

**Appendix I - South Downs National Park Authority - Viability Assumptions Update**

South Downs NPA				0% on-site Affordable Housing*		Percentage Affordable Housing & Tenure Mix		Percentage Affordable Housing & Tenure Mix	
Scenario type Appraised	Site type	Dwelling Mix (BF = Bed Flat; BH = Bed House)	Density	20% Affordable Housing*		40% Affordable Housing*		40% Affordable Housing*	
				Private Mix	Affordable Tenure Split 70% Rent; 30% Intermediate	Private Mix	Affordable Tenure Split 70% Rent; 30% Intermediate	Private Mix	Affordable Tenure Split 70% Rent; 30% Intermediate
5 Houses	PDL / Existing Residential	2 x 2BH, 3 x 3BH	30	2 x 2BH, 3 x 3BH	4 x 3 BH	1 x 3 BH AR	N/A	N/A	
10 Houses	PDL / Employment / Existing Residential	5 x 2BH, 5 x 3BH	40	3 x 2 BH, 5 x 3 BH, 2 x 4 BH	N/A	N/A	2 x 2 BH, 3 x 3 BH, 1 x 4 BH	1 x 2 BH, 2 x 3 BH AR / 1 x 2 BH SO	
30 Mixed	PDL / Employment / Existing Residential	5 x 1BF; 45 x 2BF	50	2 x 1 BF, 4 x 2 BF, 10 x 2 BH, 10 x 3 BH, 4 x 4 BH	N/A	N/A	2 x 1 BF, 4 x 2 BF, 4 x 2 BH, 6 x 3 BH, 2 x 4 BH	2 x 2 BF, 2 x 2 BH, 4 x 3 BH AR / 2 x 2 BF, 2 x 2 BH SO	

**Technical Housing Standards - nationally described space standard**

Unit Sizes (sq. m)*	Affordable	Private (market)
1-bed flat	50	50
2-bed flat	70	70
2-bed house	79	85
3-bed house	93	100
4-bed house	112	130

Market Value Level	VL5 (Land Registry uplift from 2013 study)
Location (Range)	
1 Bed Flat	£220,000
2 Bed Flat	£308,000
2 Bed House	£374,000
3 Bed House	£440,000
4 Bed House	£572,000
Value House (£/m2)	£4,400

**Affordable Housing Revenue Assumptions - South Downs National Park**

Unit	LHA (Average) Cap
1BF	£134
2BF	£168
2BH	£168
3BH	£200
4BH	£281

Unit	Size	AH Transfer Price (LHA Cap)	AH Transfer Price less 10%	% of OMV VL5
1BF	50	£95,254	£86,595	39%
2BF	70	£119,114	£108,285	35%
2BH	79	£119,114	£108,285	31%
3BH	93	£141,495	£128,632	31%
4BH	112	£199,331	£181,210	37%

Based on average of Winchester, Portsmouth, Chichester, Worthing & Brighton & Hove BRMA LHA rates (Rental Proxy)

Development / Policy Costs	SDNPA 2013	SDNPA 2015	Comments
<b>RESIDENTIAL BUILDING, MARKETING &amp; S106 COSTS</b>			
Build Costs Flats (Generally) (£/m <sup>2</sup> )	£1,179	£1,596	
Build Costs Flats (3-5 storey)	£1,170	£1,590	
Build Costs Houses (Mixed Developments) (£/m <sup>2</sup> )	£1,057	£1,320	
Build Costs Houses (Estate Housing)	£1,015	£1,343	
Additional 10% allowance for small sites following FSB report <sup>1</sup>			
Additional works and infrastructure and surveys allowance (excluding s.106) - where applicable	£125k - £500k/net ha	£125k - £500k/net ha	
Contingencies (% of build cost)	5%	5%	
Professional & Other Fees (% of build cost)	10.0%	10.0%	
Sustainable Design / Construction Standards (% of build cost) <sup>2</sup>	5.85%	2.00%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations
Sustainable Design / Construction Standards (% of build cost) - Sensitivity testing CFSH Level 5	15%	Not Tested	No longer relevant
Residual s106 /non-CIL costs (£ per unit)	£3,000	£3,000	
Building Regs M4 (2) Compliance (100% / 15% and 0% of dwellings) <sup>3</sup>	Not Tested	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only) - figures provided for sensitivity testing only.
Building Regs M4 (3) Compliance (5% of dwellings) <sup>3</sup>	Not Tested	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only) - figures provided for sensitivity testing only.
Technical Housing Standards - nationally described space standard	Not Tested	Included	
Marketing & Sales Costs (%of GDV)	3%	3%	
Legal Fees on sale (£ per unit)	£750	£750	
<b>DEVELOPER'S RETURN FOR RISK AND PROFIT</b>			
Open Market Housing Profit (% of GDV)	20.0%	20.0%	
Affordable Housing Profit (% of GDV)	6.0%	6.0%	
<b>FINANCE &amp; ACQUISITION COSTS</b>			
Arrangement Fees - (% of loan)	2.0%	2.0%	
Miscellaneous (Surveyors etc) - per unit	0.00%	0.00%	
Agents Fees (% of site value)	1.50%	1.50%	
Legal Fees (% of site value)	0.75%	0.75%	
Stamp Duty (% of site value)	0% to 5% HMRC scale	0% to 5% HMRC scale	
Finance Rate - Build (%)	7.0%	7.0%	
Finance Rate - Land (%)	7.0%	7.0%	

<sup>1</sup> Build cost taken as "Median" figure from BCIS for that build type - e.g. flats ; houses storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The average of the BCIS figure for East Sussex, West Sussex and Hampshire have been used. Includes allowance for external works and uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings.

<sup>2</sup> BCIS report for the Federation of Small Businesses - Housing development: the economics of small sites - the effect of project size on the cost of housing construction (August 2015)

<sup>3</sup> The above costs are based on the DCLG Housing Standards Review Impact Assessment costings assuming equivalent CFSH L4 energy costs only base. Appraisals assume cost uplift in line with figures above assuming average cost uplift from each unit type (£1,932 per unit average, equating to the 2% assumed above).

<sup>3</sup> Sensitivity tested allowance to meet Building Regs M4 Category 2 and Category 3 (adaptable) acknowledged within report as potential variable cost issue (depending on design etc.). EC Harris DCLG Housing Standards Review Cost Impact indicate average extra over cost to be £1,646 (Cat.2) and £15,691 (additional space cost (Cat. 3)) for flats and £2,447 (Cat.2) and £26,816 (additional space cost (Cat.3 adaptable)) for houses.