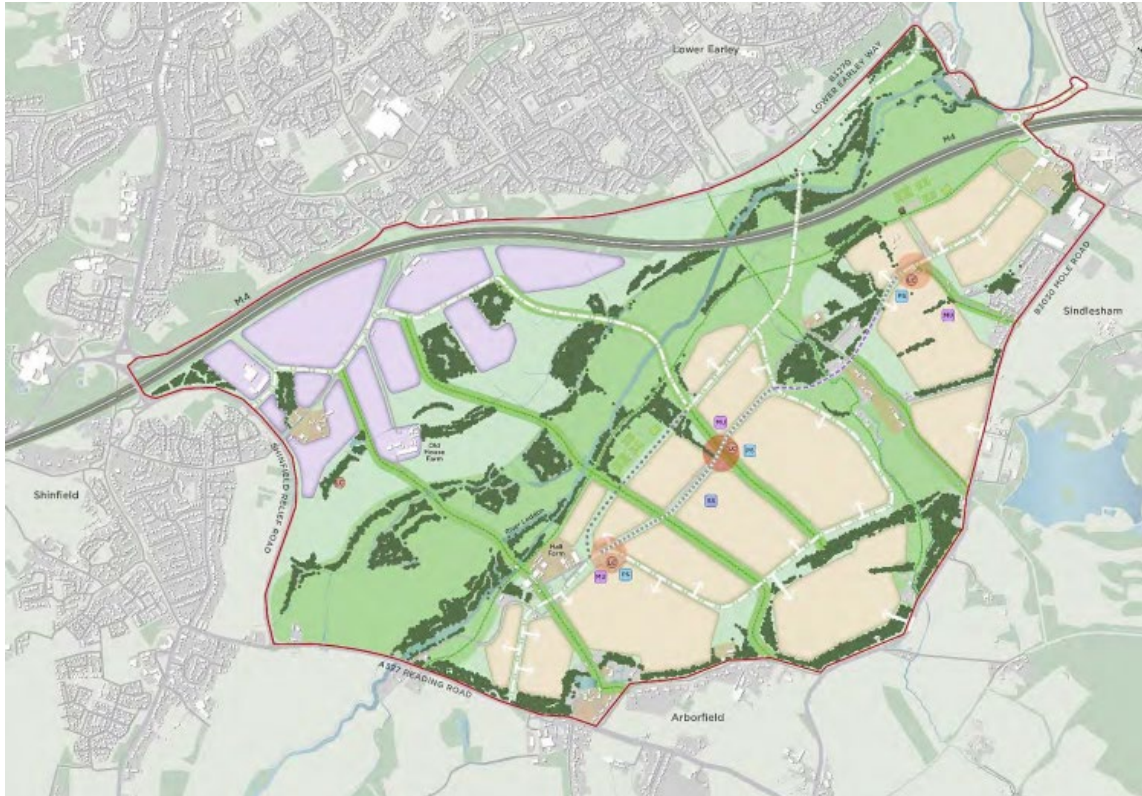




Loddon Valley Garden Village - Financial Viability Assessment



Prepared for
Wokingham Borough Council

August 2025

Contents

1	Introduction	3
2	Description of the Development	5
3	Methodology	9
4	Review of Assumptions	10
5	Appraisal results and analysis	16
6	Conclusions	18

Appendices

Appendix 1 - BCIS costs
Appendix 2 - Summary of infrastructure requirements, costs and amendments
Appendix 3 - Development appraisal (present day values and costs)
Appendix 4 - Development appraisal (sensitivity analysis)

Anthony Lee MRTPI MRICS
Senior Director – UK Development Viability
BNP Paribas Real Estate
10 Harewood Avenue
London NW1 6AA

020 7338 4061 / 07919 693 406
anthony.lee@bnpparibas.com
realestate.bnpparibas.co.uk

1 Introduction

- 1.1 Wokingham Borough Council ('the Council') has commissioned BNP Paribas Real Estate to provide a Financial Viability Assessment of the proposed site allocation ('the Site') known as Loddon Valley Garden Village ('LVGV', 'the Proposed Development'). The Council and the Land Owner Consortium¹ ('the Owners') have discussed the infrastructure requirements of the site allocation at considerable length. While there is a large degree of consensus on the infrastructure requirements, these will continue to evolve as the development proposals proceed through the planning application and delivery processes, as would be expected with any strategic scale development.
- 1.2 The Proposed Development can be summarised as circa 3,930 residential units, a district centre of 11,000 square metres and 2 local centres of 2,400 square metres each providing flexible commercial floorspace, a secondary school, 2 three-form entry primary schools, early year childcare, with all schools incorporating special educational and disabilities ('SEND') provision, GP surgery, multi-use community centres, an emergency services centre and circa 100,000 square metres of employment land at the Thames Valley Science and Innovation Park ('TVSP')². In addition, the Development will provide open space, including Suitable Alternative Natural Greenspace ('SANG') to mitigate against potential harm to the Thames Basin Heath Special Protection Area ('SPA').
- 1.3 We have run an appraisal of the Proposed Development assuming 40% affordable housing (with a tenure split of 62% Social Rent, 18% Affordable Rent and 20% Shared Ownership). Requirements for community infrastructure will be met on-site and secured through a Section 106 agreement. The emerging site allocation post-dates the adopted Community Infrastructure Levy ('CIL') Charging Schedule, so there are no specific provisions relating to the approach to be applied to LVGV. We understand that the Council will either apply CIL in Kind to LVGV, or will amend the Charging Schedule to set a nil or nominal rate for the site allocation.
- 1.4 This report provides an objective Financial Viability Assessment to test the viability of the Proposed Development and to determine its deliverability over the anticipated timescale identified in the emerging Local Plan Update.

BNP Paribas Real Estate

- 1.5 BNP Paribas Real Estate is a leading firm of chartered surveyors, town planning and international property consultants. The practice offers an integrated service from nine offices in eight cities within the United Kingdom and over 180 offices, across 34 countries in Europe, Middle East, India and the United States of America, including 18 wholly owned and 16 alliances.
- 1.6 BNP Paribas Real Estate has a wide ranging client base, acting for international companies and individuals, banks and financial institutions, private companies, public sector corporations, government departments, local authorities and registered providers ('RPs').
- 1.7 The full range of property services includes:
- Planning and development consultancy;
 - Affordable housing consultancy;
 - Valuation and real estate appraisal;
 - Property investment;
 - Agency and Brokerage;
 - Property management;
 - Building and project consultancy; and

¹ University of Reading, Hatch Farm Land Limited and Gleeson Land Limited

² TVSP is outside the anticipated University of Reading planning application boundary. However, some of the required infrastructure supports TVSP and this may need to be addressed through a contribution towards costs.

- Corporate real estate consultancy.

- 1.8 This report has been prepared by Anthony Lee MRTPI, MRICS, RICS Registered Valuer.
- 1.9 The Development Viability Consultancy of BNP Paribas Real Estate advises a range of clients on the viability of emerging development plan policies and site-specific proposals.
- 1.10 Anthony Lee was a member of the working group under the chairmanship of Sir John Harman that drafted '*Viability testing local plans: Advice for planning practitioners*'. He was also a member of MHCLG's 'Developer Contributions Expert Panel' which assisted in the drafting of the viability section of the Planning Practice Guidance. He is a member of the RICS Working Group which is drafting guidance on the valuation of affordable housing. In addition, we were retained by Homes England to advise on better management of procurement of affordable housing through planning obligations.
- 1.11 The firm has extensive experience of advising landowners, developers, local authorities and RPs on the value of affordable housing and economically and socially sustainable residential developments.

Report Structure

- 1.12 This report is structured as follows:
- In Section two, we provide a brief description of the Proposed Development;
 - In Section three, we describe the methodology that we have adopted;
 - In Section four, we outline the assumptions that we have adopted;
 - In Section five, we set out the results of the appraisals; and
 - Finally, in Section six, we set out the conclusions of our analysis.

Disclaimer

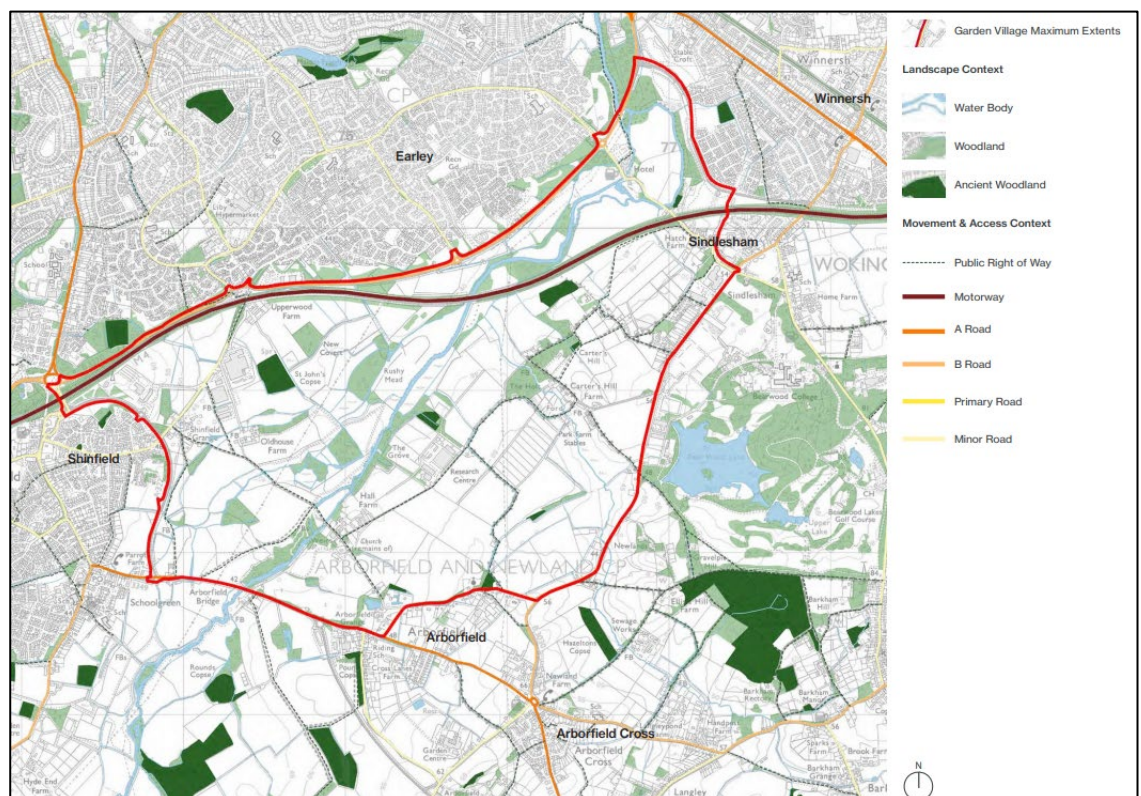
- 1.13 In preparing this report and supporting appraisals, we have given full regard to the RICS Practice Statement ('PS') '*Assessing viability in planning under the National Planning Policy Framework for England 2019*' (first edition, March 2021). However, paragraph 2.2.3 of the PS acknowledges that statutory planning guidance takes precedence over RICS guidance. Conflicts may emerge between the PS and the Planning Practice Guidance ('PPG') and/or other adopted development plan documents. In such circumstances, we have given more weight to the PPG and development plan documents.
- 1.14 In carrying out this assessment, we have acted with objectivity, impartiality, without interference and with reference to all appropriate available sources of information.
- 1.15 We are not aware of any conflicts of interest in relation to this assessment.
- 1.16 In preparing this report, we have not agreed any 'performance-related' or 'contingent' fees.
- 1.17 We address this report to Wokingham Borough Council only. We understand that the Council will include this report as part of the evidence base to support its emerging Local Plan.

2 Description of the Development

Site Location and Description

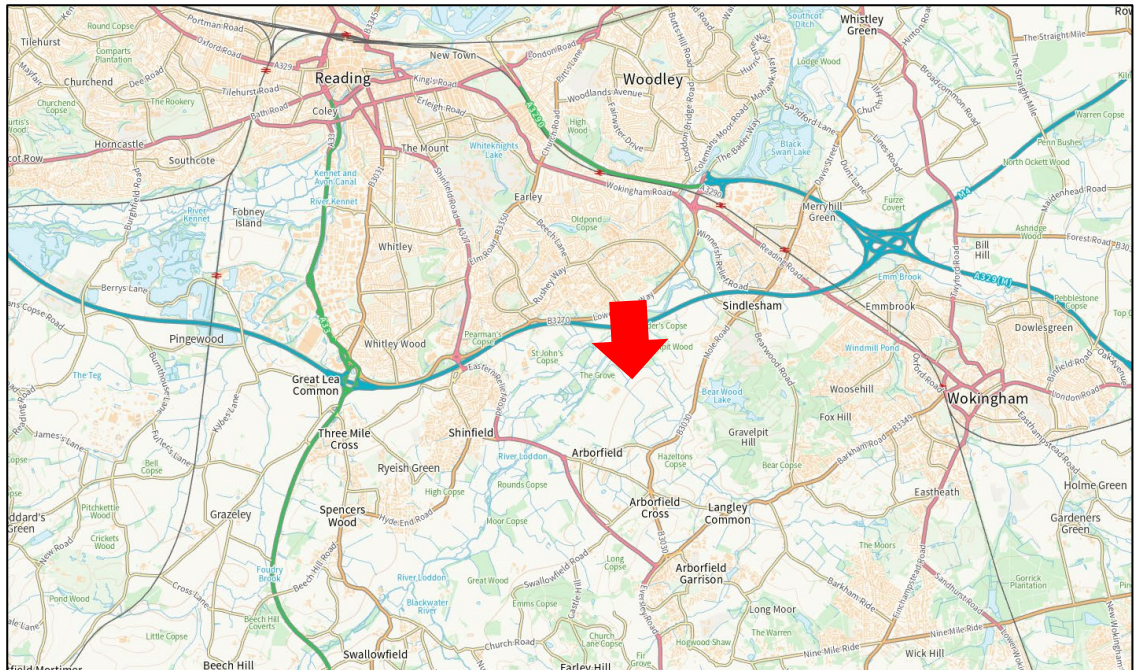
- 2.1 The 297.2 hectare site is located in the Borough of Wokingham.
- 2.2 The Site comprises a Strategic Development Location ('SDL') identified in the emerging Wokingham Borough Local Plan Update, which is located to the south of Earley between Shinfield, Sindlesham and Arborfield. The Garden Village aspect of the Proposed Development is located in the southern and eastern part of the SDL.
- 2.3 Currently, the Site is predominantly in agricultural use. The vast majority of the Site is in three separate land ownerships³ (the University of Reading, Hatch Farm Land Limited and Gleeson Land Limited. In addition, there are three other landowners of small plots. Collectively the landowners are referred to from here onwards as 'promoters').
- 2.4 The Site is located within a short distance from Wokingham and Winnersh train stations, providing National Rail services to Reading, London Waterloo and Redhill/Gatwick. Reading Town Centre is also within easy reach.

Figure 2.4.1: Site Plan (indicative boundary only)



³ A Statement of Common Ground between the Council and the landowners notes the following: "The land at Hall Farm is owned by the University and the National Institute for Research into Dairying (NIRD) for whom the University acts as the sole trustee. Gleeson have a promotion agreement over land at Newlands Farm and HFLL owns land at Hatch Farm. The University, Gleeson and HFLL are referred to as the Principal Landowners. Smaller parcels of land are owned by Seal Family Investments Ltd, the Brazil Family and Foxcroft Family."

Figure 2.1.2: Approximate Site Location



Source: Ordnance Survey

Planning History

- 2.6 We have reviewed the Council's planning applications database and there do not appear to be any extant planning consents of relevance to the viability of the current proposals.
- 2.7 As set out above, the Site is within an area identified in the emerging Local Plan Update as a strategic development location.

The Proposed Development

- 2.8 We understand that the promoters are yet to submit planning applications, but have engaged in discussions with the Council as part of the plan making process, including making formal representations at both Regulation 18 and 19 stages, and through pre-application discussions.
- 2.9 We have assessed a scheme comprising the following:

- 3,930 residential units
- A district centre comprising circa 11,000 square metres of flexible commercial floorspace
- 2 local centres comprising circa 2,400 square metres of flexible commercial floorspace per centre
- An 8 form entry Secondary School and sixth form with SEND provision
- 2 x three-form entry primary schools with early years provision with SEND provision
- GP surgery
- Multi-use community centres
- Emergency services centre
- Open space country park, ecological mitigation areas and sports facilities
- SANG to mitigate against potential harm to the Thames Basin Heath SPA
- Burial plots
- A primary electricity substation
- Up to 4,250 square metres of further Class E, Class F and commercial development to include public house (sui generis).

- 2.10 At this stage, there is no scheme design beyond indicative masterplans and we have therefore reflected the housing mix identified in the Council's Local Housing Needs Assessment (2023), as summarised in Table 2.10.1. The unit sizes and mixes we have applied for each tenure are summarised in tables 2.10.2 to 2.10.5.

Table 2.10.1: Indicative housing mix

Unit type	Affordable housing	Private housing
1 bed	17%	5%
2 bed	38%	13%
3 bed	33%	47%
4 bed and larger	12%	35%

Table 2.10.2: Private housing mix

Unit type	%	No	Size Sq Ft	Total Sq Ft
1 bed flat	5%	118	550	64,845
2 bed flat	3%	71	750	53,055
2 bed house	10%	236	850	200,430
3 bed house	47%	1108	1,100	1,219,086
4 bed house	29%	684	1,600	1,094,112
5 bed house	6%	141	2,000	282,960
Totals	100%	2,358		2,914,488
			Ave unit size	1,236

Table 2.10.3: Affordable – shared ownership mix

Unit type	%	No	Size Sq Ft	Total Sq Ft
1 bed flat	17%	53	540	28,862
2 bed house	38%	119	800	95,578
3 bed house	33%	104	950	98,564
4 bed house	12%	38	1,100	41,501
Totals	100%	314		264,505
			Ave unit size	841

Table 2.10.4: Affordable – affordable rent

Unit type	%	No	Size Sq Ft	Total Sq Ft
1 bed flat	17%	48	540	29,160
2 bed house	38%	108	800	108,000
3 bed house	33%	93	950	64,125
4 bed house	12%	34	1,100	14,850
Totals	100%	283		216,135
			Ave unit size	801

Table 2.10.5: Affordable – social rented mix

Unit type	%	No	Size Sq Ft	Total Sq Ft
1 bed flat	17%	166	540	89,472
2 bed house	38%	370	800	296,291
3 bed house	33%	322	950	305,550
4 bed house	12%	117	1,100	128,652
Totals	100%	975		819,965
			Ave unit size	841

3 Methodology

- 3.1 We have undertaken our appraisals using Argus Developer ('Argus') which is a standard development appraisal tool widely used for the purposes of appraising development proposals, including for the purposes of secured lending valuations. Argus has been widely utilised in viability assessments on application schemes around the Country and has been accepted for the purposes of evidence at numerous planning appeals. Further details can be accessed at www.argussoftware.com.
- 3.2 Argus is essentially a cash-flow backed model which allows the finance charges to be accurately calculated over the development/sales period. The difference between the total development value and total costs equates to either the profit (if the land cost has already been established) or the residual value. The model is normally set up to run over a development period from the date of the commencement of the project and is allowed to run until the project completion, when the development has been constructed and is occupied.
- 3.3 Essentially, such models all work on a similar basis:
- Firstly, the value of the completed development is assessed;
 - Secondly, the development costs are calculated, using either the profit margin required or land costs (if, indeed, the land has already been purchased).
- 3.4 In order to determine whether a scheme is viable with a given percentage of affordable housing, the key question is whether the residual land value is sufficient to incentivise the landowner to bring the site forward for development. The PPG indicates that a 'benchmark land value' should be established on the basis of the existing use value of a site plus a premium for the landowner. The premium should *"provide a reasonable incentive, in comparison with other options available, for the landowner to sell the land for development while allowing a sufficient contribution to fully comply with policy requirements"* (paragraph 013).
- 3.5 As noted above, the PPG recognises that the premium to the landowner must be balanced against the need to facilitate a reasonable contribution towards planning policy requirements. In particular, the level of incentive required by a landowner should be considered in the context of *"other options available"* which may be limited in many cases. Where a Council decides to identify a Site as a suitable location for development in a local plan, then it should do so on the basis that it is capable of providing contributions to affordable housing and meeting other policy requirements.
- 3.6 The PPG is explicitly clear that prices paid for sites are to be excluded from Financial Viability in planning and this report reflects this guidance.

4 Review of Assumptions

- 4.1 In this section of our report, we set out the assumptions that we have applied in our appraisals. These inputs are informed by discussions with the site promoters' agent (Savills) and by market evidence that we have sourced from Land Registry, BCIS and other sources.

Project Programme

- 4.2 The Council has advised that the anticipated delivery timescale is 2027/28 to 2046/47, as summarised in Table 4.2.1. Notwithstanding the Council's housing trajectory, the site promoters are working towards delivery at an accelerated rate. The Council's housing trajectory is therefore conservative and an accelerated delivery rate would reduce borrowing costs in the appraisal.

Table 4.2.1: Anticipated delivery programme

	Year	Units delivered in year	Private units delivered	Private housing monthly sales	Affordable Shared Ownership units delivered per annum	Affordable Rented units delivered per annum	Social Rented units delivered per annum
1	2027/28	25	15	1.25	2	2	6
2	2028/29	125	75	6.25	10	9	31
3	2029/30	175	105	8.75	14	13	43
4	2030/31	200	120	10	16	14	49
5	2031/32	250	150	12.5	20	18	62
6	2032/33	250	150	12.5	20	18	62
7	2033/34	250	150	12.5	20	18	62
8	2034/35	250	150	12.5	20	18	62
9	2035/36	250	150	12.5	20	18	62
10	2036/37	250	150	12.5	20	18	62
11	2037/38	250	150	12.5	20	18	62
12	2038/39	225	135	11.25	18	16	56
13	2039/40	200	120	10	16	15	49
14	2040/41	200	120	10	16	15	50
15	2041/42	200	120	10	16	14	50
16	2042/43	200	120	10	16	14	50
17	2043/44	200	120	10	16	14	50
18	2044/45	200	120	10	16	14	50
19	2045/46	150	90	7.5	12	11	37
20	2046/47	80	48	4	6	6	20
	Totals	3,930	2,358	-	314	283	975

- 4.3 We have therefore adopted the following development programme in our appraisal:

- Pre-construction: 6 months;
- Construction: months; 236 months (20 years);
- Sales: 10 months after commencement of construction. Final sale completing 236 months (19.5 years) later.

Market Housing Revenue

- 4.4 The Site is located between Sindlesham and Shinfield and to the south of Earley. The Local Plan Viability Study (2024) indicates that values in this area are circa £500 per square foot. The promoters have sought advice on pricing from Savills and they have given their opinions on value based on their own market research. This indicates an average price for the Proposed Development of £494 per square foot which is broadly reflective of the value identified in the Local Plan Viability Study. We have adopted a blended value⁴ of £494 per square foot in our appraisals, which is reflective of the additional facilities and supporting infrastructure being planned at LVGV.

Affordable Housing Revenue

- 4.5 We have applied the following capital values to the affordable housing in our appraisal which are based on the capital values identified in the Local Plan Viability Study (2024):
- Social Rent: £164 per square foot;
 - Affordable Rent: £279 per square foot;
 - Shared Ownership: £370 per square foot.
- 4.6 The Homes England 'Affordable Homes Programme 2021-2026 - Prospectus' document provides a clear indication that Section 106 schemes are unlikely to be allocated grant funding, except in exceptional circumstances. It is therefore considered imprudent to assume that grant will be secured. Therefore, our base appraisal conservatively assumes that none is provided.

District centre and local centres

- 4.7 The Proposed Development will incorporate a District Centre, which will provide circa 11,000 square metres of floorspace and two local centres of circa 2,400 square metres each. At this stage, the mix of uses, values and costs of delivery of these units is uncertain. Savills acting for the promoters have indicated that serviced land values for local centres within strategic sites can be nominal but sometimes achieve circa £250 per square metre, which would result in an additional value of circa £4 million. We have therefore incorporated this additional revenue in our appraisal.

Construction Costs

Plot costs

- 4.8 Viability assessments typically adopt BCIS Lower Quartile costs for volume housebuilder schemes, as this more closely reflects the costs that these developers can achieve. However, the promoters' agents (Savills) have suggested that this is not reflective of garden villages with higher design quality than typical developments, but they have accepted that median costs are too high. Current Lower Quartile build costs in Wokingham Borough equate to £131.92 per square foot (£1,420 per square metre) and median costs equate to £149.11 per square foot (£1,605 per square metre) – see Appendix 1. We have therefore adopted a mid-point of £1,513 per square metre (£140.51 per square foot). This is a conservative position as it is likely that build costs will be closer to the Lower Quartile costs than the Median costs due to the economies of scale that can be achieved.
- 4.9 In addition, we have incorporated an allowance of 10% of construction costs to cover plot external costs (gardens, estate roads immediately adjacent to plots etc) which are not covered by the base plot costs. This allowance reflects normal assumptions in viability assessments.

⁴ Meaning the average value across varying unit sizes.

Accessibility

- 4.10 Policy H1 of the emerging Local Plan Update requires that 5% of units meet M4(3) standards. The percentage costs uplifts for meeting this requirement are summarised in Table 4.20.1 of the Local Plan Viability Study. For market housing, the cost uplifts are 9.28% for flats and 10.77% for houses. For affordable housing, the cost uplifts are 9.47% for flats and 23.8% for houses. The total cost of the requirement is summarised in Table 4.10.1.

Table 4.10.1: Accessibility requirements

	Market units	Affordable units
[A] Percentage of units required to meet M4(3)	5%	5%
[B] Cost uplift flats	9.28%	9.47%
[C] Cost uplift houses	10.77%	23.80%
[D] Floor area flats (square feet)	117,900	147,494
[E] Floor area houses (square feet)	2,796,588	1,153,110
Base construction cost per square foot	£140.51	£140.51
Total cost for constructing 5% of flats (i.e. 5% of D)	£828,306	£1,036,218
Total cost for constructing 5% of houses (i.e. 5% of E)	£19,647,429	£8,101,178
M4(3) cost - flats	£76,867	£98,130
M4(3) cost - houses	£2,116,028	£1,928,080
Total M4(3) costs	£2,192,895	£2,026,210

Infrastructure costs

- 4.11 The promoters have sought advice from Rider Levett Bucknall ('RLB') on likely infrastructure costings. They have advised a total indicative cost of £443.4 million. This advice reflects a point in time assessment of cost based on extensive engagement between the Council and the promoters. As is entirely typical for proposals of this scale, a process of further refinement will continue as the planning application process evolves.
- 4.12 There has been extensive discussion between the Council and the promoters on the infrastructure requirements and the Council have advised us that some of the items are not required by planning policy or need to be adjusted downwards to reflect the likely cost. A full summary of the infrastructure requirement is attached as Appendix 2 and the amendments advised by the Council are summarised in Table 4.12.1. These changes reduce the total infrastructure cost to £423.6 million.

Table 4.12.1: WBC amendments to scope of and/or amounts

Item code	Description	Change	Cost impact of change
URN61Z	Secondary School extra over 8-form for 12-form entry + Sixth Form	Removed - policy requires the delivery of an 8FE school, with land only required for potential expansion to 12FE school	-£11,596,569
URN81	SANG 37.59Ha	Reduced to £14.24 million - reflecting WBC's expected maintenance cost	-£1,715,927

Item code	Description	Change	Cost impact of change
URN82	*Country Park (Eco Valley) - Biodiversity enhancements (backwaters/wetlands to Loddon). Flood plain 202 ha	Reduced to £23.03 million – reflecting WBC's expected maintenance cost	-£2,735,253
URN71	*Natural/semi-natural green space 79.4Ha	Removed – reflecting that the requirement for natural and semi-natural greenspace will be secured as the SANG	-£1,255,537
URN77	Outdoor sports	Pavilions costs are included four times. Costing a single entry, resulting in a reduction to circa £5.99 million	-£2,498,649
		Total reduction	-£19,801,935

- 4.13 As is expected with strategic scale developments, the infrastructure requirement will reflect a point in time. Information on the cost and necessity of individual infrastructure items will be revisited over time.
- 4.14 The promoters have also advised on the anticipated timing of delivery of individual items of infrastructure based on their accelerated rate of delivery. This results in many items being frontloaded in the cashflow compared to the Council's housing trajectory. The promoters' estimated timings are incorporated within the summary at Appendix 3. The consequence of using the promoters' estimated timings is higher interest costs than would otherwise have been the case if delivery of some items is deferred. By utilising a combination of higher borrowing costs to deliver infrastructure early, coupled with slower rates of sale, our appraisal of viability is therefore conservative. The alignment of infrastructure and delivery rates would improve viability.
- 4.15 Our appraisal assumes that 100% of the infrastructure costs are met by the Proposed Development and that no contribution has been made from other sources which might reasonably be considered, such as CIL funding from other developments.

Contingencies

- 4.16 We have applied a 5% contingency to plot costs and plot externals, which is reflective of the standard market approach for this type of development.
- 4.17 We have also applied a 5% contingency to the infrastructure works, which again reflects normal market practice.

Future Homes Standard/net zero development

- 4.18 The Future Homes Standard ('FHS') when introduced is expected to require that residential units produce 75%-80% less carbon emissions than homes built under current building regulations. Policy CE3 of the emerging Local Plan Update seeks to go further than the FHS by introducing net zero requirements based on absolute energy demand thresholds. We have considered studies by Etude, Currie & Brown and other energy efficiency advisers, which typically advise an extra-over cost of 5% to 7.5% for net zero carbon beyond current building regulations, which clearly goes a step beyond the FHS.
- 4.19 We have therefore applied an additional allowance of 7.5% of construction costs, which amounts to a total allowance of circa £44.4 million.
- 4.20 Whilst the Council is promoting ambitious net zero policy requirements, these go beyond national policy. If the Inspector rejects the Council's policy position through the examination, the cost uplifts would clearly be reduced. The appraisal assumes that the Inspector accepts the requirement set out in the emerging Local Plan Update in full.

Professional fees

- 4.21 Professional fees for greenfield developments are typically applied at a rate of between 5% to 6% of construction costs. We have applied an allowance for professional fees of 6% of plot construction costs in our appraisals.
- 4.22 The extent of professional input is likely to be more limited with regards to infrastructure costs, so we have applied an allowance of 3% of the promoters estimates for professional fees. This also reflects that the promoters' estimates contain an allowance for design professional fees so therefore avoids a degree of double counting.

Building Safety Levy

- 4.23 The draft Building Safety Levy ('BSL') Regulations 2025 were laid before the House of Commons and the House of Lords on 10 July 2025. BSL will apply to all developments of 10 or more dwellings. It will come into effect on all eligible applications submitted on or after 1 October 2026. However, it will not apply to consented developments that are merely varied after 1 October 2026, but BSL may be applied to any net uplift in residential floorspace.
- 4.24 BSL will not apply to affordable housing.
- 4.25 In Wokingham Borough, the proposed BSL rates are £22.49 per square metre (GIA) for applications on previously developed land and £44.98 per square metre (GIA) on non previously developed land.
- 4.26 We have incorporated the BSL into our appraisals. This amounts to circa £12.2 million.

Community Infrastructure Levy ('CIL') and Section 106 Payments

- 4.27 As noted previously, the adopted Charging Schedule applies various CIL rates to different parts of Wokingham Borough. Most of the Proposed Development is located within an area that attracts a CIL charge of £365 per square metre before indexation. We understand that the Council is considering undertaking a review of its Charging Schedule and this may include adopting a nil/nominal rate for the LVGV site due to its extensive on-site community infrastructure delivery. Alternatively, it may be possible for on-site infrastructure to qualify for CIL in kind relief, which would largely mitigate any CIL liability, but this would be subject to (a) the Council electing to offer this relief and (b) the Council agreeing that on-site infrastructure qualifies for the purposes of granting relief.
- 4.28 With regards to Section 106 obligations, we understand that all items that are ordinarily included as obligations are incorporated into the identified infrastructure requirements and will be reflected in the Section 106 agreement. On the basis that the infrastructure requirements addresses all planning requirements we have not included any CIL or Section 106 contributions in our appraisals on the basis that on-site infrastructure qualifies for CIL in kind relief or the Charging Schedule is amended and that the on-site infrastructure satisfies any mitigation required that would otherwise be sought through planning obligations⁵.

Developer's Profit

- 4.29 We have recently experienced a range from 17% to 20% of GDV when considering the private housing element of developments in the south-east of England. We have taken into account risks associated with this specific development proposal and residual risks relating to the Coronavirus pandemic; the subsequent spike in global commodities prices; and the September 2022 'Fiscal Event' and subsequent increase in mortgage rates.
- 4.30 Our assessment of profit is based upon the perceived risks associated with the proposed Development. We consider a profit level of 17.5% of GDV for the private residential element of the proposed Development to be reasonable, in the context of the location and price point.

⁵ The infrastructure requirements include a parish contribution (URN97) of £3 million.

We have applied profit margins of 6% of the affordable housing GDV and 15% of GDV on the district and local centres floorspace.

- 4.31 The reduced profit on affordable housing reflects the lower risk of delivery and is reflective of standard practice in viability assessments. The developer will contract with an RP prior to commencement of construction and they are – in effect – acting as a contractor, with their risk limited to cost only. After contracting with the RP, there is no sales risk. In contrast, the private housing construction will typically commence before any units are sold and sales risk is present well into the development period.

Finance Costs

- 4.32 Although bank funding is unlikely to be available to cover all costs, it is usual practice to apply finance to 100% of costs to reflect the opportunity cost of an applicant's own funding, or to reflect the cost of mezzanine finance. Having regard to the extended development period and the scale of the Proposed Development, it is likely that the developer will not be relying upon bank funding and will use equity or other institutional funding which will be provided at lower rates than traditional bank funding. Despite this, we have applied a finance rate of 7% which is at the very upper limit of the range for a scheme of this scale over a 20 year period. There will be opportunities for this to be reduced over the development period. Given the scale of the development, it is also possible that the promoters may be able to secure finance from Homes England at lower rates.

Marketing, sales and disposal fees

- 4.33 Our appraisal incorporates the following allowances for marketing and disposal costs:
- Private residential sales agent: 2.5% of GDV;
 - Residential sales legal fees: £850 per residential unit.
 - These assumptions reflect the normal range for schemes of this scale and at a similar price point.

5 Appraisal results and analysis

Benchmark Land Value

- 5.1 Paragraphs 013 to 017 of the PPG set out the required approach for establishing the Benchmark Land Value ('BLV') of a site for the purposes of a viability assessment. The PPG indicates that BLVs should be primarily based on Existing Use Value ('EUUV') plus reasonable, site-specific premiums to incentivise landowners to bring sites forward for development.
- 5.2 At present, the 297.2 hectare Site is not allocated for development in the development plan, although it is proposed for allocation in the emerging Local Plan Update which is at examination. At the present time, the lack of a local plan allocation reduces the extent of the "other options available" (PPG para 013) and this should necessarily have a bearing on the multiple applied to existing use value. Clearly the Council's decision to propose the Site's allocation will partly turn on the planning benefits that schemes can viably absorb and the land value sought by the promoters will be one of the determining factors. If the promoters seek a premium that does not allow a reasonable contribution to policy compliant levels of affordable housing and other planning benefits, sites they own are less likely to be allocated for development. For greenfield sites outside the settlement boundary, this would leave very few options other than retaining the existing agricultural use.
- 5.3 The PPG also refers to the need for Benchmark Land Value to reflect site-specific infrastructure costs:
- 5.4 *"Benchmark land value should.... reflect the implications of abnormal costs; site specific infrastructure costs; and professional site fees".*
- 5.5 The Local Plan Viability Study (2024) identifies a range of benchmark land values for greenfield sites from £247,000 to £374,000 per gross hectare. Given the scale of the Proposed Development and its extensive infrastructure costs, we consider that the benchmark land value should be towards the lower end of this range (i.e. £247,000 per gross hectare). This results in a total land value of £73,408,400. However, for testing purposes, we have also run a sensitivity analysis applying a mid-point between the two ends of this range (i.e. £310,500 per gross hectare), which results in a total land value of £92,280,000. Benchmark land value is, however, not fixed and it may be that landowners may need to accept a lower figure as one of the solutions to addressing any deficit that may emerge as the plans evolve.
- 5.6 We have assumed that the land will be drawn down in four parts, with equal payments of £18,352,100 in September 2026, September 2027, September 2028 and September 2029. In the sensitivity analysis using a higher benchmark land value of £92,280,000, the total is drawn down in four equal payments of £23,070,000 in September 2026, September 2027, September 2028 and September 2029.

Appraisal results

- 5.7 We have structured the appraisal to include the benchmark land value as a land cost and with target profits also incorporated as a cost. The output is therefore a deficit or surplus. If the output is a deficit, this would need to be resolved either through partial funding of infrastructure costs by CIL or other Council resources; grant funding for the affordable housing; assistive Homes England funding for infrastructure delivery; or through growth in values or reductions in cost (which may include aligning infrastructure delivery to housing delivery, rather than early provision).
- 5.8 On a present day value basis, the Proposed Development generates a surplus of £31.2 million (see Appendix 3).

Sensitivity analyses

Sensitivity Analysis 1: Higher benchmark land value

- 5.9 When the Proposed Development is tested using the higher benchmark land value of £92.28 million, the scheme generates a marginal deficit of £15.82 million.

Sensitivity Analysis 2: Changes to values and costs

- 5.10 We have run further sensitivity analyses on the appraisal outputs using the original benchmark land value of £73.41 million in which we apply a simple increase and decrease to starting values and costs, as follows:

- 3% and 6% on values (up and down);
- 2% and 4% on cost (up and down).

- 5.11 The outputs of this analysis are summarised in Table 5.11.1.

Table 5.11.1: Sensitivity analysis – changes to starting values and costs

Construction costs		Sales values				
		-6.00%	-3.00%	0.00%	+3.00%	+6.00%
-4.00%	-38,685,147	18,049,911	69,816,683	118,147,609	164,341,893	
-2.00%	-61,226,291	-2,510,935	50,705,038	99,942,299	146,692,985	
0.00%	-84,538,445	-23,661,668	31,179,015	81,496,937	128,893,181	
+2.00%	-108,664,580	-45,471,839	11,186,714	62,785,454	110,939,246	
+4.00%	-133,653,218	-68,008,266	-9,337,573	43,731,759	92,788,756	

- 5.12 As can be noted, relatively small changes to values and/or costs would increase or decrease the £31.18 million surplus identified by our present day appraisal. For example, if values increase by 3% and costs remain unchanged, the Proposed Development would generate a surplus of £81.50 million.

Sensitivity Analysis 3: Application of cumulative growth and inflation

- 5.13 On a scheme developed over a very long period of time, such as the subject scheme, there is significant scope for greater change over longer periods of time than those tested in Table 5.10.1. The Proposed Development will be delivered over a period of approximately 20 years; we have therefore additionally tested the impact of cumulative growth in values of 3% per annum and cumulative cost inflation of 2% per annum. If these growth and inflation rates were realised, the Proposed Development would generate a surplus of £352.64 million. See Appendix 4.

6 Conclusions

- 6.1 Our appraisal assuming present day values and costs indicates that the Proposed Development with 40% affordable housing generates a surplus of £31.2 million. For context, this surplus equates to 1.8% of GDV. This demonstrates that the Proposed Development is viable and deliverable despite the conversative approach taken throughout the assessment.
- 6.2 Notwithstanding the conclusion that the site is viable and deliverable, we have undertaken sensitivity analysis. If a higher benchmark land value is assumed, the scheme generates a deficit of £15.82 million, which is relatively small compared to the GDV⁶ in spite of the conservative approach taken throughout.
- 6.3 Opportunity clearly exists to address such a small deficit in several ways.
- 6.4 Firstly, it may be possible to resolve the deficit through relatively modest changes to sales values and/or costs. The employment uses at TVSP that form part of the LVGV allocation are not included in the appraisal and will provide additional revenue to further support the viability of the Proposed Development. In addition, there is potential for the sale of Biodiversity Net Gain ('BNG') units to third parties to support the delivery or maintenance of the country park or other aspects of the development, to support the Proposed Development's viability.
- 6.5 Secondly, the deficit could also be resolved through alignment of the infrastructure delivery programme with the anticipated delivery rate of houses, which as noted in previous sections would reduce finance costs.
- 6.6 Lastly, resolution would also be achieved through the Council agreeing to use some of its CIL receipts from other developments to fund the provision of some of the infrastructure requirements identified (for example by contributing towards the costs of the secondary school, which is larger than the need generated by the Proposed Development directly). Alternatively, viability could be improved through the application of Homes England HIF funding; or grant funding for the affordable housing.
- 6.7 We have noted throughout our report that some of the inputs will be subject to further work as the proposals evolve, particularly in relation to infrastructure scope and costings. The viability of a strategic site of the scale of LVGV will naturally be revisited over the development period with reviews likely to be linked to submission of reserved matters applications for each phase. These periodic reviews will provide an opportunity for the Council and the promoters to review whether actions are required to maintain viability as the units are developed out.
- 6.8 It should also be noted that emerging Local Plan Update Policy H3 provides a degree of flexibility in terms of the overall percentage of affordable housing sought and/or the tenure mix. This flexibility could be deployed if other sources of funding are unavailable.
- 6.9 Having regard to the points above, and the need for landowners to take a realistic view on land value given the scale of the infrastructure costs, the Proposed Development is very well placed to be brought forward with a policy compliant level and tenure mix of affordable housing.

⁶ The deficit of £15.5 million equates to 0.89% of the GDV of £1.74 billion.

Appendix 1 - BCIS costs

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 12-Jul-2025 08:08

Rebased to Wokingham (107; sample 14)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810.1 Estate housing								
Generally (15)	1,676	862	1,420	1,605	1,836	5,821	1285	
Single storey (15)	1,928	1,128	1,607	1,842	2,097	5,821	200	
2-storey (15)	1,615	862	1,394	1,564	1,767	3,487	1015	
3-storey (15)	1,719	1,036	1,444	1,651	1,913	3,413	65	
4-storey or above (15)	3,500	1,701	2,813	3,140	4,674	5,171	5	
810.11 Estate housing detached (15)	2,254	1,237	1,621	1,887	2,550	5,821	18	
810.12 Estate housing semi detached								
Generally (15)	1,699	988	1,439	1,647	1,863	3,730	332	
Single storey (15)	1,903	1,227	1,662	1,866	2,051	3,730	76	
2-storey (15)	1,639	988	1,422	1,576	1,800	2,863	246	
3-storey (15)	1,633	1,237	1,305	1,542	1,894	2,408	10	
810.13 Estate housing terraced								
Generally (15)	1,683	994	1,396	1,573	1,825	5,171	203	
Single storey (15)	1,879	1,228	1,598	1,817	2,232	2,658	14	

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
2-storey (15)	1,618	994	1,383	1,548	1,752	3,487	160	
3-storey (15)	1,727	1,036	1,464	1,640	1,895	3,413	27	
4-storey or above (15)	4,922	4,674	-	-	-	5,171	2	

Appendix 2 - Summary of infrastructure requirements, costs and amendments

Loddon Valley Infrastructure costs

2024

Code	Description of works	Start year	End year	No of years	Total cost
URN12X	Single carriageway bridge over M4 Motorway	2031	2033	3	£16,137,265
URN13X	Single carriageway road from & including northern internal development roundabout & Lower Earley Way at Meldreth Way (exc bridge)	2032	2033	2	£22,858,056
URN14	Primary street from District Centre to Sindlesham	2029	2031	3	£13,529,611
URN14A	Barkham brook bridge crossing	2029	2031	3	£6,147,506
URN16	Primary Street Bridge over River Loddon	2030	2032	3	£9,147,111
URN17A	Primary Street from District Centre to River Loddon Bridge	2031	2032	2	£4,951,982
URN17B_1	NHM Access Road - Fergal Contract Sum	2025	2026	2	£7,596,136
URN17B_2	Primary Street from NHM Access Road to Loddon Bridge (Excluding roundabout)	2031	2032	2	£7,635,483
URN17C	Widening of Cutbush Lane within TVSP	2025	2026	2	£5,434,697
URN19A	Primary Street from District Centre to Arborfield Road	2027	2034	8	£19,155,173
URN19B	Primary Street from District Centre to Mole Road	2027	2031	5	£9,987,707
URN19C	Secondary Street accommodating bus only link	2030	2031	2	£4,908,051
URN20	Loddon Valley pedestrian links formed of mown paths (including culvert or timber bridge crossings)	2027	2034	8	£154,824
URN21	Loddon Valley central pedestrian bridge	2031	2032	2	£1,472,207
URN22	Loddon Valley southern pedestrian bridge (upgrades)	2028	2030	3	£414,794
URN23A	Personal Travel Planning (Innovation Valley)	2030	2030	1	£256,250
URN23B	Personal Travel Planning (Residential)	2027	2042	16	£1,571,018
URN24	Greenways/Cycle routes throughout LGV site	2027	2034	8	£11,616,540
URN25B	Internal junctions (Residential)	2031	2032	2	£614,751
URN26	Additional southbound lane on South Avenue	2031	2032	2	£4,517,532
URN27	Access on A327 via fourth arm of reconfigured Arborfield Relief Road roundabout	2027	2027	1	£258,845
URN28	Access via expanded Science Park roundabout	2030	2032	3	£2,712,519
URN29A	New 3-arm roundabout access on Mill Lane at Sindlesham (Excl. Hatch Farm Spur)	2027	2027	1	£3,573,154
URN29D	Hatch Farm Spur (4th Arm) off Mill Lane Roundabout	2027	2027	1	£520,173
URN29E	Mill Lane / Mole Road Roundabout Upgrades	2028	2029	2	£2,600,000
URN29F	Mill Lane Widening	2028	2029	2	£1,263,065
URN30	Additional westbound lane on B3270 from Whitley Wood Lane to M4 Junction 11	2033	2034	2	£2,561,463
URN31	Additional westbound lane on SERR between access roundabout and University Bridge	2031	2032	2	£1,755,890
URN32	Pedestrian / Cycle upgrades on A327 (minor widening of road included) linked with URN35	2028	2029	2	£2,102,615
URN33	Additional northbound lane on Lower Earley Way between Meldreth Way and Rushey Way	2031	2033	3	£6,133,107
URN34	Upgrade Lower Earley Way / Rushey Way / Mill Lane roundabout	2032	2033	2	£1,808,770
URN35	Upgrade A327 / SERR Roundabout	2030	2030	1	£1,582,446
URN36	Closure of Mill Lane as vehicular through route	2030	2030	1	£19,432
URN37	New 3-arm signal junction on Hatch Farm Way for connection to Mill Lane	2029	2030	2	£3,950,867
URN38A	Upgrade Lower Earley Way 1 lane widening between Rushey Way and Winnersh Relief Road (North of Bridge)	2034	2034	1	£1,146,177
URN38B	Upgrade Lower Earley Way 1 lane widening between Rushey Way and Winnersh Relief Road (South of Bridge)	2034	2034	1	£1,286,496
URN38C	Upgrade Lower Earley Way 1 lane widening between Rushey Way and Winnersh Relief Road (at Bridge)	2034	2034	1	£470,847
URN38D	Improvements to Hatch Farm Way / Lower Earley Way Signal Junction	2034	2034	1	£1,165,906
URN40	Upgrade of Mill Lane and new link road connecting to Hatch Farm Way	2032	2033	2	£3,229,023
URN41	Offsite bus priority improvements along wider network	2030	2030	1	£3,800,000
URN42	Transport hubs; 2no. Primary and 2no. Ancillary	2027	2034	8	£4,319,215
URN43	Subsidy of new bus services	2027	2042	16	£4,993,800
URN44	*Bus stop infrastructure inc real-time passenger info (7 no. +1 TVSP)	2027	2034	8	£847,303
URN45	Car clubs 17 No. (14 incl under URN42)	2027	2034	8	£365,475
URN50A	Active Travel Enhancements at Sindlesham	2028	2029	2	£857,262
URN50B	Active Travel Enhancements through Lower Earley (assume Lower Earley Way URN34&34)	2029	2033	5	£825,000
URN50C	Active Travel Enhancements within Shinfield	2029	2033	5	£761,463
URN51	River Loddon walk under M4 Bridge	2032	2032	1	£442,133
URN80	*Off Site Rights of way improvements / diversions	2027	2034	8	£500,000
URN87	B3270 Beeston Way/Cutbush Lane Improvements	2032	2033	2	£238,791
URN90	B3030/New Road/Bearwood Road (Sindlesham Triangle) improvements	2028	2029	2	£297,942
URN91	Active Travel Enhancements at Mole Road	2029	2030	2	£416,213
URN92	M4 J11 optimisation and changes to lane markings to accommodate additional lane for traffic movements onto B3270	2032	2033	2	£185,485
URN93	Shinfield Road gyratory - additional circulatory lane on Black Boy roundabout	2030	2031	2	£649,198
URN94	My Journey (Section 106 Contribution)	2027	2042	16	£2,122,200
URN101	SERR toucan crossing by TVSP access	2032	2032	1	£164,407
URN103	Kingstreet Lane / Hath Farm Way / Longdon Road	2030	2030	1	£550,000
URN60A	*Primary Education 3 form entry	2029	2031	3	£11,646,475
URN60B	*Primary Education 3 form entry	2036	2038	3	£11,646,475
URN61X	Secondary school - 5-form entry + Sixth form	2031	2034	4	£25,965,404
URN61Y	Secondary School extra over 5-form for 8-form entry + Sixth Form	2031	2034	4	£11,801,396

Loddon Valley Infrastructure costs

2024

Code	Description of works	Start year	End year	No of years	Total cost
URN61Z	Secondary School extra over 8-form for 12-form entry + Sixth Form	2031	2034	4	£0
URN62A	*Early Years Provision - within new primary schools	2029	2031	3	£880,080
URN62B	*Early Years Provision - within new primary schools	2034	2036	3	£880,080
URN63A	*SEND Provision Primary	2029	2036	8	£977,249
URN63B	*SEND Provision Secondary	2029	2036	8	£1,472,537
URN63	*Adult and Community Learning	2033	2035	3	£2,876,223
URN64	*New GP provision	2036	2038	3	£3,842,500
URN65	*Multi use community centres inc. voluntary/youth/café/leisure/police layby etc	2029	2031	3	£3,831,262
URN65A	Community Manager	2031	2031	1	£270,856
URN72A	*Community Orchards, Gardens and Allotments 4.85Ha	2033	2033	1	£1,271,928
URN74	*Civic Space 1.685Ha	2033	2037	5	£4,377,117
URN76	*Cemeteries/burial grounds 0.5Ha	2036	2038	3	£1,287,303
URN77	Sports halls (Incl. Outdoor Sports Pavilions x 4, Gym & Parking)	2031	2033	3	£5,985,208
URN78	*Swimming pool	2033	2034	2	£2,408,454
URN85	*Employment skills	2030	2030	1	£541,713
URN86	*Section106 monitor	2030	2030	1	£800,000
URN95	BNG monitoring	2030	2030	1	£600,000
URN97	Parish Infrastructure Requirements	2030	2030	1	£3,000,000
URN98	Heritage St Bartholomew	2030	2030	1	£500,000
URN99	Public Art / Culture	2030	2030	1	£589,500
URN5	*SUDS - additional ponds, swales, attenuation basins - 50% ALLOCATION	2027	2032	6	£3,091,256
URN5A	*SUDS - TVSP (Outside NHM Project and Flood Mitigation)	2032	2032	1	£394,177
URN100A	Flood Mitigation Works (R. Loddon) UoR	2027	2027	1	£695,569
URN100B	Flood Mitigation Works (R. Loddon) Hatch	2027	2027	1	£126,445
URN81	*SANG 40.4Ha and SANG link 18.35 ha	2027	2037	11	£14,240,000
URN82	*Country Park (Eco Valley beyond SANG) - Biodiversity enhancements (backwaters/wetlands to Loddon) 93.6ha	2027	2037	11	£23,030,000
URN75	*Outdoor sports 14.7Ha (pitches and parking)	2031	2034	4	£6,547,287
URN70	*Parks and public gardens 8.9Ha	2027	2041	15	£1,458,128
URN71	*Natural/semi-natural green space 26.3Ha	2027	2041	15	£0
URN72	*Amenity greenspace 18.7Ha	2027	2041	15	£1,046,194
URN73A	*Children/young people (incl. 45xLAP / 8xLEAP / 2xMUGA)	2027	2041	15	£5,936,859
URN73B	*Children/young people (incl. 5xNEAP)	2027	2041	15	£2,554,795
URN1	*Water - Ensuring Capacity	2027	2028	2	£2,273,812
URN2	*Water - Delivering Connections	2027	2032	6	£6,343,433
URN3	*Waste - Off site sewer works / connections	2027	2027	1	£2,166,850
URN4	*Waste - Delivering connections	2027	2041	15	£3,741,717
URN6	*Electrical - reinforcement / upgrade works	2027	2034	8	£17,367,049
URN7A	*Electrical - Undergrounding of high voltage lines	2027	2029	3	£5,586,139
URN7X	*Electrical Undergrounding Pink Route Option	2031	2033	3	£5,417,125
URN9	*Superfast Broadband - Laying fibre to homes	2027	2034	8	£2,021,542
URN10	*Mobile Network - Rollout of 5G	2027	2034	8	£1,381,557
URNXY	*Site Preparation for Building Lots	2027	2034	8	£5,258,034
URN83	*Rising Main	2027	2028	2	£3,656,376
URN52	*Waste minimisation facilities (3 No. Areas) (In 3 No.)	2029	2039	11	£300,842
URN53	*Waste - Potential effects on existing provision	2027	2041	15	£1,064,465
URN54	*Air Quality monitoring	2027	2041	15	£325,028
URN54_1	Acoustic Barrier	2027	2028	2	£1,538,065
0	Overall Total				£423,597,876

Appendix 3 - Development appraisal (present day values and costs)

Loddon Valley Garden Village
40% affordable housing (20% SO, 18% AR, 62% SR)

Loddon Valley Garden Village
40% affordable housing (20% SO, 18% AR, 62% SR)

Appraisal Summary for Stage 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
Private residential	2,358	2,914,488	494.00	610,584	1,439,757,072	0	1,439,757,072
Aff SO	314	264,505	370.00	311,678	97,866,850	0	97,866,850
Aff AR	283	216,135	279.00	213,080	60,301,665	0	60,301,665
Aff SR	975	819,965	164.00	137,922	134,474,260	0	134,474,260
District Centre and Local Centre 1	1	0	0.00	3,000,000	3,000,000	0	3,000,000
Local Centre 2	1	0	0.00	1,000,000	1,000,000	0	1,000,000
Totals	3,932	4,215,093			1,736,399,847	0	1,736,399,847

NET REALISATION1,736,399,847

EXPENSES

ACQUISITION COSTS

Fixed Price	73,408,400			
Fixed Price		73,408,400		
			73,408,400	
Stamp Duty	5.00%	3,670,420		
Agent Fee	1.00%	734,084		
Legal Fee	0.50%	367,042		
			4,771,546	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Private residential	2,914,488	140.51	409,514,709	
Aff SO	264,505	140.51	37,165,598	
Aff AR	216,135	140.51	30,369,129	
Aff SR	819,965	140.51	115,213,282	
Totals	4,215,093 ft²		592,262,717	
Contingency		5.00%	55,975,328	
				648,238,046

Other Construction Costs

Infrastructure			423,597,876	
Net zero carbon		7.50%	44,419,704	
External works		10.00%	59,226,272	
M4(3) standard			4,219,105	
Building Safety Levy	2,914,488 ft²	4.18	12,182,560	
				543,645,516

PROFESSIONAL FEES

Professional fees - housebuilding	6.00%	35,535,763		
Professional fees - infrastructure	3.00%	12,707,936		
			48,243,699	

DISPOSAL FEES

Sales Agent Fee	2.50%	36,093,927		
Sales Legal Fee	3,930 un	850.00 /un	3,340,500	
				39,434,427

MISCELLANEOUS FEES

Profit on private	17.50%	251,957,488		
Profit on affordable	6.00%	17,558,566		
Profit on serviced commercial land	15.00%	600,000		
				270,116,054

TOTAL COSTS BEFORE FINANCE1,627,857,688

FINANCE

Debit Rate 7.0000%, Credit Rate 0.0000% (Nominal)				
Total Finance Cost			77,363,144	

TOTAL COSTS1,705,220,832

PROFIT

31,179,015

Performance Measures

Profit on Cost%	1.83%
Profit on GDV%	1.80%
Profit on NDV%	1.80%
IRR% (without Interest)	10.23%
Profit Erosion (finance rate 7.000)	3 mths

Appendix 4 - Development appraisal (sensitivity analysis)

Loddon Valley Garden Village
40% affordable housing (20% SO, 18% AR, 62% SR) Grown inputs

Loddon Valley Garden Village
40% affordable housing (20% SO, 18% AR, 62% SR) Grown inputs

Appraisal Summary for Stage 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales	Adjustment	Net Sales
‡ Private residential	2,358	2,914,488	494.00	610,584	1,439,757,072	549,479,710	1,989,236,782
‡ Aff SO	314	264,505	370.00	311,678	97,866,850	36,672,701	134,539,551
Aff AR	283	216,135	279.00	213,080	60,301,665	0	60,301,665
Aff SR	975	819,965	164.00	137,922	134,474,260	0	134,474,260
District Centre and Local Centre 1	1	0	0.00	3,000,000	3,000,000	0	3,000,000
Local Centre 2	<u>1</u>	<u>0</u>	0.00	1,000,000	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
Totals	3,932	4,215,093			1,736,399,847	586,152,411	2,322,552,258

NET REALISATION2,322,552,258

EXPENSES

ACQUISITION COSTS

Fixed Price	73,408,400			
Fixed Price		73,408,400		
			73,408,400	
Stamp Duty	5.00%	3,670,420		
Agent Fee	1.00%	734,084		
Legal Fee	0.50%	367,042		
			4,771,546	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
‡ Private residential	2,914,488	140.51	509,169,038	
‡ Aff SO	264,505	140.51	46,209,748	
‡ Aff AR	216,135	140.51	37,759,377	
‡ Aff SR	<u>819,965</u>	140.51	<u>143,250,132</u>	
Totals	4,215,093 ft²		736,388,294	
Contingency		5.00%	64,442,706	
				800,831,000

Other Construction Costs

Infrastructure			423,597,876	
Net zero carbon		7.50%	55,229,122	
External works		10.00%	73,638,829	
M4(3) standard			4,219,105	
Building Safety Levy	2,914,488 ft²	4.18	12,182,560	
				568,867,492

PROFESSIONAL FEES

Professional fees - housebuilding	6.00%	44,183,298		
Professional fees - infrastructure	3.00%	12,707,936		
			56,891,234	

DISPOSAL FEES

Sales Agent Fee	2.50%	49,830,920		
Sales Legal Fee	3,930 un850.00 /un	3,340,500		
			53,171,420	

MISCELLANEOUS FEES

Profit on private	17.50%	348,116,437		
Profit on affordable	6.00%	19,758,929		
Profit on serviced commercial land	15.00%	600,000		
			368,475,365	

TOTAL COSTS BEFORE FINANCE1,926,416,457

FINANCE

Debit Rate 7.0000%, Credit Rate 0.0000% (Nominal)				
Total Finance Cost			43,491,570	

TOTAL COSTS1,969,908,027

PROFIT

352,644,231

Performance Measures

Profit on Cost%	17.90%
Profit on GDV%	15.18%
Profit on NDV%	15.18%
IRR% (without Interest)	20.72%
Profit Erosion (finance rate 7.000)	2 yrs 4 mths

‡ Inflation/Escalation applied

Escalation on Sales		Unescalated	Escalation	Total
Private residential	Growth Set 1 at 3.0000%	1,439,757,072	549,479,710	1,989,236,782
Aff SO	Growth Set 1 at 3.0000%	97,866,850	36,672,701	134,539,551

Loddon Valley Garden Village
40% affordable housing (20% SO, 18% AR, 62% SR) Grown inputs

Inflation on Construction Costs		Uninflated	Inflation	Total
Private residential	Inflation Set 1 at 2.0000%	409,514,709	99,654,329	509,169,038
Aff SO	Inflation Set 1 at 2.0000%	37,165,598	9,044,151	46,209,748
Aff AR	Inflation Set 1 at 2.0000%	30,369,129	7,390,248	37,759,377
Aff SR	Inflation Set 1 at 2.0000%	115,213,282	28,036,850	143,250,132