

# Keyford SUE, South Yeovil (Application Number 15/01000/OUT)

## Viability Executive Summary (as at 25 February 2019)

A	B	C	D	E
ITEM	Council CIL Appraisal	Policy Compliant DVS Appraisal	Keyford @ 15% Affordable DVS Appraisal	Comment on the Column D Figures
	800 units 35% affordable	750 units 35% affordable	750 units 15% affordable	
<b>Keyford Residualised Land Value Calculation</b>				
Gross Development Value (GDV)	£ 121,804,775	£ 153,457,726	£ 170,552,088	Higher than CIL Appraisal due to inclusion of Employment land and higher sales values
Developer costs (Excluding Section 106, Developer Profit, Benchmark Land Value)	£ 92,571,211	£ 119,666,477	£ 119,766,855	Higher than CIL Appraisal due to lack of Infrastructure costs in CIL Appraisal as commented on in the Examination
Development planning obligations (Section 106 - Total Cash and Works)	£ 8,000,000	£ 10,749,930	£ 10,749,930	Higher than CIL Appraisal due to higher than anticipated requests for contributions, particularly Education
Developer Profit	£ 20,706,816	£ 25,667,070	£ 30,175,058	Higher than CIL Appraisal due to profit being a percentage of a higher Sales Value
<b>Residualised Land Value</b>	<b>£ 526,748</b>	<b>-£ 2,625,751</b>	<b>£ 9,860,245</b>	Higher than CIL Appraisal due to more floor space, higher sales values and inclusion of Employment land
<b>Apportionment of Residualised Land Value</b>				
Existing Use Value (EUV)	£ 2,087,800	£ 2,087,800	£ 2,087,800	Current land value based on either its existing or potential use prior to any planning permission that might be granted.
Landowner Costs	£ 1,960,000	£ 1,960,000	£ 1,960,000	Actual costs incurred to achieve Outline Planning Permission
Landowner's Loss/Premium	-£ 3,521,052	-£ 6,673,551	£ 5,812,445	Residualised Land Value less the sum of Existing Use Value and Landowner costs.
<b>Residualised Land Value</b>	<b>£ 526,748</b>	<b>-£ 2,625,751</b>	<b>£ 9,860,245</b>	Higher than CIL Appraisal - more floor area, higher sales values and inclusion of Employment land.

<b>Comparison of Residualised Land Value with the Benchmark Land Value</b>				
Residualised Land Value	£ 526,748	-£ 2,625,751	£ 9,860,245	Higher than CIL Appraisal due to more floor area, higher sales values and inclusion of Employment land
Benchmark Land Value (BLV)	£ 20,878,000	£ 14,000,000	£ 14,000,000	CIL Appraisal: £200,000 / gross acre BLV. DVS based BLV on approximate value per plot.
<b>Deficit</b>	<b>-£ 20,351,252</b>	<b>-£ 16,625,751</b>	<b>-£ 4,139,755</b>	Difference between Residualised Land Value and BLV

## Keyford, South Yeovil (Application Number 15/01000/OUT) Notes to Executive Summary (as at 25 February 2019)

<b>Gross Development Value (GDV)</b>	Estimated value of sales of both Open Market Housing and Affordable Housing (to a Registered Provider) before any sales incentives or costs are deducted, plus the value of the serviced land for Employment and Commercial uses (on a gross sale value basis)
<b>Developer costs (excluding Section 106, Developer Profit and Benchmark Land Value)</b>	Construction costs together with the costs of providing essential infrastructure, services and dealing with any abnormal ground conditions, etc., and including professional fees & statutory authority fees
<b>Development planning obligations (Section 106)</b>	The total cost (whether in cash contributions or physical works but not including the cost of the land) of the planning obligations included within the Section 106 Agreement but excluding the cost of providing Affordable Housing
<b>Developer Profit</b>	The amount of profit due to the developer and/or contractor calculated as 18.5% of the sale value of the Open Market housing, 6% of the sale value of the Affordable Housing and 15% of the sale value of the Employment and Commercial land
<b>Residualised Land Value (RLV)</b>	The value of the development land calculated by subtracting from the total sales value of a scheme all the costs associated with the scheme (i.e. developer costs, planning obligations and developer profit, but excluding the land value)
<b>Existing Use Value</b>	The current value of the land based on either its existing or potential use prior to any planning permission that might be granted.
<b>Landowner Costs</b>	All the costs to the Landowner of promoting the land through the planning process and obtaining outline planning permission (but excluding the land cost)
<b>Benchmark Land Value (BLV)</b>	The Existing Use Value of the land plus a premium to the Landowner, which the Landowner would expect to receive to release the land for the proposed development. BLV is based on market analysis and trends and supported by the District Valuer and is considered to be the normal land value uplift.
<b>Landowner Premium</b>	The Landowner Premium is the Residualised Land Value of the scheme minus the sum of the Existing Use Value and the Landowner Costs. This shows the true premium incentive for the landowner to release the land for development.
<b>Land Value Surplus/ Deficit between BLV and the RLV</b>	The difference between the Residualised Land Value which the scheme will actually achieve if planning permission is granted, and the Benchmark Land Value which the scheme should normally achieve with planning permission.

## Keyford, South Yeovil (Application Number 15/01000/OUT) Community Benefit Summary (as at 25 February 2019)

ITEM	Section 106 Contributions	Cost of Works	Land provided	Total Value
Education: Primary	£ 3,606,029	£ -	£ 312,381	£ 3,918,410
Education: Secondary	£ 2,297,156	£ -	£ -	£ 2,297,156
Education: Pre-School	£ 563,442	£ -	£ -	£ 563,442
Education: Fencing School Site	£ 82,110	£ -	£ -	£ 82,110
Public Open Space, Play and Pitches and facilities	£ 1,922,554	£ -	£ 1,760,000	£ 3,682,554
Off-Site Sports Pitches	£ 30,046	£ -	£ -	£ 30,046
Commuted Sums	£ 20,000	£ -	£ -	£ 20,000
Transport	£ 851,597	£ -	£ -	£ 851,597
Off-Site Highway Works	£ 1,231,996	£ -	£ -	£ 1,231,996
Public Art	£ 25,000	£ -	£ -	£ 25,000
Barwick & Stoford Community	£ 20,000	£ -	£ -	£ 20,000
East Coker Community	£ 20,000	£ -	£ -	£ 20,000
Local Authority Fees	£ 80,000	£ -	£ -	£ 80,000
Other Infrastructure	£ -	£ 512,975	£ -	£ 512,975
Green Infrastructure	£ -	£ 1,498,457	£ 1,200,000	£ 2,698,457
Affordable Housing at 15%	£ -	£ 3,788,677	£ -	£ 3,788,677
<b>Total Benefit</b>	<b>£ 10,749,930</b>	<b>£ 5,800,109</b>	<b>£ 3,272,381</b>	<b>£ 19,822,420</b>

# Keyford, South Yeovil – (Application Number 15/01000/OUT)

## Notes to Community Benefit Summary (as at 25 February 2019)

<b>Section 106 contributions</b>	These are the cash contributions totalling £9,517,934 plus off-site highway works of £1,231,996 (Total £10,749,930) which the Keyford scheme will provide. Notes on the individual contributions which make up this total are set out below under specific headings.
<b>Education: Primary</b>	The £3,606,029 Primary Education Contribution is made up of a payment of £5,463.68 for each of the 660 standard dwellings proposed on the site (750 total minus 60 retired living flats and minus 30 bungalows with an Over 50s occupancy restriction). Land will be provided for a 7 Classroom, Single Form Entry Primary School, the value of which has been assessed as £312,381.
<b>Education: Secondary</b>	The £2,297,156 Secondary Education Contribution is made up of a payment of £3,480.54 for each of the 660 standard dwellings proposed on the site.
<b>Education: Pre-School</b>	The £563,442 Pre-School Education Contribution is made up of a payment of £853.70 for each of the 660 standard dwellings proposed on the site.
<b>Education: Fencing School site</b>	The cost of these works is estimated at £82,110.
<b>Public Open Space, Play Areas, Playing Pitches and supporting facilities</b>	The total Public Open Space Contribution of £1,922,554 comprises individual contributions of £549,820 for Equipped Play space on-site (1no. large 2,000 sqm NEAP, 2no. 400 sqm LEAPs and a Multi-Use Games Area or MUGA), £133,332 for Youth Facilities on-site, £193,050 for formal Playing Pitches, £635,963 for a Pavilion with changing rooms and £410,389 as a contribution towards an on-site Community Hall. Land will be provided for all the above facilities. The total value of the Public Open Space has been assessed as £1,450,000 and the value of the Community Hall site as £310,000, giving a total value of £1,760,000 for land provided.
<b>Off-Site Playing Pitches</b>	Comprises a contribution of £30,046 towards off-site Playing Pitches.
<b>Commuted sums</b>	A sum of £20,000 will be provided specifically for the maintenance of Street Trees.
<b>Transport</b>	The total Transport Contribution of £851,597 comprises individual contributions of £50,000 for a Travel Plan Co-Ordinator, £120,000 for a Travel Plan Pack, £25,000 for the Travel Plan, £20,000 for Green Travel Measures, £15,000 for Traffic Regulation Orders, £325,000 for a Bus Service contribution, £60,000 to extend Bus Service Route 56, £5,000 to provide a Bus Stop on Yeovil Road, £84,400 to provide Bus Stops on Lysander Road, £15,000 for temporary bus stops, £1,500 for Interpretation Boards on the Monarch's Way and £130,697 towards the cost of footpath improvements and/or important Highway Bonds
<b>Public Art</b>	The sum of £25,000 has been allowed for the provision of Public Art.
<b>Community</b>	The East Coker and Barwick & Stoford Communities will each receive the sum of £20,000 (total £40,000) for village projects.
<b>Local Authority Fees</b>	The sum of £80,000 will be provided as a contribution towards the cost of local authority fees (County and District) in dealing with the Section 106 Agreement for the site and the various Bonds required for the works.
<b>Off-Site Highway Improvements</b>	£1,231,996 has been allowed for off-site highway improvements comprising £361,370 for a link between Lovers' Lane and Southwoods, £53,570 for a cycleway via Kingspring Lane to Nash Lane, £376,310 for a cycleway along Dorchester Road including a Toucan Crossing to Lovers' Lane, £24,553 for a cycleway to Sandhurst Road, and £255,498 for a footway to the junction of East Coker Road/Turners Barn Lane, plus 5% fees and 10% contingency.
<b>Other Infrastructure</b>	A footpath/cycleway on Hendford Hill between Southwoods and the Horsey Roundabout at an estimated cost of £512,975.
<b>Green Infrastructure</b>	The total Cost of Works for Green Infrastructure has been assessed as £1,498,457. These works will include ground modelling, structural landscaping, buffer planting, boundary fencing, planting of Street Trees, etc. Land will be provided for structural landscaping and all other incidental planted areas. The value of this land has been assessed at £1,200,000.
<b>Affordable Housing at 15%</b>	The total Cost of Works for Affordable Housing at 15% has been assessed as £3,788,677 which represents the difference in Residual Land Value between the development with the proposed Affordable Housing compared with the development with no affordable housing, i.e. all Open Market Housing.

Property Land at Keyford, Yeovil  
 Ref: 1612161  
 Client: South Somerset District Council  
 WITHOUT PREJUDICE

Appraisal Date: 35% affordable scheme appraisal  
 14 February 2019

Appraisal by

**DVS** Property Specialists  
 for the Public Sector

**Receipts:**

		No. Units 750	Total GIA m2			
<b>Private Residential</b>	65%	487	54,632	£130,059,146		
<b>Affordable Housing</b>	35%					<b>£130,059,146</b>
social rent		176	12,449	£9,112,417		
affordable rent		0	0	£0		
shared ownership		87	7,098	£11,661,162		
discounted sale		0	0	£0		
		263	19,547			<b>£20,773,579</b>
						<b>£150,832,726</b>
<b>Employment land</b>						<b>£1,398,086</b>
<b>Local Centre</b>						<b>£226,914</b>
<b>Care home site</b>						<b>£1,000,000</b>
<b>Community facility</b>						<b>£0</b>
<b>School site</b>						<b>£0</b>
						<b>£2,625,000</b>
<b>TOTAL DEVELOPMENT VALUE</b>						<b>£153,457,726</b>

**Development Costs**

<b>Acquisition Costs</b>						
Benchmark Land Value	42.25 gross hectares	£331,361 per gross ha		£14,000,000		
Stamp Duty		£18,667 per plot		£689,500		
Agents and Legal Fees		nil, 2% and 5% tranches		£140,000		
Planning fees		1.00%		£100,000		<b>£14,929,500</b>
<b>Construction Costs:</b>						
Build costs, inc. plot external works, garages, and lifetime homes standards				£82,495,315		<b>£82,495,315</b>
Infrastructure costs		as per DVS QS cost review		£18,780,816		<b>£18,780,816</b>
Contingency		build 3%	infra 5%			<b>£3,413,900</b>
<b>Professional Fees:</b>		build 4%	infra 10.00%			<b>£5,177,894</b>
<b>Planning Contributions</b>						
Off site Infrastructure works (cost, including contingency and fees)				£1,231,996		
Fencing School site				£82,110		
Education: Primary				£3,606,029		
Education: Secondary				£2,297,156		
Education: Pre-School				£563,442		
POS, play and pitches and facilities				£1,942,554		
Off site playing pitches				£30,046		
Commuted sums				£20,000		
Transport				£851,597		
Public Art				£25,000		
East Coker Community				£20,000		
LA fees				£80,000	£10,749,930	<b>£10,749,930</b>
<b>Disposal costs:</b>						
Marketing			1.50%	£1,990,262		
Agency			1.00%	£1,300,591		
legal costs market unit sales		£600 per unit		£292,200		
legal sales fee affordable			0.25%	£51,934		
legal sale fee community, commercial land and school site			1.50%	£39,375		
						<b>£3,674,363</b>
<b>Finance:</b>						
Interest	credit rate 2.00%		debit rate 6.25%	£5,194,689		
						<b>£5,194,689</b>
<b>SUB TOTAL COSTS</b>						
						<b>£144,416,407</b>
<b>Profit:</b>						
market residential		on GDV	18.50%	£24,060,942		
affordable		on GDV	6.00%	£1,246,415		
commercial		on GDV	15.00%	£359,713		<b>£25,667,070</b>
<b>TOTAL DEVELOPMENT COSTS</b>						
						<b>£170,083,476</b>

**PROFIT**

Surplus/Deficit (VIABILITY GAP)

**-£16,625,751**

Property Land at Keyford, Yeovil  
 Ref: 1612161  
 Client: South Somerset District Council  
 WITHOUT PREJUDICE

Appraisal Date: 15% affordable mixed tenure appraisal  
 Date: 14 February 2019

Appraisal by

**DVS** Property Specialists  
 for the Public Sector

**Receipts:**

		No. Units 750	Total GIA m2			
<b>Private Residential</b>	85%	638	66,352	£157,917,760		
<b>Affordable Housing</b>	15%					
social rent		30	2,100	£1,599,360		
affordable rent		30	2,100	£1,999,200		
shared ownership		26	1,820	£2,945,488		
discounted sale		26	1,820	£3,465,280		
		112	7,840		<b>£10,009,328</b>	
						<b>£167,927,088</b>
<b>Employment land</b>					<b>£1,398,086</b>	
<b>Local Centre</b>					<b>£226,914</b>	
<b>Care home site</b>					<b>£1,000,000</b>	
<b>Community facility</b>					<b>£0</b>	
<b>School site</b>					<b>£0</b>	
						<b>£2,625,000</b>
<b>TOTAL DEVELOPMENT VALUE</b>						<b>£170,552,088</b>

**Development Costs**

<b>Acquisition Costs</b>						
Benchmark Land Value	42.25 gross hectares	£331,361 per gross ha		£14,000,000		
Stamp Duty		£18,667 per plot		£689,500		
Agents and Legal Fees		nil, 2% and 5% tranches		£140,000		
Planning fees		1.00%		£100,000		<b>£14,929,500</b>
<b>Construction Costs:</b>						
Build costs, inc. plot external works, garages, and lifetime homes standards				£83,460,403		<b>£83,460,403</b>
Infrastructure costs		as per DVS QS cost review		£18,780,816		<b>£18,780,816</b>
Contingency		build 3%	infra 5%			<b>£3,442,853</b>
<b>Professional Fees:</b>		build 4%	infra 10.00%			<b>£5,216,498</b>
<b>Planning Contributions</b>						
Off site Infrastructure works (cost, including contingency and fees)				£1,231,996		
Fencing School site				£82,110		
Education: Primary				£3,606,029		
Education: Secondary				£2,297,156		
Education: Pre-School				£563,442		
POS, play and pitches and facilities				£1,942,554		
Off site playing pitches				£30,046		
Commuted sums				£20,000		
Transport				£851,597		
Public Art				£25,000		
East Coker Community				£20,000		
LA fees				£80,000	£10,749,930	<b>£10,749,930</b>
<b>Disposal costs:</b>						
Marketing			1.50%	£2,408,141		
Agency			1.00%	£1,579,178		
legal costs market unit sales		£600 per unit		£382,800		
legal sales fee affordable			0.25%	£25,023		
legal sale fee community, commercial land and school site			1.50%	£39,375		
						<b>£4,434,517</b>
<b>Finance:</b>						
Interest		credit rate 2.00%	debit rate 6.25%	£3,502,268		
						<b>£3,502,268</b>
<b>SUB TOTAL COSTS</b>						
						<b>£144,516,785</b>
<b>Profit:</b>						
market residential		on GDV	18.50%	£29,214,786		
affordable		on GDV	6.00%	£600,560		
commercial		on GDV	15.00%	£359,713		<b>£30,175,058</b>
<b>TOTAL DEVELOPMENT COSTS</b>						
						<b>£174,691,843</b>

**PROFIT**

Surplus/Deficit (VIABILITY GAP)

**-£4,139,755**