000 sq m per ha), to inform development assumptions for the 24 sites.

9. The sites were tested with no affordable housing, and for options of 25%, 30%, 35% and 40% affordable housing. In each case the affordable housing was assumed to be a combination of 75% social rented and 25% intermediate housing. Two of the four Councils currently operate with this proportion, with one slightly higher and one a little lower. The intermediate housing was taken to be shared ownership housing at a 25% share, with rent charged at 2.75% on the unsold equity.

10. The affordable housing was to be provided on the basis of zero Social Housing Grant (SHG). Advice was sought from the Councils' partner RSLs about appropriate selling prices with zero grant. We also considered appropriate levels for the other planning gain contributions which might apply for each of the sites, using a combination of specific guidance on education, and a tariff type approach for the other topics.

11. The local market for residential development as at March 2008 was examined. There is a fair supply of newbuild housing across the area as a whole. Prices vary quite widely within the area, being highest in some of the coastal towns, and lowest in much of Ipswich and Stowmarket. Prices in the most expensive areas are more than half again of those in the cheapest areas. Taking into account current selling prices on schemes across the Housing Market Area, we determined price levels for flats and houses on each site. We arrived at a view of likely receipts from the commercial space on the mixed use site.

12. We also looked at evidence in respect of land values for likely alternative uses for the sites.

13. We considered assumptions in respect of development costs and the other financial and site assumptions required to carry out appraisals. Abnormal costs were expected to arise on several sites. Appropriate assumptions to determine the building programme for each site were determined.

14. Appraisals for each site were produced in respect of all of the affordable options, using a bespoke spreadsheet based financial analysis package. The approach was to determine the residual land value, i.e. what value the site would have after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developer's profit. In order for the proposed development to be viable, the residual value must exceed the value from a valid alternative use.

15. The appraisals showed that with no requirement for affordable housing, the housing-only sites delivered land values between about £200k and £850k per acre (£500k - £2.1m per ha) with the mixed development delivering a higher value. These results were somewhat below what the Valuation Office Agency's (VOA) published data suggested local values for 'oven ready' land would be – that is, smaller sites with no requirement for developer and affordable contributions, which can be developed with only the minimum infrastructure costs. The appraisals are therefore felt much more likely to present a 'worst case' than to be unduly optimistic.

16. As increasing amounts of affordable housing are introduced, the land value falls away. The majority of sites still achieved a positive land value with the highest requirement of 40% affordable housing. However on some sites, those with highest densities, land value falls away much more quickly as the affordable contribution increases. On such sites the land value, the main source of the affordable contribution, is a much lower proportion of the scheme's total cost. Since land value is the main means of providing 'developer subsidy,' this means that it cannot go as far on high density schemes as with a low density development.

17. Whether each individual option produces a viable outcome will depend on the land value from alternative uses. For the identified sites the alternative use was normally either industrial, agricultural, or open recreational use (e.g. playing fields). Of these, industrial use was assumed to have the highest alternative use value, ranging from £245 per acre (£600k per ha) in Ipswich down to £165k per acre (£410k per ha) in the smaller centres. Agricultural use was the least valuable at £25k per ha/£10k per acre. Open space and unused garden land were assumed to be worth £100k per acre (£125k per ha). The special circumstances of three of the 24 sites meant that specific assessments were required, for instance at the Waterfront site which is currently used for car parking.

18. This information, adjusted for any abnormal development costs that would still arise in the alternative use, was used to deduce whether the individual sites were viable at different levels of affordable housing provision. Rather surprisingly, the results showed that three sites were unviable even with 100% market housing. Of the remaining 21 sites, 15 could produce 25% affordable housing and remain viable, plus one which was classed as marginal because the 'cushion' over alternative use value was felt to be insufficient. At 30% one additional site became unviable. By 35%, 14 sites remained viable, and at 40% 11 are viable plus one marginal.

19. Sites in rural areas and in some smaller towns did better, reflecting higher prices, whilst sites with higher alternative use values (such as in Ipswich) did worse. Schemes of apartment blocks did less well, because the potential subsidy from land value was proportionately much smaller on higher density schemes.

20. Councils will need to consider these findings carefully in formulating policy targets in emerging Local Development Documents (LDD). They indicate that in some parts of the study area there is scope for increasing targets from the present levels, whilst in others there is not. The results also suggest that it might be possible to vary targets geographically. They provide some support for thresholds below the national guidance in rural areas, such as are already in place.

21. Suggested guidance on individual Councils' targets was put forward for Councils to consider.

22. As the study proceeded it became increasingly clear that a significant housing market downturn was under way. This suggested that viability had already begun to deteriorate and might well deteriorate further, as prices fell but costs continued to rise. We demonstrated the impact of possible price and cost future changes on the appraisal results, and suggested that an appropriate policy response was needed to deal with the unfolding viability situation.

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List of abbreviations

£ k	thousand pounds
£ m	million pounds
dw	dwelling
dwgs	dwellings
ft	foot
ha	hectare
m	metre
Q1	Quarter 1
sq	square

1. Introduction

1.1 Fordham Research Group Ltd was commissioned by the four Councils in January 2008 to produce guidance on the financial viability implications of alternative targets and size thresholds for affordable housing provision within the combined area.

1.2 This work was part of a wider study, a Strategic Housing Market Assessment (SHMA) for the area, which was being carried out in parallel to develop an understanding of local housing markets in this sub-region, to build a picture of housing needs and requirements, and to suggest appropriate targets for housing provision based on this analysis. The SHMA will provide input into ongoing work on preparation of Local Development Frameworks (LDF) for each of the Districts.

1.3 The viability studies will ensure that advice on targets in the main SHMA is supported by rigorous analysis showing that the targets can be achieved without undermining site viability and imperilling the delivery of housing provision overall.

1.4 After the main work of the study had been completed, we were asked to carry out additional work. This work has been incorporated into the report as an Appendix (Appendix 6).

National guidance

1.5 Guidance on affordable housing policy issues is now provided by Planning Policy Statement 3: Housing (PPS3).

1.6 Whilst from 2000 onwards the earlier guidance Planning Policy Guidance 3 (PPG3) recognised the need to take into account the economics of development when setting affordable housing targets and negotiating contributions from developers, PPS3 further reinforces this message. It suggests that Local Development Documents (LDD) should **set an overall target** for the amount of affordable housing to be provided, which should:

> *'reflect an assessment of the likely economic viability of land for housing within the area, taking account of the risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured.'* (S29)

1.7 LDDs should also **set out the range of circumstances** in which affordable housing will be required. The national indicative minimum size threshold is to be 15 dwellings. However, Local Planning Authorities (LPAs) may:

> '…*set lower minimum thresholds, where viable and practicable, including in rural areas. This could include setting different proportions of affordable housing to be sought for a series of site-size thresholds over the plan area. LPAs will need to undertake an informed assessment of the economic viability of any thresholds and proportions of affordable housing proposed….' (S29)*

1.8 The analysis in the present study is designed to be consistent with the above requirements.

Fordham Research

1.9 Fordham Research has been providing advice to Councils in respect of planning gain and development viability since the late 1980s. The firm's approach throughout this time has involved the preparation of financial appraisals. Over the last few years in particular, Councils have increasingly commissioned the firm to evaluate financial appraisals which have been prepared by developers in order to support a case for a reduced affordable housing contribution, for enabling development, and so on.

1.10 Since 1993 Fordham Research has become a leading consultancy in carrying out Housing Needs Surveys, and more recently the more wide ranging Strategic Housing Market Assessments that have largely replaced them, and advising Councils on affordable housing policy issues.

1.11 Since that time we have assisted Councils on very many occasions by providing expert witness services at Local Plan and S78 Inquiries, in order to successfully support housing need and affordable housing policies. Particularly in recent years, this has regularly included evidence in respect of viability issues.

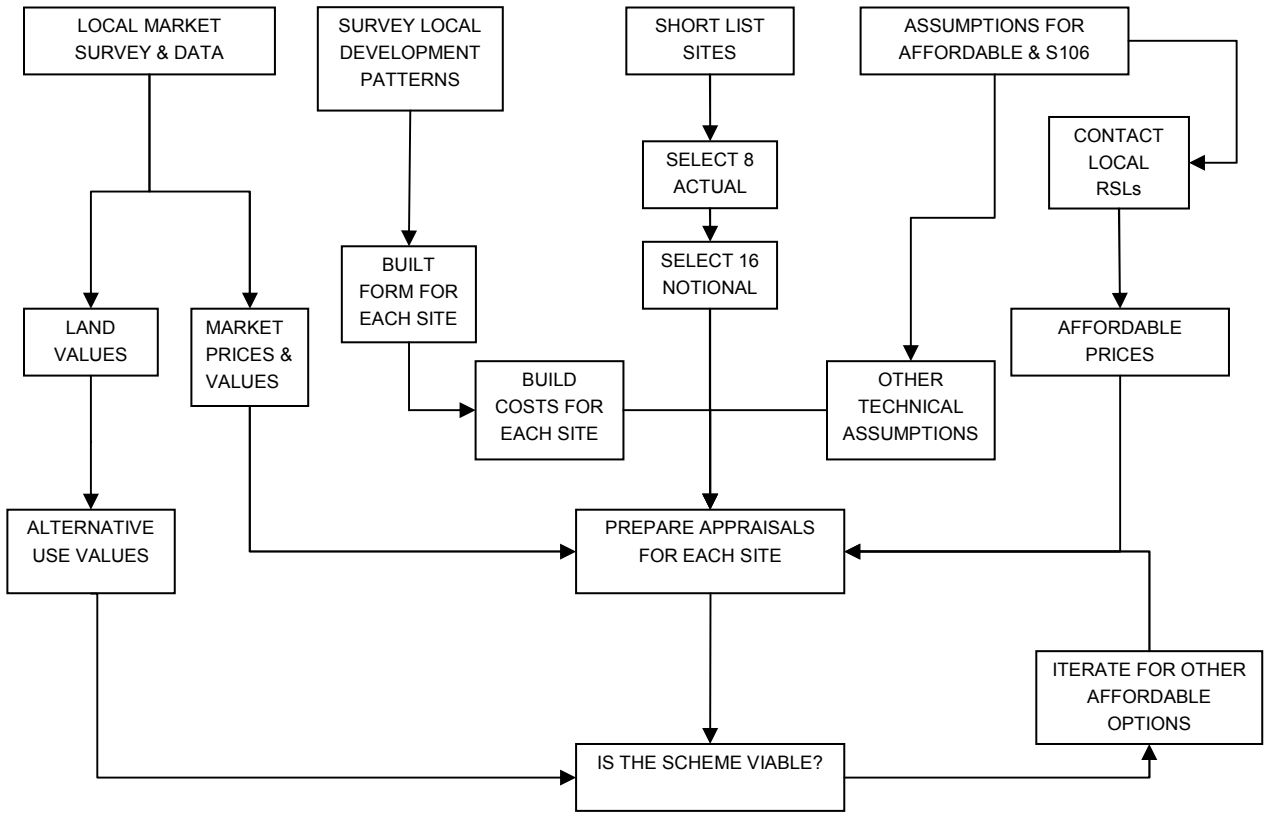
Study methodology

1.12 The study methodology is summarised in Figure 1.1 below. Fundamentally, it involves preparing financial appraisals for a representative range of sites across the study area. In this case a combination of actual and notional sites was chosen from a shortlist.

1.13 The appraisals tested alternative levels of affordable housing provision, in each case a combination of social rented and intermediate housing. RSLs were asked to provide guidance on the likely purchase prices they would pay for units in each category. Assumptions were also required for the developer contributions that would be sought under other headings like education and open space.

1.14 We surveyed the local housing market, in order to obtain a picture of sales values for the market housing, land values for residential development to calibrate the appraisals, and for other uses to assess alternative use values. Alongside this we considered local development patterns in order to arrive at appropriate built form assumptions for each site. These informed the appropriate build cost figures.

Figure 1.1 Study methodology



Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

1.15 A number of other technical assumptions were required before appraisals could be produced. The appraisal results were in the form of per ha/acre 'residual' land values, showing the maximum value a developer could pay for the site and still return a target profit level.

1.16 Finally, the residual value was compared to the benchmark alternative use value for each site. Only if the residual value exceeded the benchmark figure, and by a satisfactory margin, was the scheme judged to be viable.

Structure of this report

1.17 The remainder of the report covers the following topics:

Chapter 2 - The individual development sites

Chapter 3 - Affordable housing and developer contributions assumptions

Chapter 4 - Local market conditions

Chapter 5 - Assumptions for viability analysis

Chapter 6 - Results of viability analysis

Chapter 7 - Implications of viability results

1.18 Appendix 6 sets out the additional appraisals using base data collected in March/April 2008. Addendum 1 updates the same appraisals using base data collected in March/April 2009 i.e. during a market downturn.

2. Individual development sites

Introduction

2.1 This chapter deals with the sites identified for study, first outlining the key characteristics of each site, and then considering the assumptions made about proposed development upon each site for the purpose of producing a financial appraisal.

2.2 The individual sites chosen were visited at an early stage in the work.

An area of contrasts

2.3 The four Councils together comprise an area of some diversity, in terms of development and housing market conditions. This contains a large urban area, Ipswich, with a significant port area at Felixstowe only a short distance to the east. These two are set in a very large rural hinterland which contains only a small number of significant towns, Sudbury and Stowmarket being the largest. There is a considerable length of coastline, all within one District, with a variety of coastal settlements along its length.

2.4 Ipswich and Felixstowe are major economic motors for the area: Ipswich is rapidly regenerating its riverside after a period of decline and Felixstowe is a key point of entry into the country, generating huge amounts of lorry movement along the A14 corridor towards Cambridge and Central England. These two areas sit in contrast with much of the rural area, which is made up of quite small, isolated settlements. A good deal of development in recent years has been Ipswich related, but because of the tight boundary has actually been located in adjoining Districts, chiefly Suffolk Coastal.

2.5 There are many areas of attractive landscape and/or building character, both along the coast and inland. These are popular with incoming households, particularly those moving to retire or those anticipating future retirement.

2.6 There are therefore areas of high house prices and housing pressures, whilst in other areas, mainly in and around Ipswich, prices are quite competitive. The high volume of development in apartment form in the centre of Ipswich and along the riverside has been instrumental in the riverside's regeneration, although there are beginning to be concerns about the impact of a national housing market downturn on this apartment market sector.

2.7 In order for the present study to address development viability across the combined Councils' area it will need to deal with the variety of built form and density that is currently to be found.

Identifying a range of sites

2.8 To address this diversity, it was decided at an early stage that the study should consider a combination of actual, and notional, sites in order to provide the most useful guidance across the study area. In discussion with the partner Councils, it was decided that a total of 24 sites would be required, comprising two actual sites, and four notional sites, per District.

2.9 The eight 'actual' sites were identified in discussion from a larger initial shortlist. They covered a mixture of settlement sizes, although the majority were in the larger settlements. The sites ranged in size from three to 300+ dwellings. One site involved a mixture of residential and commercial uses.

2.10 The four 'notional' sites were next chosen so as to complement the actual sites. They were based upon and generalised from a number of the discarded actual sites, each specific to one or more individual Districts. The emphasis was on small to medium sized brownfield sites. One of the four sites was to involve a combination of conversion and newbuild. Appropriate locations for each of the four were chosen for each District.

2.11 The 'actual' sites were at various stages in the planning process. Four, half of the total, had received planning permission and proceeded to construction stage, one of which has completed. Two sites have been subject to application, and two are proposed allocations only, subject to ongoing work in the emerging LDF.

2.12 Information available from the various planning applications was acknowledged in considering the appropriate development forms to use in our appraisals. However we also took into account other recent schemes currently being developed, in formulating development assumptions.

The actual sites

2.13 Summary details of the eight actual sites identified by the Councils are set out in the table below. The table shows both total site area, and for those sites with a non-residential component, the net residential area.

2.14 The overall density using this latter measure is 41.8 dwellings per ha. The sites accommodate exactly 900 dwellings in total.

Table 2.1 Actual site details

Site No	Name	Area ha		No Dwgs	Density net (dw/ha)	Status
		Gross	Net resid			
1	Rugby Club Gt Cornard Sudbury	16.74	9.37	306	33.2	Permission, under construction
2	Co-op Depot Felixstowe Rd Ipswich	5.15	4.64	227	44.1	Proposed allocation
3	Cedars Park 6A Stowmarket	2.75	2.75	104	37.8	Permission, under construction
4	Orwell Quay Ipswich	0.76	0.76	131	172.4	Proposed allocation
5	Priory Stadium Sudbury	2.08	2.08	60	28.8	Permission, under construction
6	Tower Rd Felixstowe	1.19	1.19	57	47.9	Allocation
7	Blyth Villas Sweffling	0.63	0.63	12	19.0	Pre-application discussions
8	Pound Hill Bacton	0.12	0.12	3	25.0	Completed
	Total	29.42	21.54	900	41.8	

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Note Site 4 is assumed to contain a non-residential element within primarily residential blocks.

2.15 Three of the sites contain non-residential elements. Site 1 provides for relocation of the Rugby Club within the site. Site 2 is expected to provide an area for expansion of the adjoining school, and for a doctor's surgery. Site 4, a riverside site at Orwell Quay, is intended to provide a commercial (hotel plus retail/leisure) component, and car parking.

2.16 The latter is as might be expected a high density scheme, whilst the remaining sites have densities ranging from 19 to 44 dwellings per hectare (dw/ha).

2.17 The sites were chosen so as to test development viability fully, in a variety of situations across the area. They include rural, suburban and more central urban locations. Three sites are on 'brownfield', previously developed land, three are greenfield. One is a mixture of previous uses and one, whilst technically speaking previously developed, utilises unused garden land.

The notional sites

2.18 The notional sites were chosen to complement the actual sites, widening the variety of circumstances tested, and covering appropriate development situations and locations that were not adequately dealt with on the 'actual' sites.

2.19 In developing the notional sites, information for several 'actual' sites discarded from the initial shortlist was drawn upon. The details of these are provided in the following table.

Table 2.2 Site characteristics

Site no	*LA*	*Location*	*No of dwgs*	*Area ha*
A	Ipswich	Hill House Rd	17	0.10
B	Ipswich	Larchcroft Rd Castle Hill	8	0.20
B	Suffolk Coastal	High St Wickham Market	20	0.48
C	Babergh	Goodlands Farm Boxford	20	0.70
C	Babergh	Walnut tree Hospital Sudbury	50	0.96

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

2.20 The final sites are as below; there is a focus on small to medium sized sites

Table 2.3 Notional sites

Site No	*Name*	***Area ha*** *Gross*	***No*** *Dwgs*	***Density*** *(dw/ha)*
A	Very small brownfield	0.15	5-18	40-120
B	Small brownfield	0.30	10	33
C	Conversion + new	0.70	21-42	30-60
D	Vacant brownfield	1.00	40-60	40-60

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

2.21 Locations for each site, identified in discussion with the individual Council, are below.

Table 2.4 Notional locations

A1	Ipswich Central East edge	C1	Ipswich South East
A2	Great Cornard Babergh	C1	Sudbury Babergh
A2	Stowmarket Mid Suffolk	C1	Stowmarket Mid Suffolk
A2	Saxmundham Suffolk Coastal	C2	Rural Suffolk Coastal
B1	Ipswich North suburban	D1	Ipswich Central West edge
B1	Hadleigh Babergh	D2	Long Melford Babergh
B1	Stowmarket Mid Suffolk	D2	Blakenham Mid Suffolk
B1	Kesgrave Suffolk Coastal	D2	Wickham Market Suffolk Coastal

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

2.22 All of the sites are on previously developed land, except for C2 (Suffolk Coastal) which is agricultural with farm buildings, modelled on Goodlands Farm (Table 2.2). Also B1 (Kesgrave, Suffolk Coastal) is formed from unused garden land.

Development assumptions

2.23 In arriving at appropriate assumptions for residential development on each site, the development form in an approved planning application would be an important consideration. However we also assessed the information available on other recent development proposals; considered relevant draft planning policies and development briefs; and drew on information about current newbuild developments from our market survey.

2.24 This locally derived information was balanced with our experience from a wide variety of development situations in other parts of the country, in order to develop the most appropriate assumptions in relation to development form for the identified sites. On sites which were not yet subject to current or approved applications, we also had to bear in mind the number of dwellings which the local planning authority envisaged on the site.

2.25 In recent years, as development proposals have engaged with the various implications of PPG3, but aided by rising land values, a common development format has emerged for significant sized sites in most larger urban areas in the more prosperous parts of the country at least, but increasingly also in smaller centres. This format provides for a majority of houses (with perhaps 15-30% flats) in a mixture of two storey and two and a half to three storey form, with some rectangular emphasis to the layout. In Suffolk, as in many other areas, this would generate a floorspace density of around 15,500 sq ft per acre (3,550 sq m per ha) on a substantial or sensibly shaped smaller site. Typical dwelling density would be 40-45 dw/ha.

2.26 Alongside this, in many inner urban locations - and indeed sometimes elsewhere - there have been large numbers of higher density schemes providing largely or wholly apartments, in blocks of three storeys and often rather higher. These provide floorspace density from around 30,000 sq ft per acre (6,900 sq m per ha) upwards, at densities of 100 dw/ha plus.

2.27 On the other hand, there are of course situations where, for planning reasons, particularly on small sites, in rural locations or in a less pressured local market, schemes with densities below the 15,500 sq ft per acre (3,550 sq m per ha) ‘baseline’ will come forward. Bearing in mind that much of the study area consists of very small rural settlements, we might expect that such circumstances will apply to a number of the sites in the study.

2.28 These observations, taken together with the available information we collected on actual development proposals, suggest a built form typology for the local development situation, as set out in the table below. It includes five categories; there is a 'base' category to reflect the common urban form referred to at para. 2.25 above, i.e. giving 15,500 sq ft per acre (3,550 sq m per ha), and one less dense and three more dense variations from this starting point. We would stress that the short titles used to describe the categories have been adopted for convenience only and should not be taken to imply anything specific about where or when they might apply.

Table 2.5 Typology of development form

	Density		
Category title	Floorspace net sq m per ha (net sq ft/acre)	Dwellings (typical dw/ha)	Built form characteristics
Rural/edge	2,300/2,875 (10,000/12,500)	20-33	Edge of settlement, less pressured location. Mostly 2 storey, largely 3 & 4 bed detached houses with garages.
Base	**3,550 (15,500)**	**40-45**	**Mixture of 2 & 2.5/3 storey houses, many terraced; some (15-25%) flats, limited garaging.**
Urban	4,350 (19,000)	45-60	Mixture of 3 storey flats (c 30-35%) and town houses. Normally no significant open space.
High	6,900 (30,000)	90-110	Three storey flats in small blocks, parking spaces
Very high	23,000 (100,000)	200	Apartment blocks of 5-6 storeys, parking limited

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

2.29 The above typology was used to inform development assumptions for the eight actual and four notional sites. In many cases the dwelling and site area figures as they stood were felt to be appropriate, and they often conformed reasonably closely, on sites with permissions, with proposals which had been approved. In other cases the figures had to be adapted slightly, e.g. to reflect the inclusion or omission of open space provision, or other particular aspects of the planning framework.

2.30 With the varying development circumstances of the individual Council areas, for a given site, development assumptions which were appropriate in one area might not be so in another - what worked well in Ipswich could be entirely inappropriate in the rural heartland of Mid Suffolk. This consideration has impacted in particular on development assumptions for the notional sites.

2.31 The resulting assumptions for residential development for each of the 24 (eight actual plus 16 notional) sites in the study are set out in the table below. They generate a total of 1,300 dwellings on 30.14 ha, averaging 43.1 dwellings per ha.

Table 2.6 Site development assumptions

Site ref	Category	Development form	Net sq m/ha	Net sq ft/acre	Net area ha	No of dwgs	Ave dwg net sq ft (sq m)
1	Rugby Club	Rural/edge	2,875	12,500	9.37	306	946 (88)
2	Co op Depot	Base	3,450	15,500	4.64	227	782 (73)
3	Cedars Park 6A	Base	3,450	15,500	2.75	104	1,013 (94)
4	Waterfront	Very high	20,650	90,000	0.76	131	667 (62)
5	Priory Stadium	Rural/edge	2,875	12,500	2.08	60	1.071 (100)
6	Tower Rd	Base	3,450	15,500	1.19	57	839 (74)
7	Blyth Villas	Rural/edge	2,300	10,000	0.63	12	973 (90)
8	Pound Hill	Rural/edge	2,875	12,500	0.12	3	1,112 (103)
A1	Ipswich Cent E edge	High	6,900	30,000	0.15	18	618 (57)
A2	Babergh	Base	3,450	15,500	0.15	5	977 (91)
A2	Mid Suffolk	Base	3,450	15,500	0.15	5	977 (91)
A2	Suff Coastal	Base	3,450	15,500	0.15	5	977 (91)
B1	Ipswich North sub	Base	3,450	15,500	0.30	10	1,034 (96)
B1	Babergh	Base	3,450	15,500	0.30	10	1,034 (96)
B1	Mid Suffolk	Base	3,450	15,500	0.30	10	1,034 (96)
B1	Suff Coastal	Base	3,450	15,500	0.30	10	1,034 (96)
C1	Ipswich SE	High	4,350	19,000	0.70	42	782 (73)
C1	Babergh	High	4,350	19,000	0.70	42	782 (73)
C1	Mid Suffolk	High	4,350	19,000	0.70	42	782 (73)
C2	Suff Coastal	Rural	2,300	10,000	0.70	21	978 (91)
D1	Ipswich Cent W edge	High	4,350	19,000	1.00	60	782 (73)
D2	Babergh	Base	3,450	15,500	1.00	40	958 (89)
D2	Mid Suffolk	Base	3,450	15,500	1.00	40	958 (89)
D2	Suff Coastal	Base	3,450	15,500	1.00	40	958 (89)

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Additional sites

2.32 After the main work of the study had been completed, we were asked to carry out appraisals for two additional 'actual' sites. These were adjoining sites, each located on the north-east edge of Ipswich. Appendix 6 contains the sites' details.

3. Affordable housing & other developer contributions

Introduction

3.1 This chapter considers the assumptions used to test a range of affordable housing scenarios for the individual sites, and similarly the developer contributions assumed for each site.

Affordable housing assumptions

3.2 We undertook appraisals for a number of development scenarios which involved varying proportions of affordable housing, and tenure split. The assumptions in respect of proportions, and the financial terms on which they are to be provided, are considered below.

3.3 The approach to seeking affordable housing will inevitably vary in detail between individual Councils, reflecting its historical evolution, local choices and circumstances, and so on. However, in order to reduce the appraisal work (and results) to a manageable task, a single common approach was assumed to apply across the whole of the study area, and for all sites. The use of a common approach is consistent with the overview perspective provided in a SHMA. The differences in approach are not very great, and it is not felt that the use of a common approach will undermine the validity of the appraisal results.

(i) Tenure proportions

3.4 Following discussions with the Councils we tested the following options:

- ***NO*** affordable housing
- 25% affordable
- 30% affordable
- 35% affordable
- 40% affordable

3.5 The four Councils currently operate policies seeking affordable housing proportions all lying between 25% and 35%. However higher proportions might be proposed in emerging Local Development Framework Documents, in part as a result of the Strategic Housing Market Assessment of which the present study forms a part.

(ii) Tenure split

3.6 All the Councils currently seek a balance of social rented and intermediate housing - two with a 75/25 split, one (Mid Suffolk) at 80/20, and one lower (Ipswich), at 65/35. After discussion and consideration, all the affordable target options were tested as a 75/25 split between social rented and intermediate housing.

3.7 In principle intermediate tenure could constitute a wide range of different housing propositions. Work on the Strategic Housing Market Assessment, proceeding in parallel to the viability study, was expected to provide guidance in due course on appropriate outgoings for affordable intermediate housing. Individual Councils' current policies and approaches varied, and it was decided to focus on 25% shared ownership, with rent levels set at 2.75% of the unsold equity, which it was believed would deliver something broadly in line with what the SHMA study might propose. That has turned out to be the case, in that typical outgoings calculated from the RSLs' assumed capital values would be broadly in line with the SHMA's proposals for the mid-point of the intermediate tenure category.

(iii) Size profile

3.8 The four Councils seek a range of preferred bedroom profiles for affordable housing provision. This militated against applying a single preferred mix profile across all the sites. Neither was it practical to seek to achieve each individual Council's separate preferred profile overall across its own sites.

3.9 Instead, we assumed that the mix of affordable housing on each site should broadly follow the market housing, achieving an average dwelling size (i.e. net sq ft/sq m) in line with that of the market housing. This assumption also ensures that as the affordable housing proportion varies between the options being tested, the floorspace density remains constant - a desirable aim if the appraisals are to constitute a realistic development scenario, consistently, across the options.

Table 3.1 Aggregate mix profiles

Type	mix profile % of dwgs	
	Market	Affordable
1 bed flat	4%	6%
2 bed flat	24%	21%
2 bed house	19%	28%
3 bed house	30%	36%
4 bed house	23%	7%
Wheelchair (3 beds)	0%	2%
Total	100%	100%

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

3.10 Collectively the development mixes assumed for the 24 actual and notional sites deliver mix profiles as set out in the table above.

(iv) Financial terms

3.11 It was agreed that appraisals should be prepared assuming zero availability for Social Housing Grant (SHG). This has become a common starting point or default position for exercises of this kind, though by no means a universal one.

3.12 It was necessary to seek advice from the Councils' partner RSLs about the terms on which properties of various sizes, would be purchased from the developer in order to achieve the 'zero grant' scenario. We sought information from Circle Anglia, Flagship, Genesis, Hastoe, Iceni, Orwell & Sanctuary/Hereward in respect of social rented housing; and for 25% (and 50%) shared ownership, provided at rent levels of 2.75% on the unsold equity.

3.13 Three of the RSLs (Flagship, Genesis, and Orwell) provided figures in time for inclusion in our work. The figures show some variations in estimated 'offer prices' for affordable dwellings on the basis described above. Such variations could, in practice, result from a number of factors, including variations in estimated open market value, geographical or otherwise, and perhaps also in the organisations' assumed level of contribution to the development from reserves. Given the pattern of the RSL data it was felt appropriate to take an average of the figures provided.

3.14 The averages then formed a basis for estimating overall £ per sq ft selling price figures for flats and houses in the four Council areas under zero SHG as shown in Table 3.2.

Table 3.2 Selling prices: zero grant basis

	£ per sq ft (sq m)			
	Social rented		Shared ownership	
	Flat	House	Flat	House
Ipswich	83 (893)	77.5 (834)	90 (968)	93 (1,001)
Babergh	85 (915)	77 (829)	90 (968)	93 (1,001)
Mid Suffolk	70 (753)	67 (721)	90 (968)	87 (936)
Suffolk Coastal	71 (764)	67 (721)	117 (1,259)	121.5 (1,307)

Source: Data from RSLs

Other developer contributions

3.15 Aside from affordable housing, developer contributions could potentially be sought by the District and County Councils under a number of headings, either as financial payments or as on site provision in kind.

3.16 In order to determine the appropriate assumptions to make for each of the sites it was necessary to take a 'modelling' approach. There were a large number of quite diverse sites to consider, and whilst the County elements should in principle be common, each of the Districts had their own policies, protocol and arrangements for determining the nature and hence cost of any developer contributions, whether provided in kind or as a financial payment. There were some gaps in coverage.

3.17 Furthermore, many items would, or should, be impact-related and/or site specific. Traffic contributions, for instance, would, in most cases, reflect the unique circumstances of each set of proposals and location; education contributions should normally only arise if there was insufficient spare capacity within existing local schools.

3.18 Carrying out the detailed assessment required to determine the appropriate contribution for each of the sites was beyond the scope of the study, and would probably not in any case deliver meaningful results for the notional sites. However we were provided with indicative assessments in respect of the educational contributions for the actual sites. To reflect current policy, the education contribution varied between the affordable scenarios. The figures were used to inform appropriate assumptions for the notional sites.

3.19 This information was combined with the use of a tariff style approach for the other elements, determining an appropriate per dwelling contribution for sites of different sizes. Our approach was based on:

- Pooling the available information about District and County contribution requirements where these were known;
- Looking at the contributions secured on a number of recently agreed schemes; and
- The firm's considerable experience over a number of years from assessing developer contributions requirements for Councils in respect of major residential projects.

3.20 Information on the modelling exercise is set out in Appendix 1. The figures used in the appraisals should not be regarded as in any sense definitive. They are simply a way of arriving at a plausible scenario for a contribution expressed as £ per dwelling, using a combination of known information (e.g. County Education contributions) and estimated elements where no information was available. The approach produced overall per dwelling allowances for each site; for information, the figures for the 25% affordable option are set out in Table 3.3.

Table 3.3 Developer contributions

Site	No of dwgs	Contribution £ per dwg
Rugby Club	306	£8,700
Co op Depot	227	£11,100
Cedars Park 6A	104	£10,500
Waterfront	131	£6,500
Priory Stadium	60	£7,700
Tower Rd	57	£5,100
Blyth Villas	12	£1,500
Pound Hill	3	£1,500
A1	18	£5,000
A2	5	£1,500
B1	10	£1,500
C1	42	£6,900
C2	21	£5,000
D1	60	£7,900
D2	40	£6,900

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Notes 1. above figures are for 25% affordable option: education contribution will vary for other %s.

2. figure for the Co op Depot site assumes cost of rail footbridge provided within transport contribution.

3.21 These figures are intended to cover the total cost to the developer of S106 contributions (other than affordable housing) over and above a normal allowance for development costs, and irrespective of whether the contributions are financial or 'in kind'. It must be emphasised that they are simply designed to treat the 24 sites consistently and equitably, for the purposes of preparing financial appraisals across the four Council areas. Except for the education figures, they assume that there is little or no spare capacity in existing infrastructure, and should perhaps be regarded as a 'worst case' scenario for the purposes of exploring financial viability.

3.22 The figures cannot be assumed to reflect the contributions that would arise in practice, or which have actually been achieved, on the study sites, either in amount or topic coverage. These will depend on the current (or historic) policies and approach of each Council, and indeed on the outcome of the negotiation process.

4. Local market conditions

Introduction

4.1 This chapter sets out an assessment of the local housing market in the four Districts, providing a basis for the assumptions on house prices and costs to be used in financial appraisals for the 24 sites tested in the study.

4.2 As well as house prices, however, land values are also considered. They are required in order to form a view of likely alternative use values for all of the sites, and it is such values that will represent a minimum viability threshold when appraisals are prepared for the range of affordable housing scenarios.

4.3 Before looking at the results from the market assessments, there are some general points arising from the nature of the exercise.

Issues to consider

4.4 It is necessary to assess property market conditions in the study area in order to provide a reasonable guide as to likely values to use in evaluating different development proposals.

4.5 Although development schemes do have similarities, every scheme is unique to some degree, even schemes on neighbouring sites. While market conditions in general will broadly reflect a combination of national economic circumstances and local supply/demand factors, even within a town there will be particular localities, and ultimately site specific factors, that generate different values and costs. There are indeed quite significant value variations in different parts of the study area.

4.6 Property market forces are in a constant state of flux and assessments of viability can change over relatively short periods of time, in response to broader economic fluctuations such as the impact of changes in interest rates on the costs of borrowing. Equally significant, sub-area market conditions are often changed by local factors.

4.7 For example, high value areas encourage demand in lower value neighbouring areas, where new developments encourage changes in value growth in what perhaps were previously less popular areas.

The Residential Market

4.8 The housing market across the four Districts, to some extent, reflects national trends but there are local factors that underpin the market including;

- A large, quiet, rural area with many pleasant small settlements, and attractive buildings, supported by planning restraint, popular with incoming households.
- The considerable length of coastline, providing a variety of opportunities and environments, many attractive, but also with some areas of considerable remoteness and isolation
- A major centre at Ipswich, generating housing demand in the immediately adjoining rural areas
- Ongoing revival - the proceeding regeneration of Ipswich's large waterside area, and the key Haven port of Felixstowe
- Some towns and villages of considerable character including Sudbury, Woodbridge and Aldeburgh
- Good transportation links westward to Cambridge and the Midlands, and towards London by road and rail

4.9 We analysed various sources of market information but the most relevant are the prices of units on new developments. A list setting out details of some relevant new developments in the area, as at March/April 2008, is provided in Appendix 2.

4.10 Analysis of these, and other schemes in the study area, shows that prices for newbuild homes vary quite widely across the area, ranging between approximately £155 and £325 per square foot (£1,670 - £3,550 per square metre). This is the range for individual properties; averaged over the complete scheme the degree of variation will of course be somewhat less than this. However it is clear that the price per sq ft/sq m will vary considerably between the 24 sites in the study. As in other parts of the country, the smaller units and apartments in particular show a price premium per square foot compared to larger houses.

4.11 Land Registry data confirms that there are significant variations in house prices across the area. Table 4.1 shows average prices for the four Council areas. It suggests that, on average, prices are lowest in Ipswich, a little higher in Mid Suffolk and Babergh, and highest in Suffolk Coastal. This is a more detailed version of the comparison in the main SHMA Report Table 7.1: the average prices in the table for each house type are compared to a corresponding England and Wales figure and expressed as indices.

4.12 Although the Land Registry data covers both second-hand and newbuild prices, the former will predominate.

Table 4.1 Average house prices by Council area Q4 2007					
Area		Ave price (£k & % index)			
		Detached	Semi	Terrace	Flat
Ipswich	£k	£304.4	£161.6	£137.3	£128.6
	index	97%	83%	82%	90%
Babergh	£k	£325.5	£192.1	£169.5	£137.0
	index	104%	99%	102%	96%
Mid Suffolk	£k	£325.9	£180.4	£157.3	£132.2
	index	104%	93%	94%	92%
Suffolk Coastal	£k	£328.7	£205.5	£188.1	£145.0
	index	105%	106%	113%	101%

Source Land Registry data.

Index compares LA's figure to the median LA value across England & Wales for house type.

4.13 However it is also clear that within a Council area there can be considerable variations in price, larger than those between Councils. Land Registry house price data at postcode sector level helps to illuminate these variations. Because the number of sales in individual postcode areas in a single quarter can be quite small, we looked at information for two separate quarters (Q2 2007 & Q4 2007). The data has again been expressed as an index – as a percentage of the nationwide average price level - and standardised, to allow for variations in type mix.

4.14 Appendix 3 provides a worked example of the index calculation, and sets out the resulting price index figures for the two quarters examined.

4.15 It can be seen from the indices in Appendix 3 that variations between the two quarters' indices are in most cases relatively slight. They are greater for rural areas and town centres, which are mostly numerically smaller and more diverse, than for urban areas generally, where postcode sectors are larger numerically and can often be more uniform.

4.16 The figures show quite clearly that the lowest prices, between 75% and 85% or so of national average, are concentrated in Ipswich, Stowmarket and Trimley/Felixstowe. Prices closer to the national average are found in a few parts of Ipswich; areas effectively contiguous with Ipswich, such as Kesgrave, but also Saxmundham, Sudbury, and some rural areas.

4.17 Prices are above average in Hadleigh, Framlingham, Woodbridge and many rural areas, and highest of all – around twice the level of the cheapest areas - in Lavenham, Boxford, Aldeburgh, and Walberswick (whose postcode also includes Southwold, outside the study area).

Price assumptions for financial appraisals

4.18 It is necessary to form a view about the appropriate prices for the 24 individual schemes to be appraised in the study. The information suggests that there will be significant variations in selling prices across the area. However on the whole the sites are concentrated in locations of low to medium price level, in order to focus on the 'worst case'; the areas of highest prices have mainly been avoided.

4.19 It is also clear that we must allow for differences between apartments and houses, particularly in locations where flats are going to be attractive. Finally, in drawing on the newbuild price data we have to bear in mind that the prices at which homes are offered can sometimes include appreciable discounts, such as deposit paid for first-time purchasers, or stamp duty. Discounts can be particularly significant at the very end of the scheme's life when only one or two units are left unsold; however such 'bargains' cannot form a basis for selling prices across the whole scheme.

4.20 Taking these points into consideration we arrived at a set of sale prices for flats and for houses on each of the 24 sites. The two were then combined on the basis of the proportions of flats and houses in each scheme, to produce a single composite average price. The resulting figures are set out in Table 4.2 below.

Table 4.2 Price bands

Site/location	Price £ per		Site/location	Price £ per	
	Sq ft	Sq m		Sq ft	Sq m
1 Gt Cornard	221	2,378	B Ipswich North	200	2,152
2 Ipswich	195	2,098	B Hadleigh	230	2,475
3 Stowmarket	182	1,958	B Stowmarket	180	1,937
4 Ipswich	220	2,367	B Kesgrave	205	2,206
5 Sudbury	230	2,475	C Ipswich SE	191	2,044
6 Felixstowe	237	2,550	C Sudbury	235	2,529
7 Sweffling	240	2,582	C Stowmarket	186	2,001
8 Bacton	225	2,421	C SC rural	230	2,475
A Ipswich CE	205	2,206	D Ipswich CW	192	2,066
A Gt Cornard	220	2,367	D Long Melford	231	2,486
A Stowmarket	180	1,937	D Blakenham	216	2,324
A Saxm'dham	210	2,260	D Wickham Mkt	221	2,378

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

4.21 The figures cover a range from £180 per sq ft (£1,935 per sq m) in Stowmarket, to £235 (£2,530) in Sudbury. This is rather less than the spread of prices we saw in the Land Registry data for second-hand prices, but reflects the focus of the study sites upon lower to medium priced locations.

4.22 It is necessary to consider whether the presence of affordable housing would have a discernible impact on sales prices. In fact affordable housing will be present on many of the sites whose selling prices have informed our analysis. Our view is that in any case any impact can and should be minimised through an appropriate quality design solution.

Commercial floorspace on mixed use sites: appraisal assumptions

4.23 The appraisals for the Waterfront mixed use site require appropriate assumptions for rents and yields in relation to the commercial retail/leisure and hotel space to be provided within the development proposals, and continuing surface level public car parking over and above on the amount required to support the commercial uses.

4.24 There is not much readily available information about office rents in the centre of Ipswich. What we have found suggests that a rental of more than about £16.50 per sq ft might be difficult to achieve. It is possible that retail space on the ground floor in this location might secure a slightly better figure. At a yield at 6.5%, this figure would suggest a sales value of £254 per net sq ft (£2,735 per sq m) for the combined commercial element, in line with the sales value assumed for the apartments. In order to obtain this, though, it would be necessary to offer a fairly significant rent free period and we have accordingly discounted the value to £220 per sq ft, broadly similar to the value secured on the residential component of the scheme.

4.25 Hotel provision is a specialist area and we have no particular expertise in this. We propose to assume a similar return to the commercial space, on the basis that hotel provision would not be included in planning proposals unless it was expected to provide an outcome that was broadly favourable.

4.26 Below at 4.44 we form the view that the current value of car parking land at the Waterfornt site might be say £370k per acre (£915 per ha). After development a substantial area of public car parking will be provided, across the site and in an undercroft situation, although some parking will be required for residents, hotel visitors and for the commercial space. The post development public car parking will be an improvement on the current situation, and will have a greater value; we have assumed £425k per acre (£1,050 per ha).

Land values

4.27 We have considered general figures from the Valuation Office Agency (VOA) relating to residential land values. Land values vary dramatically depending upon the development characteristics (size and nature of the site, density permitted etc.) and any affordable or other development contribution.

4.28 The VOA publishes figures for residential land in the six monthly Property Market Report. These cover areas which generate sufficient activity to discern a market pattern. That means locally we have figures for the Eastern Region as a whole, and major towns like Norwich, Ipswich and Colchester – but no information for the smaller towns or rural areas.

4.29 These values can in any case only provide broad guidance because it is likely that the figures will, to some degree, be net of allowances for developer contributions and/or affordable housing requirements. They can therefore be only indicative, and it may be that values for 'oven ready' land (smaller sites with no requirement for developer and affordable contributions, which can be developed with only the minimum infrastructure costs) with no affordable provision or other contribution, or servicing requirement, are in fact a little higher.

Table 4.3 Residential Land Values

Area	Land Value £m per acre (hectare)		
	Small sites (< 5 dwgs)	Bulk sites (> 2 ha)	Land for apartments
Eastern Region	£1.53m (£3.79m)	£1.70m (£4.20m)	£2.02m (£4.99m)
Ipswich	£1.32m (£3.25m)	£1.25m (£3.10m)	£1.28m (£3.15m)
Norwich	£1.50m (£3.70m)	£1.58m (£3.90m)	£1.62m (£4.00m)
Colchester	£1.72m (£4.25m)	£1.66m (£4.10m)	£1.82m (£4.50m)
South Cambs	£1.42m (£3.50m)	£1.42m (£3.50m)	£1.54m (£3.80m)

Source: VOA Property Market Report July 2007

Notes:

1.'Bulk sites' is the term used by Land Registry to describe larger sites, and is defined as sites over 2 ha.

2. Areas defined by LA boundaries: for Ipswich areas contiguous with Ipswich but in adjoining Districts would not be included.

4.30 It should be noted that values for apartment schemes are no higher in Ipswich than land more generally. Even so, it was suspected that all these value figures were still quite high, and might not allow for much of a discount, for affordable or other developer contributions. We therefore sought information about values from residential land currently on sale in the Borough. An examination of small land plots currently available, in mostly rural locations, points in the main to values in the range of about £840 - 1,500k per acre (£2,075 - 3,705k per ha) for 'oven ready' land. This does suggest that the VOA figures might be somewhat high, and are not heavily discounted.

Current and Alternative Use Values

4.31 In order to assess development viability it is necessary to analyse current and alternative use values. Current use values refer to the value of the land in its current use, for example, as agricultural land. Alternative use values refer to any potential use for the site. For example, a brownfield site may have an alternative use as industrial land.

4.32 To assess viability, the value of the land for the particular residential scheme adopted needs to be compared to the alternative use value, to determine if there is another use which would derive more revenue for the landowner. If the assessed value does not exceed the alternative use value, then the development is not viable.

4.33 For the purpose of the present study, it is necessary to take a comparatively simplistic approach to determining the alternative use value. In practice a wide range of considerations could influence the precise value that should apply in each case, and at the end of extensive analysis the outcome might still be contentious.

4.34 Our 'model' approach is outlined below.

1. For sites previously in agricultural use, then agricultural land represents the existing use value.
2. Where the development is on former industrial or similar land, then the alternative use value is considered to be industrial, and an average value of industrial land for the area is adopted as the alternative use value.
3. One site has been in use partly as open space (Rugby Club sports fields). Such land is going to have a value to the occupants at least, which is somewhat greater than agricultural, though it has not acquired the significant status it would gain as previously developed land.

4.35 The VOA's typical industrial land values for the region and nearby towns are set out in the table below. As previously there is only data specifically for Ipswich.

Table 4.4 Industrial Land Values

Area	Land Value per acre (hectare)		
	Low	High	Typical
Eastern Region	£170k (£425k)	£1,115k (£2,750k)	£450k(£1,119k)
Ipswich	£185k (£460k)	£300k (£745k)	£245k (£600k)
Norwich	£170k (£425k)	£250k (£615k)	£210k (£525k)
Colchester	£170k (£425k)	£325k (£800k)	£265k (£650k)
Cambridge	£245k (£600k)	£485k (£1,200k)	£305k (£750k)

Source: VOA Property Market Report July 2007

4.36 The Eastern Region as a whole shows an unusually wide range of values. However the region includes some major employment centres better situated and closer to London than much of the study area - such as Stevenage, Basildon and Hemel Hempstead - where values are really quite high. The figures from Ipswich and the nearest major towns to the study area, Norwich and Colchester, point to typical land values for industrial and warehousing land, of perhaps £225-250k per acre (£555-620 per ha). In practice it is probable that such values would hold only in the major towns, with values somewhat lower in the smaller towns and the rural hinterland.

4.37 We have in fact found some evidence of land for sale further out, with asking prices of £100k/£250k per acre/ha (near Eye) and £180k/£445k per acre/ha (for land and buildings, near Stowmarket). However the evidence is limited. A view was expressed to us that the VOA's £245k/£605k average Ipswich figure was perhaps in practice a little high. However in the absence of hard information we would accept the £245k/£605k figure.

4.38 Outside Ipswich this value is assumed to fall away, to £185k per acre (£450k per ha) in the main towns of Stowmarket and Sudbury, and also on the Ipswich fringes, and to £165k/£410k per acre/ha in the smaller centres.

4.39 Agricultural values have risen lately, after a long period of stability. They are around £5-10k per acre (£15-25k per ha) depending upon the specific use. A benchmark of £10k per acre (£25k per ha) is assumed to apply here.

4.40 Some consideration has been given to the appropriate open space/sports field value. There is of course in reality no 'going rate' for land in this category. Whilst it has not acquired previously developed status, clearly the owners would regard it as having rather more value than agricultural land. However, in the particular case of the Rugby Club the facilities are to be replaced, and arguably enhanced; any payment is not required to compensate the owners for the loss of a facility, but only for their agreement to move, plus any short-term inconvenience. A figure of £50k per acre (£125k per ha) is felt to be appropriate.

4.41 Similarly two sites are constructed on former garden land. Such land does have previously developed status, although in the vast majority of cases it is unlikely that an alternative use than residential would be acceptable. For the purpose of the present exercise we will assume a value of £100k per acre (£250k per ha) as an appropriate threshold figure for this category.

4.42 Three sites do not fall fully into the categories described above.

4.43 Site C (Suffolk Coastal), has been modelled on an 'actual' site at Boxford in Babergh, situated on agricultural land containing several buildings which although in very poor condition, should have a nominal value ascribed to them. We have assumed £100k per acre (£245 per ha).

4.44 The Waterfront site, site 4, is on land currently used for car parking. It is possible that in this location the car parking use may achieve a value somewhat greater than the industrial 'benchmark'. However the use is temporary. We do not have expertise in this area, however, the view we have formed is that a figure around 50% higher, say £370k per acre (£915k per ha), might be reasonable.

4.45 Site 1 is on land with a mix of previous uses. One part is the Rugby Club, the sports ground described above at 4.40. A further part is industrial, and much of the site has been greenfield/agriculture. A quite significant part of the site will remain as open space. A composite value of £55k/£135k per acre/ha has been calculated on a proportionate basis using the appropriate figures from the above discussion.

4.46 The value basis for each individual site that results from the foregoing analysis is summarised in the table below.

Table 4.5 Alternative Use Value bases

Agricultural	Industrial	Garden land	Unique
3	2	8	1
6		B (SC)	4
7	5		C (SC)
	A (IP, BA, MS, SC)		
	B (IP, BA, MS)		
	C (IP, BA, MS)		
	D (IP, BA, MS, SC)		

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

4.47 It was noted earlier that some of the brownfield sites may face 'abnormal costs' if they are to be redeveloped for residential use. Some of those costs, but not necessarily all, might also arise if the site were redeveloped for industrial use. The alternative use value would need to be reduced to allow for those costs that would still arise in that situation.

4.48 The costs arising from development/redevelopment of the 24 sites are considered in the next chapter, along with the other financial and technical assumptions required to prepare financial appraisals for each of the sites.

5. Assumptions for viability analysis

Introduction

5.1 This chapter considers the costs and other assumptions required to produce financial appraisals for the eight actual and 16 notional sites.

Development costs

(i) Construction costs

5.2 Drawing upon our own experience, and taking into account published Building Cost Information Service (BCIS) data, we have developed a set of base per sq ft construction costs for different built forms of residential development. The costs are specific to different built forms (flats vs. houses; number of storeys). On the basis of these cost figures, it is possible to draw up appropriate cost levels for constructing market housing in Suffolk at a base date of Q1 2008.

5.3 The question arises as to what extent the Code for Sustainable Development should impact on build costs in the study. Whilst from April 2008 the Code's Level 3 will be a requirement for all homes commissioned by RSLs, that would not necessarily be the case for affordable homes built by developers for disposal to an RSL. However, guidance emerging from Government after the study commenced has indicated that Level 3 will apply to all newbuild housing (i.e. will be incorporated in Building Regulations) from 2010, with higher levels intended to be triggered from 2013 onwards. On this basis it seems appropriate for the present study to assume that Level 3 applies to both market and affordable housing on the sites being appraised.

5.4 Guidance on the impact of Level 3 is available from a Report commissioned by the Housing Corporation and English Partnerships (*A Code For Sustainable Development, 2007)* in respect of the impact of Level 3 on construction costs. This Report estimates (Table S2) the increase in costs arising for different house types under various scenarios. On average, current build costs would need to increase by 4.2% to achieve Level 3.

5.5 The figures for the additional costs to achieve Levels 4 and beyond were very much more substantial, and reflect technology which is still in development. Nevertheless Level 3 is the immediate assumption, and adjusting the calculated cost figures by this 4.2% premium, we drew up appropriate cost levels for constructing market housing for the various built forms in the study, taking into account the mix of house types on each. These are set out in the table below.

Table 5.1 Construction costs: market housing								
Build cost £ per sq ft/sq m								
Site	sq ft	sq m	Site	sq ft	sq m	Site	sq ft	sq m
1	78.90	(849)	6	83.63	(900)	B1	78.27	(842)
2	82.65	(889)	7	76.96	(828)	C1	83.77	(901)
3	80.90	(871)	8	76.96	(828)	C2	77.77	(837)
4	115.44	(1,242)	A1	94.27	(1,014)	D1	83.86	(902)
5	78.80	(848)	A2	76.96	(828)	D2	79.25	(853)

Source: Fordham Research derived from analysis of BCIS cost data 2008

5.6 Since the mid-1990s, planning guidance on affordable housing has been based on a view that construction costs were appreciably higher for smaller sites, with the consequence that, as site size declined, an unchanging affordable percentage requirement would eventually render the development uneconomic. Hence the need for a 'site size threshold', below which the requirement would not be sought.

5.7 It is not clear to us that this view is completely justified. Whilst, other things held equal, build costs would increase for smaller sites, other things are not normally equal, and there are other factors which may offset the increase. The nature of the development will change. The nature of the developer will also change, as small local firms with lower central overheads replace the regional and national house builders. Furthermore, very small sites may be able to secure a 'non-estate' price premium, which we have not allowed for.

5.8 Even so, four of the sites (two actual and two notional) in our study are of 12 dwellings or less, and it is necessary to make some allowance for the economics of the smallest sites in preparing financial appraisals. Cost premiums have therefore been estimated for these very small sites, and are shown below. The premiums are based on judgement; as explained above, it is difficult to see how hard data could ever be obtained to show the effect of scale alone.

Table 5.2 Cost adjustments for small sites				
Site size	12 dwgs	10 dwgs	5 dwgs	3 dwgs
Build cost premium	(+3%)	(+6%)	(+12%)	(+16%)

Source: Fordham Research 2008

5.9 The procurement route for affordable housing is assumed to be through construction by the developer, and disposal to an RSL on completion. In the past, when considering the build cost of affordable housing provided through this route, we have taken the view that it should be possible to make a small saving on the market housing cost figure, on the basis that one might expect the affordable housing to be built to a slightly different specification than market housing. However, the pressures of increasingly demanding standards for RSL properties mean that for conventional schemes of houses at least, it is no longer appropriate to assume a reduced build cost.

5.10 Taking all the above into account, we arrived at build costs for all (market and affordable) housing which after rounding were as in the table below.

Table 5.3 Construction costs adjusted and rounded: all housing

Build cost £ per sq ft/sq m								
Site	sq ft	sq m	Site	sq ft	sq m	Site	sq ft	sq m
1	79	(850)	6	83.5	(898)	B1	83	(893)
2	82.5	(888)	7	79.5	(855)	C1	84	(904)
3	81	(872)	8	89.5	(963)	C2	78	(839)
4	115.5	(1,243)	A1	94.5	(1,017)	D1	84	(904)
5	79	(850)	A2	86	(925)	D2	79.5	(855)

Source: Fordham Research derived from analysis of BCIS cost data

(ii) Other normal development costs

5.11 In addition to the per sq ft/m build cost figures described above, allowance needs to be made for a range of infrastructure costs – roads, drainage and services within the site; parking, footpaths, landscaping and other external costs; off site costs for drainage and other services, and so on. Many of these items will depend on individual site circumstances, and can only properly be estimated following a detailed assessment of each site. This is not practical within the present study, and would require at least a design/layout for each site.

5.12 Nevertheless, it is possible to generalise. Drawing on experience it is possible to determine an allowance related to total build costs. This is normally lower for higher density than for lower density schemes, since there is a smaller area of external works, and services can be used more efficiently. Large greenfield sites are also more likely to require substantial expenditure on bringing mains services to the site.

5.13 In light of these considerations we have developed a scale of allowances ranging from 20% of build costs for the largest greenfield type site, the Rugby Club, down to 8% for the Waterfront and 9% for the smaller notional site, A1, in Ipswich. The table below sets out the individual site assumptions.

Table 5.4 Development cost allowances		
Ref	Site/location	% of build costs
1	Rugby Club	20%
2	Co-op Depot	17.5%
3	Cedars Park 6A	17.5%
4	Waterfront	8%
5	Priory Stadium	12%
6	Tower Rd	13%
7	Blyth Villas	10%
8	Pound Hill	10%
A1	Ipswich	12%
A2	Various	9%
B1	Various	10%
C1	Various	12%
C2	Rural Suffolk Coastal	13%
D1	Ipswich	12%
D2	various	13%

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

(iii) Abnormal development costs

5.14 In some cases where the site involves redevelopment of land which was previously developed, there is the potential for abnormal costs to be incurred. Abnormal development costs might include demolition of substantial existing structures; piling or flood prevention measures at waterside locations; remediation of any land contamination; remodelling of land levels, and so on.

5.15 The majority of the sites are on previously developed land. On several sites, from the information made available to us, and also arising from visits to the sites, it appears that exceptional or abnormal development costs would need to be taken into account in preparing appraisals. As pointed out in the previous chapter (para 4.47) some abnormal costs would also arise in the event of the site's redevelopment with an alternative use.

5.16 The schedule below sets out the abnormal costs considered to apply in each case where they arise.

Table 5.5 Abnormal development costs					
No	Site	Item	Residential	Industrial	
			Cost £k	Cost £k	£k per acre(ha)
1	Rugby Club	Contamination, relocate Club pitches & building	£450k	n/app	-
2	Co op Depot	Footbridge, ground	£100k	-	-
4	Waterfront	Flooding, ground	£500k	n/app	-
5	Priory Stadium	Flooding	£150k	£150k	£30k (£75k)
B1	Ipswich Hadleigh Stowmarket only	PFS	£50k	£50k	£67k (£165k)
C1	Ipswich Sudbury Stowmarket only	Poss. asbestos removal	£75k	£75k	£43k (£105k)
C2	Rural Suffolk Coastal	Listed Building repairs	£100k	n/app	-

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

NB At site 4, additional cost of undercroft construction at £800k has been added in appraisals.

5.17 The table also shows, where applicable, the adjustment needed to ensure that an alternative land value reflects the costs incurred in developing an alternative use.

(iv) Fees

5.18 We have assumed professional fees amount to 10% of build costs, in each case. Fees on infrastructure works use a lower figure of 8%.

(v) Contingency

5.19 For previously undeveloped and otherwise straightforward sites, we would normally allow a contingency of 2.5%, with a higher figure of 5% on more risky types of development, previously developed land and central locations. We used 2.5% on the undeveloped sites (3, 6, 7, 8; B1 all except Ipswich;) 5% where the land was previously developed (2, 4, 5, A1 and A2; B1 Ipswich; C1; D1 and D2) and an intermediate rate on the two sites which mixed developed and undeveloped land (1 and C2).

Financial and other appraisal assumptions

(i) VAT

5.20 For simplicity it has been assumed throughout, as with most financial appraisals, that either VAT does not arise, or its effect can be ignored. This assumption is believed to be fully accurate for all sites except the notional C sites, where VAT on the conversion elements might not be recoverable.

(ii) Interest rate

5.21 Our appraisals assume 7.5% pa (Minimum Lending Rate April 2008 plus 2.5%) for interest on both outgoings and receipts. The latter would in practice only arise for a short period at the end of the scheme.

(iii) Developers' profit

5.22 We normally assume that the developer requires a return of 20% on Total Costs (or 16.7% of the Net Development Value) to reflect the risk of undertaking the development. That assumes that the costs are estimates of costs, as they are indeed here intended to be, rather than contract prices which would include a profit element.

5.23 However, where a guaranteed sale applies, the developer's profit margin ought to be reduced, in order to reflect the reduction in risk. The affordable units will be sold at an agreed price and programme. With a range of affordable provision being tested, it was felt appropriate to reflect the resulting variations in risk with variations in the developer's profit. Consequently a sliding scale of profit margins was used, as shown below. It should be noted that residential developers commonly use a more conservative profit margin of 15% on income, which equates to about 17.5% on costs.

Table 5.6 Profit margins

% affordable	Profit % on costs
0%	20%
25%	18.75%
30%	18.5%
35%	18.25%
40%	18%

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

(iv) Void

5.24 On a scheme comprising mainly individual houses, one would normally assume only a nominal void period, as the housing would not be progressed if there was no demand. In the case of apartments in large blocks, this flexibility is reduced. Whilst these may provide scope for early marketing, the ability to tailor construction pace to market demand is more limited. For the purpose of the present study a three month void period is assumed for all sites.

(v) Phasing and timetable

5.25 The appraisals are assumed to have been prepared using prices and costs at a base date of February 2008, with an immediate start on site. A pre-construction period of six months is assumed for most sites, but it is extended to nine months to allow adequately for site preparation on the Co-op Depot site in Ipswich and the Waterfront site. Dwellings are built over a nine month period except for the Waterfront site, where a variant spreadsheet package allows a 15 month build period.

5.26 The phasing programme for an individual site will reflect market take-up, and would in practice be carefully estimated taking into account the site characteristics and, in particular, size and the expected level of market demand. We have developed a suite of modelled assumptions to reflect site size and development type, as set out in Table 5.7 below.

Table 5.7 Market pace assumptions

	Site	No of dwgs	Ceiling level of completions per qtr
1	Rugby Club Sudbury	306	25
2	Co-op Depot Ipswich	227	20
3	Cedars Park 6A Stowmarket	104	14
4	Waterfront Ipswich	131	built in 3 phases at quarterly intervals
5	Priory Stadium Sudbury	60	10
6	Tower Rd Felixstowe	57	10
D1	Ipswich Cent W edge	60	10
C1	Ipswich/Sudbury/Stowmarket	42	6
D2	L Melford/Blakenham/Wickham Mkt	40	6
A1	Ipswich Cent E edge	18	6
C2	rural Suffolk Coastal	21	4
7	Blyth Villas Sweffling	12	3
B1	All	10	3
A2	Gt Cornard/Stowmkt/Saxmundham	5	2
8	Pound Hill Bacton	3	2

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Site acquisition and disposal costs

(i) Site holding costs and receipts

5.27 Each site is assumed to proceed immediately and so, other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

(ii) Acquisition costs

5.28 Acquisition costs include stamp duty at 4% on site values of £0.5 million and above (reduced below this level), together with an allowance of 1.5% for acquisition agents' and legal fees.

(iii) Disposal costs

5.29 For the market housing, sales/promotion and legal fees are assumed to amount to some 3.5% of receipts. For disposals of affordable housing these figures can be reduced significantly as sales costs for this housing should not normally arise: we have assumed total allowances of 0.5% for social rented housing.

6. Results of viability analysis

Introduction

6.1 This chapter considers the results of financial appraisals carried out for the identified sites.

Financial appraisal approach and assumptions

6.2 On the basis of the assumptions set out in Chapter 5, we prepared financial appraisals for each of the identified sites, using a bespoke spreadsheet-based financial analysis package.

6.3 The appraisals use the residual valuation approach – that is, they are designed to assess the value of the site after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developer's profit. The resulting valuation is commonly expressed in pounds (£s) per acre (or hectare). In order for the proposed development to be described as viable, it is necessary for this value to exceed the value from a valid alternative use. We have already seen that, for a greenfield site, where the only alternative use is likely to be agricultural, this figure may be very modest. However, today an increasing proportion of sites that come forward will have been previously developed, and therefore may have a more substantial existing or competing alternative use value.

6.4 As outlined in Chapter 3, our appraisals considered four options for the amount and type of affordable housing provision, assuming that shared ownership was provided at a 25% share, plus a zero affordable option.

Appraisal results

6.5 We produced financial appraisals based on the stated build, abnormal, and infrastructure costs, and financial assumptions for the five options (four affordable options, plus all-market).

6.6 Detailed appraisal printouts for all the sites are provided as Appendix 5 to this report. To keep to a manageable document, only the 30% option has been provided.

6.7 The resulting residual land values for the five options are set out in Table 6.1.

Table 6.1 Appraisal results for five affordable options

Zero grant: shared ownership at 25% share

No	Site	Residual value £k per acre for affordable option:				
		No aff	25%	30%	35%	40%
1	Rugby Club	509	265	216	167	117
2	Co op Depot	235	(-18)	(-65)	(-115)	(-163)
3	Cedars Park 6A	265	29	(-16)	(-66)	(-115)
4	Waterfront	(-1,157)	(-1,972)	(-2,130)	(-2,277)	-(2,450)
5	Priory Stadium	711	437	382	328	276
6	Tower Rd	800	489	418	348	274
7	Blyth Villas	545	362	325	291	253
8	Pound Hill	612	338	283	226	173
A1	Ipswich Cent E edge	173	(-355)	(-470)	(-585)	(-697)
A2	Gt Cornard Babergh	675	382	322	261	200
A2	Stowmarket Mid Suffolk	324	104	58	13	(-33)
A2	Saxmundham Suff Coastal	592	326	272	218	164
B1	Ipswich North sub	507	263	211	159	107
B1	Hadleigh Babergh	770	458	396	337	271
B1	Stowmarket Mid Suffolk	323	92	45	(-2)	(-50)
B1	Kesgrave Suff Coastal	639	377	330	276	221
C1	Ipswich SE	317	23	(-34)	(-92)	(-146)
C1	Sudbury Babergh	858	437	353	274	195
C1	Stowmarket Mid Suffolk	257	(-54)	(-117)	(-177)	(-235)
C2	rural Suffolk Coastal	679	420	369	319	268
D1	Ipswich Cent W edge	351	57	(-2)	(-61)	(-116)
D2	Long Melford Babergh	842	507	440	374	310
D2	Blakenham Mid Suffolk	693	369	304	244	181
D2	Wickham Mkt Suff Coastal	743	428	365	304	245

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

6.8 Table 6.1 shows that with no requirement for affordable housing the sites deliver a wide range of residual land values, all but one positive in a range from around £200k per acre (£500k per ha) to £850k per acre (£2.1m per ha). The mixed development at Waterfront delivers a negative figure.

6.9 Putting this site to one side, after adjusting for additional development costs and our planning gain assumptions, prices on the remaining sites are quite a bit below what the VOA figures indicate for 'oven ready' land in Ipswich, though they are closer to what was suggested by small sites actually on the market. This confirms that our appraisal assumptions are, taken as a whole, unlikely to be unduly optimistic.

6.10 Table 6.1 confirms that, as increasing amounts of affordable housing are introduced, the land value falls away. In each case the impact is progressive, but at a broadly linear rate. At the maximum affordable contribution, 40%, a majority of the schemes still deliver a positive land value, even if it is comparatively low.

6.11 However, it is clear that land value falls away much more quickly for some schemes, than for others. It is the most densely developed sites – site 4 Waterfront, and notional A (Ipswich) - where affordable housing has the greatest negative impact upon land value. This is because the land value is the primary source of any developer subsidy. With the high density schemes, land value is a much lower proportion of the total value of the development, and is therefore used up more quickly. To put it another way, broadly the same amount of land value is available to subsidise affordable units on a scheme of 120 flats on one hectare, as on 35 houses occupying the same land. Clearly, that sum will 'buy' a higher percentage of the houses, than of the flats.

6.12 In order to draw out the implications of these results for the Councils' proposed affordable housing policies, as has already been suggested, it will be necessary to consider values from alternative uses for each. This step follows below.

Alternative use benchmarks

6.13 The results from Table 6.1 would need to be compared with the alternative use values identified in Chapter 4 (adjusted as necessary for abnormal costs) in order to form a view about the likely viability of the affordable options for each site.

6.14 However it does not automatically follow that if the residual value produces a surplus over the alternative use value benchmark, the site is viable. The surplus needs to be sufficiently large to provide an incentive to the landowner to release the site, and any other appropriate cost required to bring the site forward for development. We therefore have to consider how large such a 'cushion' should be for our sites.

6.15 In practice the size of the element will vary from case to case, depending on how many landowners are involved, each landowner's attitude and his degree of involvement in the current property market, the location of the site and so on. A cushion equivalent to £25k per acre might be perfectly sufficient in some cases, whilst in a particular case it might need to be three or four times that figure - or even more.

6.16 After consideration we took the view that a broad average figure of £40k per acre should be used to represent an incentive to the landowner for all of the sites in the study. This figure would constitute a mark-up of some 15% or so, over the industrial benchmark land value for Ipswich.

6.17 The figures are set out below and combined with the calculated net alternative use values to show the resulting benchmark thresholds for viability.

Table 6.2 Viability cushion & threshold values

Ref	Site	£ per acre		
		Alt use value	Cushion	Viability threshold value
1	Rugby Club	£53k	£40k	£93k
2	Co op Depot	£245k	£40k	£285k
3	Cedars Park 6A	£10k	£40k	£50k
4	Waterfront	£370k	£40k	£410k
5	Priory Stadium	£155k	£40k	£85k
6	Tower Rd	£10k	£40k	£50k
7	Blyth Villas	£10k	£40k	£50k
8	Pound Hill	£100k	£40k	£140k
A1	Ipswich Cent E edge	£245k	£40k	£285k
A2	Gt Cornard Babergh	£185k	£40k	£225k
A2	Stowmarket Mid Suffolk	£185k	£40k	£225k
A2	Saxmundham Suff Coastal	£165k	£40k	£205k
B1	Ipswich North sub	£178k	£40k	£218k
B1	Hadleigh Babergh	£98k	£40k	£138k
B1	Stowmarket Mid Suffolk	£98k	£40k	£138k
B1	Kesgrave Suff Coastal	£100k	£40k	£140k
C1	Ipswich SE	£170k	£40k	£210k
C1	Sudbury Babergh	£110k	£40k	£150k
C1	Stowmarket Mid Suffolk	£110k	£40k	£150k
C2	rural Suffolk Coastal	£100k	£40k	£140k
D1	Ipswich Cent W edge	£245k	£40k	£285k
D2	Long Melford Babergh	£165k	£40k	£205k
D2	Blakenham Mid Suffolk	£185k	£40k	£225k
D2	Wickham Mkt Suff Coastal	£165k	£40k	£205k

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

6.18 It must be emphasised that these figures are simply a view of what it is reasonable to assume as a minimum residual value for the purposes of assessing viability. The figures do not represent what a landowner or promoter might actually receive. This will quite often be rather more, at any given affordable target some sites will generate a higher value. In such a case it is not unreasonable to expect at least some of the surplus to benefit the landowner/promoter, rather than passing to the developer.

6.19 The results of the comparison using the values in Table 6.2 are set out below.

Table 6.3 Appraisal outcomes

	Site	Alt use value	Value £k per acre: No affordable	25%	30%	35%	40%
1	Rugby Club	53/93	509 VIABLE	265 VIABLE	216 VIABLE	167 VIABLE	117 VIABLE
2	Co-op Depot	245/ 285	235 NOT VIAB	(-18) NOT VIAB	(-65) NOT VIAB	(-115) NOT VIAB	(163) NOT VIAB
3	Cedars Park 6A	10/50	265 VIABLE	29 MARGINAL	(-16) NOT VIAB	(-65) NOT VIAB	(-115) NOT VIAB-
4	Waterfront	370/ 410	(-1,157) NOT VIAB	(-1,972) NOT VIAB	(-2,130) NOT VIAB	(-2,277) NOT VIAB	(-2,450) NOT VIAB
5	Priory Stadium	155/ 195	711 VIABLE	437 VIABLE	382 VIABLE	328 VIABLE	276 VIABLE
6	Tower Rd	10/50	800 VIABLE	489 VIABLE	418 VIABLE	348 VIABLE	274 VIABLE
7	Blyth Villas	10/50	545 VIABLE	362 VIABLE	325 VIABLE	291 VIABLE	253 VIABLE
8	Pound Hill	100/ 140	612 VIABLE	338 VIABLE	283 VIABLE	226 VIABLE	173 VIABLE
A1	Ipswich Cent E edge	245/ 285	173 NOT VIAB	(-355) NOT VIAB	(-470) NOT VIAB	(-585) NOT VIAB	(-697) NOT VIAB
A2	Gt Cornard Babergh	185/ 225	675 VIABLE	382 VIABLE	322 VIABLE	261 VIABLE	200 MARGINAL
A2	Stowmarket Mid Suffolk	185/ 225	324 VIABLE	104 NOT VIAB	58 NOT VIAB	13 NOT VIAB	(-33) NOT VIAB
A2	Saxmundham Suffolk Coastal	165/ 205	592 VIABLE	326 VIABLE	272 VIABLE	218 VIABLE	164 NOT VIAB
B1	Ipswich North sub	178/218	507 VIABLE	263 VIABLE	211 MARGINAL	159 NOT VIAB	107 NOT VIAB
B1	Hadleigh Babergh	98/ 138	770 VIABLE	458 VIABLE	396 VIABLE	337 VIABLE	271 VIABLE
B1	Stowmarket Mid Suffolk	98/ 138	323 VIABLE	92 NOT VIAB	45 NOT VIAB	(-2) NOT VIAB	(-50) NOT VIAB
B1	Kesgrave Suffolk Coastal	100/ 140	639 VIABLE	377 VIABLE	330 VIABLE	276 VIABLE	221 VIABLE
C1	Ipswich SE	170/ 210	317 VIABLE	23 NOT VIAB	(-34) NOT VIAB	(-92) NOT VIAB	(-146) NOT VIAB
C1	Sudbury Babergh	110/ 150	858 VIABLE	437 VIABLE	353 VIABLE	274 VIABLE	195 VIABLE-
C1	Stowmarket Mid Suffolk	110/ 150	257 VIABLE	(-54) NOT VIAB	(-117) NOT VIAB	(-177) NOT VIAB	(-235) NOT VIAB
C2	rural Suffolk Coastal	100/ 100	679 VIABLE	420 VIABLE	369 VIABLE	319 VIABLE	268 VIABLE

Table 6.3 (continued) Appraisal outcomes							
D1	Ipswich Cent W edge	245/ 285	351 VIABLE	57 NOT VIAB	(-2) NOT VIAB	(-61) NOT VIAB	(-116) NOT VIAB
D2	Long Melford Babergh	165/ 205	842 VIABLE	507 VIABLE	440 VIABLE	374 VIABLE	310 VIABLE
D2	Blakenham Mid Suffolk	185/ 225	693 VIABLE	369 VIABLE	304 VIABLE	244 VIABLE	181 NOT VIAB
D2	Wickham Market Suffolk Coastal	165/ 205	743 VIABLE	428 VIABLE	365 VIABLE	304 VIABLE	245 VIABLE

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Comparison results

6.20 With zero affordable housing, three sites are in fact not viable. Residential development as 100% market housing is of course a relatively profitable development option. Sites would not normally be put forward for development in these circumstances, although of course one of the sites is notional. This is a matter to which we return (at para 7.4 in the following chapter), but in what follows we will focus mainly on the remaining 21 sites.

6.21 Turning to the various levels of affordable contribution, at 25% 15 of these 21 sites are viable. One further site produces a surplus over the alternative use value benchmark, but the surplus is not the full value of the 'cushion' allowance; in such circumstances viability is regarded as marginal. Five of the 21 sites are unviable, and of course the other three remain unviable.

6.22 Increasing to 30%, the marginal site becomes unviable, and another becomes marginal. However 14 out of the 21 are viable. At 35%, the marginal site becomes unviable, but the 14 viable sites remain viable. Moving to 40% affordable housing, the table shows that a further two sites become unviable and one marginal, leaving 11, half of the total, viable.

6.23 These results are summarised in tabular form below. We will consider the implications of these results for future policy in the final chapter of this document. However before we can do this we should consider how likely future movements in our appraisal assumptions might impact upon them. The developing changes in the housing market over the last few months have emphasised that, as they stand, they can only represent a 'snapshot' of viability as at April/May 2008.

Table 6.4 Viability results summary					
	No of sites in category with affordable at:				
	No aff	25%	30%	35%	40%
Viable	21	15	14	14	11
Marginal	0	1	1	0	1
Not viable	0	5	6	7	9
Unviable throughout	3	3	3	3	3
Total	24	24	24	24	24

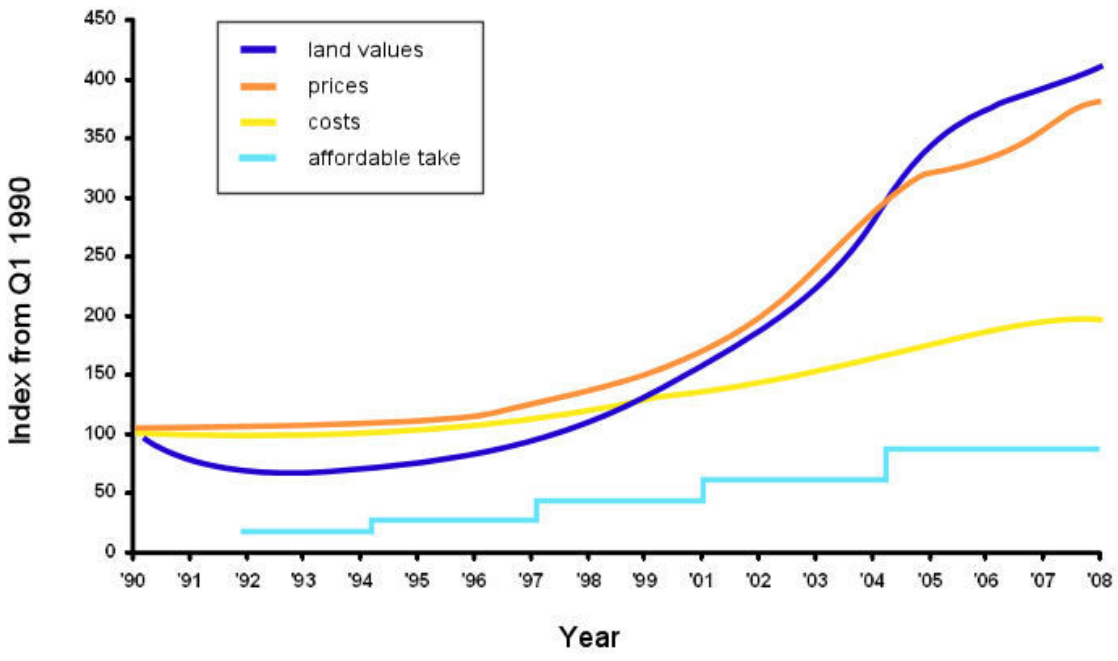
Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

History: the last market recession

6.24 There are many ways in which the current situation, to date at least, differs from the previous housing market recession. Then there were major levels of repossession of mortgaged property, high interest rates, and also quite substantial unemployment. Restricted mortgage availability, rather than deficient demand per se, has been the primary factor bringing about the present market conditions. It is possible to argue that the Mortgage Interest Relief at Source (MIRAS) tax changes in the 1988 Lawson budget artificially stimulated the housing market at that time, taking prices to an appreciably higher level than would otherwise have occurred, and requiring a greater subsequent correction. Similarly, it is most unlikely that the path out of the present situation will closely resemble what happened as things began to recover in the early 1990's.

6.25 However it is worth considering what happened then, since it is quite likely that elements of it, though not the overall pattern of things, will recur next time. The following graph shows relative movements in prices, values and costs from Q1 1990 onwards.

Figure 6.1 Price and cost trends in the 1990 recession



Source: Valuation Office Agency, Land Registry, BCIS (ave of indices for costs & tender prices) 2008

6.26 The graph uses national average prices and values, which behave more gently than they would for any one local authority area. Nevertheless, the figures show values initially dipping sharply, and only recovering to their initial level from mid-1997; shortly thereafter they begin to rise quite sharply. Prices appear to be static from 1990, though this disguises a significant downturn which happened at different times in different places; they begin to take off from 1995, and after slowing in 2005 accelerate again. Costs (an average of indices of build costs, and tenderers' prices) after a short period of stagnation start to move ahead from 1993. However they have grown at a far slower rate than prices, allowing land values – in effect the residual between prices and costs - to increase even faster than prices.

6.27 The graph also shows a hypothetical line illustrating the scale of the affordable housing contribution, considered in terms of financial impact upon the landowner/developer ('affordable take'). The 'take' grows considerably over time with periodic changes to the target proportion, and tightening requirements upon tenure and affordability, and also as Social Housing Grant support falls away. Affordable requirements have risen because the level of need has risen as prices rose. At the same time, the rise in prices relative to costs has provided potential scope for landowners/developers to meet the higher requirements, for much of the time at least.

The pattern of future movements

6.28 As we have emphasised, the pattern of the last housing market downturn cannot be taken to provide meaningful guidance about the present one. Even so the general course and sequence of events may well be similar. Prices will fall and will eventually begin to recover, although by the time they regain present levels, costs are likely to be somewhat higher than they are now. The underlying demand/supply situation, in which too few homes are being built to meet the need from households, suggests that the recovery might come sooner rather than later.

6.29 The prices used in the appraisals reflect the situation at March 2008. They are below those that obtained at the peak, October/November 2007 perhaps. However there is no sign that the fall has ceased, and it is likely to continue for a time, though a total price fall from the peak as great as that last time seems improbable. Costs are at present still rising, though they may slow quite a bit, as in the previous recession, especially if there is a more general construction slowdown.

6.30 Continued falling prices and rising costs will impact quite significantly upon the results we reported above; viability is likely to deteriorate appreciably in the short-term, and it will be some time before the peak degree of viability of last autumn is again reached. A possible policy response to this situation is discussed further in the final chapter. However it would also be sensible to look at the impact of possible price and cost changes on some of the appraisal results. This 'sensitivity testing' follows below.

Sensitivity: price and cost levels

6.31 Whilst variations in any of the appraisal assumptions will affect the results, the key elements which most dramatically affect the outcome are the price and build cost assumptions. We looked at several scenarios for future prices and costs based upon the discussion above:

1. Prices fall by 7.5%
2. Prices fall by 15%
3. Costs rise by 7.5%
4. Prices rise by 7.5%

6.32 Various combinations of these are possible. However initial analysis suggested that the impact of (1) was broadly similar to (3) – so that, for instance, (2) was broadly equivalent to a combination of (1) and (3). We therefore carried out assessments for (1) and (2) only, and for completeness, a price increase of 7.5% (4), was added.

6.33 Accordingly the impact of (1), (2) and (4) upon the 30% options for all 24 sites was assessed through variant appraisals. The results are compared to the base appraisal results in Table 6.5 below.

Table 6.5 Sensitivity tests for 30% appraisals

No	Site	Value £k per acre				
		Alt use value	Prices up 7.5% (4)	Base prices	Prices down 7.5% (1)	Prices down 15% (2)
1	Rugby Club	53/93	308 VIABLE	216 VIABLE	124 VIABLE	39 NOT VIAB
2	Co op Depot	245/ 285	38 NOT VIAB	(-65) NOT VIAB	(-170) NOT VIAB	(267) NOT VIAB
3	Cedars Park 6A	10/50	80 VIABLE	(-16) NOT VIAB	(-115) NOT VIAB	(-207) NOT VIAB-
4	Waterfront	370/ 410	(-1,787) NOT VIAB	(-2,130) NOT VIAB	(-2,476) NOT VIAB	(-2,796) NOT VIAB
5	Priory Stadium	155/ 195	481 VIABLE	382 VIABLE	283 VIABLE	192 MARGINAL
6	Tower Rd	10/50	544 VIABLE	418 VIABLE	292 VIABLE	174 VIABLE
7	Blyth Villas	10/50	388 VIABLE	325 VIABLE	266 VIABLE	206 VIABLE
8	Pound Hill	100/ 140	375 VIABLE	283 VIABLE	193 VIABLE	107 MARGINAL
A1	Ipswich Cent E edge	245/ 285	(-245) NOT VIAB	(-470) NOT VIAB	(-695) NOT VIAB	(-902) NOT VIAB
A2	Gt Cornard Babergh	185/ 225	426 VIABLE	322 VIABLE	217 MARGINAL	121 NOT VIAB
A2	Stowmarket, Mid Suffolk	185/ 225	145 NOT VIAB	58 NOT VIAB	(-28) NOT VIAB	(-108) NOT VIAB
A2	Saxmundham, Suffolk Coastal	165/ 205	371 VIABLE	272 VIABLE	171 MARGINAL	81 NOT VIAB
B1	Ipswich North sub	178/ 218	310 VIABLE	211 MARGINAL	111 NOT VIAB	19 NOT VIAB
B1	Hadleigh Babergh	98/ 138	508 VIABLE	396 VIABLE	288 VIABLE	182 VIABLE
B1	Stowmarket, Mid Suffolk	98/ 138	133 MARGINAL	45 NOT VIAB	(-46) NOT VIAB	(-130) NOT VIAB
B1	Kesgrave, Suffolk Coastal	100/ 140	424 VIABLE	330 VIABLE	228 VIABLE	134 MARGINAL

Table 6.5 (continued) Sensitivity tests for 30% appraisals						
C1	Ipswich SE	170/ 210	94 NOT VIAB	(-34) NOT VIAB	(-165) NOT VIAB	(-284) NOT VIAB
C1	Sudbury Babergh	110/ 150	1,091 VIABLE	353 VIABLE	201 VIABLE	59 NOT VIAB
C1	Stowmarket, Mid Suffolk	110/ 150	10 NOT VIAB	(-117) NOT VIAB	(-243) NOT VIAB	(-359) NOT VIAB
C2	Rural Suffolk Coastal	100/ 150	462 VIABLE	369 VIABLE	278 VIABLE	192 VIABLE
D1	Ipswich Cent W edge	245/ 285	123 NOT VIAB	(-2) NOT VIAB	(-133) NOT VIAB	(-254) NOT VIAB
D2	Long Melford Babergh	165/ 205	562 VIABLE	440 VIABLE	318 VIABLE	205 VIABLE
D2	Blakenham, Mid Suffolk	185/ 225	417 VIABLE	304 VIABLE	192 MARGINAL	87 NOT VIAB
D2	Wickham Market, Suffolk Coastal	165/ 205	482 VIABLE	365 VIABLE	249 VIABLE	142 NOT VIAB
No of sites unviable with 0% affordable			0	2	5	8
No of sites marginal with 0% affordable			0	0	1	1

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

6.34 It can be seen that a price increase of 7.5% (option 4) would improve the viability situation, as one site currently unviable and one marginal both become viable, and a third site moves from unviable to marginal. One of the sites unviable with all market housing now becomes viable.

6.35 Option 1, a fall in price of 7.5% from our assessed prices, also has a significant impact. Three viable sites become marginal, and one site previously marginal is now unviable. This may be felt to be a feasible short-term scenario.

6.36 Finally, option 2, with a 15% price fall, has a more serious impact; another two viable sites become unviable, as do the three marginals, and three other viables become marginal. However five of the 24 sites are still able to deliver the 30% affordable requirement.

6.37 Although a price fall of 15% combined with a cost increase of 7.5% was not assessed, the outcomes can be broadly inferred from the pattern of results in Table 6.5. That would indicate that just one site, site 7, would be clearly viable at 30% affordable, with two others marginal.

7. Implications of results

Our approach

7.1 The purpose of the Viability Study was to assess the impact of alternative affordable housing requirements upon development viability. In order to provide appropriate guidance, we have produced financial appraisals in respect of residential developments on a range of sites, in this case through a combination of 'actual' and 'notional' sites selected in discussion with the four Councils. Our approach has involved the use of 'model' developments for the sites, to a greater or lesser extent, in conjunction with a bespoke financial appraisal package, to arrive at residual valuations for each site under a series of affordable housing options.

7.2 In order to prepare financial appraisals, whether for a general study like this, or on behalf of a landowner or developer proposing a specific development, it is necessary to make quite a considerable number of assumptions. We believe that in general the assumptions we have made are fair and reasonable. They reflect considerable experience drawn from a variety of development situations and are designed to reflect the circumstances of each site which, over a substantial area like the study area, combining a substantial urban area with a predominantly rural hinterland, are going to be diverse. The appraisal results would produce open market land values which compared to other information about values in the area, are if anything somewhat lower. This strongly suggests that the package of development assumptions is not, taken as a whole, unduly optimistic; indeed, it could be argued in some instances that they are worst case.

7.3 The relatively low land values emerging also reflect two other factors which we will need to take into account when reflecting on the appraisal results:

- The assumption of Level 3 of the Sustainability Code for both market and affordable homes, without any offsetting uplift in values

- The early stages of what was being increasingly recognised in the latter stages of the study, as a significant market downturn

7.4 The appraisal results showed that two sites were not viable, though by fairly narrow margins, at 100% market housing. This may be partly explained by a combination of the above factors. In addition, Site A1 Ipswich is notional and it is possible that an alternative development form would have generated a more healthy outcome.

7.5 A key set of assumptions are those in respect of the range of developer contributions, financial and in kind, that would be required from each of the developments. The assumptions needed to be, firstly, consistent across the whole area, so as to provide a strategic view at HMA level. Secondly, they had to be defensible; appraisals must not underestimate the true contributions burden. These led to a set of assumed contributions packages that is probably 'worst case', and in practice we suspect that some schemes may secure a lighter package of contributions than we have been obliged to assume.

7.6 The financial appraisals produce a series of residual values showing the value generated for each site, under various affordable scenarios. In an exercise of this nature, the figures have to be interpreted in order to draw conclusions for LDF policies. We have suggested a basis for interpretation which draws on indicative alternative use values. Again, as a broad brush approach, we believe this to be reasonable; producing detailed assessments and valuations for each site would involve resources well beyond the scope of the current exercise, and we suspect would probably still leave room for dispute.

7.7 There are considerable variations in house prices in different parts of the study area. The bulk of the chosen sites are, it appears, in lower to medium priced areas, though not all of them. We feel, again, that we have covered the 'worst case', by fully including locations in which viability is (other things equal) likely to be worst. The range of sites includes both smaller and larger sites, straightforward and complex development situations, greenfield sites and previously developed land.

7.8 In estimating the values which developers would be likely to achieve from affordable housing, we have drawn on information provided by locally active RSLs. The RSL response was slightly disappointing, but we were able to form a view about appropriate purchase prices using the information from those RSLs who did provide a response. Generally speaking RSLs seemed to be slightly cautious in their views about likely market values.

7.9 Our study forms an element of the ongoing work of a Strategic Housing Market Assessment for the area covered by the four Councils and, being prepared alongside that work to some extent, could not take full account of the end results of that study. We have taken a strategic approach, rather than seeking to reflect specific variations in the policy detail, the arrangements and procedures which individual Councils use in negotiating affordable housing (and other Section 106 (S106) matters) site by site, which at this time may in any case be generally subject to review.

7.10 Particularly given that context, we would emphasise that this work has to be seen as a strategic study, designed to inform the development of Plan policy, rather than per se, as an exercise to predict as accurately as possible the actual financial outcomes of development on specific sites. The actual sites used in the study should be regarded as indicating more general patterns of development across the study area, as clearly the notional sites are. The use of indicative or average figures – for instance, for developer contributions – is an example of the approach, which in turn makes it possible to derive more general guidance from the results.

7.11 In particular, every mixed use site is effectively unique, in terms of the mix of uses there. The rents and values for the commercial elements are also likely to be location specific. This means that the Waterfront mixed use scheme in Ipswich can only be regarded as indicative. Every mixed use scheme will in practice need to be assessed in detail according to its individual characteristics.

Implications of appraisal results

7.12 The viability study tested affordable target proportions up to a maximum of 40%, reflecting the highest proportion which is currently being considered within the study area. The Strategic Housing Market Assessment has established (Table 9.18) that the levels of identified housing need would justify affordable targets of at least 40% across the whole study area.

7.13 The results from the appraisals suggest that under zero grant conditions, a proportion of 40% could be applied in many parts of the study area; half of the 21 sites that are viable with all market housing, remain viable at 40% in that they deliver a residual value comfortably in excess of the site's value in an alternative use. Given that the sites focussed on the lower to medium priced locations, that is a satisfactory outcome.

7.14 There are of course parts of the area where house prices are significantly below average, and where consequently a 40% target would not be sensible in that most sites could not achieve it without grant and remain viable. This applies to Ipswich fairly generally, and to Stowmarket; the rural areas, the smaller towns and Sudbury, and parts of Felixstowe, do better in comparison. Clearly for the former two locations the availability of grant would improve viability and enable a higher target to be achieved.

7.15 Viability varies from site to site for other reasons. For instance, we are aware that on higher density schemes of mainly or wholly flats, it is more difficult to deliver high proportions of affordable housing whilst achieving a viable development. The appraisal results display this pattern. It comes about primarily because the affordable housing subsidy comes from land value, and there is proportionately much less land value available on such higher density schemes than on a more suburban density development.

7.16 Viability is also crucially dependent on the alternative use value. Where there is a valid alternative use for a previously developed site as industrial/warehousing, or some other commercial activity, the value in that use sets the bar rather higher than for a greenfield or otherwise undeveloped site. Whilst undeveloped sites, more especially the larger ones, will face higher development costs, the appraisals suggest that it is somewhat easier to achieve viability on these sites. Small rural sites, without major infrastructure requirements, do very well because the 'bar' is so low (and because present S106 requirements are light), indicating that these sorts of site could carry a very low size threshold fairly comfortably.

7.17 The provision of high density schemes of predominantly apartments is also an issue about which Councils may wish to consider policy options. National planning guidance encourages a mix of dwelling types. It may be that larger schemes of predominantly apartments, which cannot provide accommodation for the full diversity of household types, should on these grounds be discouraged, and developers asked to provide a significant element of family accommodation, e.g. town houses. It also appears that a requirement for mixed use, with quite a substantial commercial floorspace, would reduce the gearing of the affordable requirement (so that land value holds up better as the affordable requirement rises).

7.18 In considering the implications for an individual Council's affordable housing policy of studies like the present one, we must recognise the complexity and diversity of the development process in reality. There will always be sites and development proposals which, because of exceptional circumstances – abnormal development costs associated with the site; particularly onerous development contribution requirements; an exceptionally high alternative user value; low market prices in a particular locality, and so on - cannot deliver a full affordable housing requirement and remain viable.

7.19 In setting targets, it is therefore necessary to strike a balance, setting a target which can be achieved in many or most situations, and accepting that in some cases provision will fall short of the target. In such cases a process or protocol might be required, allowing the landowner or developer to demonstrate to the Council, through satisfactory financial evidence, that the due affordable contribution would not produce a viable development. In such cases, the desired mix could be supported through a Social Housing Grant contribution, subject to funding availability. Alternatively, a reduced affordable contribution could be accepted for the scheme.

7.20 If on the other hand an unduly cautious target were set, the total delivery of affordable housing would be significantly reduced, whilst there would probably still be particular sites or situations where the target could not be secured viably.

7.21 The appraisals assume that all dwellings, market and affordable, will be built to Level 3. Given that Level 3 is to be a national requirement from 2010, it seems a sensible assumption to be making at this point. However Level 3 imposes additional build costs which we have assumed cannot be recovered from enhanced values.

7.22 Furthermore, it is the Government's intention that Level 4 would apply from 2013 and Level 6 from 2016. With what is currently known about technology, Councils must appreciate that the additional costs of these further changes are expected to be quite considerable. They may well push developers to focus rather more on premium and niche products where the additional costs can be, wholly or at least partially, recovered in enhanced prices, though with the present regulatory framework it is difficult to see how that could apply to the affordable elements. Whatever happens, the impact on viability following the changes is a matter for some concern, and should not be brushed aside.

7.23 The issue which emerged as the appraisal work was nearing completion was clear evidence of a general market downturn. Whilst commentators in recent years have repeatedly argued that the imbalance between prices and affordability suggested a significant downwards adjustment in price levels was imminent, until now no such adjustment has been forthcoming. However there was beginning to be fairly clear evidence that nationally a shortage of mortgage supply and general lack of confidence are impacting quite seriously on sales, and hence on prices.

7.24 The price change is going to be reflected to some degree in our appraisal results, though given that the turning point appears to have been around October/November 2007 and the market prices were collected at March 2008, it might be only to a limited extent. However, it might help to explain the result that three sites were not fully viable, even with 100% market housing.

7.25 By the time the study report was finalised, October 2008, the financial situation was developing into a more general economic downturn. House prices had continued to fall, and the fall was expected to continue in the coming months. This means that viability will already have deteriorated, and will deteriorate further in the immediate future.

7.26 Trying to look beyond the immediate situation, the view is widely held that longer-term, for the country as a whole, housing demand has been running ahead of supply, so that upward movement in prices is likely to resume sooner rather than later. Planning policies are expected to look forward over a 15 year timescale, taking into account what may be several market cycles, and should not be narrowly based on a snapshot at a particular point in time. However, realistically no study such as this can provide more than a snapshot; it cannot predict what is going to happen.

7.27 A policy approach is therefore required which allows for appraisal results to be revisited at regular intervals, to index or update the key parameters such as build costs and market prices. This work could be carried out by the Councils, with appropriate training. An alternative, more comprehensive possible approach to policymaking in the current climate is outlined in Appendix 4. Whatever approach is adopted, the unfolding situation will have to be borne in mind in formulating policy targets, since any new policies or targets informed by the present study are likely to remain in place for a considerable period of time.

7.28 Our focus must mainly be on developing an appropriate affordable policy response to the downturn. Whatever that response, if it continues as it is increasingly being expected to, it will produce an unavoidable impact upon housing delivery. Some concerns have been expressed about the importance of the small builder sector in delivering housing on the large number of very small sites, especially in the rural parts of the study area. However it is not possible to say whether that sector will be more hard hit by a reduction in market sales than the larger players, a number of whom have seen very marked reductions in share values.

Individual Council areas: guidance

7.29 In considering the implications of the viability findings for individual Council areas, Councils must bear in mind the strategic nature of the exercise. It was not practical to replicate exactly in our appraisals the individual circumstances of a given development, nor each Council's particular approach and procedures.

7.30 Examples of the level of generalisation are:

- The intermediate housing category has been defined quite specifically to match the anticipated SHMA proposals;
- A single social rented/intermediate split was applied across the board;
- No size mix target was applied;
- Fractions of a dwelling were applied in the calculations, rather than rounding down (or indeed up).

7.31 Aside from affordable housing, there is also the possibility that in pursuing consistency and robustness, our appraisals have overestimated the level of developer contribution that would arise on any one scheme.

7.32 Bearing both these points in mind, we proceed to provide some implications for individual areas' policy targets, below.

Babergh

Table 7.1 Viability summary: Babergh

Status	Sites viable with			
	25% aff	30% aff	35% aff	40% aff
Brownfield	4 viable	4 viable	4 viable	3 viable 1 marginal
Greenfield/part greenfield	2 viable	2 viable	2 viable	2 viable

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

7.33 The findings suggest that the existing *'up to 35%'* target is reasonable. They suggest there is scope for an increase to 40%.

7.34 Whilst no very small sites in Babergh were tested, the study results generally would provide some support for the low size threshold in rural areas which applies under the current policy.

Ipswich

Table 7.2 Viability summary: Ipswich

Status	Sites viable with			
	25% aff	30% aff	35% aff	40% aff
Brownfield	1 viable 5 unviable	0 viable 1 marginal	0 viable	0 viable
Greenfield/part greenfield	n/app	n/app	n/app	n/app

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

7.35 The findings confirm that whilst the current target of 25%/30% is reasonable, there appears to be little scope for an increase on this figure without access to grant.

7.36 The results for two additional sites are considered in Appendix 6, and incorporated there into a revised version of Table 7.2.

Mid Suffolk

Table 7.3 Viability summary: Mid Suffolk

Status	Sites viable with			
	25% aff	30% aff	35% aff	40% aff
Brownfield	2 viable (3 unviable)	2 viable	2 viable	1 viable
Greenfield/part greenfield	1 marginal	0 viable	0 viable	0 viable

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

7.37 Although the Council has been securing 35% contributions with reasonable success since the First Alteration policy came into effect, the viability results as they stand provide only relatively modest support for this target. However the sites focus predominantly on Stowmarket, where prices are rather lower than elsewhere, and the Bacton site is viable at 40%. Stowmarket itself is now moving forward, and major infrastructure provision is likely to make the town more attractive to housebuyers than in the past.

7.38 The results for Bacton and more generally provide support for quite a low size threshold in the rural areas.

Suffolk Coastal

Table 7.4 Viability summary: Suffolk Coastal				
Status	Sites viable with			
	25% aff	30% aff	35% aff	40% aff
Brownfield	4 viable	4 viable	4 viable	3 viable
Greenfield/part greenfield	2 viable	2 viable	2 viable	2 viable

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

7.39 The results provide strong support for the current target (one in three dwellings). Indeed, they might permit a higher proportion to be considered, although it should be noted that it is the small (five dwellings) site which narrowly becomes unviable at 40%.

APPENDICES

Appendix 1 Developer contributions model

Table A1.1 Education contributions

Site	No of dwgs	£k per dwg with affordable at:				
		No aff	25% aff	30% aff	35% aff	40% aff
Rugby Club	306	9.5	1.2	1.0	0.8	0.6
Co op Depot	227	12.4	4.1	3.8	3.6	3.3
Cedars Park 6A	104	11.5	4.0	3.5	3.3	3.0
Waterfront	131	7.0	2.5	2.3	1.9	1.9
Priory Stadium	60	8.3	3.2	3.0	2.7	2.2
Tower Rd	57	8.2	1.6	1.4	1.2	1.2
Blyth Villas	12	1.5				
Pound Hill	3	1.5				
A1	18	5.5	2.5	2.3	1.9	1.9
A2	5	1.5				
B1	10	1.5				
C1	42	7.5	3.4	3.2	2.9	2.4
C2	21	5.5	2.5	2.3	1.9	1.9
D1	60	8.5	3.4	3.2	2.9	2.4
D2	40	7.5	3.4	3.2	2.9	2.4

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Table A1.2 Other contributions

Site	No of dwgs	£k per dwg for:				
		Transport	Archaeology	Bio-diversity	OS & recreation	Total
Rugby Club	306	3.0	0.5	0.5	3.5	7.5
Co op Depot	227	3.0	0.5		3.5	7.0
Cedars Park 6A	104	2.5		0.5	3.5	6.5
Waterfront	131	2.0			2.0	4.0
Priory Stadium	60	2.0			2.5	4.5
Tower Rd	57	1.5			2.0	3.5
Blyth Villas	12				1.5	1.5
Pound Hill	3				1.5	1.5
A1	18	1.0			1.5	2.5
A2	5	0.0			1.5	1.5
B1	10	0.0			1.5	1.5
C1	42	1.5			2.0	3.5
C2	21	1.0			1.5	2.5
D1	60	2.0			2.5	4.5
D2	40	1.5			2.0	3.5

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Appendix 2 Newbuild schemes

A2.1 The schedule overleaf provides details of a number of current newbuild developments in each of the four Council areas.

Table A2.1 Newbuild schemes

Site/location	Builder	no of dwgs *(incl aff)*	Range of dwgs	Prices currently available
Central (Ipswich/Kesgrave/Felixstowe)				
Bucks Horn Place, Belstead	Ashby Lawrence	5	4 bed houses	£540k-£550k
Blakenham Park, Sproughton Rd, Ipswich	Crest Nicholson	Na	1 & 2 bed flats 2 3 & 4 bed houses	£127k-£210k
Spencers Court, Bramford Rd, Ipswich	Wimpey	Na	2 bed flats 3 bed houses	£119k-£155k
Riverside Place, Croft St, Ipswich	Abbey Homes		2 & 3 bed flats 2 3 & 4 bed houses	£109k-£185k
Mariners Court, Wherstead Rd, Ipswich	Regional & City	11	1 & 2 bed flats	£119k-£145k
Voyage, Ranelagh Rd, Ipswich	Fairview	Na	2 bed flats	£131-£165k
The Mill, College St, Ipswich	na	48	1 bed flats	£186k
Modus, Duke St,, Ipswich	Fairview	Na	1 & 2 bed flats 3 bed houses	£117k-£199k
Foredeck, Duke St, Ipswich	Anglia Secure	Na	2 bed retirement flats	£124k-£175k
Childers Court Sandy Hill Lane, Ipswich	Matthew Homes	Na	2 bed flats & 3 bed houses	£110k-£199k
Foxgrove Gardens, Foxhall Rd, Ipswich	Barratt Homes	Na	1 & 2 bed flats 3 & 4 bed houses	£133k-£153k
Vista, Woodbridge Rd, Ipswich	Crest Nicholson	Na	1 & 2 bed flats 2 3 & 4 bed houses	£112k-£275k
St Martins Green, Nacton Rd, Ipswich	Persimmon	Na	4 & 5 bed town houses	£242k-£277k
Oakside Park, Wilkinson Drive, Kesgrave	Redrow	129	4 & 5 bed houses	£242k-£360k
The Grove, Century Drive, Kesgrave	Wimpey	Na	2 3 4 & 5 bed houses	£199k-£375k
Cedro, Hartree Way, Kesgrave	Wimpey	Na	1 & 2 bed flats 3 & 4 bed houses	£124k-£239k
Millennium Green, Ropes Drive, Kesgrave	Bloor	27	2 3 4 & 5 bed homes	£375k
High Rd, Trimley St Mary	Na	3	3 bed houses	£295k
Orwell Rd, Felixstowe	Na	2	3 bed houses	£249k

West				
Elmside Lea, Finningham Rd, Walsham le Willows	Hopkins Homes	53	2 3 4 & 5 bed homes	£240k-£370k
Uplands Park, Stowupland Rd, Stowmarket	Bellway	10	flats & 2 3 4 & 5 bed homes	£133k-£315k
Tudor Park, Cooks Rd, Elmswell	Laurence Homes	24	3 4 & 5 bed houses	£185k-£310k
Gipping View, Phoenix Way, Stowmarket	Bovis	na	3 4 & 5 bed houses	£182k-£340k
Creetings ph 2, Creeting Rd, Stowmarket	Persimmon	na	2 3 & 4 bed	£149k-£254k
Maple Tye, Harrier Way, Stowmarket	Crest Nicholson	na	2 bed flats 2 3 & 4 bed houses	£128k-£222k
The Priory, Springlands Way, Sudbury	Charles Church	na	1 & 2 bed flats 3 bed houses	£110k-£225k
Catesby Meadow, Blackfriars, Sudbury	Knight Developments	60	2 3 & 4 bed houses	£175k-£405k
Kings Park, Bures Rd, Great Cornard	Persimmon	na	4 & 5 bed houses	£329k-£435k
Stour Croft, Bure Rd, Great Cornard	Persimmon	na	2 3 4 & 5 bed houses	£151k-£249k
Bakers Mill, Mill Tye, Great Cornard	Barratt	na	1 2 & 3 bed flats 3 4 & 5 bed houses	£175k-£475k
Withindale Lane, Long Melford	na	na	3 bed bungalows	£375k-£389k
North				
Bredfield Rd, Woodbridge	Ruffles	4	4 bed homes	£325k
Pytches Rd, Melton	na	36	2 bed flats 2 3 & 5 bed houses	£185k-£350k
Library Mews, Walnut Tree, Rendlesham	Paul Roberts Developments	14	flats & houses	£168k-£192k
Deben Heath ph 2, Knight Rd, Rendlesham	Persimmon	86	4 & 5 bed houses	£229k-£325k
Alexander Mews, High St, Leiston	na	11	1 2 3 & 4 bed homes	£102k-£129k
Station Approach, Saxmundham	Trinity Homes	10	3 bed homes	£175k
Hillside Grove, Yoxford	Badger	na	4 bed houses	£285k
Dunwich Rd, Blythburgh	na	2	2 bed houses	£179k
Wilby Rd, Stradbrooke	na	1	4 bed bungalow	£399k

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Appendix 3 House price variations

A3.1 The indices in the table which follows compare prices in each postcode sector in the four Districts with an England and Wales 'average' figure – actually the median postcode value. The indices are standardised to eliminate the effect of variations in type mix; separate indices for each house type are combined with weightings based on the mix of overall sales.

Table A3.1 Price variations by postcode sector

Postcode sector	LAs	Areas covered in sector	Q2 2007	Q4 2007
IP2 8	Ip	Ipswich Stoke Maidenhall	77%	75%
IP1 2	Ip	Ipswich Upper Riverside	74%	80%
IP11 0	SC	Trimley	84%	76%
IP14 1	MS	Stowmarket	79%	82%
IP2 9	Ip	Ipswich Chantry	85%	75%
IP2 0	Ip	Ipswich Chantry Park	79%	83%
IP1 5	Ip	Ipswich White House	78%	83%
IP11 2	SC	Felixstowe Central	84%	80%
IP3 0	Ip	Ipswich Greenwich	80%	85%
IP14 2	MS	Stowmarket South, Battisford	81%	85%
IP1 6	Ip	Ipswich Castle Hill	87%	80%
IP4 5	Ip	Ipswich California	86%	83%
IP4 4	Ip	Ipswich NE	88%	85%
IP1 4	Ip	Ipswich Westbourne	84%	90%
IP6 0	MS	Gt Blakenham, Claydon	92%	83%
IP14 4	MS	Stoupland, Finningham	96%	80%
IP6 8	MS	Needham Market, Barking	87%	89%
IP9 1	Bab	Chelmondiston Shotley	99%	78%
IP8 3	Bab	Pinebrook, Chattisham	87%	93%
IP4 1	Ip	Ipswich Central East	89%	92%
IP3 8	Ip	Ipswich Broke Hall	93%	88%
IP14 5	MS	Mendlesham	90%	93%
IP17 1	SC	Saxmundham, Friston	98%	85%
CO10 1	Bab	Sudbury Cent & North	88%	95%
IP3 9	Ip	Ipswich Racecourse	86%	101%
IP5 1	SC	Kesgrave West, Rushmere St Andrew	97%	92%
IP11 9	SC	Old Felixstowe North	97%	92%
CO10 2	Bab	Sudbury South & East	106%	90%

Table A3.1 (cont) Price variations by postcode sector				
Postcode sector	LAs	Areas covered	Q2 2007	Q4 2007
IP20 0	MS	Metfield	110%	88%
IP7 7	Bab	Great Bricett (+ Bildeston)	105%	93%
IP30 9	MS	Elmswell, Bayton	97%	102%
IP5 2	SC	Kesgrave East	97%	102%
IP4 3	Ip	Ipswich NE outer edge	103%	100%
IP5 3	SC	Martlesham St Andrew	104%	102%
IP19 0	SC	Linstead Parva, Heveningham	76%	132%
IP16 4	SC	Leiston	95%	114%
CO10 7	Bab	Glemsford (+ Belchamps)	92%	117%
IP23 7	MS	Thorndon, Eye	97%	112%
IP4 2	Ip	Ipswich North Central	102%	110%
IP12 2	SC	Orford, Blaxhall	98%	114%
IP10 0	SC	Bucklesham, Falkenham	107%	106%
CO10 0	Bab	Gt Cornard, Acton	105%	109%
IP8 4	MS	Bramford, Offton	95%	120%
IP21 5	MS	Stradbrooke, Weybread	106%	110%
IP13 0	SC	Wickham Market	112%	105%
IP14 3	MS	Mill Green, Wetherden	111%	109%
IP7 6	Bab	Hadleigh North	107%	113%
CO11 1	Bab	Bartham (+ Manningtree North)	100%	122%
IP31 3	MS	Thurston, Walsham le Willows	115%	107%
CO6 4	Bab	Stoke by Nd, Leavenheath (+ Gt Horkesley)	110%	112%
IP7 5	Bab	Hadleigh Cent & South	118%	109%
IP13 8	SC/MS	Dennington/Laxfield	124%	105%
IP11 7	SC	Felixstowe North	115%	114%
IP17 3	SC	Darsham, Dunwich	114%	115%
IP12 4	SC	Woodbridge South, Newbourne	127%	103%
IP12 3	SC	Hollesley, Butley	74%	157%
IP1 3	Ip	Ipswich Christchurch Park	110%	121%
IP13 9	SC	Framlingham	111%	122%
IP9 2	Bab	Tattingstone, Capel St Mary	119%	115%
IP22 1	MS	Rickinghall	134%	105%
IP23 8	MS	Gislingham, Wickhams	129%	112%
IP19 9	SC	Blythburgh, Walpole	144%	99%
IP14 6	MS?	Debenham, Helmingham	112%	131%
IP13 7	SC/MS	Earl Soham/Bedfield	136%	112%
IP30 0	Bab/MS	Cockfield/Felsham	128%	126%
IP13 6	SC	Grundisburgh, Ufford	130%	127%
IP29 4	Bab	Hartest (+ Chedburgh)	137%	124%
CO7 6	Bab	East Bergholt	128%	133%
IP6 9	MS/SC?	Tuddenham, Otley, Coddenham	122%	145%
IP17 2	SC	Peasenhall, Sweffling	139%	131%
CO10 9	Bab	Lavenham, Long Melford	143%	134%
IP12 1	SC	Woodbridge North	124%	155%

Table A3.1 (cont) Price variations by postcode sector				
Postcode sector	LAs	Areas covered	Q2 2007	Q4 2007
CO10 5	Bab	Boxford	179%	135%
CO6 5	Bab	Polstead	179%	149%
IP18 6	SC	Walberswick (+Southwold)	166%	181%
IP15 5	SC	Aldeburgh	149%	217%

Source: Analysis of Land Registry data

A3.2 Where a postcode sector includes areas inside and outside the Borough, the areas outside are shown in brackets, as (+Southwold).

A3.3 Data has been mix adjusted to remove differences in house type mix between postcode sectors; individual indices have been calculated for each house type, and combined using weights reflecting the nation-wide type mix. A worked example is provided below.

Table A3.2 Worked example for IP11 0 at Q4 2007					
	Land Registry data Q4 2007				
	Detached	Semi	Terraced	Flat	Total
England & Wales - median price	£300,742	£186,364	£159,070	£151,707	
England & Wales - no of sales	52,027	71,522	80,184	52,126	256,159
IP11 0 – ave price	£223,142	£173,125	£117,125	£90,998	
IP11 0 price as % E & W median value	74.2%	92.9%	73.6%	60.0%	
Weighted average index for IP11 0 =	[(52027 x 74.2%)+(71522 x 92.9%)+(80184 x 73.6%)+(52126 x 60.0%)] / 256,159 **= 76.3%**				

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Appendix 4 Possible policy approach

Deliverability, viability and the economic downturn

A4.1 PPS3 emphasised the need to examine viability and deliverability, but was published in late 2006, well before the present train of events, and makes no direct reference to variations in the viability of sites, or whole districts. A possible policy approach to the market situation resulting from the economic downturn is set out below.

A4.2 The reduction in house prices, and hence land values for housing, over the past six to eight months will have made some previously viable targets for affordable housing unviable. However that is a temporary phase. There will in due course be an upturn and viability will return to sites that are at present not commercially viable, even without regard to affordable housing and planning gain contributions.

A4.3 In the economic downturn it is therefore necessary to think of viability in a dynamic context. In other words it can go up and down over time. This has a practical meaning for local authorities and house builders at two main levels:

i) That of policy wording for the LDF

ii) The wording of S106 Agreements in which affordable housing is required

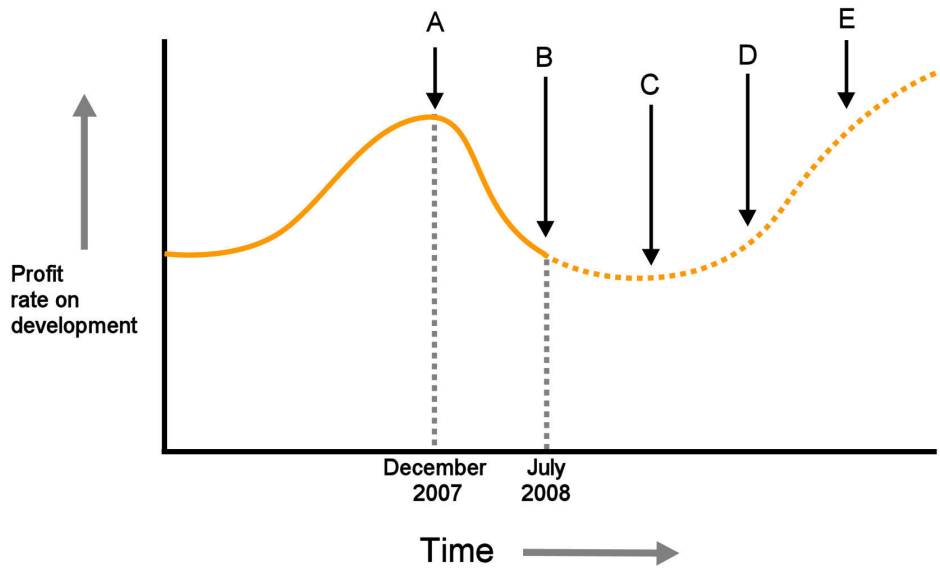
A4.4 It is necessary to have some wording for (i) and some mechanism for (ii) as otherwise planning appeals will be generated and a lot of avoidable cost incurred. However this discussion is addressed to (i) since setting targets through LDF policy is one of the main outputs to be derived from an SHMA: S106 negotiation policy is a separate issue.

Recognising the problem

A4.5 In considering how to treat affordable housing, it is therefore necessary to consider a full cycle of price rise and fall, and as mentioned above, this is a novelty in the history of affordable housing. Government Guidance will at some stage need to recognise the consequences upon viability, and hence affordable housing policy and practice.

A4.6 The following graph describes the cycle: we do not know exactly where the bottom of the curve lies, or how long it will take for an upturn to develop, but there is not much doubt about the broad shape of the curve. It may waver about, but if households continue to increase and to get richer, then the upturn will eventually take prices higher than they were before the downturn.

Figure A4.1 Cycle of development viability



Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

A4.7 On the left hand axis the graph shows a measure of profitability. This relates fairly directly to the general viability of housing sites: i.e. their ability to carry a given fraction of affordable housing. Each site is individual, and the proportions of other planning gain, and availability of Housing Corporation and other finance will vary, but the graph describes the general position.

A4.8 The following are the key points on the diagram:

(A) The top of the curve (around the end of 2007). After this point some sites that could carry a given proportion of affordable housing no longer could. Any viability analysis results done before December 2007 are now wrong, to varying degrees depending on the nature of the housing sites involved.

(B) The present day, which may or may not be the bottom of the cycle. Many sites which were viable and capable of carrying affordable housing contributions now cannot, and in many cases the whole site is unprofitable and no development is likely until there is an upturn.

(C) This is the bottom of the cycle. It is hard to recognise this point, but important for house builders and local authorities. At this point there is the prospect of increased profitability in future, and so assuming that land price has fallen (for instance through the option mechanism) the house builder can envisage profit, and will start building again. At the same time the scope for affordable housing contributions will be at its minimum. This is an ideal time to finalise a S106 Agreement from the point of view of the developer, and the worst time from the point of view of a local authority. For both parties the reason is the same: it will minimise any contribution of (means tested) affordable housing.

(D) At this point the recovery is well under way, and so many sites which had been unviable and unable to carry an affordable housing contribution will be able to do so. It is important that policy recognises such a point, and that S106 structures are designed to accommodate to it.

(E) By this point prices have risen above the previous peak, and so many sites will be both viable and able to carry 'policy level' proportions of affordable housing again. However the experience of this downturn should warn all the parties to ensure that both policy and S106 mechanisms are suitably designed to address the problem of an eventual future downturn again.

Viability and cascades

A4.9 The principle of a cascade is simple - it is a formula in a S106 Agreement that means that, if the agreed level and mix of social rented and intermediate housing is not viable at a given stage in development, the requirement 'cascades' into a less demanding form. Essentially this might mean that an X% requirement for social rented housing turns into intermediate housing.

A4.10 English Partnerships and the Housing Corporation have written a report about it (2007). This contains good material on the process, but is flawed due to the 'one way' character of a cascade: it only works downwards, i.e. to reduce the affordable housing obligation. It can reasonably be argued that while a given affordable housing contribution was viable at Phase A of a development, the same proportion of affordable housing might not be if conditions had deteriorated by the time of Phase B. This could be described by the price change from A to B on the graph above.

A4.11 However there is no mechanism in a cascade for any upward movement if market conditions then improve, i.e. from C to E in the above graph. To deal with this sort of case it is important to have an upward as well as downward scope, within whatever affordable housing policy framework exists. Thus any reference to *cascades* in planning policy documents should also refer to *fountains*: as in the economic downturn especially there will be upward as well as downward movements of viability.

Site specific viability

A4.12 It is of course impossible for a district and HMA-wide viability analysis to represent all the real range of site conditions: it has to be broad brush. As a consequence any affordable housing policy target level that is both district-wide and broadly viable at that level may fail to be viable on a particular (and in planning terms otherwise acceptable) housing site. The problem may be unusually poor market circumstances of its location, or unusual abnormal costs.

A4.13 Hence it would not be reasonable to expect any target to be viable on all sites in an area. There must be leeway for the applicants to present a case against the application of the general affordable housing target on sites where it can be reasonably shown not to work. By the same token, the local authority cannot be expected to set an affordable housing target that will always be viable: the only such target is probably zero.

Two staged policy suggestion

A4.14 Given the viability findings, and the highly volatile immediate future prospects as regards viability, it is difficult to frame a fair and transparent approach which might be developed into policy. The following are the apparent options:

Table A4.1 Alternative approaches to addressing viability and affordable housing

Approach	Comments
A blanket percentage across each district with only site specific viability tests at the point of a planning application. This could be justified under PPS3: it requires a 'plan-wide target'	This would probably not conform to what para 29 of PPS3 requires. It could also produce a lot of conflict: it might be that all the sites in a given district could not afford the target level, and so a great deal of avoidable conflict would be created by trying to apply it.
Targets that vary within a district (as between more and less viable parts of a district, for example)	Apart from conflicting with para 29 of PPS3, this could produce a complex policy situation where it would be hard for a landowner/developer to know where they were. It could also create a complex administrative task for the local authority.
No set target in the LDF Core Strategy but simply ad hoc targets based on viability and set in SPD from period to period (say six month ones during periods of rapid change)	This would not provide clarity or consistency: the LDF requires something specific which will have a reasonable duration to it, so as to provide a degree of certainty to all concerned, especially house builders and landowners who must negotiate provisional deals on land together.
A two-level approach: a set district-wide percentage for the LDF, and a rolling programme of viability analysis to determine, through SPD, the precise percentage (at or lower than the target) which is feasible for a given time period. Within that site negotiation will continue as at present with site specific viability assessments.	The process recommended here.

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

A4.15 We would suggest that the most practical approach seems to be to follow the two staged principle:

i) Set a district-wide target of the level implied in the study, subject to any consultation process. In any event a single percentage figure that applies plan-wide.

ii) Institute a process of repeating the viability analysis contained in the parallel viability report at intervals to be agreed within the continuing SHMA process. This might show that X% was viable in a given district at one point and Y% at another. So long as the calculations are transparent, as in the present viability report, nobody should have any reason to dispute them as the basis for a broad brush target.

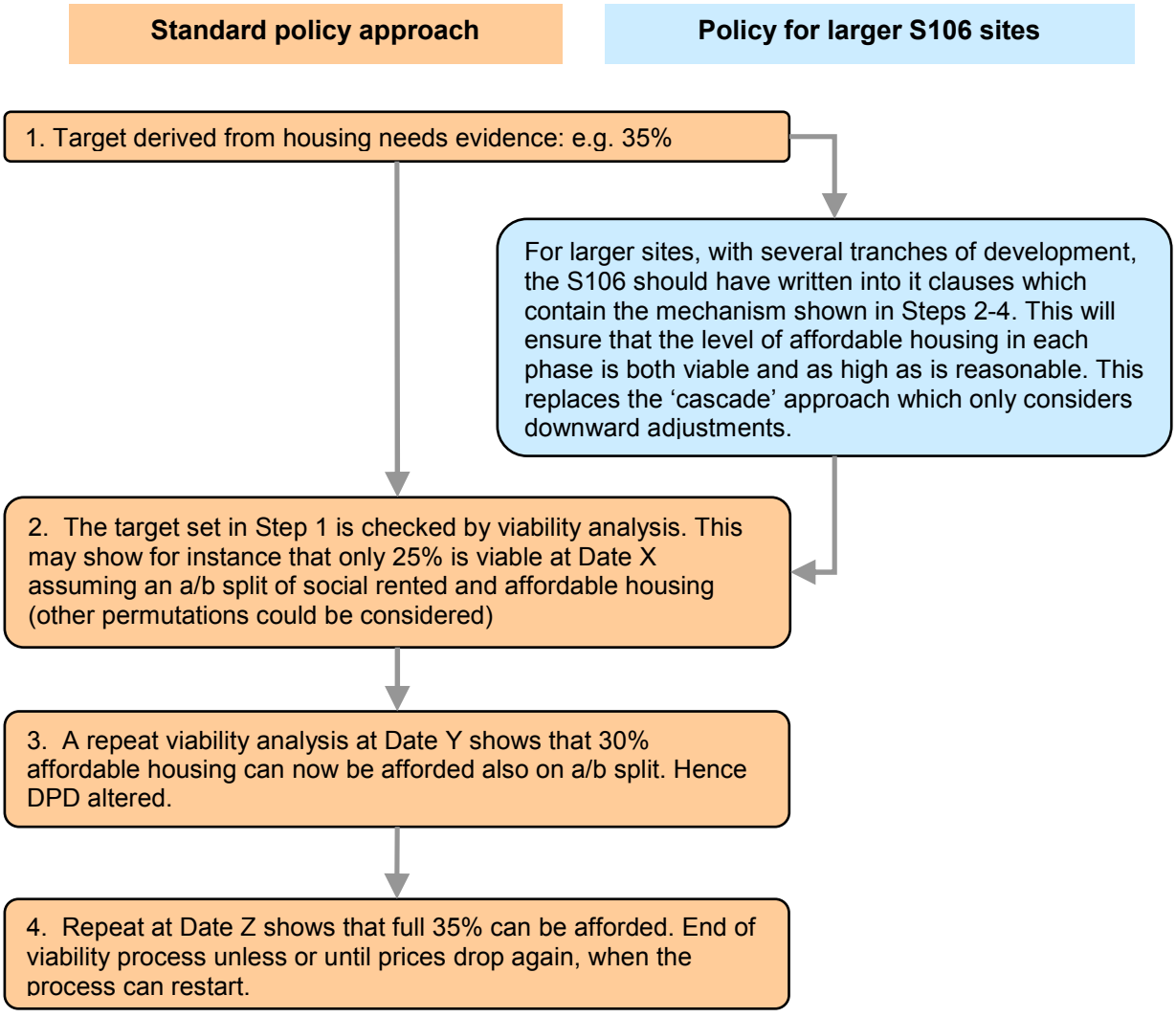
A4.16 Therefore, in a given district 35% might be set as the plan-wide target in the LDF Core Policy. But with it would be a statement that the target is subject to a viability checking process that, for instance, at the time of the LDF Inquiry might mean that no more than 30% of affordable housing should be sought.

A4.17 That example 30% would be a plan-wide target for the period of time between viability checks, and would itself be capable of exceptions as is normal practice, where particular site conditions require it. The following diagram illustrates the position.

A4.18 Where large housing sites are to be developed in stages over a period of years, a similar process can be built into the S106 Agreement: so that the actual proportion of affordable housing on Phase W of the development may be less than the general agreed level due to housing market circumstances, but then will rise on succeeding tranches when market conditions have improved.

Figure A4.2 Policy structure for dynamic Viability Analysis

This diagram shows the nature of the viability analysis process over a housing cycle. It also allows, where appropriate, for S106 Agreements to be phrased dynamically: allowing for changes of effective target between phases. For convenience the steps are numbered. It is assumed that an SHMA monitoring group including both public and private sectors, will meet periodically to agree on viability reviews. A minimum interval of say six months should be set between reviews to provide the necessary degree of certainty for land market dealing.



Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2008

Appendix 5 Financial appraisal summaries

A5.1 The development viability **summaries** contained in the following pages set out the assumptions and outputs of the viability appraisals for a 30% affordable 'zero grant' scenario.

SITE 1: Rugby Club Great Cornard

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich Bab MS SC HMA

Site details

Site		Rugby Club	
Location		Great Cornard	
Area	ha	9.37	16.21
	acres	23.15	
No dwgs		306	5.21
Density dw/ha		32.7	1.74

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	214.20	70%	956	946	79.00	221.00	204,775
					0.0%		
Affordable soc rent	68.85	22.5%	956	946	79.00	78.00	65,821
					0.0%		
Aff sh oship	22.95	7.5%	956	946	79.00	93.00	21,940
Total	306.0	100%	292,536	289,476	£23,110,344	£51,881,336	292,536

net:gross= 99%

Floorspace density = 12,503 net sq ft per acre

		£k
Contingency		
allowance	3.75%	867
		202633.2
		0
		65132.1
		0
		21710.7
		289476
Development costs		
standard % build	20.0%	4,795
plus abnormals	1.9%	450
Total	22%	
Design fees		
on build costs	10.0%	2,398
on dev costs	0%	
Planning gain		
£ per dwelling	8,500	2,601

Other costs

Planning	439	£ per dwelling
Survey	350	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-2,369

Notes

SITE 1 LAND COST & PHASING

Land

		Iterate to achieve 20.0% profit	
		Affordable	No affordable
Land purchase price	£	5,004,000	12,036,000
RV per acre	£	216,125	519,840
RV per hectare	£	534,045	1,284,525
Dev profit	£	8,096,366	10,660,017
Total costs	£	43,786,170	53,315,379
profit as % of costs		18.49%	19.99%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			12.6	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4					214.2
	Affordable soc rent			4.1	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2					68.9
	Aff sh oship			1.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4					23.0
	TOTAL	0	0	18	32	32	32	32	32	32	32	32	32					306.0
Units 'built' +2Q	*Market housing*			0	0	13	22	22	22	22	22	22	22	22	22	0	0	214
	Affordable soc rent			0	0	4	7	7	7	7	7	7	7	7	7	0	0	69
	Aff sh oship			0	0	1	2	2	2	2	2	2	2	2	2	0	0	23
Units completed +3Q	*Market housing*				0	0	13	22	22	22	22	22	22	22	22	22	0	214
	Affordable soc rent				0	0	4	7	7	7	7	7	7	7	7	7	0	69
	Aff sh oship				0	0	1	2	2	2	2	2	2	2	2	2	0	23
Units purchased +4Q	*Market housing*					0	0	13	22	22	22	22	22	22	22	22	22	214
	Affordable soc rent					0	0	4	7	7	7	7	7	7	7	7	7	69
	Aff sh oship					0	0	1	2	2	2	2	2	2	2	2	2	23

SITE 1 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	2,634	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	44,782
	Affordable soc rent		0	0	0	0	0	0	299	531	531	531	531	531	531	531	531	531	5,080
	Aff sh oship		0	0	0	0	0	0	119	211	211	211	211	211	211	211	211	211	2,019
																			0
	Sales fees		0	0	0	0	0	0	-95	-169	-169	-169	-169	-169	-169	-169	-169	-169	-1,613
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**3,052**	**5,425**	**5,425**	**5,425**	**5,425**	**5,425**	**5,425**	**5,425**	**5,425**	**5,425**	**51,881**
COSTS																			
Land	*Land acquisition*		5,004																5,004
	Stamp duty		200																200
	Purchase fees		138																138
	Total																		**5,342**
Build costs	*Market housing*		0	0	0	0	952	1,692	1,692	1,692	1,692	1,692	1,692	1,692	1,692	1,692	0	0	16,177
	Affordable soc rent		0	0	0	0	306	544	544	544	544	544	544	544	544	544	0	0	5,200
	Aff sh oship		0	0	0	0	102	181	181	181	181	181	181	181	181	181	0	0	1,733
	Build contingency	*3.8%*	0	0	0	0	51	91	91	91	91	91	91	91	91	91	0	0	867
	Total																		**23,977**
Dev costs	*Upfront*	*10.0%*	599	599	599	599													2,398
	Build related	*10.0%*	0	0	141	251	251	251	251	251	251	251	251	251	0	0			2,398
	Abnormals	*2%*	225	225															450
	Total																		**5,245**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	141	251	251	251	251	251	251	251	251	251	0	0	2,398
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**2,398**
PG	*Planning gain*				153	272	272	272	272	272	272	272	272	272	0	0	0	0	2,601
	Total																		**2,601**
Other	*Planning*	*£439*	45	45	45														134
	Survey	*£350*	107																107
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**241**
Sales fees	*b/forward from above*		0	0	0	0	0	0	95	169	169	169	169	169	169	169	169	169	**1,613**
Total costs			**6,318**	**869**	**938**	**1,122**	**2,074**	**3,281**	**3,376**	**3,450**	**3,450**	**3,450**	**3,450**	**3,450**	**2,927**	**2,927**	**169**	**169**	**41,417**
Net profit/loss from quarter			**-6,318**	**-869**	**-938**	**-1,122**	**-2,074**	**-3,281**	**-324**	**1,976**	**1,976**	**1,976**	**1,976**	**1,976**	**2,499**	**2,499**	**5,257**	**5,257**	**10,465**
Profit/loss bf from last quarter			0	-6,436	-7,442	-8,537	-9,841	-12,138	-15,708	-16,332	-14,626	-12,887	-11,115	-9,311	-7,472	-5,067	-2,616	2,690	
Cumulative profit/loss			-6,318	-7,305	-8,380	-9,659	-11,915	-15,419	-16,032	-14,356	-12,650	-10,911	-9,139	-7,335	-4,973	-2,568	2,641	7,947	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
	Total		-118	-137	-157	-181	-223	-289	-301	-269	-237	-205	-171	-138	-93	-48	50	149	**-2,369**
Cumulative developer profit carried forward to RV calc			**-6,436**	**-7,442**	**-8,537**	**-9,841**	**-12,138**	**-15,708**	**-16,332**	**-14,626**	**-12,887**	**-11,115**	**-9,311**	**-7,472**	**-5,067**	**-2,616**	**2,690**	**8,096**	**8,095**

SITE 2: Co op Depot Felixstowe Rd

Input assumptions

Scenario & option Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal HMA

Site details

Site		Co-op Depot
Location		Ipswich
Area	ha	4.64
	acres	11.47
No dwgs		227
Density dw/ha		48.9

Dwellings

		no of dwgs	%	ave floor space gross sq ft	net sq ft	build cost per sq ft	sales value per sq ft	
8.03	Market housing	158.90	70%	812	782	82.50	195.00	129,027
						0.0%		
2.58	Affordable soc rent	51.08	22.5%	812	782	82.50	79.00	41,473
						0.0%		
0.86	Aff sh oship	17.03	7.5%	812	782	82.50	92.00	13,824
	Total	227.0	100%	184,324	177,514	£15,206,730	£28,610,819	184,324

net:gross= 96%

Floorspace density = 15,483 net sq ft per acre

	£k	
Contingency		
allowance	5.00%	760

124259.8
0
39940.65
0
13313.55
177514

Development costs

standard % build	17.5%	2,794
plus abnormals	1.9%	300
Total	19%	

Other costs

Planning	419	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-720

Design fees

on build costs	10.0%	1,597
on dev costs	0%	

Planning gain

£ per dwelling	10,800	2,452

Notes

SITE 2 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	-745,500	2,850,000
RV per acre	£	-65,021	248,573
RV per hectare	£	-160,668	614,224
Dev profit	£	4,463,186	5,770,757
Total costs	£	24,148,833	28,845,673
profit as % of costs		18.48%	20.01%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			14.0	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1					158.9
	Affordable soc rent			4.5	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2					51.1
	Aff sh oship			1.5	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7					17.0
	TOTAL	0	0	20	23	23	23	23	23	23	23	23	23					227.0
Units 'built' +2Q	*Market housing*			0	0	14	16	16	16	16	16	16	16	16	16	0	0	159
	Affordable soc rent			0	0	5	5	5	5	5	5	5	5	5	5	0	0	51
	Aff sh oship			0	0	2	2	2	2	2	2	2	2	2	2	0	0	17
Units completed +3Q	*Market housing*				0	0	14	16	16	16	16	16	16	16	16	16	0	159
	Affordable soc rent				0	0	5	5	5	5	5	5	5	5	5	5	0	51
	Aff sh oship				0	0	2	2	2	2	2	2	2	2	2	2	0	17
Units purchased +4Q	*Market housing*					0	0	14	16	16	16	16	16	16	16	16	16	159
	Affordable soc rent					0	0	5	5	5	5	5	5	5	5	5	5	51
	Aff sh oship					0	0	2	2	2	2	2	2	2	2	2	2	17

SITE 2 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	2,135	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	24,231
	Affordable soc rent		0	0	0	0	0	0	278	320	320	320	320	320	320	320	320	320	3,155
	Aff sh oship		0	0	0	0	0	0	108	124	124	124	124	124	124	124	124	124	1,225
																			0
	Sales fees		0	0	0	0	0	0	-77	-89	-89	-89	-89	-89	-89	-89	-89	-89	-876
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**2,521**	**2,899**	**2,899**	**2,899**	**2,899**	**2,899**	**2,899**	**2,899**	**2,899**	**2,899**	**28,611**
COSTS																			
Land	*Land acquisition*		-746																-746
	Stamp duty		0																0
	Purchase fees		-21																-21
	Total																		**-766**
Build costs	*Market housing*		0	0	0	0	938	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	0	0	10,645
	Affordable soc rent		0	0	0	0	301	347	347	347	347	347	347	347	347	347	0	0	3,422
	Aff sh oship		0	0	0	0	100	116	116	116	116	116	116	116	116	116	0	0	1,141
	Build contingency	*5.0%*	0	0	0	0	67	77	77	77	77	77	77	77	77	77	0	0	760
	Total																		**15,967**
Dev costs	*Upfront*	*8.8%*	349	349	349	349													1,397
	Build related	*8.8%*	0	0	123	142	142	142	142	142	142	142	142	142	0	0			1,397
	Abnormals	*2%*	150	150															300
	Total																		**3,094**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	141	162	162	162	162	162	162	162	162	162	0	0	1,597
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**1,597**
PG	*Planning gain*				216	248	248	248	248	248	248	248	248	248	0	0	0	0	2,452
	Total																		**2,452**
Other	*Planning*	*£419*	32	32	32														95
	Survey	*£500*	114																114
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**209**
Sales fees	*b/forward from above*		0	0	0	0	0	0	77	89	89	89	89	89	89	89	89	89	**876**
Total costs			**-121**	**531**	**720**	**739**	**1,937**	**2,170**	**2,247**	**2,258**	**2,258**	**2,258**	**2,258**	**2,258**	**1,868**	**1,868**	**89**	**89**	**23,429**
Net profit/loss from quarter			**121**	**-531**	**-720**	**-739**	**-1,937**	**-2,170**	**274**	**641**	**641**	**641**	**641**	**641**	**1,031**	**1,031**	**2,810**	**2,810**	**5,182**
Profit/loss bf from last quarter			0	124	-415	-1,156	-1,931	-3,941	-6,225	-6,062	-5,523	-4,974	-4,415	-3,845	-3,264	-2,276	-1,268	1,571	
Cumulative profit/loss			121	-407	-1,135	-1,895	-3,868	-6,110	-5,951	-5,422	-4,883	-4,334	-3,774	-3,204	-2,234	-1,245	1,542	4,381	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
	Total		2	-8	-21	-36	-73	-115	-112	-102	-92	-81	-71	-60	-42	-23	29	82	**-720**
Cumulative developer profit carried forward to RV calc			**124**	**-415**	**-1,156**	**-1,931**	**-3,941**	**-6,225**	**-6,062**	**-5,523**	**-4,974**	**-4,415**	**-3,845**	**-3,264**	**-2,276**	**-1,268**	**1,571**	**4,463**	**4,462**

SITE 3: Cedars Park 6A Stowmarket

Input assumptions

Scenario & option Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal HMA

Site details

Site		Cedars Park 6A	
Location		Stowmarket	
Area	ha	2.75	4.76
	acres	6.80	
No dwgs		104	1.53
Density dw/ha		37.8	
			0.51

Dwellings

	no of dwgs	%	ave floor space gross sq ft	net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	72.80	70%	1,030	1,013	81.00	182.00	74,984
					0.0%		
Affordable soc rent	23.40	22.5%	1,030	1,013	81.00	67.00	24,102
					0.0%		
Aff sh oship	7.80	7.5%	1,030	1,013	81.00	87.00	8,034
Total	104.0	100%	107,120	105,352	£8,676,720	£15,697,448	107,120

net:gross= 98%

Floorspace density = 15,504 net sq ft per acre

	£k	
Contingency		73746.4
allowance	2.50%	217 0
		23704.2
		0
		7901.4
		105352

Development costs

standard % build	17.5%	1,556
plus abnormals	0.0%	0
Total	18%	

Other costs

Planning	329	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Design fees

on build costs	10.0%	889
on dev costs	0%	

Interest

% per annum	7.50%	-440

Planning gain

£ per dwelling	10,000	1,040

Notes

SITE 3 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	**-109,000**	**2,003,449**
RV per acre	£	**-16,041**	**294,831**
RV per hectare	£	**-39,636**	**728,527**
Dev profit	£	**2,451,449**	**3,198,178**
Total costs	£	**13,247,049**	**15,976,936**
profit as % of costs		**18.51%**	**20.02%**

Programme		*Year 1* Q1	Q2	Q3	Q4	*Year 2* Q1	Q2	Q3	Q4	*Year 3* Q1	Q2	Q3	Q4	*Year 4* Q1	Q2	Q3	Q4	*TOTALS*
Units started	*Market housing*			4.2	9.8	9.8	9.8	9.8	9.8	9.8	9.8	0.0	0.0					72.8
	Affordable soc rent			1.4	3.2	3.2	3.2	3.2	3.2	3.2	3.2	0.0	0.0					23.4
	Aff sh oship			0.5	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.0	0.0					7.8
	TOTAL	0	0	6	14	14	14	14	14	14	14	0	0					104.0
Units 'built' +2Q	*Market housing*			0	0	4	10	10	10	10	10	10	10	0	0	0	0	73
	Affordable soc rent			0	0	1	3	3	3	3	3	3	3	0	0	0	0	23
	Aff sh oship			0	0	0	1	1	1	1	1	1	1	0	0	0	0	8
Units completed +3Q	*Market housing*				0	0	4	10	10	10	10	10	10	10	0	0	0	73
	Affordable soc rent				0	0	1	3	3	3	3	3	3	3	0	0	0	23
	Aff sh oship				0	0	0	1	1	1	1	1	1	1	0	0	0	8
Units purchased +4Q	*Market housing*					0	0	4	10	10	10	10	10	10	10	0	0	73
	Affordable soc rent					0	0	1	3	3	3	3	3	3	3	0	0	23
	Aff sh oship					0	0	0	1	1	1	1	1	1	1	0	0	8

SITE 3 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	774	1,807	1,807	1,807	1,807	1,807	1,807	1,807	0	0	13,422
	Affordable soc rent		0	0	0	0	0	0	92	214	214	214	214	214	214	214	0	0	1,588
	Aff sh oship		0	0	0	0	0	0	40	93	93	93	93	93	93	93	0	0	687
																			0
	Sales fees		0	0	0	0	0	0	-28	-65	-65	-65	-65	-65	-65	-65	0	0	-485
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**906**	**2,113**	**2,113**	**2,113**	**2,113**	**2,113**	**2,113**	**2,113**	**0**	**0**	**15,697**
COSTS																			
Land	*Land acquisition*		-109																-109
	Stamp duty		0																0
	Purchase fees		-3																-3
	Total																		**-112**
Build costs	*Market housing*		0	0	0	0	350	818	818	818	818	818	818	818	0	0	0	0	6,074
	Affordable soc rent		0	0	0	0	113	263	263	263	263	263	263	263	0	0	0	0	1,952
	Aff sh oship		0	0	0	0	38	88	88	88	88	88	88	88	0	0	0	0	651
	Build contingency	*2.5%*	0	0	0	0	13	29	29	29	29	29	29	29	0	0	0	0	217
	Total																		**8,894**
Dev costs	*Upfront*	*8.8%*	195	195	195	195													778
	Build related	*8.8%*	0	0	45	105	105	105	105	105	105	105	0	0	0	0			778
	Abnormals	*0%*	0	0															0
	Total																		**1,556**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	51	120	120	120	120	120	120	120	0	0	0	0	889
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**889**
PG	*Planning gain*				60	140	140	140	140	140	140	140	0	0	0	0	0	0	1,040
	Total																		**1,040**
Other	*Planning*	*£329*	11	11	11														34
	Survey	*£200*	21																21
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**55**
Sales fees	*b/forward from above*		0	0	0	0	0	0	28	65	65	65	65	65	65	65	0	0	**485**
Total costs			**115**	**206**	**311**	**439**	**809**	**1,562**	**1,590**	**1,627**	**1,627**	**1,627**	**1,382**	**1,382**	**65**	**65**	**0**	**0**	**12,807**
Net profit/loss from quarter			**-115**	**-206**	**-311**	**-439**	**-809**	**-1,562**	**-684**	**486**	**486**	**486**	**731**	**731**	**2,048**	**2,048**	**0**	**0**	**2,890**
Profit/loss bf from last quarter			0	-117	-329	-652	-1,111	-1,956	-3,584	-4,348	-3,934	-3,512	-3,083	-2,396	-1,696	358	2,451	2,451	
Cumulative profit/loss			-115	-323	-640	-1,091	-1,920	-3,518	-4,268	-3,862	-3,448	-3,026	-2,352	-1,665	352	2,406	2,451	2,451	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	
	Total		-2	-6	-12	-20	-36	-66	-80	-72	-65	-57	-44	-31	7	45	0	0	**-440**
Cumulative developer profit carried forward to RV calc			**-117**	**-329**	**-652**	**-1,111**	**-1,956**	**-3,584**	**-4,348**	**-3,934**	**-3,512**	**-3,083**	**-2,396**	**-1,696**	**358**	**2,451**	**2,451**	**2,451**	**2,450**

SITE 4: Waterfront Orwell Quay Ipswich

Input assumptions

Scenario & option Affordable 30% = 22.5% social rented 7.5% shared ownership zero grant

Ipswich Bab MS SC HMA

Site details

Site		Shed 8 Waterfront site
Location		Ipswich
Area	ha	0.76
	acres	1.88
No dwgs		219
Density dw/ha		288.2

		£k
Contingency		
allowance	5.00%	1,142
Development costs		
standard % build	8.00%	1,919
plus abnormals	5.4%	1,300
Total	13%	
Design fees		
on build costs	10.0%	2,399
on dev costs	0%	
Planning gain		
£ per dwelling	6,300	825

FLAG PG ALL

Dwellings

Dwellings			ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft
Market housing	91.7	41.87%	834	667	120.50	215.00
					0.0%	
Affordable soc rent	29.5	13.46%	834	667	120.50	81.50
					0.0%	
Affordable sh oship	9.8	4.49%	834	667	120.50	91.00
					0.0%	
Aff other 1	35.0	15.98%	1,000	850	110.00	220.00
					0.0%	
Aff other 2	53.0	24.20%	1,000	1,000	110.00	220.00
Total	219.0	100.00%	197,253	170,126	£22,845,052	£33,552,660

Floorspace density = 90,591 net sq ft per acre

Other costs

Planning	516.2	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50%

Notes

SITE 4 LAND COST & PHASING

Land

		Iterate to achieve 20.0% profit		Hectare	
		Affordable	No affordable	Affordable	No affordable
Land purchase price	£	-4,000,404	-2,475,243		
RV per acre	£	-2,130,186	-1,318,049	-£5,263,690	-£3,256,898
Dev profit	£	5,239,521	6,171,012		
Total costs	£	28,314,039	30,820,624		
profit as % of costs		18.51%	20.02%		

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.0	30.6	30.6	30.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.7
	Affordable soc rent			0.0	9.8	9.8	9.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.5
	Affordable sh oship			0.0	3.3	3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8
	Aff other 1			0.0	11.7	11.7	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.0
	Aff other 2			0.0	17.7	17.7	17.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	53.0
	TOTAL	0	0	0	73	73	73	0	0	0	0	0	0	0	0	0	0	219.0
Units 'built'	*Market housing*						0	31	31	31	0	0	0	0	0	0	0	92
+2Q	*Affordable soc rent*						0	10	10	10	0	0	0	0	0	0	0	29
	Affordable sh oship						0	3	3	3	0	0	0	0	0	0	0	10
	Aff other 1						0	12	12	12	0	0	0	0	0	0	0	35
	Aff other 2						0	18	18	18	0	0	0	0	0	0	0	53
Units completed	*Market housing*								0	31	31	31	0	0	0	0	0	92
+3Q	*Affordable soc rent*								0	10	10	10	0	0	0	0	0	29
	Affordable sh oship								0	3	3	3	0	0	0	0	0	10
	Aff other 1								0	12	12	12	0	0	0	0	0	35
	Aff other 2								0	18	18	18	0	0	0	0	0	53
Units purchased	*Market housing*									0	31	31	31	0	0	0	0	92
+4Q	*Affordable soc rent*									0	10	10	10	0	0	0	0	29
	Affordable sh oship									0	3	3	3	0	0	0	0	10
	Aff other 1									0	12	12	12	0	0	0	0	35
	Aff other 2									0	18	18	18	0	0	0	0	53

SITE 4 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	0	0	0	4,383	4,383	4,383	0	0	0	0	13,150
	Affordable soc rent		0	0	0	0	0	0	0	0	0	534	534	534	0	0	0	0	1,602
	Affordable sh oship		0	0	0	0	0	0	0	0	0	199	199	199	0	0	0	0	597
	Aff other 1		0	0	0	0	0	0	0	0	0	2,181	2,181	2,181	0	0	0	0	6,544
	Aff other 2		0	0	0	0	0	0	0	0	0	3,887	3,887	3,887	0	0	0	0	11,660
	Sales fees		0	0	0	0	0	0	0	0	0	-214	-214	-214	0	0	0	0	-641
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**11,184**	**11,184**	**11,184**	**0**	**0**	**0**	**0**	**33,553**
COSTS																			
Land	*Land acquisition*		-4,000																-4,000
	Stamp duty		0																0
	Purchase fees		-110																-110
	Total																		**-4,110**
Build costs	*Market housing*		0	0	0	0	0	0	3,072	3,072	3,072	0	0	0	0	0	0	0	9,215
	Affordable soc rent		0	0	0	0	0	0	987	987	987	0	0	0	0	0	0	0	2,962
	Affordable sh oship		0	0	0	0	0	0	329	329	329	0	0	0	0	0	0	0	988
	Aff other 1		0	0	0	0	0	0	1,283	1,283	1,283	0	0	0	0	0	0	0	3,850
	Aff other 2		0	0	0	0	0	0	1,943	1,943	1,943	0	0	0	0	0	0	0	5,830
	Build contingency	*5.0%*	0	0	0	0	0	0	381	381	381	0	0	0	0	0	0	0	1,142
	Total																		**23,987**
Dev costs	*Upfront*	*4.0%*	240	240	240	240													959
	Build related	*4.0%*	0	0	0	0	320	320	320	0	0	0	0	0	0	0	0	0	959
	Abnormals	*5%*	650	650															1,300
	Total																		**3,219**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	0	0	800	800	800	0	0	0	0	0	0	0	2,399
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**2,399**
PG	*Planning gain*				0	275	275	275	0	0	0	0	0	0	0	0	0	0	825
	Total																		**825**
Other	*Planning*	*£516*	38	38	38														113
	Survey	*£500*	110																110
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**223**
Sales fees	*b/forward from above*		0	0	0	0	0	0	0	0	0	214	214	214	0	0	0	0	**641**
Total costs			**-3,073**	**928**	**278**	**515**	**595**	**595**	**9,115**	**8,795**	**8,795**	**214**	**214**	**214**	**0**	**0**	**0**	**0**	**27,183**
Net profit/loss from quarter			**3,073**	**-928**	**-278**	**-515**	**-595**	**-595**	**-9,115**	**-8,795**	**-8,795**	**10,971**	**10,971**	**10,971**	**0**	**0**	**0**	**0**	**6,369**
Profit/loss bf from last quarter			0	3,131	2,245	2,004	1,517	940	351	-8,928	-18,056	-27,355	-16,691	-5,828	5,240	5,240	5,240	5,240	
Cumulative profit/loss			3,073	2,203	1,967	1,489	922	345	-8,764	-17,724	-26,851	-16,384	-5,720	5,143	5,240	5,240	5,240	5,240	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		58	41	37	28	17	6	-164	-332	-503	-307	-107	96	0	0	0	0	**-1,131**
Cumulative developer profit carried forward to RV calc			**3,131**	**2,245**	**2,004**	**1,517**	**940**	**351**	**-8,928**	**-18,056**	**-27,355**	**-16,691**	**-5,828**	**5,240**	**5,240**	**5,240**	**5,240**	**5,240**	**5,239**

SITE 5: Priory Stadium Sudbury

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal HMA

Site details

Site		Priory Stadium	
Location		Sudbury	
Area	ha	2.08	3.60
	acres	5.14	
No dwgs		60	1.16
Density dw/ha		28.8	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	42.00	70%	1,073	1,071	79.00	230.00	45,066
					0.0%		
Affordable soc rent	13.50	22.5%	1,073	1,071	79.00	77.00	14,486
					0.0%		
Aff sh oship	4.50	7.5%	1,073	1,071	79.00	93.00	4,829
Total	60.0	100%	64,380	64,260	£5,086,020	£11,907,378	64,380

net:gross= 100%

Floorspace density = 12,503 net sq ft per acre

	£k
	44982
	0
	14458.5
	0
	4819.5
	64260

Contingency

		£k
allowance	5.00%	254

Development costs

standard % build	12.0%	641
plus abnormals	0.0%	0
Total	12%	

Design fees

on build costs	10.0%	534
on dev costs	0%	

Planning gain

£ per dwelling	7,500	450

Other costs

Planning	208	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-573

Notes

SITE 5 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	1,964,200	3,693,966
RV per acre	£	382,164	718,715
RV per hectare	£	944,327	1,775,945
Dev profit	£	1,859,082	2,463,408
Total costs	£	10,049,196	12,317,292
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			7.0	7.0	7.0	7.0	7.0	7.0	0.0	0.0	0.0	0.0					42.0
	Affordable soc rent			2.3	2.3	2.3	2.3	2.3	2.3	0.0	0.0	0.0	0.0					13.5
	Aff sh oship			0.8	0.8	0.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0					4.5
	TOTAL	0	0	10	10	10	10	10	10	0	0	0	0					60.0
Units 'built' +2Q	*Market housing*			0	0	7	7	7	7	7	7	0	0	0	0	0	0	42
	Affordable soc rent			0	0	2	2	2	2	2	2	0	0	0	0	0	0	14
	Aff sh oship			0	0	1	1	1	1	1	1	0	0	0	0	0	0	5
Units completed +3Q	*Market housing*				0	0	7	7	7	7	7	7	0	0	0	0	0	42
	Affordable soc rent				0	0	2	2	2	2	2	2	0	0	0	0	0	14
	Aff sh oship				0	0	1	1	1	1	1	1	0	0	0	0	0	5
Units purchased +4Q	*Market housing*					0	0	7	7	7	7	7	7	0	0	0	0	42
	Affordable soc rent					0	0	2	2	2	2	2	2	0	0	0	0	14
	Aff sh oship					0	0	1	1	1	1	1	1	0	0	0	0	5

SITE 5 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	1,724	1,724	1,724	1,724	1,724	1,724	0	0	0	0	10,346
	Affordable soc rent		0	0	0	0	0	0	186	186	186	186	186	186	0	0	0	0	1,113
	Aff sh oship		0	0	0	0	0	0	75	75	75	75	75	75	0	0	0	0	448
																			0
	Sales fees		0	0	0	0	0	0	-62	-62	-62	-62	-62	-62	0	0	0	0	-372
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**1,985**	**1,985**	**1,985**	**1,985**	**1,985**	**1,985**	**0**	**0**	**0**	**0**	**11,907**
COSTS																			
Land	*Land acquisition*		1,964																1,964
	Stamp duty		79																79
	Purchase fees		54																54
	Total																		**2,097**
Build costs	*Market housing*		0	0	0	0	593	593	593	593	593	593	0	0	0	0	0	0	3,560
	Affordable soc rent		0	0	0	0	191	191	191	191	191	191	0	0	0	0	0	0	1,144
	Aff sh oship		0	0	0	0	64	64	64	64	64	64	0	0	0	0	0	0	381
	Build contingency	*5.0%*	0	0	0	0	42	42	42	42	42	42	0	0	0	0	0	0	254
	Total																		**5,340**
Dev costs	*Upfront*	*6.0%*	80	80	80	80													320
	Build related	*6.0%*	0	0	53	53	53	53	53	53	0	0	0	0	0	0			320
	Abnormals	*0%*	0	0															0
	Total																		**641**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	89	89	89	89	89	89	0	0	0	0	0	0	534
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**534**
PG	*Planning gain*				75	75	75	75	75	75	0	0	0	0	0	0	0	0	450
	Total																		**450**
Other	*Planning*	*£208*	4	4	4														12
	Survey	*£500*	30																30
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**42**
Sales fees	*b/forward from above*		0	0	0	0	0	0	62	62	62	62	62	62	0	0	0	0	**372**
Total costs			**2,211**	**84**	**213**	**209**	**1,107**	**1,107**	**1,169**	**1,169**	**1,041**	**1,041**	**62**	**62**	**0**	**0**	**0**	**0**	**9,477**
Net profit/loss from quarter			**-2,211**	**-84**	**-213**	**-209**	**-1,107**	**-1,107**	**815**	**815**	**943**	**943**	**1,923**	**1,923**	**0**	**0**	**0**	**0**	**2,431**
Profit/loss bf from last quarter			0	-2,252	-2,380	-2,642	-2,903	-4,086	-5,291	-4,560	-3,815	-2,925	-2,019	-98	1,859	1,859	1,859	1,859	
Cumulative profit/loss			-2,211	-2,337	-2,593	-2,850	-4,011	-5,194	-4,476	-3,745	-2,871	-1,981	-96	1,825	1,859	1,859	1,859	1,859	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		-41	-44	-49	-53	-75	-97	-84	-70	-54	-37	-2	34	0	0	0	0	**-573**
Cumulative developer profit carried forward to RV calc			**-2,252**	**-2,380**	**-2,642**	**-2,903**	**-4,086**	**-5,291**	**-4,560**	**-3,815**	**-2,925**	**-2,019**	**-98**	**1,859**	**1,859**	**1,859**	**1,859**	**1,859**	**1,858**

SITE 6 Tower Rd Felixstowe

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal HMA

Site details

Site		Tower Rd	
Location		Felixstowe	
Area	ha	1.19	2.06
	acres	2.94	
No dwgs		57	0.66
Density dw/ha		47.9	0.22

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	39.90	70%	839	800	83.50	237.00	33,476
					0.0%		
Affordable soc rent	12.83	22.5%	839	800	83.50	68.00	10,760
					0.0%		
Aff sh oship	4.28	7.5%	839	800	83.50	120.00	3,587
Total	57.0	100%	47,823	45,600	£3,993,221	£8,673,120	47,823

net:gross= 95%

Floorspace density = 15,508 net sq ft per acre

	£k
Contingency	
allowance 2.50%	100
Development costs	
standard % build 13.0%	532
plus abnormals 0.0%	0
Total 13%	
Design fees	
on build costs 10.0%	409
on dev costs 0%	
Planning gain	
£ per dwelling 4,900	279

31920			
0			
10260			
0			
3420			
45600			

Other costs

Planning	192	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-399

Notes

SITE 6 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	1,230,000	2,513,853
RV per acre	£	418,298	854,910
RV per hectare	£	1,033,613	2,112,482
Dev profit	£	1,353,898	1,801,323
Total costs	£	7,320,122	9,006,777
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			4.9	7.0	7.0	7.0	7.0	7.0	0.0	0.0	0.0	0.0					39.9
	Affordable soc rent			1.6	2.3	2.3	2.3	2.3	2.3	0.0	0.0	0.0	0.0					12.8
	Aff sh oship			0.5	0.8	0.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0					4.3
	TOTAL	0	0	7	10	10	10	10	10	0	0	0	0					57.0
Units 'built' +2Q	*Market housing*			0	0	5	7	7	7	7	7	0	0	0	0	0	0	40
	Affordable soc rent			0	0	2	2	2	2	2	2	0	0	0	0	0	0	13
	Aff sh oship			0	0	1	1	1	1	1	1	0	0	0	0	0	0	4
Units completed +3Q	*Market housing*				0	0	5	7	7	7	7	7	0	0	0	0	0	40
	Affordable soc rent				0	0	2	2	2	2	2	2	0	0	0	0	0	13
	Aff sh oship				0	0	1	1	1	1	1	1	0	0	0	0	0	4
Units purchased +4Q	*Market housing*					0	0	5	7	7	7	7	7	0	0	0	0	40
	Affordable soc rent					0	0	2	2	2	2	2	2	0	0	0	0	13
	Aff sh oship					0	0	1	1	1	1	1	1	0	0	0	0	4

SITE 6 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	929	1,327	1,327	1,327	1,327	1,327	0	0	0	0	7,565
	Affordable soc rent		0	0	0	0	0	0	86	122	122	122	122	122	0	0	0	0	698
	Aff sh oship		0	0	0	0	0	0	50	72	72	72	72	72	0	0	0	0	410
																			0
	Sales fees		0	0	0	0	0	0	-33	-48	-48	-48	-48	-48	0	0	0	0	-272
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**1,065**	**1,522**	**1,522**	**1,522**	**1,522**	**1,522**	**0**	**0**	**0**	**0**	**8,673**
COSTS																			
Land	*Land acquisition*		1,230																1,230
	Stamp duty		49																49
	Purchase fees		34																34
	Total																		**1,313**
Build costs	*Market housing*		0	0	0	0	343	490	490	490	490	490	0	0	0	0	0	0	2,795
	Affordable soc rent		0	0	0	0	110	158	158	158	158	158	0	0	0	0	0	0	898
	Aff sh oship		0	0	0	0	37	53	53	53	53	53	0	0	0	0	0	0	299
	Build contingency	*2.5%*	0	0	0	0	12	18	18	18	18	18	0	0	0	0	0	0	100
	Total																		**4,093**
Dev costs	*Upfront*	*6.5%*	67	67	67	67													266
	Build related	*6.5%*	0	0	33	47	47	47	47	47	0	0	0	0	0	0			266
	Abnormals	*0%*	0	0															0
	Total																		**532**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	50	72	72	72	72	72	0	0	0	0	0	0	409
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**409**
PG	*Planning gain*				34	49	49	49	49	49	0	0	0	0	0	0	0	0	279
	Total																		**279**
Other	*Planning*	*£192*	4	4	4														11
	Survey	*£200*	11																11
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**22**
Sales fees	*b/forward from above*		0	0	0	0	0	0	33	48	48	48	48	48	0	0	0	0	**272**
Total costs			**1,395**	**70**	**137**	**162**	**649**	**886**	**919**	**933**	**838**	**838**	**48**	**48**	**0**	**0**	**0**	**0**	**6,922**
Net profit/loss from quarter			**-1,395**	**-70**	**-137**	**-162**	**-649**	**-886**	**146**	**588**	**684**	**684**	**1,474**	**1,474**	**0**	**0**	**0**	**0**	**1,752**
Profit/loss bf from last quarter			0	-1,421	-1,519	-1,687	-1,884	-2,580	-3,530	-3,447	-2,913	-2,270	-1,616	-145	1,354	1,354	1,354	1,354	
Cumulative profit/loss			-1,395	-1,491	-1,656	-1,849	-2,532	-3,465	-3,384	-2,859	-2,229	-1,586	-142	1,329	1,354	1,354	1,354	1,354	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		-26	-28	-31	-35	-47	-65	-63	-54	-42	-30	-3	25	0	0	0	0	**-399**
Cumulative developer profit carried forward to RV calc			**-1,421**	**-1,519**	**-1,687**	**-1,884**	**-2,580**	**-3,530**	**-3,447**	**-2,913**	**-2,270**	**-1,616**	**-145**	**1,354**	**1,354**	**1,354**	**1,354**	**1,354**	**1,353**

SITE 7 Blyth Villas Sweffling

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal HMA

Site details

Site		Blyth Villas	
Location		Sweffling	
Area	ha	0.63	1.09
	acres	1.56	
No dwgs		12	0.35
Density dw/ha		19.0	
			0.12

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	8.40	70%	973	973	79.50	240.00	8,173
					0.0%		
Affordable soc rent	2.70	22.5%	973	973	79.50	67.00	2,627
					0.0%		
Aff sh oship	0.90	7.5%	973	973	79.50	121.50	876
Total	12.0	100%	11,676	11,676	£928,242	£2,243,981	11,676

net:gross= 100%

Floorspace density = 7,500 net sq ft per acre

8173.2
0
2627.1
0
875.7
11676

	£k
Contingency	
allowance 2.50%	23
Development costs	
standard % build 10.0%	95
plus abnormals 0.0%	0
Total 10%	
Design fees	
on build costs 10.0%	95
on dev costs 0%	
Planning gain	
£ per dwelling 1,500	18

Other costs

Planning	415	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-116

Notes

SITE 7 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	506,432	848,279
RV per acre	£	325,318	544,911
RV per hectare	£	803,860	1,346,475
Dev profit	£	350,438	467,152
Total costs	£	1,894,293	2,335,838
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			2.1	2.1	2.1	2.1	0.0	0.0	0.0	0.0	0.0	0.0					8.4
	Affordable soc rent			0.7	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0					2.7
	Aff sh oship			0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0					0.9
	TOTAL	0	0	3	3	3	3	0	0	0	0	0	0					12.0
Units 'built' +2Q	*Market housing*			0	0	2	2	2	2	0	0	0	0	0	0	0	0	8
	Affordable soc rent			0	0	1	1	1	1	0	0	0	0	0	0	0	0	3
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units completed +3Q	*Market housing*				0	0	2	2	2	2	0	0	0	0	0	0	0	8
	Affordable soc rent				0	0	1	1	1	1	0	0	0	0	0	0	0	3
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units purchased +4Q	*Market housing*					0	0	2	2	2	2	0	0	0	0	0	0	8
	Affordable soc rent					0	0	1	1	1	1	0	0	0	0	0	0	3
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	1

SITE 7 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	490	490	490	490	0	0	0	0	0	0	1,962
	Affordable soc rent		0	0	0	0	0	0	44	44	44	44	0	0	0	0	0	0	176
	Aff sh oship		0	0	0	0	0	0	27	27	27	27	0	0	0	0	0	0	106
																			0
	Sales fees		0	0	0	0	0	0	-18	-18	-18	-18	0	0	0	0	0	0	-71
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**561**	**561**	**561**	**561**	**0**	**0**	**0**	**0**	**0**	**0**	**2,244**
COSTS																			
Land	*Land acquisition*		506																506
	Stamp duty		20																20
	Purchase fees		14																14
	Total																		**541**
Build costs	*Market housing*		0	0	0	0	162	162	162	162	0	0	0	0	0	0	0	0	650
	Affordable soc rent		0	0	0	0	52	52	52	52	0	0	0	0	0	0	0	0	209
	Aff sh oship		0	0	0	0	17	17	17	17	0	0	0	0	0	0	0	0	70
	Build contingency	*2.5%*	0	0	0	0	6	6	6	6	0	0	0	0	0	0	0	0	23
	Total																		**951**
Dev costs	*Upfront*	*5.0%*	12	12	12	12													48
	Build related	*5.0%*	0	0	12	12	12	12	0	0	0	0	0	0	0	0			48
	Abnormals	*0%*	0	0															0
	Total																		**95**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	24	24	24	24	0	0	0	0	0	0	0	0	95
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**95**
PG	*Planning gain*				5	5	5	5	0	0	0	0	0	0	0	0	0	0	18
	Total																		**18**
Other	*Planning*	*£415*	2	2	2														5
	Survey	*£200*	2																2
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**7**
Sales fees	*b/forward from above*		0	0	0	0	0	0	18	18	18	18	0	0	0	0	0	0	**71**
Total costs			**557**	**14**	**30**	**28**	**278**	**278**	**279**	**279**	**18**	**18**	**0**	**0**	**0**	**0**	**0**	**0**	**1,778**
Net profit/loss from quarter			**-557**	**-14**	**-30**	**-28**	**-278**	**-278**	**282**	**282**	**543**	**543**	**0**	**0**	**0**	**0**	**0**	**0**	**466**
Profit/loss bf from last quarter			0	-567	-591	-633	-673	-969	-1,271	-1,007	-739	-199	350	350	350	350	350	350	
Cumulative profit/loss			-557	-580	-621	-661	-951	-1,247	-989	-726	-196	344	350	350	350	350	350	350	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-10	-11	-12	-12	-18	-23	-19	-14	-4	6	0	0	0	0	0	0	**-116**
Cumulative developer profit carried forward to RV calc			**-567**	**-591**	**-633**	**-673**	**-969**	**-1,271**	**-1,007**	**-739**	**-199**	**350**	**350**	**350**	**350**	**350**	**350**	**350**	**350**

SITE 8 Pound Hill Bacton

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal HMA

Site details

Site		Pound Hill	
Location		Bacton	
Area	ha	0.12	0.21
	acres	0.30	
No dwgs		3	0.07
Density dw/ha		25.0	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	2.10	70%	1,112	1,112	89.50	225.00	2,335
					0.0%		
Affordable soc rent	0.68	22.5%	1,112	1,112	89.50	67.00	751
					0.0%		
Aff sh oship	0.23	7.5%	1,112	1,112	89.50	87.00	250
Total	3.0	100%	3,336	3,336	£298,572	£597,478	3,336

net:gross= 100%

Floorspace density = 11,251 net sq ft per acre

	£k
Contingency	
allowance 2.50%	7
	2335.2
	0
	750.6
	0
	250.2
	3336

Development costs

		£k
standard % build	10.0%	31
plus abnormals	0.0%	0
Total	10%	

Design fees

		£k
on build costs	10.0%	31
on dev costs	0%	

Planning gain

		£k
£ per dwelling	1,500	5

Other costs

Planning	415	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-25

Notes

SITE 8 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	83,900	181,559
RV per acre	£	282,949	612,300
RV per hectare	£	699,167	1,512,993
Dev profit	£	93,394	125,209
Total costs	£	504,684	625,991
profit as % of costs		18.51%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					2.1
	Affordable soc rent			0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0.7
	Aff sh oship			0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0.2
	TOTAL	0	0	1	2	0	0	0	0	0	0	0	0					3.0
Units 'built' +2Q	*Market housing*			0	0	1	1	0	0	0	0	0	0	0	0	0	0	2
	Affordable soc rent			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units completed +3Q	*Market housing*				0	0	1	1	0	0	0	0	0	0	0	0	0	2
	Affordable soc rent				0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units purchased +4Q	*Market housing*					0	0	1	1	0	0	0	0	0	0	0	0	2
	Affordable soc rent					0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	0

SITE 8 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	175	350	0	0	0	0	0	0	0	0	525
	Affordable soc rent		0	0	0	0	0	0	17	34	0	0	0	0	0	0	0	0	50
	Aff sh oship		0	0	0	0	0	0	7	15	0	0	0	0	0	0	0	0	22
																			0
	Sales fees		0	0	0	0	0	0	-6	-13	0	0	0	0	0	0	0	0	-19
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**199**	**398**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**597**
COSTS																			
Land	*Land acquisition*		84																84
	Stamp duty		1																1
	Purchase fees		2																2
	Total																		**87**
Build costs	*Market housing*		0	0	0	0	70	139	0	0	0	0	0	0	0	0	0	0	209
	Affordable soc rent		0	0	0	0	22	45	0	0	0	0	0	0	0	0	0	0	67
	Aff sh oship		0	0	0	0	7	15	0	0	0	0	0	0	0	0	0	0	22
	Build contingency	*2.5%*	0	0	0	0	2	5	0	0	0	0	0	0	0	0	0	0	7
	Total																		**306**
Dev costs	*Upfront*	*5.0%*	4	4	4	4													15
	Build related	*5.0%*	0	0	5	10	0	0	0	0	0	0	0	0	0	0			15
	Abnormals	*0%*	0	0															0
	Total																		**31**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	10	20	0	0	0	0	0	0	0	0	0	0	31
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**31**
PG	*Planning gain*				2	3	0	0	0	0	0	0	0	0	0	0	0	0	5
	Total																		**5**
Other	*Planning*	*£415*	0	0	0														1
	Survey	*£200*	1																1
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**2**
Sales fees	*b/forward from above*		0	0	0	0	0	0	6	13	0	0	0	0	0	0	0	0	**19**
Total costs			**92**	**4**	**11**	**17**	**112**	**224**	**6**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**479**
Net profit/loss from quarter			**-92**	**-4**	**-11**	**-17**	**-112**	**-224**	**193**	**386**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**118**
Profit/loss bf from last quarter			0	-94	-100	-112	-132	-248	-482	-294	93	93	93	93	93	93	93	93	
Cumulative profit/loss			-92	-98	-110	-129	-244	-473	-289	92	93	93	93	93	93	93	93	93	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-2	-2	-2	-2	-5	-9	-5	2	0	0	0	0	0	0	0	0	**-25**
Cumulative developer profit carried forward to RV calc			**-94**	**-100**	**-112**	**-132**	**-248**	**-482**	**-294**	**93**	**93**	**93**	**93**	**93**	**93**	**93**	**93**	**93**	**93**

SITE A (Ip) Ipswich Cent E Edge

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		A1 Ipswich
Location		Ipswich
Area	ha	0.15
	acres	0.37
No dwgs		18
Density dw/ha		120.0

Dwellings

		no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
0.26	Market housing	12.60	70%	735	618	94.50	205.00	9,261
						0.0%		
0.08	Affordable soc rent	4.05	22.5%	735	618	94.50	83.00	2,977
						0.0%		
0.03	Aff sh oship	1.35	7.5%	735	618	94.50	90.00	992
	Total	18.0	100%	13,230	11,124	£1,250,235	£1,879,122	13,230

net:gross= 84%

Floorspace density = 30,012 net sq ft per acre

	£k
Contingency	
allowance 5.00%	63
	7786.8
	0
	2502.9
	0
	834.3
	11124

Development costs

		£k
standard % build	9.0%	118
plus abnormals	0.0%	0
Total	9%	

Design fees

		£k
on build costs	10.0%	131
on dev costs	0%	

Planning gain

		£k
£ per dwelling	5,000	90

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-39

Notes

SITE A Ip LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	-174,267	78,613
RV per acre	£	-470,165	212,094
RV per hectare	£	-1,161,778	524,085
Dev profit	£	293,515	379,938
Total costs	£	1,586,282	1,901,157
profit as % of costs		18.50%	19.98%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			4.2	4.2	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0					12.6
	Affordable soc rent			1.4	1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0					4.1
	Aff sh oship			0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0					1.4
	TOTAL	0	0	6	6	6	0	0	0	0	0	0	0					18.0
Units 'built' +2Q	*Market housing*			0	0	4	4	4	0	0	0	0	0	0	0	0	0	13
	Affordable soc rent			0	0	1	1	1	0	0	0	0	0	0	0	0	0	4
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units completed +3Q	*Market housing*				0	0	4	4	4	0	0	0	0	0	0	0	0	13
	Affordable soc rent				0	0	1	1	1	0	0	0	0	0	0	0	0	4
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units purchased +4Q	*Market housing*					0	0	4	4	4	0	0	0	0	0	0	0	13
	Affordable soc rent					0	0	1	1	1	0	0	0	0	0	0	0	4
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	1

SITE A Ip CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	532	532	532	0	0	0	0	0	0	0	1,596
	Affordable soc rent		0	0	0	0	0	0	69	69	69	0	0	0	0	0	0	0	208
	Aff sh oship		0	0	0	0	0	0	25	25	25	0	0	0	0	0	0	0	75
																			0
	Sales fees		0	0	0	0	0	0	-19	-19	-19	0	0	0	0	0	0	0	-58
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**626**	**626**	**626**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,879**
COSTS																			
Land	*Land acquisition*		-174																-174
	Stamp duty		0																0
	Purchase fees		-5																-5
	Total																		**-179**
Build costs	*Market housing*		0	0	0	0	292	292	292	0	0	0	0	0	0	0	0	0	875
	Affordable soc rent		0	0	0	0	94	94	94	0	0	0	0	0	0	0	0	0	281
	Aff sh oship		0	0	0	0	31	31	31	0	0	0	0	0	0	0	0	0	94
	Build contingency	*5.0%*	0	0	0	0	21	21	21	0	0	0	0	0	0	0	0	0	63
	Total																		**1,313**
Dev costs	*Upfront*	*4.5%*	15	15	15	15													59
	Build related	*4.5%*	0	0	20	20	20	0	0	0	0	0	0	0	0	0			59
	Abnormals	*0%*	0	0															0
	Total																		**118**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	44	44	44	0	0	0	0	0	0	0	0	0	131
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**131**
PG	*Planning gain*				30	30	30	0	0	0	0	0	0	0	0	0	0	0	90
	Total																		**90**
Other	*Planning*	*£415*	2	2	2														7
	Survey	*£500*	9																9
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**16**
Sales fees	*b/forward from above*		0	0	0	0	0	0	19	19	19	0	0	0	0	0	0	0	**58**
Total costs			**-153**	**17**	**67**	**64**	**531**	**481**	**501**	**19**	**19**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,547**
Net profit/loss from quarter			**153**	**-17**	**-67**	**-64**	**-531**	**-481**	**126**	**607**	**607**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**332**
Profit/loss bf from last quarter			0	156	141	76	11	-529	-1,029	-920	-319	294	294	294	294	294	294	294	
Cumulative profit/loss			153	138	74	11	-520	-1,011	-904	-313	288	294	294	294	294	294	294	294	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		3	3	1	0	-10	-19	-17	-6	5	0	0	0	0	0	0	0	**-39**
Cumulative developer profit carried forward to RV calc			**156**	**141**	**76**	**11**	**-529**	**-1,029**	**-920**	**-319**	**294**	**294**	**294**	**294**	**294**	**294**	**294**	**294**	**293**

SITE A (Bab) Gt Cornard Babergh

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		A1 Babergh	
Location		Gt Cornard	
Area	ha	0.15	0.26
	acres	0.37	
No dwgs		5	0.08
Density dw/ha		33.3	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	3.50	70%	977	977	86.00	220.00	3,420
					0.0%		
Affordable soc rent	1.13	22.5%	977	977	86.00	70.00	1,099
					0.0%		
Aff sh oship	0.38	7.5%	977	977	86.00	93.00	366
Total	5.0	100%	4,885	4,885	£420,110	£863,302	4,885

net:gross= 100%

Floorspace density = 13,180 net sq ft per acre

	£k
Contingency	
allowance 5.00%	21
Development costs	
standard % build 10.0%	44
plus abnormals 0.0%	0
Total 10%	
Design fees	
on build costs 10.0%	44
on dev costs 0%	
Planning gain	
£ per dwelling 1,500	8

3419.5
0
1099.125
0
366.375
4885

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-37

Notes

SITE A Bab LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	119,200	252,411
RV per acre	£	321,597	680,996
RV per hectare	£	794,667	1,682,741
Dev profit	£	134,907	179,239
Total costs	£	729,069	896,136
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0					3.5
	Affordable soc rent			0.2	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0					1.1
	Aff sh oship			0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0.4
	TOTAL	0	0	1	2	2	0	0	0	0	0	0	0					5.0
Units 'built' +2Q	*Market housing*			0	0	1	1	1	0	0	0	0	0	0	0	0	0	4
	Affordable soc rent			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units completed +3Q	*Market housing*				0	0	1	1	1	0	0	0	0	0	0	0	0	4
	Affordable soc rent				0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units purchased +4Q	*Market housing*					0	0	1	1	1	0	0	0	0	0	0	0	4
	Affordable soc rent					0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	0

SITE A Bab CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	150	301	301	0	0	0	0	0	0	0	752
	Affordable soc rent		0	0	0	0	0	0	15	31	31	0	0	0	0	0	0	0	77
	Aff sh oship		0	0	0	0	0	0	7	14	14	0	0	0	0	0	0	0	34
																			0
	Sales fees		0	0	0	0	0	0	-5	-11	-11	0	0	0	0	0	0	0	-27
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**173**	**345**	**345**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**863**
COSTS																			
Land	*Land acquisition*		119																119
	Stamp duty		1																1
	Purchase fees		3																3
	Total																		**124**
Build costs	*Market housing*		0	0	0	0	59	118	118	0	0	0	0	0	0	0	0	0	294
	Affordable soc rent		0	0	0	0	19	38	38	0	0	0	0	0	0	0	0	0	95
	Aff sh oship		0	0	0	0	6	13	13	0	0	0	0	0	0	0	0	0	32
	Build contingency	*5.0%*	0	0	0	0	4	8	8	0	0	0	0	0	0	0	0	0	21
	Total																		**441**
Dev costs	*Upfront*	*5.0%*	6	6	6	6													22
	Build related	*5.0%*	0	0	4	9	9	0	0	0	0	0	0	0	0	0			22
	Abnormals	*0%*	0	0															0
	Total																		**44**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	9	18	18	0	0	0	0	0	0	0	0	0	44
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**44**
PG	*Planning gain*				2	3	3	0	0	0	0	0	0	0	0	0	0	0	8
	Total																		**8**
Other	*Planning*	*£415*	1	1	1														2
	Survey	*£500*	3																3
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**5**
Sales fees	*b/forward from above*		0	0	0	0	0	0	5	11	11	0	0	0	0	0	0	0	**27**
Total costs			**132**	**6**	**12**	**17**	**109**	**194**	**200**	**11**	**11**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**692**
Net profit/loss from quarter			**-132**	**-6**	**-12**	**-17**	**-109**	**-194**	**-27**	**334**	**334**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**171**
Profit/loss bf from last quarter			0	-135	-144	-159	-179	-293	-496	-533	-202	135	135	135	135	135	135	135	
Cumulative profit/loss			-132	-141	-156	-176	-288	-487	-523	-199	132	135	135	135	135	135	135	135	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-2	-3	-3	-3	-5	-9	-10	-4	2	0	0	0	0	0	0	0	**-37**
Cumulative developer profit carried forward to RV calc			**-135**	**-144**	**-159**	**-179**	**-293**	**-496**	**-533**	**-202**	**135**	**135**	**135**	**135**	**135**	**135**	**135**	**135**	**134**

SITE A (MS) Stowmarket Mid Suffolk

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		A1 Mid Suffolk	
Location		Stowmarket	
Area	ha	0.15	0.26
	acres	0.37	
No dwgs		5	0.08
Density dw/ha		33.3	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	3.50	70%	977	977	86.00	180.00	3,420
					0.0%		
Affordable soc rent	1.13	22.5%	977	977	86.00	67.00	1,099
					0.0%		
Aff sh oship	0.38	7.5%	977	977	86.00	87.00	366
Total	5.0	100%	4,885	4,885	£420,110	£721,026	4,885

net:gross= 100%

Floorspace density = 13,180 net sq ft per acre

	£k	
Contingency		
allowance	5.00%	21
Development costs		
standard % build	10.0%	44
plus abnormals	0.0%	0
Total	10%	
Design fees		
on build costs	10.0%	44
on dev costs	0%	
Planning gain		
£ per dwelling	1,500	8

3419.5
0
1099.125
0
366.375
4885

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-23

Notes

SITE A MS LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	21,600	121,148
RV per acre	£	58,276	326,852
RV per hectare	£	144,000	807,652
Dev profit	£	112,712	146,648
Total costs	£	608,989	733,327
profit as % of costs		18.51%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0					3.5
	Affordable soc rent			0.2	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0					1.1
	Aff sh oship			0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0.4
	TOTAL	0	0	1	2	2	0	0	0	0	0	0	0					5.0
Units 'built' +2Q	*Market housing*			0	0	1	1	1	0	0	0	0	0	0	0	0	0	4
	Affordable soc rent			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units completed +3Q	*Market housing*				0	0	1	1	1	0	0	0	0	0	0	0	0	4
	Affordable soc rent				0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units purchased +4Q	*Market housing*					0	0	1	1	1	0	0	0	0	0	0	0	4
	Affordable soc rent					0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	0

SITE A MS CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	123	246	246	0	0	0	0	0	0	0	616
	Affordable soc rent		0	0	0	0	0	0	15	29	29	0	0	0	0	0	0	0	74
	Aff sh oship		0	0	0	0	0	0	6	13	13	0	0	0	0	0	0	0	32
																			0
	Sales fees		0	0	0	0	0	0	-4	-9	-9	0	0	0	0	0	0	0	-22
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**144**	**288**	**288**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**721**
COSTS																			
Land	*Land acquisition*		22																22
	Stamp duty		0																0
	Purchase fees		1																1
	Total																		**22**
Build costs	*Market housing*		0	0	0	0	59	118	118	0	0	0	0	0	0	0	0	0	294
	Affordable soc rent		0	0	0	0	19	38	38	0	0	0	0	0	0	0	0	0	95
	Aff sh oship		0	0	0	0	6	13	13	0	0	0	0	0	0	0	0	0	32
	Build contingency	*5.0%*	0	0	0	0	4	8	8	0	0	0	0	0	0	0	0	0	21
	Total																		**441**
Dev costs	*Upfront*	*5.0%*	6	6	6	6													22
	Build related	*5.0%*	0	0	4	9	9	0	0	0	0	0	0	0	0	0			22
	Abnormals	*0%*	0	0															0
	Total																		**44**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	9	18	18	0	0	0	0	0	0	0	0	0	44
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**44**
PG	*Planning gain*				2	3	3	0	0	0	0	0	0	0	0	0	0	0	8
	Total																		**8**
Other	*Planning*	*£415*	1	1	1														2
	Survey	*£500*	3																3
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**5**
Sales fees	*b/forward from above*		0	0	0	0	0	0	4	9	9	0	0	0	0	0	0	0	**22**
Total costs			**31**	**6**	**12**	**17**	**109**	**194**	**199**	**9**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**586**
Net profit/loss from quarter			**-31**	**-6**	**-12**	**-17**	**-109**	**-194**	**-54**	**280**	**280**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**135**
Profit/loss bf from last quarter			0	-31	-38	-51	-70	-182	-383	-445	-169	113	113	113	113	113	113	113	
Cumulative profit/loss			-31	-38	-50	-69	-179	-376	-437	-166	111	113	113	113	113	113	113	113	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-1	-1	-1	-1	-3	-7	-8	-3	2	0	0	0	0	0	0	0	**-23**
Cumulative developer profit carried forward to RV calc			**-31**	**-38**	**-51**	**-70**	**-182**	**-383**	**-445**	**-169**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**113**	**112**

SITE A (SC) Saxmundham Suffolk Coastal

Input assumptions

Scenario & option Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		A1 Suffolk Coastal	
Location		Saxmundham	
Area	ha	0.15	0.26
	acres	0.37	
No dwgs		5	0.08
Density dw/ha		33.3	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	3.50	70%	977	977	86.00	210.00	3,420
					0.0%		
Affordable soc rent	1.13	22.5%	977	977	86.00	67.00	1,099
					0.0%		
Aff sh oship	0.38	7.5%	977	977	86.00	121.50	366
Total	5.0	100%	4,885	4,885	£420,110	£836,251	4,885

net:gross= 100%

Floorspace density = 13,180 net sq ft per acre

	£k	
Contingency		
allowance	5.00%	21
Development costs		
standard % build	10.0%	44
plus abnormals	0.0%	0
Total	10%	
Design fees		
on build costs	10.0%	44
on dev costs	0%	
Planning gain		
£ per dwelling	1,500	8

3419.5
0
1099.125
0
366.375
4885

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50% -34

Notes

SITE A SC LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	100,800	219,288
RV per acre	£	271,955	591,631
RV per hectare	£	672,000	1,461,921
Dev profit	£	130,645	171,110
Total costs	£	706,281	855,415
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	1.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0					3.5
	Affordable soc rent			0.2	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0					1.1
	Aff sh oship			0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0.4
	TOTAL	0	0	1	2	2	0	0	0	0	0	0	0					5.0
Units 'built' +2Q	*Market housing*			0	0	1	1	1	0	0	0	0	0	0	0	0	0	4
	Affordable soc rent			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units completed +3Q	*Market housing*				0	0	1	1	1	0	0	0	0	0	0	0	0	4
	Affordable soc rent				0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units purchased +4Q	*Market housing*					0	0	1	1	1	0	0	0	0	0	0	0	4
	Affordable soc rent					0	0	0	0	0	0	0	0	0	0	0	0	1
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	0

SITE A SC CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	144	287	287	0	0	0	0	0	0	0	718
	Affordable soc rent		0	0	0	0	0	0	15	29	29	0	0	0	0	0	0	0	74
	Aff sh oship		0	0	0	0	0	0	9	18	18	0	0	0	0	0	0	0	45
																			0
	Sales fees		0	0	0	0	0	0	-5	-10	-10	0	0	0	0	0	0	0	-26
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**167**	**335**	**335**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**836**
COSTS																			
Land	*Land acquisition*		101																101
	Stamp duty		1																1
	Purchase fees		3																3
	Total																		**105**
Build costs	*Market housing*		0	0	0	0	59	118	118	0	0	0	0	0	0	0	0	0	294
	Affordable soc rent		0	0	0	0	19	38	38	0	0	0	0	0	0	0	0	0	95
	Aff sh oship		0	0	0	0	6	13	13	0	0	0	0	0	0	0	0	0	32
	Build contingency	*5.0%*	0	0	0	0	4	8	8	0	0	0	0	0	0	0	0	0	21
	Total																		**441**
Dev costs	*Upfront*	*5.0%*	6	6	6	6													22
	Build related	*5.0%*	0	0	4	9	9	0	0	0	0	0	0	0	0	0			22
	Abnormals	*0%*	0	0															0
	Total																		**44**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	9	18	18	0	0	0	0	0	0	0	0	0	44
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**44**
PG	*Planning gain*				2	3	3	0	0	0	0	0	0	0	0	0	0	0	8
	Total																		**8**
Other	*Planning*	*£415*	1	1	1														2
	Survey	*£500*	3																3
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**5**
Sales fees	*b/forward from above*		0	0	0	0	0	0	5	10	10	0	0	0	0	0	0	0	**26**
Total costs			**113**	**6**	**12**	**17**	**109**	**194**	**199**	**10**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**672**
Net profit/loss from quarter			**-113**	**-6**	**-12**	**-17**	**-109**	**-194**	**-32**	**324**	**324**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**164**
Profit/loss bf from last quarter			0	-115	-124	-138	-159	-272	-475	-517	-196	131	131	131	131	131	131	131	
Cumulative profit/loss			-113	-122	-136	-156	-267	-466	-507	-192	128	131	131	131	131	131	131	131	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-2	-2	-3	-3	-5	-9	-10	-4	2	0	0	0	0	0	0	0	**-34**
Cumulative developer profit carried forward to RV calc			**-115**	**-124**	**-138**	**-159**	**-272**	**-475**	**-517**	**-196**	**131**	**131**	**131**	**131**	**131**	**131**	**131**	**131**	**130**

SITE B (Ip) notional Ipswich North suburban

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		B1 Ipswich	
Location		Ipswich	
Area	ha	0.30	0.52
	acres	0.74	
No dwgs		10	0.17
Density dw/ha		33.3	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	7.00	70%	1,034	1,034	83.00	200.00	7,238
					0.0%		
Affordable soc rent	2.25	22.5%	1,034	1,034	83.00	77.50	2,327
					0.0%		
Aff sh oship	0.75	7.5%	1,034	1,034	83.00	93.00	776
Total	10.0	100%	10,340	10,340	£858,220	£1,700,025	10,340

net:gross= 100%

Floorspace density = 13,948 net sq ft per acre

	£k	
Contingency		
allowance	5.00%	43
Development costs		
standard % build	10.0%	90
plus abnormals	5.0%	45
Total	15%	
Design fees		
on build costs	10.0%	90
on dev costs	0%	
Planning gain		
£ per dwelling	1,500	15

7238
0
2326.5
0
775.5
10340

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-70

Notes

SITE B Ip LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	156,400	383,352
RV per acre	£	210,981	517,135
RV per hectare	£	521,333	1,277,841
Dev profit	£	265,472	344,397
Total costs	£	1,435,304	1,724,353
profit as % of costs		18.50%	19.97%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	2.1	2.1	2.1	0.0	0.0	0.0	0.0	0.0	0.0					7.0
	Affordable soc rent			0.2	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0					2.3
	Aff sh oship			0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0					0.8
	TOTAL	0	0	1	3	3	3	0	0	0	0	0	0					10.0
Units 'built' +2Q	*Market housing*			0	0	1	2	2	2	0	0	0	0	0	0	0	0	7
	Affordable soc rent			0	0	0	1	1	1	0	0	0	0	0	0	0	0	2
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units completed +3Q	*Market housing*				0	0	1	2	2	2	0	0	0	0	0	0	0	7
	Affordable soc rent				0	0	0	1	1	1	0	0	0	0	0	0	0	2
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units purchased +4Q	*Market housing*					0	0	1	2	2	2	0	0	0	0	0	0	7
	Affordable soc rent					0	0	0	1	1	1	0	0	0	0	0	0	2
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	1

SITE B Ip CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	145	434	434	434	0	0	0	0	0	0	1,448
	Affordable soc rent		0	0	0	0	0	0	18	54	54	54	0	0	0	0	0	0	180
	Aff sh oship		0	0	0	0	0	0	7	22	22	22	0	0	0	0	0	0	72
																			0
	Sales fees		0	0	0	0	0	0	-5	-16	-16	-16	0	0	0	0	0	0	-52
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**170**	**510**	**510**	**510**	**0**	**0**	**0**	**0**	**0**	**0**	**1,700**
COSTS																			
Land	*Land acquisition*		156																156
	Stamp duty		2																2
	Purchase fees		4																4
	Total																		**162**
Build costs	*Market housing*		0	0	0	0	60	180	180	180	0	0	0	0	0	0	0	0	601
	Affordable soc rent		0	0	0	0	19	58	58	58	0	0	0	0	0	0	0	0	193
	Aff sh oship		0	0	0	0	6	19	19	19	0	0	0	0	0	0	0	0	64
	Build contingency	*5.0%*	0	0	0	0	4	13	13	13	0	0	0	0	0	0	0	0	43
	Total																		**901**
Dev costs	*Upfront*	*5.0%*	11	11	11	11													45
	Build related	*5.0%*	0	0	5	14	14	14	0	0	0	0	0	0	0	0			45
	Abnormals	*5%*	23	23															45
	Total																		**135**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	9	27	27	27	0	0	0	0	0	0	0	0	90
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**90**
PG	*Planning gain*				2	5	5	5	0	0	0	0	0	0	0	0	0	0	15
	Total																		**15**
Other	*Planning*	*£415*	1	1	1														4
	Survey	*£500*	5																5
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**9**
Sales fees	*b/forward from above*		0	0	0	0	0	0	5	16	16	16	0	0	0	0	0	0	**52**
Total costs			**202**	**35**	**19**	**29**	**117**	**315**	**303**	**313**	**16**	**16**	**0**	**0**	**0**	**0**	**0**	**0**	**1,365**
Net profit/loss from quarter			**-202**	**-35**	**-19**	**-29**	**-117**	**-315**	**-133**	**197**	**494**	**494**	**0**	**0**	**0**	**0**	**0**	**0**	**335**
Profit/loss bf from last quarter			0	-206	-246	-269	-304	-429	-758	-908	-724	-234	265	265	265	265	265	265	
Cumulative profit/loss			-202	-241	-264	-299	-421	-744	-891	-711	-230	261	265	265	265	265	265	265	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-4	-5	-5	-6	-8	-14	-17	-13	-4	5	0	0	0	0	0	0	**-70**
Cumulative developer profit carried forward to RV calc			**-206**	**-246**	**-269**	**-304**	**-429**	**-758**	**-908**	**-724**	**-234**	**265**	**265**	**265**	**265**	**265**	**265**	**265**	**265**

SITE B (Bab) notional Hadleigh Babergh

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		B1 Babergh	
Location		Hadleigh	
Area	ha	0.30	0.52
	acres	0.74	
No dwgs		10	0.17
Density dw/ha		33.3	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	7.00	70%	1,034	1,034	83.00	230.00	7,238
					0.0%		
Affordable soc rent	2.25	22.5%	1,034	1,034	83.00	77.00	2,327
					0.0%		
Aff sh oship	0.75	7.5%	1,034	1,034	83.00	93.00	776
Total	10.0	100%	10,340	10,340	£858,220	£1,916,002	10,340

net:gross= 100%

Floorspace density = 13,948 net sq ft per acre

	£k	
Contingency		
allowance 5.00%	43	
Development costs		
standard % build 10.0%	90	
plus abnormals 5.5%	50	
Total 16%		
Design fees		
on build costs 10.0%	90	
on dev costs 0%		
Planning gain		
£ per dwelling 1,500	15	

		7238
		0
		2326.5
		0
		775.5
		10340

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50% -92

Notes

SITE B Bab LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	293,200	575,558
RV per acre	£	395,521	776,417
RV per hectare	£	977,333	1,918,527
Dev profit	£	299,243	396,921
Total costs	£	1,617,509	1,982,029
profit as % of costs		18.50%	20.03%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	2.1	2.1	2.1	0.0	0.0	0.0	0.0	0.0	0.0					7.0
	Affordable soc rent			0.2	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0					2.3
	Aff sh oship			0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0					0.8
	TOTAL	0	0	1	3	3	3	0	0	0	0	0	0					10.0
Units 'built' +2Q	*Market housing*			0	0	1	2	2	2	0	0	0	0	0	0	0	0	7
	Affordable soc rent			0	0	0	1	1	1	0	0	0	0	0	0	0	0	2
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units completed +3Q	*Market housing*				0	0	1	2	2	2	0	0	0	0	0	0	0	7
	Affordable soc rent				0	0	0	1	1	1	0	0	0	0	0	0	0	2
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units purchased +4Q	*Market housing*					0	0	1	2	2	2	0	0	0	0	0	0	7
	Affordable soc rent					0	0	0	1	1	1	0	0	0	0	0	0	2
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	1

SITE B Bab CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	166	499	499	499	0	0	0	0	0	0	1,665
	Affordable soc rent		0	0	0	0	0	0	18	54	54	54	0	0	0	0	0	0	179
	Aff sh oship		0	0	0	0	0	0	7	22	22	22	0	0	0	0	0	0	72
																			0
	Sales fees		0	0	0	0	0	0	-6	-18	-18	-18	0	0	0	0	0	0	-60
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**192**	**575**	**575**	**575**	**0**	**0**	**0**	**0**	**0**	**0**	**1,916**
COSTS																			
Land	*Land acquisition*		293																293
	Stamp duty		9																9
	Purchase fees		8																8
	Total																		**310**
Build costs	*Market housing*		0	0	0	0	60	180	180	180	0	0	0	0	0	0	0	0	601
	Affordable soc rent		0	0	0	0	19	58	58	58	0	0	0	0	0	0	0	0	193
	Aff sh oship		0	0	0	0	6	19	19	19	0	0	0	0	0	0	0	0	64
	Build contingency	*5.0%*	0	0	0	0	4	13	13	13	0	0	0	0	0	0	0	0	43
	Total																		**901**
Dev costs	*Upfront*	*5.0%*	11	11	11	11													45
	Build related	*5.0%*	0	0	5	14	14	14	0	0	0	0	0	0	0	0			45
	Abnormals	*6%*	25	25															50
	Total																		**140**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	9	27	27	27	0	0	0	0	0	0	0	0	90
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**90**
PG	*Planning gain*				2	5	5	5	0	0	0	0	0	0	0	0	0	0	15
	Total																		**15**
Other	*Planning*	*£415*	1	1	1														4
	Survey	*£500*	5																5
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**9**
Sales fees	*b/forward from above*		0	0	0	0	0	0	6	18	18	18	0	0	0	0	0	0	**60**
Total costs			**352**	**37**	**19**	**29**	**117**	**315**	**303**	**315**	**18**	**18**	**0**	**0**	**0**	**0**	**0**	**0**	**1,525**
Net profit/loss from quarter			**-352**	**-37**	**-19**	**-29**	**-117**	**-315**	**-112**	**259**	**557**	**557**	**0**	**0**	**0**	**0**	**0**	**0**	**391**
Profit/loss bf from last quarter			0	-359	-404	-430	-468	-596	-929	-1,060	-815	-263	299	299	299	299	299	299	
Cumulative profit/loss			-352	-396	-422	-460	-585	-912	-1,040	-800	-258	294	299	299	299	299	299	299	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-7	-7	-8	-9	-11	-17	-20	-15	-5	6	0	0	0	0	0	0	**-92**
Cumulative developer profit carried forward to RV calc			**-359**	**-404**	**-430**	**-468**	**-596**	**-929**	**-1,060**	**-815**	**-263**	**299**	**299**	**299**	**299**	**299**	**299**	**299**	**298**

SITE B (MS) notional Stowmarket Mid Suffolk

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		B1 Mid Suffolk	
Location		Stowmarket	
Area	ha	0.30	0.52
	acres	0.74	
No dwgs		10	0.17
Density dw/ha		33.3	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	7.00	70%	1,034	1,034	83.00	180.00	7,238
					0.0%		
Affordable soc rent	2.25	22.5%	1,034	1,034	83.00	67.00	2,327
					0.0%		
Aff sh oship	0.75	7.5%	1,034	1,034	83.00	87.00	776
Total	10.0	100%	10,340	10,340	£858,220	£1,526,184	10,340

net:gross= 100%

Floorspace density = 13,948 net sq ft per acre

	£k	
Contingency		
allowance	5.00%	43
Development costs		
standard % build	10.0%	90
plus abnormals	5.5%	50
Total	16%	
Design fees		
on build costs	10.0%	90
on dev costs	0%	
Planning gain		
£ per dwelling	1,500	15

	7238	
	0	
	2326.5	
	0	
	775.5	
	10340	

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-52

Notes

SITE B MS LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	33,706	242,339
RV per acre	£	45,468	326,911
RV per hectare	£	112,352	807,796
Dev profit	£	238,115	310,186
Total costs	£	1,288,819	1,551,764
profit as % of costs		18.48%	19.99%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	2.1	2.1	2.1	0.0	0.0	0.0	0.0	0.0	0.0					7.0
	Affordable soc rent			0.2	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0					2.3
	Aff sh oship			0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0					0.8
	TOTAL	0	0	1	3	3	3	0	0	0	0	0	0					10.0
Units 'built' +2Q	*Market housing*			0	0	1	2	2	2	0	0	0	0	0	0	0	0	7
	Affordable soc rent			0	0	0	1	1	1	0	0	0	0	0	0	0	0	2
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units completed +3Q	*Market housing*				0	0	1	2	2	2	0	0	0	0	0	0	0	7
	Affordable soc rent				0	0	0	1	1	1	0	0	0	0	0	0	0	2
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units purchased +4Q	*Market housing*					0	0	1	2	2	2	0	0	0	0	0	0	7
	Affordable soc rent					0	0	0	1	1	1	0	0	0	0	0	0	2
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	1

SITE B MS CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	130	391	391	391	0	0	0	0	0	0	1,303
	Affordable soc rent		0	0	0	0	0	0	16	47	47	47	0	0	0	0	0	0	156
	Aff sh oship		0	0	0	0	0	0	7	20	20	20	0	0	0	0	0	0	67
																			0
	Sales fees		0	0	0	0	0	0	-5	-14	-14	-14	0	0	0	0	0	0	-47
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**153**	**458**	**458**	**458**	**0**	**0**	**0**	**0**	**0**	**0**	**1,526**
COSTS																			
Land	*Land acquisition*		34																34
	Stamp duty		0																0
	Purchase fees		1																1
	Total																		**35**
Build costs	*Market housing*		0	0	0	0	60	180	180	180	0	0	0	0	0	0	0	0	601
	Affordable soc rent		0	0	0	0	19	58	58	58	0	0	0	0	0	0	0	0	193
	Aff sh oship		0	0	0	0	6	19	19	19	0	0	0	0	0	0	0	0	64
	Build contingency	*5.0%*	0	0	0	0	4	13	13	13	0	0	0	0	0	0	0	0	43
	Total																		**901**
Dev costs	*Upfront*	*5.0%*	11	11	11	11													45
	Build related	*5.0%*	0	0	5	14	14	14	0	0	0	0	0	0	0	0			45
	Abnormals	*6%*	25	25															50
	Total																		**140**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	9	27	27	27	0	0	0	0	0	0	0	0	90
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**90**
PG	*Planning gain*				2	5	5	5	0	0	0	0	0	0	0	0	0	0	15
	Total																		**15**
Other	*Planning*	*£415*	1	1	1														4
	Survey	*£500*	5																5
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**9**
Sales fees	*b/forward from above*		0	0	0	0	0	0	5	14	14	14	0	0	0	0	0	0	**47**
Total costs			**77**	**37**	**19**	**29**	**117**	**315**	**302**	**311**	**14**	**14**	**0**	**0**	**0**	**0**	**0**	**0**	**1,237**
Net profit/loss from quarter			**-77**	**-37**	**-19**	**-29**	**-117**	**-315**	**-149**	**146**	**444**	**444**	**0**	**0**	**0**	**0**	**0**	**0**	**289**
Profit/loss bf from last quarter			0	-78	-118	-139	-171	-294	-621	-785	-650	-210	238	238	238	238	238	238	
Cumulative profit/loss			-77	-116	-137	-168	-289	-609	-770	-638	-206	234	238	238	238	238	238	238	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-1	-2	-3	-3	-5	-11	-14	-12	-4	4	0	0	0	0	0	0	**-52**
Cumulative developer profit carried forward to RV calc			**-78**	**-118**	**-139**	**-171**	**-294**	**-621**	**-785**	**-650**	**-210**	**238**	**238**	**238**	**238**	**238**	**238**	**238**	**237**

SITE B (SC) notional Kesgrave Suffolk Coastal

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		B1 Suffolk Coastal
Location		Kesgrave
Area	ha	0.30
	acres	0.74
No dwgs		10
Density dw/ha		33.3

Dwellings

		no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
0.52	Market housing	7.00	70%	1,034	1,034	83.00	205.00	7,238
						0.0%		
0.17	Affordable soc rent	2.25	22.5%	1,034	1,034	83.00	67.00	2,327
						0.0%		
0.06	Aff sh oship	0.75	7.5%	1,034	1,034	83.00	121.50	776
	Total	10.0	100%	10,340	10,340	£858,220	£1,733,889	10,340

net:gross= 100%

Floorspace density = 13,948 net sq ft per acre

	£k
Contingency	
allowance 2.50%	21
Development costs	
standard % build 10.0%	88
plus abnormals 0.0%	0
Total 10%	
Design fees	
on build costs 10.0%	88
on dev costs 0%	
Planning gain	
£ per dwelling 1,500	15

7238		
0		
2326.5		
0		
775.5		
10340		

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-77

Notes

SITE B SC LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	244,700	483,141
RV per acre	£	330,096	651,748
RV per hectare	£	815,667	1,610,470
Dev profit	£	270,754	353,448
Total costs	£	1,463,885	1,767,002
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	2.1	2.1	2.1	0.0	0.0	0.0	0.0	0.0	0.0					7.0
	Affordable soc rent			0.2	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0					2.3
	Aff sh oship			0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0					0.8
	TOTAL	0	0	1	3	3	3	0	0	0	0	0	0					10.0
Units 'built' +2Q	*Market housing*			0	0	1	2	2	2	0	0	0	0	0	0	0	0	7
	Affordable soc rent			0	0	0	1	1	1	0	0	0	0	0	0	0	0	2
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units completed +3Q	*Market housing*				0	0	1	2	2	2	0	0	0	0	0	0	0	7
	Affordable soc rent				0	0	0	1	1	1	0	0	0	0	0	0	0	2
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	1
Units purchased +4Q	*Market housing*					0	0	1	2	2	2	0	0	0	0	0	0	7
	Affordable soc rent					0	0	0	1	1	1	0	0	0	0	0	0	2
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	1
HAS DEVELOPMENT FINISHED		NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	STOP	STOP	STOP	STOP	STOP	STOP	

SITE B SC CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	148	445	445	445	0	0	0	0	0	0	1,484
	Affordable soc rent		0	0	0	0	0	0	16	47	47	47	0	0	0	0	0	0	156
	Aff sh oship		0	0	0	0	0	0	9	28	28	28	0	0	0	0	0	0	94
																			0
	Sales fees		0	0	0	0	0	0	-5	-16	-16	-16	0	0	0	0	0	0	-54
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**173**	**520**	**520**	**520**	**0**	**0**	**0**	**0**	**0**	**0**	**1,734**
COSTS																			
Land	*Land acquisition*		245																245
	Stamp duty		2																2
	Purchase fees		7																7
	Total																		**254**
Build costs	*Market housing*		0	0	0	0	60	180	180	180	0	0	0	0	0	0	0	0	601
	Affordable soc rent		0	0	0	0	19	58	58	58	0	0	0	0	0	0	0	0	193
	Aff sh oship		0	0	0	0	6	19	19	19	0	0	0	0	0	0	0	0	64
	Build contingency	*2.5%*	0	0	0	0	2	6	6	6	0	0	0	0	0	0	0	0	21
	Total																		**880**
Dev costs	*Upfront*	*5.0%*	11	11	11	11													44
	Build related	*5.0%*	0	0	4	13	13	13	0	0	0	0	0	0	0	0			44
	Abnormals	*0%*	0	0															0
	Total																		**88**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	9	26	26	26	0	0	0	0	0	0	0	0	88
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**88**
PG	*Planning gain*				2	5	5	5	0	0	0	0	0	0	0	0	0	0	15
	Total																		**15**
Other	*Planning*	*£415*	1	1	1														4
	Survey	*£500*	5																5
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**9**
Sales fees	*b/forward from above*		0	0	0	0	0	0	5	16	16	16	0	0	0	0	0	0	**54**
Total costs			**271**	**12**	**18**	**29**	**114**	**308**	**296**	**306**	**16**	**16**	**0**	**0**	**0**	**0**	**0**	**0**	**1,387**
Net profit/loss from quarter			**-271**	**-12**	**-18**	**-29**	**-114**	**-308**	**-122**	**214**	**504**	**504**	**0**	**0**	**0**	**0**	**0**	**0**	**347**
Profit/loss bf from last quarter			0	-276	-294	-318	-353	-476	-799	-938	-738	-238	271	271	271	271	271	271	
Cumulative profit/loss			-271	-289	-312	-347	-468	-784	-921	-725	-234	266	271	271	271	271	271	271	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-5	-5	-6	-7	-9	-15	-17	-14	-4	5	0	0	0	0	0	0	**-77**
Cumulative developer profit carried forward to RV calc			**-276**	**-294**	**-318**	**-353**	**-476**	**-799**	**-938**	**-738**	**-238**	**271**	**271**	**271**	**271**	**271**	**271**	**271**	**270**

SITE C (Ip) notional Ipswich SE

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		C1 Ipswich	
Location		Ipswich	
Area	ha	0.70	1.21
	acres	1.73	
No dwgs		42	0.39
Density dw/ha		60.0	
			0.13

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	29.40	70%	830	782	84.00	191.00	24,402
					0.0%		
Affordable soc rent	9.45	22.5%	830	782	84.00	79.00	7,844
					0.0%		
Aff sh oship	3.15	7.5%	830	782	84.00	92.00	2,615
Total	42.0	100%	34,860	32,844	£2,928,240	£5,201,669	34,860

net:gross= 94%

Floorspace density = 18,988 net sq ft per acre

	£k
	22990.8
	0
	7389.9
	0
	2463.3
	32844

Contingency

allowance 5.00% — 146

Development costs

standard % build 12.0% — 369

plus abnormals 2.5% — 75

Total 14%

Design fees

on build costs 10.0% — 307

on dev costs 0%

Planning gain

£ per dwelling 6,700 — 281

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50% — -146

Notes

SITE C Ip LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	-59,163	599,542
RV per acre	£	-34,204	346,616
RV per hectare	£	-84,519	856,489
Dev profit	£	812,450	1,045,919
Total costs	£	4,390,118	5,228,185
profit as % of costs		18.51%	20.01%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			4.9	4.9	4.9	4.9	4.9	4.9	0.0	0.0	0.0	0.0					29.4
	Affordable soc rent			1.6	1.6	1.6	1.6	1.6	1.6	0.0	0.0	0.0	0.0					9.5
	Aff sh oship			0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0					3.2
	TOTAL	0	0	7	7	7	7	7	7	0	0	0	0					42.0
Units 'built' +2Q	*Market housing*			0	0	5	5	5	5	5	5	0	0	0	0	0	0	29
	Affordable soc rent			0	0	2	2	2	2	2	2	0	0	0	0	0	0	9
	Aff sh oship			0	0	1	1	1	1	1	1	0	0	0	0	0	0	3
Units completed +3Q	*Market housing*				0	0	5	5	5	5	5	5	0	0	0	0	0	29
	Affordable soc rent				0	0	2	2	2	2	2	2	0	0	0	0	0	9
	Aff sh oship				0	0	1	1	1	1	1	1	0	0	0	0	0	3
Units purchased +4Q	*Market housing*					0	0	5	5	5	5	5	5	0	0	0	0	29
	Affordable soc rent					0	0	2	2	2	2	2	2	0	0	0	0	9
	Aff sh oship					0	0	1	1	1	1	1	1	0	0	0	0	3

SITE C Ip CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	732	732	732	732	732	732	0	0	0	0	4,391
	Affordable soc rent		0	0	0	0	0	0	97	97	97	97	97	97	0	0	0	0	584
	Aff sh oship		0	0	0	0	0	0	38	38	38	38	38	38	0	0	0	0	227
																			0
	Sales fees		0	0	0	0	0	0	-26	-26	-26	-26	-26	-26	0	0	0	0	-159
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**867**	**867**	**867**	**867**	**867**	**867**	**0**	**0**	**0**	**0**	**5,202**
COSTS																			
Land	*Land acquisition*		-59																-59
	Stamp duty		0																0
	Purchase fees		-2																-2
	Total																		**-61**
Build costs	*Market housing*		0	0	0	0	342	342	342	342	342	342	0	0	0	0	0	0	2,050
	Affordable soc rent		0	0	0	0	110	110	110	110	110	110	0	0	0	0	0	0	659
	Aff sh oship		0	0	0	0	37	37	37	37	37	37	0	0	0	0	0	0	220
	Build contingency	*5.0%*	0	0	0	0	24	24	24	24	24	24	0	0	0	0	0	0	146
	Total																		**3,075**
Dev costs	*Upfront*	*6.0%*	46	46	46	46													184
	Build related	*6.0%*	0	0	31	31	31	31	31	31	0	0	0	0	0	0			184
	Abnormals	*2%*	38	38															75
	Total																		**444**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	51	51	51	51	51	51	0	0	0	0	0	0	307
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**307**
PG	*Planning gain*				47	47	47	47	47	47	0	0	0	0	0	0	0	0	281
	Total																		**281**
Other	*Planning*	*£415*	6	6	6														17
	Survey	*£500*	21																21
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**38**
Sales fees	*b/forward from above*		0	0	0	0	0	0	26	26	26	26	26	26	0	0	0	0	**159**
Total costs			**50**	**90**	**130**	**124**	**641**	**641**	**668**	**668**	**590**	**590**	**26**	**26**	**0**	**0**	**0**	**0**	**4,244**
Net profit/loss from quarter			**-50**	**-90**	**-130**	**-124**	**-641**	**-641**	**199**	**199**	**277**	**277**	**840**	**840**	**0**	**0**	**0**	**0**	**957**
Profit/loss bf from last quarter			0	-51	-143	-277	-409	-1,070	-1,743	-1,573	-1,399	-1,143	-883	-43	812	812	812	812	
Cumulative profit/loss			-50	-140	-272	-401	-1,050	-1,711	-1,544	-1,374	-1,122	-867	-42	797	812	812	812	812	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		-1	-3	-5	-8	-20	-32	-29	-26	-21	-16	-1	15	0	0	0	0	**-146**
Cumulative developer profit carried forward to RV calc			**-51**	**-143**	**-277**	**-409**	**-1,070**	**-1,743**	**-1,573**	**-1,399**	**-1,143**	**-883**	**-43**	**812**	**812**	**812**	**812**	**812**	**812**

SITE C (Bab) notional Sudbury Babergh

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		C1 Babergh	
Location		Sudbury	
Area	ha	0.70	1.21
	acres	1.73	
No dwgs		42	0.39
Density dw/ha		60.0	
			0.13

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	29.40	70%	830	782	84.00	235.00	24,402
					0.0%		
Affordable soc rent	9.45	22.5%	830	782	84.00	80.00	7,844
					0.0%		
Aff sh oship	3.15	7.5%	830	782	84.00	92.00	2,615
Total	42.0	100%	34,860	32,844	£2,928,240	£6,220,654	34,860

net:gross= 94%

Floorspace density = 18,988 net sq ft per acre

	£k
	22990.8
	0
	7389.9
	0
	2463.3
	32844

Contingency

		£k
allowance	5.00%	146

Development costs

		£k
standard % build	12.0%	369
plus abnormals	2.5%	75
Total	14%	

Design fees

		£k
on build costs	10.0%	307
on dev costs	0%	

Planning gain

		£k
£ per dwelling	6,700	281

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-257

Notes

SITE C Bab LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	610,700	1,512,845
RV per acre	£	353,067	874,629
RV per hectare	£	872,429	2,161,208
Dev profit	£	971,904	1,286,524
Total costs	£	5,249,649	6,432,716
profit as % of costs		18.51%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			4.9	4.9	4.9	4.9	4.9	4.9	0.0	0.0	0.0	0.0					29.4
	Affordable soc rent			1.6	1.6	1.6	1.6	1.6	1.6	0.0	0.0	0.0	0.0					9.5
	Aff sh oship			0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0					3.2
	TOTAL	0	0	7	7	7	7	7	7	0	0	0	0					42.0
Units 'built' +2Q	*Market housing*			0	0	5	5	5	5	5	5	0	0	0	0	0	0	29
	Affordable soc rent			0	0	2	2	2	2	2	2	0	0	0	0	0	0	9
	Aff sh oship			0	0	1	1	1	1	1	1	0	0	0	0	0	0	3
Units completed +3Q	*Market housing*				0	0	5	5	5	5	5	5	0	0	0	0	0	29
	Affordable soc rent				0	0	2	2	2	2	2	2	0	0	0	0	0	9
	Aff sh oship				0	0	1	1	1	1	1	1	0	0	0	0	0	3
Units purchased +4Q	*Market housing*					0	0	5	5	5	5	5	5	0	0	0	0	29
	Affordable soc rent					0	0	2	2	2	2	2	2	0	0	0	0	9
	Aff sh oship					0	0	1	1	1	1	1	1	0	0	0	0	3

SITE C Bab CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	900	900	900	900	900	900	0	0	0	0	5,403
	Affordable soc rent		0	0	0	0	0	0	99	99	99	99	99	99	0	0	0	0	591
	Aff sh oship		0	0	0	0	0	0	38	38	38	38	38	38	0	0	0	0	227
																			0
	Sales fees		0	0	0	0	0	0	-32	-32	-32	-32	-32	-32	0	0	0	0	-194
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**1,037**	**1,037**	**1,037**	**1,037**	**1,037**	**1,037**	**0**	**0**	**0**	**0**	**6,221**
COSTS																			
Land	*Land acquisition*		611																611
	Stamp duty		24																24
	Purchase fees		17																17
	Total																		**652**
Build costs	*Market housing*		0	0	0	0	342	342	342	342	342	342	0	0	0	0	0	0	2,050
	Affordable soc rent		0	0	0	0	110	110	110	110	110	110	0	0	0	0	0	0	659
	Aff sh oship		0	0	0	0	37	37	37	37	37	37	0	0	0	0	0	0	220
	Build contingency	*5.0%*	0	0	0	0	24	24	24	24	24	24	0	0	0	0	0	0	146
	Total																		**3,075**
Dev costs	*Upfront*	*6.0%*	46	46	46	46													184
	Build related	*6.0%*	0	0	31	31	31	31	31	31	0	0	0	0	0	0			184
	Abnormals	*2%*	38	38															75
	Total																		**444**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	51	51	51	51	51	51	0	0	0	0	0	0	307
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**307**
PG	*Planning gain*				47	47	47	47	47	47	0	0	0	0	0	0	0	0	281
	Total																		**281**
Other	*Planning*	*£415*	6	6	6														17
	Survey	*£500*	21																21
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**38**
Sales fees	*b/forward from above*		0	0	0	0	0	0	32	32	32	32	32	32	0	0	0	0	**194**
Total costs			**763**	**90**	**130**	**124**	**641**	**641**	**674**	**674**	**596**	**596**	**32**	**32**	**0**	**0**	**0**	**0**	**4,992**
Net profit/loss from quarter			**-763**	**-90**	**-130**	**-124**	**-641**	**-641**	**363**	**363**	**441**	**441**	**1,004**	**1,004**	**0**	**0**	**0**	**0**	**1,228**
Profit/loss bf from last quarter			0	-777	-883	-1,031	-1,176	-1,852	-2,540	-2,217	-1,889	-1,475	-1,054	-50	972	972	972	972	
Cumulative profit/loss			-763	-866	-1,012	-1,155	-1,818	-2,493	-2,177	-1,854	-1,448	-1,035	-50	954	972	972	972	972	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		-14	-16	-19	-22	-34	-47	-41	-35	-27	-19	-1	18	0	0	0	0	**-257**
Cumulative developer profit carried forward to RV calc			**-777**	**-883**	**-1,031**	**-1,176**	**-1,852**	**-2,540**	**-2,217**	**-1,889**	**-1,475**	**-1,054**	**-50**	**972**	**972**	**972**	**972**	**972**	**971**

SITE C (MS) notional Stowmarket Mid Suffolk

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		C1 Mid Suffolk	
Location		Stowmarket	
Area	ha	0.70	1.21
	acres	1.73	
No dwgs		42	0.39
Density dw/ha		60.0	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	29.40	70%	830	782	84.00	186.00	24,402
					0.0%		
Affordable soc rent	9.45	22.5%	830	782	84.00	68.00	7,844
					0.0%		
Aff sh oship	3.15	7.5%	830	782	84.00	88.00	2,615
Total	42.0	100%	34,860	32,844	£2,928,240	£4,995,572	34,860

net:gross= 94%

Floorspace density = 18,988 net sq ft per acre

		£k
Contingency		
allowance	5.00%	146
Development costs		
standard % build	12.0%	369
plus abnormals	2.5%	75
Total	14%	
Design fees		
on build costs	10.0%	307
on dev costs	0%	
Planning gain		
£ per dwelling	6,700	281

		22990.8
		0
		7389.9
		0
		2463.3
		32844

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-123

Notes

SITE C MS LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	**-201,600**	**486,637**
RV per acre	£	**-116,552**	**281,342**
RV per hectare	£	**-288,000**	**695,196**
Dev profit	£	**780,134**	**1,021,695**
Total costs	£	**4,216,338**	**5,088,189**
profit as % of costs		**18.50%**	**20.08%**

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			4.9	4.9	4.9	4.9	4.9	4.9	0.0	0.0	0.0	0.0					29.4
	Affordable soc rent			1.6	1.6	1.6	1.6	1.6	1.6	0.0	0.0	0.0	0.0					9.5
	Aff sh oship			0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0					3.2
	TOTAL	0	0	7	7	7	7	7	7	0	0	0	0					42.0
Units 'built' +2Q	*Market housing*			0	0	5	5	5	5	5	5	0	0	0	0	0	0	29
	Affordable soc rent			0	0	2	2	2	2	2	2	0	0	0	0	0	0	9
	Aff sh oship			0	0	1	1	1	1	1	1	0	0	0	0	0	0	3
Units completed +3Q	*Market housing*				0	0	5	5	5	5	5	5	0	0	0	0	0	29
	Affordable soc rent				0	0	2	2	2	2	2	2	0	0	0	0	0	9
	Aff sh oship				0	0	1	1	1	1	1	1	0	0	0	0	0	3
Units purchased +4Q	*Market housing*					0	0	5	5	5	5	5	5	0	0	0	0	29
	Affordable soc rent					0	0	2	2	2	2	2	2	0	0	0	0	9
	Aff sh oship					0	0	1	1	1	1	1	1	0	0	0	0	3

SITE C MS CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	713	713	713	713	713	713	0	0	0	0	4,276
	Affordable soc rent		0	0	0	0	0	0	84	84	84	84	84	84	0	0	0	0	503
	Aff sh oship		0	0	0	0	0	0	36	36	36	36	36	36	0	0	0	0	217
																			0
	Sales fees		0	0	0	0	0	0	-26	-26	-26	-26	-26	-26	0	0	0	0	-154
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**833**	**833**	**833**	**833**	**833**	**833**	**0**	**0**	**0**	**0**	**4,996**
COSTS																			
Land	*Land acquisition*		-202																-202
	Stamp duty		0																0
	Purchase fees		-6																-6
	Total																		**-207**
Build costs	*Market housing*		0	0	0	0	342	342	342	342	342	342	0	0	0	0	0	0	2,050
	Affordable soc rent		0	0	0	0	110	110	110	110	110	110	0	0	0	0	0	0	659
	Aff sh oship		0	0	0	0	37	37	37	37	37	37	0	0	0	0	0	0	220
	Build contingency	*5.0%*	0	0	0	0	24	24	24	24	24	24	0	0	0	0	0	0	146
	Total																		**3,075**
Dev costs	*Upfront*	*6.0%*	46	46	46	46													184
	Build related	*6.0%*	0	0	31	31	31	31	31	31	0	0	0	0	0	0			184
	Abnormals	*2%*	38	38															75
	Total																		**444**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	51	51	51	51	51	51	0	0	0	0	0	0	307
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**307**
PG	*Planning gain*				47	47	47	47	47	47	0	0	0	0	0	0	0	0	281
	Total																		**281**
Other	*Planning*	*£415*	6	6	6														17
	Survey	*£500*	21																21
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**38**
Sales fees	*b/forward from above*		0	0	0	0	0	0	26	26	26	26	26	26	0	0	0	0	**154**
Total costs			**-97**	**90**	**130**	**124**	**641**	**641**	**667**	**667**	**589**	**589**	**26**	**26**	**0**	**0**	**0**	**0**	**4,093**
Net profit/loss from quarter			**97**	**-90**	**-130**	**-124**	**-641**	**-641**	**166**	**166**	**243**	**243**	**807**	**807**	**0**	**0**	**0**	**0**	**902**
Profit/loss bf from last quarter			0	98	9	-123	-251	-909	-1,579	-1,440	-1,298	-1,075	-847	-41	780	780	780	780	
Cumulative profit/loss			97	9	-120	-246	-892	-1,550	-1,414	-1,275	-1,055	-832	-40	766	780	780	780	780	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		2	0	-2	-5	-17	-29	-27	-24	-20	-16	-1	14	0	0	0	0	**-123**
Cumulative developer profit carried forward to RV calc			**98**	**9**	**-123**	**-251**	**-909**	**-1,579**	**-1,440**	**-1,298**	**-1,075**	**-847**	**-41**	**780**	**780**	**780**	**780**	**780**	**779**

SITE C (SC) notional rural Suffolk Coastal

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		C2 Suffolk Coastal	
Location		rural	
Area	ha	0.70	1.21
	acres	1.73	
No dwgs		21	0.39
Density dw/ha		30.0	
			0.13

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	14.70	70%	978	978	78.00	230.00	14,377
					0.0%		
Affordable soc rent	4.73	22.5%	978	978	78.00	67.00	4,621
					0.0%		
Aff sh oship	1.58	7.5%	978	978	78.00	121.50	1,540
Total	21.0	100%	20,538	20,538	£1,601,964	£3,803,381	20,538

net:gross= 100%

Floorspace density = 11,874 net sq ft per acre

	£k
Contingency	
allowance 3.75%	60
Development costs	
standard % build 13.0%	216
plus abnormals 3.0%	50
Total 16%	
Design fees	
on build costs 10.0%	166
on dev costs 0%	
Planning gain	
£ per dwelling 4,800	101

	14376.6	
	0	
	4621.05	
	0	
	1540.35	
	20538	

Other costs

Planning	415	£ per dwelling
Survey	350	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-200

Notes

SITE C SC LAND COST & PHASING

Land

		Iterate to achieve 20.0% profit	
		Affordable	No affordable
Land purchase price	£	637,500	1,187,447
RV per acre	£	368,561	686,505
RV per hectare	£	910,714	1,696,353
Dev profit	£	593,990	787,426
Total costs	£	3,210,291	3,937,214
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.7	2.8	2.8	2.8	2.8	2.8	0.0	0.0	0.0	0.0					14.7
	Affordable soc rent			0.2	0.9	0.9	0.9	0.9	0.9	0.0	0.0	0.0	0.0					4.7
	Aff sh oship			0.1	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0					1.6
	TOTAL	0	0	1	4	4	4	4	4	0	0	0	0					21.0
Units 'built' +2Q	*Market housing*			0	0	1	3	3	3	3	3	0	0	0	0	0	0	15
	Affordable soc rent			0	0	0	1	1	1	1	1	0	0	0	0	0	0	5
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Units completed +3Q	*Market housing*				0	0	1	3	3	3	3	3	0	0	0	0	0	15
	Affordable soc rent				0	0	0	1	1	1	1	1	0	0	0	0	0	5
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	2
Units purchased +4Q	*Market housing*					0	0	1	3	3	3	3	3	0	0	0	0	15
	Affordable soc rent					0	0	0	1	1	1	1	1	0	0	0	0	5
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	2

SITE C SC CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	157	630	630	630	630	630	0	0	0	0	3,307
	Affordable soc rent		0	0	0	0	0	0	15	59	59	59	59	59	0	0	0	0	310
	Aff sh oship		0	0	0	0	0	0	9	36	36	36	36	36	0	0	0	0	187
																			0
	Sales fees		0	0	0	0	0	0	-6	-23	-23	-23	-23	-23	0	0	0	0	-119
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**181**	**724**	**724**	**724**	**724**	**724**	**0**	**0**	**0**	**0**	**3,803**
COSTS																			
Land	*Land acquisition*		638																638
	Stamp duty		26																26
	Purchase fees		18																18
	Total																		**681**
Build costs	*Market housing*		0	0	0	0	53	214	214	214	214	214	0	0	0	0	0	0	1,121
	Affordable soc rent		0	0	0	0	17	69	69	69	69	69	0	0	0	0	0	0	360
	Aff sh oship		0	0	0	0	6	23	23	23	23	23	0	0	0	0	0	0	120
	Build contingency	*3.8%*	0	0	0	0	3	11	11	11	11	11	0	0	0	0	0	0	60
	Total																		**1,662**
Dev costs	*Upfront*	*6.5%*	27	27	27	27													108
	Build related	*6.5%*	0	0	5	21	21	21	21	21	0	0	0	0	0	0			108
	Abnormals	*3%*	25	25															50
	Total																		**266**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	8	32	32	32	32	32	0	0	0	0	0	0	166
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**166**
PG	*Planning gain*				5	19	19	19	19	19	0	0	0	0	0	0	0	0	101
	Total																		**101**
Other	*Planning*	*£415*	3	3	3														9
	Survey	*£350*	7																7
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**16**
Sales fees	*b/forward from above*		0	0	0	0	0	0	6	23	23	23	23	23	0	0	0	0	**119**
Total costs			**743**	**55**	**40**	**67**	**127**	**388**	**394**	**411**	**371**	**371**	**23**	**23**	**0**	**0**	**0**	**0**	**3,011**
Net profit/loss from quarter			**-743**	**-55**	**-40**	**-67**	**-127**	**-388**	**-213**	**314**	**354**	**354**	**702**	**702**	**0**	**0**	**0**	**0**	**793**
Profit/loss bf from last quarter			0	-757	-827	-883	-967	-1,114	-1,530	-1,776	-1,489	-1,157	-818	-119	594	594	594	594	
Cumulative profit/loss			-743	-811	-866	-949	-1,094	-1,502	-1,743	-1,462	-1,136	-803	-117	583	594	594	594	594	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		-14	-15	-16	-18	-21	-28	-33	-27	-21	-15	-2	11	0	0	0	0	**-200**
Cumulative developer profit carried forward to RV calc			**-757**	**-827**	**-883**	**-967**	**-1,114**	**-1,530**	**-1,776**	**-1,489**	**-1,157**	**-818**	**-119**	**594**	**594**	**594**	**594**	**594**	**593**

SITE D (Ip) notional Ipswich Cent W edge

Input assumptions

Scenario & option Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		D1 Ipswich	
Location		Ipswich	
Area	ha	1.00	1.73
	acres	2.47	
No dwgs		60	0.56
Density dw/ha		60.0	
			0.19

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	42.00	70%	831	782	84.00	192.00	34,902
					0.0%		
Affordable soc rent	13.50	22.5%	831	782	84.00	79.00	11,219
					0.0%		
Aff sh oship	4.50	7.5%	831	782	84.00	92.00	3,740
Total	60.0	100%	49,860	46,920	£4,188,240	£7,463,799	49,860

net:gross= 94%

Floorspace density = 18,988 net sq ft per acre

	£k
	32844
	0
	10557
	0
	3519
	46920

Contingency

allowance 5.00% — 209

Development costs

standard % build 12.0% — 528

plus abnormals 0.0% — 0

Total 12%

Design fees

on build costs 10.0% — 440

on dev costs 0%

Planning gain

£ per dwelling 7,700 — 462

Other costs

Planning	208	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50% — -208

Notes

SITE D lp LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	**-6,075**	**944,306**
RV per acre	£	**-2,458**	**382,156**
RV per hectare	£	**-6,075**	**944,306**
Dev profit	£	**1,165,643**	**1,501,637**
Total costs	£	**6,299,056**	**7,507,903**
profit as % of costs		**18.51%**	**20.00%**

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			7.0	7.0	7.0	7.0	7.0	7.0	0.0	0.0	0.0	0.0					42.0
	Affordable soc rent			2.3	2.3	2.3	2.3	2.3	2.3	0.0	0.0	0.0	0.0					13.5
	Aff sh oship			0.8	0.8	0.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0					4.5
	TOTAL	0	0	10	10	10	10	10	10	0	0	0	0					60.0
Units 'built' +2Q	*Market housing*			0	0	7	7	7	7	7	7	0	0	0	0	0	0	42
	Affordable soc rent			0	0	2	2	2	2	2	2	0	0	0	0	0	0	14
	Aff sh oship			0	0	1	1	1	1	1	1	0	0	0	0	0	0	5
Units completed +3Q	*Market housing*				0	0	7	7	7	7	7	7	0	0	0	0	0	42
	Affordable soc rent				0	0	2	2	2	2	2	2	0	0	0	0	0	14
	Aff sh oship				0	0	1	1	1	1	1	1	0	0	0	0	0	5
Units purchased +4Q	*Market housing*					0	0	7	7	7	7	7	7	0	0	0	0	42
	Affordable soc rent					0	0	2	2	2	2	2	2	0	0	0	0	14
	Aff sh oship					0	0	1	1	1	1	1	1	0	0	0	0	5

SITE D Ip CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	1,051	1,051	1,051	1,051	1,051	1,051	0	0	0	0	6,306
	Affordable soc rent		0	0	0	0	0	0	139	139	139	139	139	139	0	0	0	0	834
	Aff sh oship		0	0	0	0	0	0	54	54	54	54	54	54	0	0	0	0	324
																			0
	Sales fees		0	0	0	0	0	0	-38	-38	-38	-38	-38	-38	0	0	0	0	-228
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**1,244**	**1,244**	**1,244**	**1,244**	**1,244**	**1,244**	**0**	**0**	**0**	**0**	**7,464**
COSTS																			
Land	*Land acquisition*		-6																-6
	Stamp duty		0																0
	Purchase fees		0																0
	Total																		**-6**
Build costs	*Market housing*		0	0	0	0	489	489	489	489	489	489	0	0	0	0	0	0	2,932
	Affordable soc rent		0	0	0	0	157	157	157	157	157	157	0	0	0	0	0	0	942
	Aff sh oship		0	0	0	0	52	52	52	52	52	52	0	0	0	0	0	0	314
	Build contingency	*5.0%*	0	0	0	0	35	35	35	35	35	35	0	0	0	0	0	0	209
	Total																		**4,398**
Dev costs	*Upfront*	*6.0%*	66	66	66	66													264
	Build related	*6.0%*	0	0	44	44	44	44	44	44	0	0	0	0	0	0			264
	Abnormals	*0%*	0	0															0
	Total																		**528**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	73	73	73	73	73	73	0	0	0	0	0	0	440
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**440**
PG	*Planning gain*				77	77	77	77	77	77	0	0	0	0	0	0	0	0	462
	Total																		**462**
Other	*Planning*	*£208*	4	4	4														12
	Survey	*£500*	30																30
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**42**
Sales fees	*b/forward from above*		0	0	0	0	0	0	38	38	38	38	38	38	0	0	0	0	**228**
Total costs			**94**	**70**	**191**	**187**	**927**	**927**	**965**	**965**	**844**	**844**	**38**	**38**	**0**	**0**	**0**	**0**	**6,091**
Net profit/loss from quarter			**-94**	**-70**	**-191**	**-187**	**-927**	**-927**	**279**	**279**	**400**	**400**	**1,206**	**1,206**	**0**	**0**	**0**	**0**	**1,372**
Profit/loss bf from last quarter			0	-96	-169	-366	-564	-1,519	-2,492	-2,254	-2,013	-1,643	-1,267	-62	1,166	1,166	1,166	1,166	
Cumulative profit/loss			-94	-166	-360	-553	-1,491	-2,446	-2,213	-1,976	-1,613	-1,243	-61	1,144	1,166	1,166	1,166	1,166	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	
	Total		-2	-3	-7	-10	-28	-46	-41	-37	-30	-23	-1	21	0	0	0	0	**-208**
Cumulative developer profit carried forward to RV calc			**-96**	**-169**	**-366**	**-564**	**-1,519**	**-2,492**	**-2,254**	**-2,013**	**-1,643**	**-1,267**	**-62**	**1,166**	**1,166**	**1,166**	**1,166**	**1,166**	**1,165**

SITE D (Bab) notional Long Melford Babergh

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		D2 Babergh	
Location		Long Melford	
Area	ha	1.00	1.73
	acres	2.47	
No dwgs		40	0.56
Density dw/ha		40.0	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	28.00	70%	971	958	79.50	231.00	27,188
					0.0%		
Affordable soc rent	9.00	22.5%	971	958	79.50	78.00	8,739
					0.0%		
Aff sh oship	3.00	7.5%	971	958	79.50	93.00	2,913
Total	40.0	100%	38,840	38,320	£3,087,780	£7,136,142	38,840

net:gross= 99%

Floorspace density = 15,508 net sq ft per acre

	£k
Contingency	
allowance 5.00%	154
Development costs	
standard % build 13.0%	421
plus abnormals 0.0%	0
Total 13%	
Design fees	
on build costs 10.0%	324
on dev costs 0%	
Planning gain	
£ per dwelling 6,700	268

	26824	
	0	
	8622	
	0	
	2874	
	38320	

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-347

Notes

SITE D Bab LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	1,087,000	2,109,605
RV per acre	£	439,903	853,745
RV per hectare	£	1,087,000	2,109,605
Dev profit	£	1,114,509	1,475,458
Total costs	£	6,022,608	7,377,437
profit as % of costs		18.51%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			2.8	4.2	4.2	4.2	4.2	4.2	4.2	0.0	0.0	0.0					28.0
	Affordable soc rent			0.9	1.4	1.4	1.4	1.4	1.4	1.4	0.0	0.0	0.0					9.0
	Aff sh oship			0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0					3.0
	TOTAL	0	0	4	6	6	6	6	6	6	0	0	0					40.0
Units 'built' +2Q	*Market housing*			0	0	3	4	4	4	4	4	4	0	0	0	0	0	28
	Affordable soc rent			0	0	1	1	1	1	1	1	1	0	0	0	0	0	9
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Units completed +3Q	*Market housing*				0	0	3	4	4	4	4	4	4	0	0	0	0	28
	Affordable soc rent				0	0	1	1	1	1	1	1	1	0	0	0	0	9
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	3
Units purchased +4Q	*Market housing*					0	0	3	4	4	4	4	4	4	0	0	0	28
	Affordable soc rent					0	0	1	1	1	1	1	1	1	0	0	0	9
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	3

SITE D BabCASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	620	929	929	929	929	929	929	0	0	0	6,196
	Affordable soc rent		0	0	0	0	0	0	67	101	101	101	101	101	101	0	0	0	673
	Aff sh oship		0	0	0	0	0	0	27	40	40	40	40	40	40	0	0	0	267
																			0
	Sales fees		0	0	0	0	0	0	-22	-33	-33	-33	-33	-33	-33	0	0	0	-223
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**714**	**1,070**	**1,070**	**1,070**	**1,070**	**1,070**	**1,070**	**0**	**0**	**0**	**7,136**
COSTS																			
Land	*Land acquisition*		1,087																1,087
	Stamp duty		43																43
	Purchase fees		30																30
	Total																		**1,160**
Build costs	*Market housing*		0	0	0	0	216	324	324	324	324	324	324	0	0	0	0	0	2,161
	Affordable soc rent		0	0	0	0	69	104	104	104	104	104	104	0	0	0	0	0	695
	Aff sh oship		0	0	0	0	23	35	35	35	35	35	35	0	0	0	0	0	232
	Build contingency	*5.0%*	0	0	0	0	15	23	23	23	23	23	23	0	0	0	0	0	154
	Total																		**3,242**
Dev costs	*Upfront*	*6.5%*	53	53	53	53													211
	Build related	*6.5%*	0	0	21	32	32	32	32	32	32	0	0	0	0	0			211
	Abnormals	*0%*	0	0															0
	Total																		**421**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	32	49	49	49	49	49	49	0	0	0	0	0	324
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**324**
PG	*Planning gain*				27	40	40	40	40	40	40	0	0	0	0	0	0	0	268
	Total																		**268**
Other	*Planning*	*£415*	6	6	6														17
	Survey	*£500*	20																20
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**37**
Sales fees	*b/forward from above*		0	0	0	0	0	0	22	33	33	33	33	33	33	0	0	0	**223**
Total costs			**1,239**	**58**	**106**	**124**	**428**	**607**	**629**	**640**	**640**	**568**	**568**	**33**	**33**	**0**	**0**	**0**	**5,676**
Net profit/loss from quarter			**-1,239**	**-58**	**-106**	**-124**	**-428**	**-607**	**85**	**430**	**430**	**502**	**502**	**1,037**	**1,037**	**0**	**0**	**0**	**1,460**
Profit/loss bf from last quarter			0	-1,262	-1,345	-1,478	-1,632	-2,099	-2,757	-2,722	-2,335	-1,940	-1,465	-981	57	1,115	1,115	1,115	
Cumulative profit/loss			-1,239	-1,320	-1,451	-1,602	-2,061	-2,706	-2,672	-2,292	-1,905	-1,438	-963	56	1,094	1,115	1,115	1,115	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	
	Total		-23	-25	-27	-30	-39	-51	-50	-43	-36	-27	-18	1	21	0	0	0	**-347**
Cumulative developer profit carried forward to RV calc			**-1,262**	**-1,345**	**-1,478**	**-1,632**	**-2,099**	**-2,757**	**-2,722**	**-2,335**	**-1,940**	**-1,465**	**-981**	**57**	**1,115**	**1,115**	**1,115**	**1,115**	**1,114**

SITE D (MS) notional Blakenham Mid Suffolk

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		D2 Mid Suffolk	
Location		Blakenham	
Area	ha	1.00	1.73
	acres	2.47	
No dwgs		40	0.56
Density dw/ha		40.0	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	28.00	70%	971	958	79.50	216.00	27,188
					0.0%		
Affordable soc rent	9.00	22.5%	971	958	79.50	67.00	8,739
					0.0%		
Aff sh oship	3.00	7.5%	971	958	79.50	87.00	2,913
Total	40.0	100%	38,840	38,320	£3,087,780	£6,621,696	38,840

net:gross= 99%

Floorspace density = 15,508 net sq ft per acre

	£k	
Contingency		26824
allowance 5.00%	154	0
		8622
		0
		2874
		38320

Development costs

standard % build	13.0%	421
plus abnormals	0.0%	0
Total	13%	

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-286

Design fees

on build costs	10.0%	324
on dev costs	0%	

Notes

Planning gain

£ per dwelling	6,700	268

SITE D MS LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	751,000	1,741,420
RV per acre	£	303,926	704,743
RV per hectare	£	751,000	1,741,420
Dev profit	£	1,034,052	1,379,664
Total costs	£	5,588,619	6,898,431
profit as % of costs		18.50%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			2.8	4.2	4.2	4.2	4.2	4.2	4.2	0.0	0.0	0.0					28.0
	Affordable soc rent			0.9	1.4	1.4	1.4	1.4	1.4	1.4	0.0	0.0	0.0					9.0
	Aff sh oship			0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0					3.0
	TOTAL	0	0	4	6	6	6	6	6	6	0	0	0					40.0
Units 'built' +2Q	*Market housing*			0	0	3	4	4	4	4	4	4	0	0	0	0	0	28
	Affordable soc rent			0	0	1	1	1	1	1	1	1	0	0	0	0	0	9
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Units completed +3Q	*Market housing*				0	0	3	4	4	4	4	4	4	0	0	0	0	28
	Affordable soc rent				0	0	1	1	1	1	1	1	1	0	0	0	0	9
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	3
Units purchased +4Q	*Market housing*					0	0	3	4	4	4	4	4	4	0	0	0	28
	Affordable soc rent					0	0	1	1	1	1	1	1	1	0	0	0	9
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	3

SITE D MS CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	579	869	869	869	869	869	869	0	0	0	5,794
	Affordable soc rent		0	0	0	0	0	0	58	87	87	87	87	87	87	0	0	0	578
	Aff sh oship		0	0	0	0	0	0	25	38	38	38	38	38	38	0	0	0	250
																			0
	Sales fees		0	0	0	0	0	0	-21	-31	-31	-31	-31	-31	-31	0	0	0	-208
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**662**	**993**	**993**	**993**	**993**	**993**	**993**	**0**	**0**	**0**	**6,622**
COSTS																			
Land	*Land acquisition*		751																751
	Stamp duty		30																30
	Purchase fees		21																21
	Total																		**802**
Build costs	*Market housing*		0	0	0	0	216	324	324	324	324	324	324	0	0	0	0	0	2,161
	Affordable soc rent		0	0	0	0	69	104	104	104	104	104	104	0	0	0	0	0	695
	Aff sh oship		0	0	0	0	23	35	35	35	35	35	35	0	0	0	0	0	232
	Build contingency	*5.0%*	0	0	0	0	15	23	23	23	23	23	23	0	0	0	0	0	154
	Total																		**3,242**
Dev costs	*Upfront*	*6.5%*	53	53	53	53													211
	Build related	*6.5%*	0	0	21	32	32	32	32	32	32	0	0	0	0	0			211
	Abnormals	*0%*	0	0															0
	Total																		**421**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	32	49	49	49	49	49	49	0	0	0	0	0	324
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**324**
PG	*Planning gain*				27	40	40	40	40	40	40	0	0	0	0	0	0	0	268
	Total																		**268**
Other	*Planning*	*£415*	6	6	6														17
	Survey	*£500*	20																20
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**37**
Sales fees	*b/forward from above*		0	0	0	0	0	0	21	31	31	31	31	31	31	0	0	0	**208**
Total costs			**880**	**58**	**106**	**124**	**428**	**607**	**628**	**638**	**638**	**566**	**566**	**31**	**31**	**0**	**0**	**0**	**5,302**
Net profit/loss from quarter			**-880**	**-58**	**-106**	**-124**	**-428**	**-607**	**35**	**355**	**355**	**427**	**427**	**962**	**962**	**0**	**0**	**0**	**1,319**
Profit/loss bf from last quarter			0	-896	-972	-1,099	-1,246	-1,706	-2,356	-2,365	-2,047	-1,723	-1,321	-910	53	1,034	1,034	1,034	
Cumulative profit/loss			-880	-955	-1,078	-1,223	-1,674	-2,313	-2,321	-2,009	-1,692	-1,296	-893	52	1,015	1,034	1,034	1,034	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	
	Total		-16	-18	-20	-23	-31	-43	-44	-38	-32	-24	-17	1	19	0	0	0	**-286**
Cumulative developer profit carried forward to RV calc			**-896**	**-972**	**-1,099**	**-1,246**	**-1,706**	**-2,356**	**-2,365**	**-2,047**	**-1,723**	**-1,321**	**-910**	**53**	**1,034**	**1,034**	**1,034**	**1,034**	**1,033**

SITE D (SC) notional Wickham Market Suffolk Coastal

Input assumptions | **Scenario & option** | Affordable 30% = 22.5% social rented & 7.5% shared ownership at 25% share 2.75% rent ZERO GRANT

Ipswich/Babergh/Mid Suffolk/Suffolk Coastal

Site details

Site		D2 Suffolk Coastal	
Location		Wickham Market	
Area	ha	1.00	1.73
	acres	2.47	
No dwgs		40	0.56
Density dw/ha		40.0	

Dwellings

	no of dwgs	%	ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft	
Market housing	28.00	70%	971	958	79.50	221.00	27,188
					0.0%		
Affordable soc rent	9.00	22.5%	971	958	79.50	67.00	8,739
					0.0%		
Aff sh oship	3.00	7.5%	971	958	79.50	121.00	2,913
Total	40.0	100%	38,840	38,320	£3,087,780	£6,853,532	38,840

net:gross= 99%

Floorspace density = 15,508 net sq ft per acre

	£k
	26824
	0
	8622
	0
	2874
	38320

Contingency

		£k
allowance	5.00%	154

Development costs

standard % build	13.0%	421
plus abnormals	0.0%	0
Total	13%	

Design fees

on build costs	10.0%	324
on dev costs	0%	

Planning gain

£ per dwelling	6,700	268

Other costs

Planning	415	£ per dwelling
Survey	500	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum	7.50%	-314

Notes

SITE D SC LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable
Land purchase price	£	903,000	1,864,149
RV per acre	£	365,439	754,411
RV per hectare	£	903,000	1,864,149
Dev profit	£	1,070,559	1,411,594
Total costs	£	5,783,948	7,058,101
profit as % of costs		18.51%	20.00%

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			2.8	4.2	4.2	4.2	4.2	4.2	4.2	0.0	0.0	0.0					28.0
	Affordable soc rent			0.9	1.4	1.4	1.4	1.4	1.4	1.4	0.0	0.0	0.0					9.0
	Aff sh oship			0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0					3.0
	TOTAL	0	0	4	6	6	6	6	6	6	0	0	0					40.0
Units 'built'	*Market housing*			0	0	3	4	4	4	4	4	4	0	0	0	0	0	28
+2Q	*Affordable soc rent*			0	0	1	1	1	1	1	1	1	0	0	0	0	0	9
	Aff sh oship			0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
Units completed	*Market housing*				0	0	3	4	4	4	4	4	4	0	0	0	0	28
+3Q	*Affordable soc rent*				0	0	1	1	1	1	1	1	1	0	0	0	0	9
	Aff sh oship				0	0	0	0	0	0	0	0	0	0	0	0	0	3
Units purchased	*Market housing*					0	0	3	4	4	4	4	4	4	0	0	0	28
+4Q	*Affordable soc rent*					0	0	1	1	1	1	1	1	1	0	0	0	9
	Aff sh oship					0	0	0	0	0	0	0	0	0	0	0	0	3

SITE D SC CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	TOTALS
INCOME																			
Housing sales	*Market housing*		0	0	0	0	0	0	593	889	889	889	889	889	889	0	0	0	5,928
	Affordable soc rent		0	0	0	0	0	0	58	87	87	87	87	87	87	0	0	0	578
	Aff sh oship		0	0	0	0	0	0	35	52	52	52	52	52	52	0	0	0	348
																			0
	Sales fees		0	0	0	0	0	0	-21	-32	-32	-32	-32	-32	-32	0	0	0	-214
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**685**	**1,028**	**1,028**	**1,028**	**1,028**	**1,028**	**1,028**	**0**	**0**	**0**	**6,854**
COSTS																			
Land	*Land acquisition*		903																903
	Stamp duty		36																36
	Purchase fees		25																25
	Total																		**964**
Build costs	*Market housing*		0	0	0	0	216	324	324	324	324	324	324	0	0	0	0	0	2,161
	Affordable soc rent		0	0	0	0	69	104	104	104	104	104	104	0	0	0	0	0	695
	Aff sh oship		0	0	0	0	23	35	35	35	35	35	35	0	0	0	0	0	232
	Build contingency	*5.0%*	0	0	0	0	15	23	23	23	23	23	23	0	0	0	0	0	154
	Total																		**3,242**
Dev costs	*Upfront*	*6.5%*	53	53	53	53													211
	Build related	*6.5%*	0	0	21	32	32	32	32	32	32	0	0	0	0	0			211
	Abnormals	*0%*	0	0															0
	Total																		**421**
Fees	*Fees on build costs*	*10.0%*	0	0	0	0	32	49	49	49	49	49	49	0	0	0	0	0	324
	Fees on dev costs	*0.0%*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**324**
PG	*Planning gain*				27	40	40	40	40	40	40	0	0	0	0	0	0	0	268
	Total																		**268**
Other	*Planning*	*£415*	6	6	6														17
	Survey	*£500*	20																20
	Marketing	*£0*			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																		**37**
Sales fees	*b/forward from above*		0	0	0	0	0	0	21	32	32	32	32	32	32	0	0	0	**214**
Total costs			**1,042**	**58**	**106**	**124**	**428**	**607**	**628**	**639**	**639**	**567**	**567**	**32**	**32**	**0**	**0**	**0**	**5,470**
Net profit/loss from quarter			**-1,042**	**-58**	**-106**	**-124**	**-428**	**-607**	**57**	**389**	**389**	**461**	**461**	**996**	**996**	**0**	**0**	**0**	**1,383**
Profit/loss bf from last quarter			0	-1,062	-1,141	-1,270	-1,421	-1,884	-2,537	-2,526	-2,177	-1,821	-1,386	-942	55	1,071	1,071	1,071	
Cumulative profit/loss			-1,042	-1,120	-1,247	-1,395	-1,849	-2,491	-2,480	-2,137	-1,788	-1,360	-925	54	1,051	1,071	1,071	1,071	
Interest	*Charged at*	*7.50%*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	
	Total		-20	-21	-23	-26	-35	-47	-46	-40	-34	-26	-17	1	20	0	0	0	**-314**
Cumulative developer profit carried forward to RV calc			**-1,062**	**-1,141**	**-1,270**	**-1,421**	**-1,884**	**-2,537**	**-2,526**	**-2,177**	**-1,821**	**-1,386**	**-942**	**55**	**1,071**	**1,071**	**1,071**	**1,071**	**1,070**

Appendix 6 Additional site appraisals

Introduction

A6.1 Close to the completion of the study Fordham Research Group Ltd was asked to produce additional appraisals for two further sites located on the edge of Ipswich. This Appendix provides details of the site specific assumptions used to produce appraisals. The bulk of the appraisal assumptions followed from those used generally across the viability study, and are not repeated here.

A6.2 Where specific assumptions are identified below, to aid reading we have followed as far as possible the topic headings used in introducing them in the main body of the report.

A6.3 Appendix 6 sets out the additional appraisals using base data collected in March/April 2008. Addendum 1 updates the same appraisals using base data collected in March/April 2009 i.e. during a market downturn.

A6.4 The appraisal printouts for the additional sites are provided at the end of this Appendix.

The actual sites

A6.5 Summary details of the two additional actual sites are set out in the table below. They are both substantial sites. Both are on the north eastern side of Ipswich and in fact they are contiguous sites.

Table A6.1 Actual site details

Site No	*Name*	*Area ha*		*No Dwgs*	*Density net (dw/ha)*	*Status*
		Gross	*Net resid*			
Z1	North of Valley Rd Ipswich	12.20	11.00	320* (395)	na (35.9)	Application
Z2	West of Westerfield Rd Ipswich	43.40	35.00	1,200	25.0	Proposed site

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Note Site Z1 contains an area for residential care which is considered equivalent in built form terms to an additional 75 apartments.

A6.6 One site is subject to a current planning application and one is a site proposed by a developer, although proposals for around 1,200 dwellings on this site are understood to be fairly well advanced. The proposals for the smaller site, Z1, contain an area of residential care. Its identified floor area (59,200 sq ft/5,500 sq m) is considered equivalent to an additional 75 apartments. For the purpose of the appraisal it has been modelled as such.

A6.7 Similarly an area within the site is to be developed as a mixed use local centre, with ground floor commercial space and flats above. The ground floor space has been removed from the appraisal on the assumption that it breaks even and makes no net contribution to the development's profitability.

A6.8 On this basis the scheme has an equivalent density of 35.9 dwellings per ha, which is comparatively low but reflects the town edge situation and the predominant low density built form adjoining the site. The second, larger site will contain open space, roads and possibly other facilities although the area these occupy is at present unknown. It is a little less constrained by the existing built form, and the northern part of the site could adjoin a transport node where somewhat higher density would be appropriate.

A6.9 In discussion we agreed an appropriate net residential area for this site at 35.0 ha, giving a net density of 34.3 dwellings per ha.

Development assumptions

A6.10 In arriving at development assumptions for site Z1 we took note of the mix and configuration of the dwellings in supporting documents to the planning application. As explained above we assumed that the residential care facilities were equivalent to residential development of 75 apartments of 671 net sq ft and that these would produce an equivalent return to such a development. On this basis the scheme produced a floorspace density of 12,500 net sq ft per acre, or 2,875 sq m/ha.

A6.11 For the larger site we assumed a similar floorspace density would apply over the bulk of the site, but that the northern corner, approximately 25% of the total, would be built out at the benchmark urban density of 15,500 sq ft per acre (3,550 sq m per ha).

A6.12 The resulting assumptions for residential development for the two sites are set out in the table below.

Table A6.2 Site development assumptions

Site ref	Category	Development form	Net sq m/ha	Net sq ft/acre	Net area ha	No of dwgs	Ave dwg net sq ft (sq m)
Z1	N of Valley Rd	Rural/edge	2,875	12,512	11.00	395	861 (80)
Z2	W of Westerfield Rd	Rural/edge	3,045	13,250	35.00	1,200	955 (89)

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Other developer contributions

A6.13 A corresponding approach to the main study was used in assessing developer contributions for the two sites. There was assumed to be no existing capacity within the local schools, given the possibility that other substantial sites in the general locality might proceed and that there was no reason to assume that any limited capacity would be exclusively available for the two present sites.

A6.14 The overall per dwelling allowances produced by this approach for each site are set out in Table A6.3.

Table A6.3 Developer contributions

Site	No of dwgs	£k per dwg with affordable at:				
		No aff	25% aff	30% aff	35% aff	40% aff
		Education contributions				
N of Valley Rdt	320	7.0	4.5	4.2	4.0	3.6
W of Westerfield Rd	1,200	7.0	4.5	4.2	4.0	3.6
		Transport				
N of Valley Rdt	320	3.5	3.5	3.5	3.5	3.5
W of Westerfield Rd	1,200	3.5	3.5	3.5	3.5	3.5
		OS/recreation				
N of Valley Rdt	320	3.5	3.5	3.5	3.5	3.5
W of Westerfield Rd	1,200	3.5	3.5	3.5	3.5	3.5
		Total				
N of Valley Rdt	320	13.0	11.5	11.2	11.0	10.6
W of Westerfield Rd	1,200	13.0	11.5	11.2	11.0	10.6

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

A6.15 As with the figures for the sites in the main study, these figures cannot be assumed to reflect the contributions that would arise in practice, either in amount or topic coverage. These will depend on the current (or historic) policies and approach of individual Councils, and indeed on the outcome of the negotiation process.

Price assumptions for financial appraisals

A6.16 It was necessary to form a view about the appropriate prices to assume for the two additional sites as at April 2008. To do this it was necessary to look at the available comparable sites as at March 2009, and to consider what this suggested appropriate prices would have been at the earlier date.

A6.17 Taking these points into consideration we arrived at a set of sale prices for flats and for houses on each of the 24 sites. The two were then combined on the basis of the proportions of flats and houses in each scheme, to produce a single composite average price. The resulting figures are set out in Table A6.4 below.

Table A6.4 Price bands

Site/location	Price £ per		Site/location	Price £ per	
	Sq ft	Sq m		Sq ft	Sq m
Z1 Valley Road	211	2,270	Z2 Westerfield Rd	211	2,275

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

A6.18 The figures are very similar because the sites adjoin and have similar though not identical built form assumptions.

Commercial floorspace on mixed use sites: appraisal assumptions

A6.19 The planning proposals for the smaller site envisage two elements of non-residential development. These are a substantial area (5,500 sq m) of accommodation as a residential care village, and local centre retail space to be provided as ground floor units with residential apartments on upper floors.

A6.20 Residential care accommodation is a specialist product involving both initial development receipts and relatively complex revenue streams. Its profitability depends on the nature of the accommodation provided, and the local market. Ipswich as a substantial population centre is felt to provide reasonable market potential. Our understanding is that such development would match or exceed the profitability of an equivalent area of residential development, particularly in the current depressed market. That seems a reasonable assumption since the care village would not have been proposed if it was expected to be less profitable than straight residential provision would have been.

A6.21 With no defined and measured site area for the care village component we have assumed that 59,200 sq ft gross (5,500 sq m) of care accommodation and facilities is equivalent to 75 residential apartments at 789 sq ft gross 671 sq ft net (73 sq m gross & 62 sq m net).

A6.22 Alongside this and to simplify the appraisals we assumed that the retail floorspace would break even, covering its costs but no more. It was therefore excluded from the appraisals.

Current and Alternative Use Values

A6.23 The smaller site is to be built on land which is occupied by school playing fields. A dwelling is to be demolished to provide a secondary access point. A small part, some 3 - 4 ha, of the larger site was also former playing fields, although the great majority is agricultural.

A6.24 We have assumed a threshold value of £100k per acre for the playing fields, which should compensate for any relocation costs as well as payment directly for the land. However there is also the value of the lost dwelling, and we have suggested an overall figure of £110k per acre to allow for this.

A6.25 The playing field value applies pro rata on the larger site, giving a composite value of £20k per acre.

Development costs

(i) Construction costs

A6.26 Build costs for all (market and affordable) housing after rounding were as in the table below.

Table A6.5 Construction costs adjusted and rounded: all housing

Build cost £ per sq ft/sq m					
Site	sq ft	sq m	Site	sq ft	sq m
Z1	78	(840)	Z2	79.50	(855)

Source: Fordham Research derived from analysis of BCIS cost data

(ii) Other normal development costs

A6.27 Allowances are required to cover the range of infrastructure costs – roads, drainage and services within the site; parking, footpaths, landscaping, off site costs for drainage and other services, and so on. Large greenfield sites are more likely to require substantial expenditure on bringing mains services to the site.

A6.28 The table below sets out the individual site assumptions.

Table A6.6 Development cost allowances

Ref	Site/location	% of build costs
Z1	N of Valley Rd	20%
Z2	W of Westerfield Rd	20%

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

(iii) Abnormal development costs

A6.29 No abnormal costs are expected to arise in respect of the two sites other than those covered in the build cost and development costs allowances.

(v) Contingency

A6.30 We used 2.5% allowance on both of the two sites.

Financial and other appraisal assumptions: phasing and timetable

A6.31 A pre-construction period of six months is assumed for the smaller site, but this is extended to nine months to allow adequately for site preparation on the larger site to the north and east.

A6.32 Assumptions for the pace of development are set out below. They are relatively fast, reflecting market assumptions at the time of the main study, rather than the particularly difficult conditions of early 2009. On the smaller site the residential care accommodation could be promoted alongside the main residential component without interfering with market takeup. It is assumed that the larger site is subdivided and built out by several operators to maximise market pace and cover upfront development costs.

Table A6.7 Market pace assumptions

	Site	No of dwgs	Ceiling level of completions per qtr
Z1	N of Valley Road	395	30
Z2	W of Westerfield Rd	1,200	48

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Results of viability analysis

A6.33 The results of the two appraisals for prices as at March/April 2008 are set out below.

Table A6.8 Appraisal results for five affordable options

Zero grant: shared ownership at 25% share

No	Site	Residual value £k per acre for affordable option:				
		No aff	25%	30%	35%	40%
Z1	N of Valley Rd	431	263	229	193	159
Z2	W of Westerfield Rd	469	244	198	152	107

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

A6.34 Table 6.8 shows that with no requirement for affordable housing both sites deliver a residual land of around £450k per acre (£1,110k per ha). The smaller site delivers a slightly lower land value than its neighbour. As increasingly high affordable housing requirements are sought, the land value for the larger site falls off more quickly, so that by 35% its land value is some £40k or so per acre (£100k per ha) lower.

Alternative use benchmarks

A6.35 By comparing the results from Table 6.8 with the alternative use values identified above, plus the £40k 'cushion', we obtain a view of the likely viability of the affordable options for each site. It is set out below.

Table A6.9 Appraisal outcomes

No	Site	Value £k per acre					
		Alt use value	No affordable	25%	30%	35%	40%
Z1	N of Valley Rd	110/150	424 VIABLE	257 VIABLE	223 VIABLE	188 VIABLE	154 VIABLE
Z2	W of Westerfield Rd	20/60	393 VIABLE	183 VIABLE	142 VIABLE	98 VIABLE	56 MARGINAL

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Comparison results

A6.36 With zero affordable housing, both sites are viable.

A6.37 At 25% affordable contribution, both sites are viable. They remain viable at 30% and 35% affordable housing. At 40% the larger site becomes marginal, and the residual value on the smaller site suggests it is only barely viable, at £380k per ha/£154k per acre.

Sensitivity: price and cost levels

A6.38 As with the sites in the main study, we looked at several scenarios for future prices and costs based upon the discussion above.

A6.39 The results are compared to the base appraisal results in Table A6.10 below.

Table A6.10 Sensitivity tests for 30% appraisals

No	Site	Value £k per acre				
		Alt use value	Prices up 7.5%	Base prices	Prices down 7.5%	Prices down 15%
Z1	N of Valley Rd	110/ 150	292 VIABLE	223 VIABLE	153 VIABLE	89 NOT VIAB
Z2	W of Westerfield Rd	20/ 60	224 VIABLE	142 VIABLE	58 MARGINAL	(-20) NOT VIAB

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

A6.40 A price increase of 7.5% would of course improve the viability situation. If prices fell by 7.5% both sites at 30% are on the borders of viability; the smaller one just viable, the second just marginal. However with the larger price increase neither site would be viable, and it would not be possible to seek a full 30% affordable requirement.

Implications of appraisal results

A6.41 Appraisals were prepared for the two additional sites using assumptions which were consistent with those in the main study. The assumptions specific to each site have been detailed above in this Appendix.

A6.42 The results from the appraisals suggest that under zero grant conditions, a proportion of 40% affordable housing could be sought on either site under the market prices which applied at the time of the main study, in March/April 2008.

A6.43 These results are rather better than those for Ipswich in the main study. Those focused entirely on sites on previously developed land, and included sites at relatively high densities. The two additional sites are greenfield, and are also felt to be in a more sought after and hence highly priced location. This in turn is reflected in comparatively low development or floorspace density.

Results summary

A6.44 The results for the two additional Ipswich sites can be incorporated alongside the results for the six main study sites, to provide an updated version of Table 7.2 in the Main Report.

A6.45 The results for the eight Ipswich sites are presented in the table below.

Table A6.11 Viability summary: Ipswich				
Status	Sites viable with			
	25% aff	30% aff	35% aff	40% aff
Brownfield	1 viable 5 unviable	0 viable 1 marginal 5 unviable	0 viable 6 unviable	0 viable 6 unviable
Greenfield/part greenfield	2 viable	2 viable	2 viable	2 viable

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

A6.46 The findings suggest that (at April 2008 price levels) it might have been possible to consider an affordable target in excess of 30% for greenfield sites without access to grant.

SITE Z1: N of Valley Rd Ipswich

Input assumptions

Scenario & option Affordable 30% = 22.50% social rented & 7.50% shared ownership zero grant

Ipswich Bab MS SC HMA

Site details

Site		N of Valley Rd
Location		Ipswich
Area	ha	11.00
	acres	27.18
No dwgs		395
Density dw/ha		35.9

		£k
Contingency		
allowance	2.50%	674
Development costs		
standard % build	18.00%	4,975
plus abnormals	0.0%	0
Total	18%	
Design fees		
on build costs	10.0%	2,764
on dev costs	0%	
Planning gain		
£ per dwelling	11,200	3,584

Dwellings

Dwellings			ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft
Market housing	224.0	56.71%	867	861	78.00	211.00
					0.0%	
Affordable soc rent	72.0	18.23%	867	861	78.00	79.00
					0.0%	
Affordable sh oship	24.0	6.07%	867	861	78.00	93.00
					0.0%	
Care	75.0	18.99%	789	671	90.00	225.00
					0.0%	
	0.0	0.00%	1,000	1,000	90.00	0.00
Total	395.0	100.00%	336,614	325,843	£26,966,106	£58,837,648

Floorspace density = 11,988 net sq ft per acre

Other costs

Planning	500	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50%

Notes

SITE Z1 LAND COST & PHASING

Land

		Iterate to achieve 20.0% profit		Hectare	
		Affordable	No affordable	Affordable	No affordable
Land purchase price	£	6,050,000	6,651,757		
RV per acre	£	222,582	244,721	£550,000	£604,705
Dev profit	£	9,255,646	19,508,141		
Total costs	£	50,006,502	50,373,882		
profit as % of costs		18.51%	38.73%		

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			2.8	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	0.0	0.0	0.0	0.0	224.0
	Affordable soc rent			0.9	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	0.0	0.0	0.0	0.0	72.0
	Affordable sh oship			0.3	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	0.0	0.0	0.0	0.0	24.0
	Care			0.9	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	0.0	0.0	0.0	0.0	75.0
	0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0	0	5	30	30	30	30	30	30	30	30	30	30	30	30	30	0	0	0	0	395.0
Units 'built'	*Market housing*			0	0	3	17	17	17	17	17	17	17	17	17	17	17	17	17	0	0	224
+2Q	*Affordable soc rent*			0	0	1	5	5	5	5	5	5	5	5	5	5	5	5	5	0	0	72
	Affordable sh oship			0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	0	0	24
	Care			0	0	1	6	6	6	6	6	6	6	6	6	6	6	6	6	0	0	75
	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units completed	*Market housing*				0	0	3	17	17	17	17	17	17	17	17	17	17	17	17	17	17	0	224
+3Q	*Affordable soc rent*				0	0	1	5	5	5	5	5	5	5	5	5	5	5	5	5	5	0	72
	Affordable sh oship				0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	0	24
	Care				0	0	1	6	6	6	6	6	6	6	6	6	6	6	6	6	6	0	75
	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units purchased	*Market housing*					0	0	3	17	17	17	17	17	17	17	17	17	17	17	17	17	17	224
+4Q	*Affordable soc rent*					0	0	1	5	5	5	5	5	5	5	5	5	5	5	5	5	5	72
	Affordable sh oship					0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	24
	Care					0	0	1	6	6	6	6	6	6	6	6	6	6	6	6	6	6	75
	0					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SITE Z1 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	Year 6 Q1	Q2	Q3	Q4	Year 7 Q1	Q2	Q3	Q4	Year 8 Q1	Q2	Q3	Q4	TOTALS
INCOME																																			
Housing sales	*Market housing*		0	0	0	0	0	0	515	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	0	0	0	0	0	0	0	0	0	0	0	0	40,695
	Affordable soc rent		0	0	0	0	0	0	62	372	372	372	372	372	372	372	372	372	372	372	372	372	0	0	0	0	0	0	0	0	0	0	0	0	4,898
	Affordable sh oship		0	0	0	0	0	0	24	146	146	146	146	146	146	146	146	146	146	146	146	146	0	0	0	0	0	0	0	0	0	0	0	0	1,920
	Care		0	0	0	0	0	0	143	860	860	860	860	860	860	860	860	860	860	860	860	860	0	0	0	0	0	0	0	0	0	0	0	0	11,325
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sales fees		0	0	0	0	0	0	-20	-120	-120	-120	-120	-120	-120	-120	-120	-120	-120	-120	-120	-120	0	0	0	0	0	0	0	0	0	0	0	0	-1,581
	Car park													423																					423
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**745**	**4,469**	**4,469**	**4,469**	**4,469**	**4,892**	**4,469**	**4,469**	**4,469**	**4,469**	**4,469**	**4,469**	**4,469**	**4,469**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**59,261**
COSTS																																			
Land	*Land acquisition*		6,050																																6,050
	Stamp duty		242																																242
	Purchase fees		91																																91
	Total																																		**6,383**
Build costs	*Market housing*		0	0	0	0	192	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,149
	Affordable soc rent		0	0	0	0	62	370	370	370	370	370	370	370	370	370	370	370	370	370	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,870
	Affordable sh oship		0	0	0	0	21	123	123	123	123	123	123	123	123	123	123	123	123	123	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,621
	Care		0	0	0	0	67	405	405	405	405	405	405	405	405	405	405	405	405	405	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,326
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Build contingency	2.5%	0	0	0	0	9	51	51	51	51	51	51	51	51	51	51	51	51	51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	674
	Total																																		**27,640**
Dev costs	*Upfront*	9.0%	622	622	622	622																													2,488
	Build related	9.0%	0	0	31	189	189	189	189	189	189	189	189	189	189	189	189	189	0	0	0	0	0	0	0	0	0	0	0	0	0	0			2,488
	Abnormals	0%	0	0																															0
	Total																																		**4,975**
Fees	*Fees on build costs*	10.0%	0	0	0	0	35	210	210	210	210	210	210	210	210	210	210	210	210	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,764
	Fees on dev costs	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																																		**2,764**
PG	*Planning gain*				45	272	272	272	272	272	272	272	272	272	272	272	272	272	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,584
	Total																																		**3,584**
Other	*Planning*	£500	66	66	66																														198
	Survey	£200	79																																79
	Marketing	£0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																																		**277**
Sales fees	*b/forward from above*		0	0	0	0	0	0	20	120	120	120	120	120	120	120	120	120	120	120	120	120	0	0	0	0	0	0	0	0	0	0	0	0	**1,581**
Total costs			**7,149**	**688**	**765**	**1,083**	**846**	**2,770**	**2,790**	**2,890**	**2,890**	**2,890**	**2,890**	**2,890**	**2,890**	**2,890**	**2,890**	**2,890**	**2,429**	**2,429**	**120**	**120**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**47,204**
Net profit/loss from quarter			**-7,149**	**-688**	**-765**	**-1,083**	**-846**	**-2,770**	**-2,046**	**1,578**	**1,578**	**1,578**	**1,578**	**2,001**	**1,578**	**1,578**	**1,578**	**1,578**	**2,039**	**2,039**	**4,349**	**4,349**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12,057**
Profit/loss bf from last quarter			0	-7,283	-8,121	-9,052	-10,325	-11,380	-14,416	-16,770	-15,476	-14,158	-12,816	-11,448	-9,624	-8,197	-6,742	-5,261	-3,752	-1,744	301	4,737	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	
Cumulative profit/loss			-7,149	-7,971	-8,885	-10,135	-11,171	-14,150	-16,461	-15,191	-13,898	-12,580	-11,238	-9,447	-8,046	-6,618	-5,164	-3,683	-1,712	295	4,649	9,085	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	9,256	
Interest	*Charged at*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Total		-134	-149	-167	-190	-209	-265	-309	-285	-261	-236	-211	-177	-151	-124	-97	-69	-32	6	87	170	0	0	0	0	0	0	0	0	0	0	0	0	**-2,803**
Cumulative developer profit carried forward to RV calc			**-7,283**	**-8,121**	**-9,052**	**-10,325**	**-11,380**	**-14,416**	**-16,770**	**-15,476**	**-14,158**	**-12,816**	**-11,448**	**-9,624**	**-8,197**	**-6,742**	**-5,261**	**-3,752**	**-1,744**	**301**	**4,737**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,256**	**9,254**

SITE Z2: W of Westerfield Rd Ipswich

Input assumptions

Scenario & option Affordable 30% = 22.5% social rented & 7.5% shared ownership zero grant

Ipswich Bab MS SC HMA

Site details

Site		W of Westerfield Rd
Location		Ipswich
Area	ha	35.00
	acres	86.49
No dwgs		1200
Density dw/ha		34.3

		£k
Contingency		
allowance	2.50%	2,304
Development costs		
standard % build	22.50%	16,578
plus abnormals	0.0%	0
Total	23%	
Design fees		
on build costs	10.0%	9,446
on dev costs	0%	
Planning gain		
£ per dwelling	11,200	13,440

Dwellings

Dwellings			ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft
Market housing	840.0	70.00%	966	955	79.50	211.00
					0.0%	
Affordable soc rent	270.0	22.50%	966	955	79.50	78.00
					0.0%	
Affordable sh oship	90.0	7.50%	966	955	79.50	93.00
					0.0%	
	0.0	0.00%	671	789	110.00	0.00
					0.0%	
	0.0	0.00%	1,000	1,000	110.00	0.00
Total	1,200.0	100.00%	1,159,200	1,146,000	£92,156,400	£197,369,850

Floorspace density = 13,251 net sq ft per acre

Other costs

Planning	500	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50%

Notes

SITE Z2 LAND COST & PHASING

Land

		Iterate to achieve 20.0% profit		Hectare	
		Affordable	No affordable	Affordable	No affordable
Land purchase price	£	12,241,000	35,550,000		
RV per acre	£	141,539	411,054	£349,743	£1,015,714
Dev profit	£	30,861,955	40,355,567		
Total costs	£	166,933,295	201,875,833		
profit as % of costs		18.49%	19.99%		

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	Year 6 Q1	Q2	Q3	Q4	Year 7 Q1	Q2	Q3	Q4	Year 8 Q1	Q2	Q3	Q4	TOTALS
Units started	Market housing			0.0	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6	33.6								840.0
	Affordable soc rent			0.0	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8								270.0
	Affordable sh oship			0.0	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6								90.0
	0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0.0
	0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0.0
	TOTAL	0	0	0	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48								1,200.0
Units 'built'	Market housing			0	0	0	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	0	0				840
+2Q	Affordable soc rent			0	0	0	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	0	0				270
	Affordable sh oship			0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0	0				90
	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0
	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0
Units completed	Market housing				0	0	0	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	0				840
+3Q	Affordable soc rent				0	0	0	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	0				270
	Affordable sh oship				0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0				90
	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0
	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0
Units purchased	Market housing					0	0	0	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34				840
+4Q	Affordable soc rent					0	0	0	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11				270
	Affordable sh oship					0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4				90
	0					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0
	0					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				0

SITE Z2 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	Year 6 Q1	Q2	Q3	Q4	Year 7 Q1	Q2	Q3	Q4	Year 8 Q1	Q2	Q3	Q4	TOTALS
INCOME																																			
Housing sales	*Market housing*		0	0	0	0	0	0	0	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	169,264
	Affordable soc rent		0	0	0	0	0	0	0	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	804	20,112
	Affordable sh oship		0	0	0	0	0	0	0	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	7,993
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sales fees		0	0	0	0	0	0	0	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-244	-6,105
	Car park													423																					423
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7,895**	**7,895**	**7,895**	**7,895**	**8,318**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**7,895**	**197,793**
COSTS																																			
Land	*Land acquisition*		12,241																																12,241
	Stamp duty		490																																490
	Purchase fees		184																																184
	Total																																		**12,914**
Build costs	*Market housing*		0	0	0	0	0	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	0	0	64,509
	Affordable soc rent		0	0	0	0	0	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	829	0	0	20,735
	Affordable sh oship		0	0	0	0	0	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	276	0	0	6,912
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Build contingency	2.5%	0	0	0	0	0	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	0	0	2,304
	Total																																				**94,460**
Dev costs	*Upfront*	11.3%	2,657	2,657	2,657	2,657																															10,627
	Build related	11.3%	0	0	0	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	425	0	0	10,627
	Abnormals	0%	0	0																																	0
	Total																																				**21,254**
Fees	*Fees on build costs*	10.0%	0	0	0	0	0	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	378	0	0	9,446
	Fees on dev costs	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																																				**9,446**
PG	*Planning gain*					0	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	0	0	0	0	13,440
	Total																																				**13,440**
Other	*Planning*	£500	200	200	200																																600
	Survey	£200	240																																		240
	Marketing	£0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																																				**840**
Sales fees	*bforward from above*		0	0	0	0	0	0	0	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	244	**6,105**
Total costs			**16,011**	**2,857**	**2,857**	**3,619**	**963**	**5,119**	**5,119**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**5,363**	**4,400**	**4,400**	**244**	**244**	**158,459**
Net profit/loss from quarter			**-16,011**	**-2,857**	**-2,857**	**-3,619**	**-963**	**-5,119**	**-5,119**	**2,532**	**2,532**	**2,532**	**2,532**	**2,955**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**2,532**	**3,494**	**3,494**	**7,651**	**7,651**	**39,334**
Profit/loss bf from last quarter			0	-16,311	-19,527	-22,803	-26,918	-28,403	-34,151	-40,006	-38,177	-36,314	-34,415	-32,481	-30,080	-28,065	-26,012	-23,920	-21,790	-19,619	-17,408	-15,155	-12,860	-10,522	-8,140	-5,713	-3,241	-723	1,843	4,457	7,120	10,813	14,576	22,643	
Cumulative profit/loss			-16,011	-19,168	-22,384	-26,423	-27,881	-33,522	-39,270	-37,474	-35,645	-33,782	-31,884	-29,527	-27,548	-25,533	-23,480	-21,389	-19,258	-17,087	-14,876	-12,623	-10,328	-7,990	-5,608	-3,181	-709	1,809	4,375	6,989	10,614	14,307	22,226	30,294	
Interest	*Charged at*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
	Total		-300	-359	-420	-495	-523	-629	-736	-703	-668	-633	-598	-554	-517	-479	-440	-401	-361	-320	-279	-237	-194	-150	-105	-60	-13	34	82	131	199	268	417	568	**-8,474**
Cumulative developer profit carried forward to RV calc			**-16,311**	**-19,527**	**-22,803**	**-26,918**	**-28,403**	**-34,151**	**-40,006**	**-38,177**	**-36,314**	**-34,415**	**-32,481**	**-30,080**	**-28,065**	**-26,012**	**-23,920**	**-21,790**	**-19,619**	**-17,408**	**-15,155**	**-12,860**	**-10,522**	**-8,140**	**-5,713**	**-3,241**	**-723**	**1,843**	**4,457**	**7,120**	**10,813**	**14,576**	**22,643**	**30,862**	**30,860**

Addendum 1 Additional Site Appraisals: current price base

Introduction

Ad1.1 Close to the completion of the Strategic Affordable Housing Viability study, Fordham Research Group Ltd was asked to produce additional appraisals for two further sites located on the edge of Ipswich. Details of the appraisals were provided in an Appendix to the Study Report (Appendix 6).

Ad1.2 As with the appraisals in the main study, these were produced to a base date of March/April 2008. The Councils also asked us to produce appraisals for the two additional greenfield sites to a current date, i.e. March/April 2009. Appendix 6 sets out the additional appraisals using base data collected in March/April 2008. Addendum 1 updates the same appraisals using base data collected in March/April 2009 I.e. during a market downturn.

Ad1.3 The present document provides the results of those appraisals. The detailed assumptions for those appraisals are set out in the main study Report and so the present document only sets out those assumptions which depart from these, i.e. adjustments to market prices and build costs.

Ad1.4 As with the main study, printout for the update appraisals is provided in an Appendix to the present document.

The two sites: details and development assumptions

Ad1.5 For convenience, summary details of the two additional sites are set out in the Table below. They are both substantial sites. Both are on the north eastern side of Ipswich and in fact they are contiguous sites.

Table Ad1 Actual site details						
Site No	*Name*	*Area ha*		*No Dwgs*	*Density net (dw/ha)*	*Status*
		Gross	*Net resid*			
Z1	North of Valley Rd Ipswich	12.20	11.00	320* (395)	na (35.9)	Application
Z2	West of Westerfield Rd Ipswich	43.40	35.00	1,200	25.0	Proposed site

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Note Site Z1 contains an area for residential care which is considered equivalent in built form terms to an additional 75 apartments.

Ad1.6 One site is subject to a current planning application and one is a site proposed by a developer, although proposals for around 1,200 dwellings on this site were understood to be fairly well advanced. The proposals for the smaller site, Z1, contain an area of residential care. The floor area (59,200 sq ft /5,500 sq m) identified is considered equivalent to an additional 75 apartments. For the purpose of the appraisal it has been modelled as such.

Ad1.7 Assumptions for residential development for the two sites are set out in the Table below.

Table Ad2 Site development assumptions							
Site ref	Category	Development form	Net sq m/ha	Net sq ft/acre	Net area ha	No of dwgs	Ave dwg net sq ft (sq m)
Z1	N of Valley Rd	Rural/edge	2,875	12,512	11.00	395	861 (80)
Z2	W of Westerfield Rd	Rural/edge	3,045	13,250	35.00	1,200	955 (89)

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Price assumptions for financial appraisals

Ad1.8 In order to form a view about the appropriate prices to assume for the two additional sites as at April 2008 we looked at the available comparable sites as at March 2009. Sales data was collated from a range of current development sites across the Ipswich area. The current price data, varies dependant upon the location, units types and general levels of specification. The sites either offer a good direct comparable or assist in informing the overall level of the current market.

Table Ad3 Newbuild schemes: comparables			
Site / Location	Builder	Range of Dwgs	Prices
Vista, Woodbridge Road	Crest Homes	1,2 & 4 bed apartments & houses	£103k-£220K
Bramford Gardens, Bramford Rd	Redrow Homes	2,3 & 4 bed apartments and houses	£83k-£182k
Albany Place, Tuddenham Rd, Ipswich	Hopkins Homes	3,4 & 5/6 beds	£250k - £500k
Cedarwood Parc, Kesgrave	Persimmon Homes	2, 3 & 4 bed apartments and houses	£118k-£300k
Spencers Court, Bramford Rd, Ipswich	George Wimpey	2 & 3 bed apartments and houses	£80k-£119k
Voyage,Ranelagh Rd, Ipswich	Fairview	2 bed apartments	£100k-£110k

Source: Local Market Survey Fordham Research 2009

Ad1.9 The two sites, Z1 and Z2, are both located in a very good location within Ipswich. It is therefore appropriate that the sales figures are at the upper end of the evidence. The price levels have due regard to the floorspace density levels for the schemes.

Ad1.10 We came to the conclusion that at the present time sale prices for flats and for houses on either site would be £180 per sq ft (£1,935 per sq m). At present, the oversupply of flats across Ipswich generally would not permit an appreciable apartment premium, particularly in this edge of town location.

Current and Alternative Use Values

Ad1.11 The sites are on land which is occupied by school playing fields, or in agricultural use. The smaller site, Z1, also involves the demolition of a dwelling to provide a secondary access.

Ad1.12 With the onset of the recession some alternative use values may very well have fallen since April 2008 – industrial or commercial land for example. However we do not feel it is appropriate to reduce the use values assumed for the two sites for playing fields and agricultural uses as at April 2008. The value of the demolished property will have fallen but this would only necessitate an adjustment of £2k per acre perhaps, and this amount is felt to be de minimis.

Construction costs

Ad1.13 Build costs for the housing on the two sites were assumed to have risen by 5% over the 12 month period to March 2009. BCIS figures support an adjustment of this scale. This produces rounded figures as set out below.

Table Ad4 Construction costs adjusted and rounded: all housing					
Build cost £ per sq ft/sq m					
Site	sq ft	sq m	Site	sq ft	sq m
Z1	82	(880)	Z2	83.50	(900)

Source: Fordham Research derived from analysis of BCIS cost data

Financial assumptions: finance rates and phasing/timetable

Ad1.14 The interest rate assumptions from the main study were left unchanged for the update appraisals. Although Minimum Lending Rate has reduced since the time of the study, the economic conditions mean that a considerable risk premium now applies to finance rates for residential development.

Ad1.15 Assumptions for the pace of development are also left unchanged, despite the difficult market conditions at present. It is assumed that they will recover over the length of the development period.

Results of viability analysis

Ad1.16 Appraisals were prepared for the two sites on the basis of the affordable options from 25%-40% in the main study, but for prices as at March/April 2009. The results of these appraisals are set out below .

Table Ad5 Appraisal results for five affordable options March/April 2009						
Zero grant: shared ownership at 25% share						
No	Site	Residual value £k per acre for affordable option:				
		No aff	25%	30%	35%	40%
Z1	N of Valley Rd	190	69	44	19	(-5)
Z2	W of Westerfield Rd	110	(-45)	(-77)	(-110)	(-141)

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Ad1.17 Table Ad5 shows that with no requirement for affordable housing both sites deliver residual land values between £100k - £200k per acre (£250k - £500k per ha). The smaller site delivers a slightly higher land value than its neighbour, and as increasingly high affordable housing requirements are sought, the land value for the latter also falls off more quickly.

Alternative use benchmarks

Ad1.18 Comparing the results from Table Ad5 with the alternative use values identified in the main study Appendix, we obtain a view of the likely viability of the affordable options for each site. It is set out below.

Table Ad6 Appraisal outcomes March/April 2009

No	Site	Value £k per acre					
		Alt use value	No affordable	5%	10%	25%	30%
Z1	N of Valley Rd	110/ 150	190 VIABLE	177 VIABLE	150 MARGINAL	69 NOT VIAB	44 NOT VIAB
Z2	W of Westerfield Rd	20/60	110 VIABLE	91 VIABLE	58 MARGINAL	(-45) NOT VIAB	(-77) NOT VIAB

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Comparison results

Ad1.19 With zero affordable housing, both sites are viable, though not by particularly large margins. At or beyond a 25% affordable contribution, both sites are quite clearly unviable.

Ad1.20 Interpolation from these results would suggest a contribution of something over 5% would be viable in each case, but not much more. We therefore prepared further appraisals at 5% and 10%, and the results confirm this. Seeking a full 10% contribution at present market prices and costs would not be reasonable.

Ad1.21 These results indicate a much less satisfactory viability situation than that as of March/April 2008, set out in Appendix 6 to the main Viability Study Report. Table Ad7 summarising these is repeated below.

Table Ad7 Appraisal outcomes March/April 2008

No	Site	Value £k per acre					
		Alt use value	No affordable	25%	30%	35%	40%
Z1	N of Valley Rd	110/150	424 VIABLE	257 VIABLE	223 VIABLE	188 VIABLE	154 VIABLE
Z2	W of Westerfield Rd	20/60	393 VIABLE	183 VIABLE	142 VIABLE	98 VIABLE	56 MARGINAL

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009 – Table A6.9

Ad1.22 The results show that 35% affordable at March/April 2008 achieved a broadly similar level of viability to 5% affordable, at April 2009 prices and costs. The decline of 15% in prices and increase of 5% in costs is responsible for this change.

Sensitivity: price and cost levels

Ad1.23 As with the main study, we can look at scenarios for future prices and costs movements. It remains the case that, as with the main study, prices may deteriorate in the immediate future but can be expected to recover in due course. The two sites in question are both large and it is quite likely that much or indeed all of them would be built after a recovery in prices had become well established.

Ad1.24 We carried out sensitivity tests showing the impact of 10% changes (+ and -) to the assumed market housing values.

Ad1.25 The 10% reduction is equivalent, broadly speaking, to a 7.5% price fall combined with a cost increase of 2.5%. This could be considered a perfectly plausible scenario for the market situation in say late 2009/early 2010.

Ad1.26 The 10% increase is equivalent to a 20% price increase plus cost increase of 10%. This is a conceivable scenario for say 2012 if prices ceased falling in the near future and began to recover thereafter. On the other hand it is by no means the most likely.

Ad1.27 The results from these variant scenarios are compared to the base appraisal results for 5% and 25% affordable options, in Tables Ad8 and Ad9 below.

Table Ad8 Sensitivity tests for 5% appraisals

No	Site	Value £k per acre			
		Alt use value	Prices up 10%	Base prices	Prices down 10%
Z1	N of Valley Rd	110/ 150	283 VIABLE	177 VIABLE	71 NOT VIAB
Z2	W of Westerfield Rd	20/60	219 VIABLE	91 VIABLE	(-37) NOT VIAB

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Table Ad9 Sensitivity tests for 25% appraisals

No	Site	Value £k per acre			
		Alt use value	Prices up 10%	Base prices	Prices down 10%
Z1	N of Valley Rd	110/ 150	153 VIABLE	69 NOT VIAB	(-16) NOT VIAB
Z2	W of Westerfield Rd	20/60	58 MARGINAL	(-45) NOT VIAB	(-150) NOT VIAB

Source: Ipswich et al. Affordable Housing Site Viability Study Fordham Research 2009

Ad1.28 The 10% price increase would improve the viability situation, as might be expected; 25% affordable housing is approaching viability on each site. With a 10% price reduction no affordable at all could be delivered.

Ad1.29 These results demonstrate just how sensitive the viable affordable contribution is to comparatively small future changes in prices and costs.

Implications of appraisal results

Ad1.30 Appraisals were prepared for the two additional sites at current values and costs, as at March/April 2009. The bulk of the appraisal assumptions from the base date of March/April 2008 were left unchanged.

Ad1.31 The results from the appraisals suggest that under zero grant conditions, a proportion of little more than 5% could be sought on either site without rendering either development unviable. This contrasts with the situation at March/April 2008, where around 35% could have been achieved.

Ad1.32 Both developments are of a considerable scale and will take a number of years to complete. They are very unlikely to make much progress unless prices begin to rise, at least as fast as costs are rising, and it is likely that many or most of the homes will be completed under appreciably more favourable prices than apply today.

Ad1.33 This latter point must be borne in mind if affordable contributions are going to be negotiated in respect of planning applications for either of the sites in the next few months. A negotiation solely on the basis of current price levels could fail to secure the scale of contribution that could be afforded in due course, with implications both for sustainable housing mix and the meeting of local housing need.

Ad1.34 Further details of a possible response are given below. This approach may well apply more widely, to other sites for which applications are currently in the pipeline, provided these are of an appropriate scale. It must be emphasised that the approach is designed to deal with applications of an appropriate scale coming forward during the current housing market situation, and it is not suggested that it should be applied longer term, to future applications coming forward under more normal market conditions.

Application of clawback in S106

Ad1.35 One possible response to such a situation involves the use of a S106 device to tap a proportion of the uplift in gross development value as house prices recover during the life of the development. This device is commonly described as clawback. The principle is that planning obligations (in this case for affordable housing) are written in a way that recognises that viability prevents the current provision of a due obligation, but permits it to be obtained in future if viability improves to a significant degree.

Ad1.36 The structure of the S106 would allow for sales values for each dwelling to be regularly reported by the developer, and for a share of the overall revenue above an agreed start point to be provided as a (retrospective) commuted affordable payment. The share would be determined by a previously agreed formula and not require further appraisal work during the development period. If felt to be necessary, it would be possible for the formula to allow for the commuted payment to be offset by an allowance for increased build costs, as measured by an appropriate index.

Ad1.37 It is envisaged that clawback might well form part of a comprehensive policy package designed to address the dynamic viability situation. However it is an approach which could be applied immediately and would not need to wait for the details of such a package to be formulated.

SITE Z1: N of Valley Rd Ipswich

Input assumptions

Scenario & option Affordable 10% = 7.5% social rented & 2.5% shared ownership zero grant

Ipswich Bab MS SC HMA

Site details

Site		N of Valley Rd
Location		Ipswich
Area	ha	11.00
	acres	27.18
No dwgs		395
Density dw/ha		35.9

		£k
Contingency		
allowance	2.50%	702
Development costs		
standard % build	18.00%	5,180
plus abnormals	0.0%	0
Total	18%	
Design fees		
on build costs	10.0%	2,878
on dev costs	0%	
Planning gain		
£ per dwelling	11,500	3,680

Dwellings

Dwellings			ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft
Market housing	288.0	72.91%	867	861	82.00	180.00
					0.0%	
Affordable soc rent	24.0	6.08%	867	861	82.00	79.00
					0.0%	
Affordable sh oship	8.0	2.02%	867	861	82.00	93.00
					0.0%	
Care	75.0	18.99%	789	671	90.00	225.00
					0.0%	
	0.0	0.00%	1,000	1,000	90.00	0.00
Total	395.0	100.00%	336,614	325,843	£28,075,829	£58,230,545

Floorspace density = 11,988 net sq ft per acre

Other costs

Planning	500	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50%

Notes

SITE Z1 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable	Hectare: Affordable	Hectare: No affordable
Land purchase price	£	4,079,404	5,335,252		
RV per acre	£	150,083	196,286	£370,855	£485,023
Dev profit	£	9,577,695	10,222,871		
Total costs	£	49,077,350	51,118,311		
profit as % of costs		19.52%	20.00%		

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			3.6	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	0.0	0.0	0.0	0.0	288.0
	Affordable soc rent			0.3	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	0.0	0.0	0.0	0.0	24.0
	Affordable sh oship			0.1	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0	0.0	0.0	0.0	8.0
	Care			0.9	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	0.0	0.0	0.0	0.0	75.0
	0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0	0	5	30	30	30	30	30	30	30	30	30	30	30	30	30	0	0	0	0	395.0
Units 'built'	*Market housing*			0	0	4	22	22	22	22	22	22	22	22	22	22	22	22	22	0	0	288
+2Q	*Affordable soc rent*			0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	0	0	24
	Affordable sh oship			0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	8
	Care			0	0	1	6	6	6	6	6	6	6	6	6	6	6	6	6	0	0	75
	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units completed	*Market housing*				0	0	4	22	22	22	22	22	22	22	22	22	22	22	22	22	0	288
+3Q	*Affordable soc rent*				0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	0	24
	Affordable sh oship				0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	0	8
	Care				0	0	1	6	6	6	6	6	6	6	6	6	6	6	6	6	0	75
	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units purchased	*Market housing*					0	0	4	22	22	22	22	22	22	22	22	22	22	22	22	22	288
+4Q	*Affordable soc rent*					0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	24
	Affordable sh oship					0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	8
	Care					0	0	1	6	6	6	6	6	6	6	6	6	6	6	6	6	75
	0					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SITE Z1 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	TOTALS
INCOME																							
Housing sales	*Market housing*		0	0	0	0	0	0	565	3,390	3,390	3,390	3,390	3,390	3,390	3,390	3,390	3,390	3,390	3,390	3,390	3,390	44,633
	Affordable soc rent		0	0	0	0	0	0	21	124	124	124	124	124	124	124	124	124	124	124	124	124	1,634
	Affordable sh oship		0	0	0	0	0	0	8	49	49	49	49	49	49	49	49	49	49	49	49	49	639
	Care		0	0	0	0	0	0	143	860	860	860	860	860	860	860	860	860	860	860	860	860	11,325
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sales fees		0	0	0	0	0	0	-21	-128	-128	-128	-128	-128	-128	-128	-128	-128	-128	-128	-128	-128	-1,690
	Car park													423									423
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**737**	**4,423**	**4,423**	**4,423**	**4,423**	**4,846**	**4,423**	**4,423**	**4,423**	**4,423**	**4,423**	**4,423**	**4,423**	**4,423**	**58,654**
COSTS																							
Land	*Land acquisition*		4,079																				4,079
	Stamp duty		163																				163
	Purchase fees		61																				61
	Total																						**4,304**
Build costs	*Market housing*		0	0	0	0	259	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	0	0	20,475
	Affordable soc rent		0	0	0	0	22	130	130	130	130	130	130	130	130	130	130	130	130	130	0	0	1,707
	Affordable sh oship		0	0	0	0	7	43	43	43	43	43	43	43	43	43	43	43	43	43	0	0	567
	Care		0	0	0	0	67	405	405	405	405	405	405	405	405	405	405	405	405	405	0	0	5,326
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Build contingency	2.5%	0	0	0	0	9	53	53	53	53	53	53	53	53	53	53	53	53	53	0	0	702
	Total																						**28,778**
Dev costs	*Upfront*	9.0%	647	647	647	647																	2,590
	Build related	9.0%	0	0	33	197	197	197	197	197	197	197	197	197	197	197	197	197	0	0	0	0	2,590
	Abnormals	0%	0	0																			0
	Total																						**5,180**
Fees	*Fees on build costs*	10.0%	0	0	0	0	36	219	219	219	219	219	219	219	219	219	219	219	219	219	0	0	2,878
	Fees on dev costs	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																						**2,878**
PG	*Planning gain*				47	279	279	279	279	279	279	279	279	279	279	279	279	279	0	0	0	0	3,680
	Total																						**3,680**
Other	*Planning*	£500	66	66	66																		198
	Survey	£200	79																				79
	Marketing	£0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																						**277**
Sales fees	*b/forward from above*		0	0	0	0	0	0	21	128	128	128	128	128	128	128	128	128	128	128	128	128	**1,690**
Total costs			**5,096**	**713**	**793**	**1,124**	**877**	**2,880**	**2,902**	**3,009**	**3,009**	**3,009**	**3,009**	**3,009**	**3,009**	**3,009**	**3,009**	**3,009**	**2,533**	**2,533**	**128**	**128**	**46,786**
Net profit/loss from quarter			**-5,096**	**-713**	**-793**	**-1,124**	**-877**	**-2,880**	**-2,165**	**1,414**	**1,414**	**1,414**	**1,414**	**1,837**	**1,414**	**1,414**	**1,414**	**1,414**	**1,890**	**1,890**	**4,294**	**4,294**	**11,868**
Profit/loss bf from last quarter			0	-5,192	-6,016	-6,936	-8,211	-9,258	-12,366	-14,803	-13,640	-12,455	-11,248	-10,019	-8,335	-7,051	-5,743	-4,410	-3,053	-1,184	719	5,107	
Cumulative profit/loss			-5,096	-5,905	-6,808	-8,060	-9,087	-12,138	-14,530	-13,389	-12,226	-11,041	-9,835	-8,182	-6,922	-5,638	-4,329	-2,997	-1,163	706	5,013	9,401	
Interest	*Charged at*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
	Total		-96	-111	-128	-151	-170	-228	-272	-251	-229	-207	-184	-153	-130	-106	-81	-56	-22	13	94	176	**-2,292**
Cumulative developer profit carried forward to RV calc			**-5,192**	**-6,016**	**-6,936**	**-8,211**	**-9,258**	**-12,366**	**-14,803**	**-13,640**	**-12,455**	**-11,248**	**-10,019**	**-8,335**	**-7,051**	**-5,743**	**-4,410**	**-3,053**	**-1,184**	**719**	**5,107**	**9,578**	**9,576**

SITE Z2: W of Westerfield Rd Ipswich

Input assumptions

Scenario & option Affordable 10% = 7.5% social rented & 2.5% shared ownership zero grant

Ipswich Bab MS SC HMA

Site details

Site		W of Westerfield Rd
Location		Ipswich
Area	ha	35.00
	acres	86.49
No dwgs		1200
Density dw/ha		34.3

		£k
Contingency		
allowance	2.50%	2,420
Development costs		
standard % build	22.50%	22,323
plus abnormals	0.0%	0
Total	23%	
Design fees		
on build costs	10.0%	9,921
on dev costs	0%	
Planning gain		
£ per dwelling	11,500	13,800

Dwellings

Dwellings			ave floor space gross sq ft	ave floor space net sq ft	build cost per sq ft	sales value per sq ft
Market housing	1,080.0	90.00%	966	955	83.50	180.00
					0.0%	
Affordable soc rent	90.0	7.50%	966	955	83.50	78.00
					0.0%	
Affordable sh oship	30.0	2.50%	966	955	83.50	93.00
					0.0%	
	0.0	0.00%	671	789	110.00	0.00
					0.0%	
	0.0	0.00%	1,000	1,000	110.00	0.00
Total	1,200.0	100.00%	1,159,200	1,146,000	£96,793,200	£195,020,550

Floorspace density = 13,251 net sq ft per acre

Other costs

Planning	500	£ per dwelling
Survey	200	£ per dwelling
Marketing	0	£ per dwelling

Interest

% per annum 7.50%

Notes

SITE Z2 LAND COST & PHASING

Land

Iterate to achieve 20.0% profit

		Affordable	No affordable	Hectare: Affordable	Hectare: No affordable
Land purchase price	£	5,022,109	10,813,616		
RV per acre	£	58,069	125,035	£143,489	£308,960
Dev profit	£	31,911,555	34,453,762		
Total costs	£	163,534,395	172,251,638		
profit as % of costs		19.51%	20.00%		

Programme		Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	Year 6 Q1	Q2	Q3	Q4	Year 7 Q1	Q2	Q3	Q4	Year 8 Q1	Q2	Q3	Q4	TOTALS
Units started	*Market housing*			0.0	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2								1,080.0
	Affordable soc rent			0.0	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6								90.0
	Affordable sh oship			0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2								30.0
	0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0.0
	0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0.0
	TOTAL	0	0	0	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48								1,200.0
Units 'built'	*Market housing*			0	0	0	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	0	0	1,080
+2Q	*Affordable soc rent*			0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0	0	90
	Affordable sh oship			0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	30
	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units completed	*Market housing*				0	0	0	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	0	1,080
+3Q	*Affordable soc rent*				0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	0	90
	Affordable sh oship				0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	30
	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units purchased	*Market housing*					0	0	0	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43	1,080
+4Q	*Affordable soc rent*					0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	90
	Affordable sh oship					0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	30
	0					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SITE Z2 CASH FLOW AFFORDABLE

		rate	Year 1 Q1	Q2	Q3	Q4	Year 2 Q1	Q2	Q3	Q4	Year 3 Q1	Q2	Q3	Q4	Year 4 Q1	Q2	Q3	Q4	Year 5 Q1	Q2	Q3	Q4	Year 6 Q1	Q2	Q3	Q4	Year 7 Q1	Q2	Q3	Q4	Year 8 Q1	Q2	Q3	Q4	TOTALS
INCOME																																			
Housing sales	*Market housing*		0	0	0	0	0	0	0	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	185,652
	Affordable soc rent		0	0	0	0	0	0	0	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	268	6,704
	Affordable sh oship		0	0	0	0	0	0	0	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	2,664
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sales fees		0	0	0	0	0	0	0	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-262	-6,558
	Car park													423																					423
Total income			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7,801**	**7,801**	**7,801**	**7,801**	**8,224**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**7,801**	**195,444**
COSTS																																			
Land	*Land acquisition*		5,022																																5,022
	Stamp duty		201																																201
	Purchase fees		75																																75
	Total																																		**5,298**
Build costs	*Market housing*		0	0	0	0	0	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	3,485	0	0	87,114
	Affordable soc rent		0	0	0	0	0	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	290	0	0	7,259
	Affordable sh oship		0	0	0	0	0	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	0	0	2,420
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Build contingency	2.5%	0	0	0	0	0	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	0	0	2,420
	Total																																				**99,213**
Dev costs	*Upfront*	11.3%	2,790	2,790	2,790	2,790																															11,161
	Build related	11.3%	0	0	0	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	446	0	0			11,161
	Abnormals	0%	0	0																																	0
	Total																																				**22,323**
Fees	*Fees on build costs*	10.0%	0	0	0	0	0	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	397	0	0	9,921
	Fees on dev costs	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																																				**9,921**
PG	*Planning gain*					0	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	552	0	0	0	0	13,800
	Total																																				**13,800**
Other	*Planning*	£500	200	200	200																																600
	Survey	£200	240																																		240
	Marketing	£0				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total																																				**840**
Sales fees	*b/forward from above*		0	0	0	0	0	0	0	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	262	6,558
Total costs			**8,529**	**2,990**	**2,990**	**3,789**	**998**	**5,364**	**5,364**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**5,626**	**4,628**	**4,628**	**262**	**262**	**157,954**
Net profit/loss from quarter			**-8,529**	**-2,990**	**-2,990**	**-3,789**	**-998**	**-5,364**	**-5,364**	**2,175**	**2,175**	**2,175**	**2,175**	**2,598**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**2,175**	**3,173**	**3,173**	**7,539**	**7,539**	**37,490**
Profit/loss bf from last quarter			0	-8,689	-11,898	-15,167	-19,311	-20,691	-26,543	-32,505	-30,899	-29,263	-27,596	-25,898	-23,737	-21,966	-20,163	-18,325	-16,453	-14,546	-12,604	-10,624	-8,608	-6,554	-4,461	-2,329	-158	2,055	4,309	6,605	8,945	12,345	15,809	23,786	
Cumulative profit/loss			-8,529	-11,679	-14,888	-18,956	-20,310	-26,054	-31,907	-30,330	-28,724	-27,088	-25,421	-23,300	-21,562	-19,792	-17,988	-16,151	-14,279	-12,372	-10,429	-8,450	-6,433	-4,379	-2,287	-155	2,017	4,230	6,484	8,780	12,118	15,518	23,348	31,324	
Interest	*Charged at*	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
	Total		-160	-219	-279	-355	-381	-489	-598	-569	-539	-508	-477	-437	-404	-371	-337	-303	-268	-232	-196	-158	-121	-82	-43	-3	38	79	122	165	227	291	438	587	**-5,581**
Cumulative developer profit carried forward to RV calc			**-8,689**	**-11,898**	**-15,167**	**-19,311**	**-20,691**	**-26,543**	**-32,505**	**-30,899**	**-29,263**	**-27,596**	**-25,898**	**-23,737**	**-21,966**	**-20,163**	**-18,325**	**-16,453**	**-14,546**	**-12,604**	**-10,624**	**-8,608**	**-6,554**	**-4,461**	**-2,329**	**-158**	**2,055**	**4,309**	**6,605**	**8,945**	**12,345**	**15,809**	**23,786**	**31,912**	**31,909**