

APPENDIX 3: MINIMUM CONTENT FOR AN APPLICANT'S VIABILITY APPRAISAL

I. Residual Land Value:

- a) Gross Development Value supported by:
 - i. Comparable market evidence for the Market Housing / Commercial floorspace confirming address of comparable, sale price, date of sale, analysis of comparable and how applied to proposed development.
 - ii. Accommodation schedule confirming:
 - Unit type, tenure, Gross Internal Area and as relevant Net Internal Area and/or Net Sales Area of the units.
 - Unit values for Market Housing and Affordable Housing and offers from Registered Provider if available
 - Ground Rents as appropriate
 - Unit values for any non-residential element (rent and yield or capital values comparables)
 - Assumptions made in relation to Affordable Housing units and values
- b) Cost Plan based upon BCIS data or Quantity Surveyor/Cost Consultant/Technical report(s) confirming:
 - i. Base build cost of the proposed development;
 - ii. Contingency
 - iii. Professional fees
 - iv. Abnormal development costs including for example:
 - Contamination remediation
 - Adverse ground conditions and specialist foundation types
 - Archaeology
 - Access and site servicing
 - Ecology
- c) Development Programme confirming periods for:
 - i. Pre-commencement
 - ii. Build
 - iii. Sales (overlap)
 - iv. Affordable Housing phased payment assumptions
- d) Section 106 and CIL assumptions including for example:
 - i. CIL assumptions
 - ii. SANGS and SAMM
 - iii. Site specific Section 106 contributions

- e) Other variables including for example:
 - i. Agent and legal fees on purchase and sale
 - ii. Marketing costs
 - iii. Finance costs
 - iv. Developer's profit assumptions (Market Housing, Affordable Housing, commercial parts etc)
 - 2. Residual Land Value to be supported by evidence from comparable development land sales.
 - 3. Confirmation of the price paid for the property or the price expected to be paid for the property on the grant of planning permission together with confirmation of the contractual terms relevant to the determination of the purchase price within any contingent sale agreement or option agreement including minimum price and overage provisions.
 - 4. Benchmark Land Value
 - a) Confirmation of existing use
 - b) Confirmation of Existing Use Value supported by comparable market and supported by an accommodation schedule confirming:
 - i. Gross Internal Area and as relevant Net Internal Area and/or Net Sales Area and unit values
 - c) Confirmation of premium adopted and justification for the premium
- or
- d) Confirmation of Alternative Use and planning permission for the Alternative Use
 - e) Confirmation of Alternative Use Value supported by relevant information (see Residual Land Value above).
5. Confirmation that the mandatory requirements of the RICS Professional Statement Financial viability in planning: conduct and reporting 1st Edition May 2019 have been satisfied.
6. Confirmation that the assessment of the Residual Land Value has been prepared in accordance with RICS Guidance Note Valuation of development property 1st Edition October 2019.