Folkestone & Hythe District Council Community Infrastructure Levy Review

On behalf of:
Folkestone and Hythe District Council

Date: 16 August 2022

Prepared by: James Brierley
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James Godfrey

GERALDEVE

RICS MANDATORAY REQUIREMENTS

Requirement	This assessment has been produced having regard to and abiding to the requirements of RICS Professional Statement Financial Viability in Planning: conduct and reporting (1st edition 2019).
	In preparing this viability assessment, we confirm that we have acted with reasonableness, impartiality and without interference. We have also complied with the requirements of PS2 Ethics, competency, objectivity, and disclosures in the RICS Valuation – Global Standards 2022 in connection with valuation reports.
	This document sets out our terms of engagement for undertaking this area wide viability assessment for the purposes of setting CIL rates. We declare that to the best of our knowledge there is no conflict of interest (paragraph 1.1 of the Conflict-of-Interest Professional Statement of January 2018), Other than, if necessary, where stated in the report circumstances which fall under Informed Consent (as per the Conflict-of-Interest Professional Statement).
	We confirm that our fee basis for undertaking this viability assessment is neither performance related nor involves contingent fees.
	We confirm that this area wide viability assessment has been prepared in the full knowledge that it will made publicly at some point in the future. Where we believe there to be information, which is commercially sensitive, that we have relied upon in arriving at our opinion we have stated so in our report. We request that permission is sort by the instructing/applicant prior to being made public to ensure commercially sensitive or personal information does not infringe other statutory regulatory requirements.
	We have confirmed with the instructing party that no conflict exists in undertaking the area wide viability assessment, we have also highlighted to the Council where we have previously provided advice relating any site's considered. Should this position change, we will immediately notify the parties involved. We understand that if any of the parties identified in this report consider there to be a conflict that we would immediately stand down from the instruction.
	Throughout this area wide viability assessment, we have set out a full justification of the evidence and have also supported our opinions with a reasoned justification. We note in due course the emphasis within the RICS Professional Statement on conduct and reporting in Financial Viability in Planning the need to see to resolve differences of opinion wherever possible
	In determining Benchmark Land Value (if required) we have followed NPG (Viability) (2019) setting out this in detail within the Benchmark Land Value section.
	Sensitivity analysis and accompanying explanation and interpretation of the results is undertaken for the purposes of a viability assessment. This enables the reader to consider the impact on the result of changes to key variables in the appraisal having regard to the risk and return of the proposed scheme.
	We confirm we have advocated transparent and appropriate engagement between the Applicant and Council's viability advisors.
	This report includes a non-technical summary at the commencement of the report which includes all key figures and issues relating to the assessment.
	We confirm this report has been formally reviewed and signed off by the individuals who have carried out the area wide study and confirm that this area wide assessment has been prepared in accordance with the need for objectivity, impartiality and without interference. Subject to the completion of any discussion and resolution or note of differences, we will be retained to then subsequently advise upon and negotiate the Section 106 Agreement.

	All contributors to this report have been considered competent and are aware of the RICS requirements and as such understand they must comply with the mandatory requirements.
	We were provided an adequate time to produce this report, proportionate to the scale of the project and degree of complexity of the project.

SIGN OFF

Produced by	Reviewed by	Reviewed by
James Godfrey MRICS, Surveyor	**Fiona Kilminster** MRICS, Senior Associate	**James Brierley** MRICS, Partner
For and on behalf of Gerald Eve LLP	For and on behalf of Gerald Eve LLP	For and on behalf of Gerald Eve LLP

NOTE: This report has been produced in accordance with National Planning Policy Framework (2019) and Planning Policy Guidance (as amended). Gerald Eve LLP can confirm that the report has been produced by suitably qualified Practitioners of the Royal Institution of the Chartered Surveyors (RICS) and that the report has been produced in accordance with RICS Practitioner guidance on viability in planning matters.

The contents of this report are specific to the circumstance of the area wide assessment and date of publication; and it together with any further information supplied shall not be copied, reproduced, or distributed to any third parties for any purpose other than determining the application for which it is intended. Furthermore, the information is being supplied to **the client** on the express understanding that it shall be used only to assist in the financial assessment in relation to the Application. The information contained within this report is believed to be correct as at the date of publication, but Gerald Eve LLP give notice that:

I. all statements contained within this report are made without acceptance of any liability in negligence or otherwise by Gerald Eve LLP. The information contained in this report has not been independently verified by Gerald Eve LLP.

II. none of the statements contained within this report are to be relied upon as statements or representations of fact or warranty whatsoever without referring to Gerald Eve LLP in the first instance and taking appropriate legal advice.

III. references to national and local government legislation and regulations should be verified with Gerald Eve LLP and legal opinion sought as appropriate.

IV. Gerald Eve LLP do not accept any liability, nor should any of the statements or representations be relied upon, in respect of intending lenders or otherwise providing or raising finance to which this report as a whole or in part may be referred to.

V. Any estimates of values or similar, other than specifically referred to otherwise, are subject to and for the purposes of discussion and are therefore only draft and excluded from the provisions of the RICS Valuation – Professional Standards 2014; and

VI. Due to the complexities and differences in site specific assessments, information in this report should not be relied upon or used as evidence in relation to other viability assessments without the agreement of Gerald Eve LLP and expressly with a full explanation and understanding of any implications of such reliance.

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EXECUTIVE SUMMARY (NON-TECHNICAL)

Instruction	i.	Gerald Eve LLP ("GE") is instructed by Folkestone and Hythe District (the "Council") to undertake a Local Plan Viability Assessment and Community Infrastructure Levy ("CIL") Charging Schedule Update Review. The object of the review is to test the appropriateness of current CIL rates to ensure that the cumulative impact of the Council's policies including affordable housing and Community Infrastructure Levy, do not compromise the delivery of the Local Plan across Folkestone & Hythe District.
		National Planning Policy Guidance and Community Infrastructure Levy
	ii.	The National Planning Policy Framework (NPPF) and National Planning Policy Guidance (NPG) provide the framework and guidance within which viability assessments at plan making stage should be set.
	iii.	The framework and guidance require among other points, collaboration with stakeholders; a development typology-based testing approach rather than testing all sites in a Local Plan area; and the need to ensure that the cumulative cost of all relevant policies including affordable housing requirements will not undermine deliverability of the plan. GE has followed the recommended approach set out in the NPPF and NPG guidance in producing this review exercise. This report provides an assessment and recommendations to the Council in line with guidance for Plan Making, but it is important to note that it is for the Council to take the decision on what policy to adopt in relation to affordable housing.
	iv.	CIL is a planning charge which allows local authorities in England and Wales, to raise funds from developers undertaking new building projects in their area to fund a wide range of infrastructure that is needed because of development. The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 and CIL Guidance explain what CIL is and how it operates. The CIL Guidance states that charging authorities should use an area-based approach which involves 'a broad test of viability across their area, as the evidence base to underpin their charge'. This report has been prepared in line with relevant guidance on CIL and setting CIL including NPPF, NPG and guidance produced by the Royal Institution of Chartered Surveyors (RICS)
		Folkestone & Hythe District
	v.	Folkestone & Hythe is a coastal district located in Southeast England, home to various towns, villages and natural environments. The Folkestone & Hythe district is large and covers approximately 363 sq. km (140 sq. miles) stretching from the East Sussex border (near Rye) in the southwest, across Romney Marsh and through to Folkestone and the hills of the Kent Downs to the north of Folkestone.
	vi.	In formulating the inputs and assumptions in this review we have considered the various land uses and also the planning policy within the Core Strategy Review adopted in March 2022, together with previous area wide viability work undertaken on behalf of the Council. This outlines what the future looks like for development in different areas of the district and how the Council intends to implement the policies to achieve this.

Stakeholder Consultation

vii. NPG states that plan makers must work in collaboration with stakeholders in the Local Plan to finalise their policies to ensure that they are appropriate and will result in development that is sustainable and deliverable.

viii. Two stakeholder consultation exercises were undertaken as part of this review process. These comprised two questionnaires (**Appendix 4**)and an online presentation (**Appendix 5**) in relation to the process, inputs, and initial findings of our review. Feedback was invited in relation to the inputs such as costs and values, the assumptions used, and the process undertaken. This enabled open and transparent engagement with developers and key stakeholders to assist us in informing our evidence base and our recommendations to the Council.

ix. Feedback from a range of different developers and stakeholders was received. A summary of the key points raised are set out in section 4. We had regard to this feedback in our assessment.

Methodology

x. In order to undertake our CIL review we have adopted the residual valuation method. This is in line with the NPPF, NPG, CIL Regulations and Guidance documents; RICS, LHDG and other relevant guidance as outlined in Section 2. This document should be considered an update to the previous CIL viability study undertaken by Dixon Searle in 2014. We, therefore, worked with the Council to select 34 appropriate typologies, having regard to the work previously undertaken, to test using this method, as set out in Section 6.

xi. Sensitivity analysis of the inputs was then undertaken to provide more robust analysis of these results. This includes testing of the key inputs, but also of the inputs that we are testing across different CIL rates. A bespoke Excel financial model has been used in this process. Argus Developer software has also been used to undertake site specific assessments of the Strategic Sites.

Key Findings

xii. The conclusions arrived at having regard to the sensitivity and scenario analysis, and assessment of results, are set out in **Section 14**. To assist with interpretation of the results, the conclusions are split into those relating to a range of typology groupings.

xiii. <u>Residential Geographical Zones and Typologies</u>

xiv. Our review of the current CIL Charging Schedule adopted by Folkestone & Hythe District Council in August 2016 and applied since that time, highlighted the current adopted CIL zones and their correlation with ward boundaries. Based on our market research and analysis, it was concluded that the four adopted residential CIL zones currently should be maintained.

	xv.	Our assessment has indicated that the current residential CIL charging rates should be maintained across all geographical zones, A-D.
	xvi.	In Zone A, 20% of the tested typologies produced viable outcomes. However, sensitivity analysis suggests that a minimal variance is required to demonstrate a positive viability in two additional typologies, which would result in an overall 60% of typologies across the zone being viable.
	xvii.	In Zones B and C, 60% of tested typologies produced viable outcomes at the current adopted CIL rates.
	xviii.	Zone D produced the most stable results per typology set and suggests scope to potentially increase CIL rates, with a 10% excess above the 70% minimum threshold across the zone. However, sensitivity testing suggest that potential detrimental market conditions could result in a reduction of viable typologies to 40%, being a 30% deficit to the threshold.
	xix.	If the CIL rate in Zone D is increased, there is concern that it may have a negative impact on the delivery of larger schemes within the Zone and therefore a reduction in the quantum of units developed, including affordable housing. This could hinder development in an already restricted area which is largely subject to Area of Outstanding Natural Beauty (AONB) status.
	xx.	Senior Living (C3) was not tested within Dixon Searles original assessment due to the typology being categorised as an extension to the residential use class (C3) and therefore subject to residential CIL rates. We consider this approach remains appropriate, however, due to the anticipated premium associated with the product, we were of the view that there could be potential to apply an additional premium to the residential zoning CIL rates for Senior Living schemes.
	xxi.	Sensitivity results indicate that Senior Living (C3) could financially support a further premium to standard zonal residential CIL rates. Further testing suggested that an additional 10% premium would be absorbed within the financial model, in addition to the 10% buffer.
	xxii.	However, we anticipate that the application of an exclusive premium for Senior Living, as part of Residential C3 use, would be challenging to implement. The concept would require legal consideration and further research into the supply/demand implications and alignment with the Council's vision.
	xxiii.	Individual outputs reflected that the Strategic Sites, except for Folkestone Seafront, were producing a positive surplus when compared to previously agreed benchmark land values produced as part of the Core Strategy Review. However, sensitivity analysis showed that any fluctuation in market conditions would greatly impact the deliverability of the schemes.
	xxiv.	With current uncertainty in the construction market and UK economy, as detailed within **Section 8**, we are of the view that the Strategic Sites could not viably support an additional contribution through CIL. Additionally, we would anticipate that any potential surplus generated within the Strategic Sites could be targeted towards necessary Section 106 contributions, as required.

Commercial Typologies

xxv. The analysis demonstrates that there is insufficient evidence to support an increase in CIL rates across the different commercial typologies. At present, all typologies tested that contribute a £0 per sq m, either generate a deficit or a minimal surplus. Similarly for Large Retail (>280 sqm), there is limited evidence to support any adjustment to the current CIL rate.

xxvi. Following our conclusions, we confirm that the conclusions of our CIL charging model provide a solely financial outlook regarding respective charging levels and all results must be assessed in a holistic view. As such, we recommend further consideration regarding both planning and political implications that may incur through adjusting CIL rates and alignment with the Council's vision.

Recommendations

xxvii. Following our independent review of the Community Infrastructure Levy Charging Schedule implemented by the Council, we provide the following recommendations:

xxviii. **Table 1: The Council CIL Recommendation per Zone**

CIL Zone	Original CIL Rate (2016)	2022 CIL Rate (Indexed)	Recommendation
Zone A	£0	£0	**Maintain**
Zone B	£50	£58.86	**Maintain**
Zone C	£100	£117.73	**Maintain**
Zone D	£125	£147.16	**Maintain**
Senior Living	Residential Zonal Rates	Residential Zonal Rates	**Maintain**
Large Retail (>280 sqm)	£100	£117.73	**Maintain**
Retail	£0	£0	**Maintain**
Strategic Sites	£0	£0	**Maintain**

Source: The District and GE

xxix. Seafront Zone - We have concluded that at this stage it would not be reasonable to apply a premium to the seafront areas in Zones B and C. We recommend however that this is kept under review by the Council and revisited at the next CIL Charging Schedule Review.

xxx. Strategic Sites - Further analysis should be undertaken to determine the potential surplus that the strategic sites could achieve moving forward. The Council should seek to determine whether additional contributions could be sought for Section 106 on a site-by-site basis, at the planning application stage.

1. INTRODUCTION

Instruction	1.1.	Gerald Eve LLP ("GE") is instructed by Folkestone and Hythe District Council (the "Council") to undertake a Local Plan Viability Assessment and Community Infrastructure Levy ("CIL") Charging Schedule Update Review. The object of the review is to test the appropriateness of current CIL rates to ensure that the cumulative impact of the Council's policies including affordable housing and Community Infrastructure Levy, do not compromise the delivery of the Local Plan across Folkestone & Hythe District.
Dixon Searle Report 2014	1.2.	This report acts as a review/update of the CIL & Whole Plan Economic Viability Assessment report undertaken by Dixon Searle in July 2014 – CIL adopted 2016 **(Appendix 3).** The Dixon Searle report provided viability evidence to support the proposed CIL recommendations, based on the Local Plan. The recommendations on the appropriate level of CIL were made, taking the impact of Local Plan policies into account.
Additional Work	1.3.	In addition to the Dixon Searle report, we have also had regard to the review undertaken by BPS in 2019 titled CIL Charging Schedule Review Viability Report to support the Core Strategy Review. BPS specifically assessed the CIL requirements and financial viability of two strategic allocations, Otterpool Park garden settlement and Sellindge.
	1.4.	Gerald Eve have also previously undertaken the following area wide viability studies on behalf of the Council: • Core Strategy Examination of Additional Sites – Draft (August 2020) • Folkestone & Hythe District Council CIL Charging Schedule Review in Relation to Strategic and Key Development Sites (November 2020) • Addendum Report on Viability for Otterpool Park New Garden Settlement (June 2021) We also undertook the following site-specific financial viability assessment for a key strategic site: • Development at Nickolls Road, Hythe, Financial Viability Assessment Review (October 2020)
National Planning Policy Guidance and Community Infrastructure Levy	1.5.	The National Planning Policy Framework (NPPF) 2012 (revised 2021) and National Planning Policy Guidance (NPG) 2012 (revised 2021) provide the framework and guidance within which viability assessments at plan-making stage should be set.
	1.6.	The framework and guidance require among other points, collaboration with stakeholders; a development typology-based testing approach rather than testing all sites in a Local Plan area; and the need to ensure that the cumulative cost of all relevant policies including affordable housing requirements will not undermine deliverability of the plan. GE has followed the recommended approach set out in the NPPF and NPG guidance in producing this review exercise. This report provides an assessment and recommendations to the Council in line with guidance for Plan Making, but it is important to note that it is for the Council to take the decision on what policy to adopt in relation to affordable housing.
	1.7.	CIL is a planning charge which allows local authorities in England and Wales, to raise funds from developers undertaking new building projects in their area to fund a wide range of infrastructure that is needed as a result of development. The CIL Regulations 2010 and CIL Guidance (as updated and amended in 2019) explain what CIL is and how it operates. The CIL Guidance states that charging authorities should use an area-based approach which involves 'a broad test of viability across their area, as the evidence base to underpin their charge'. This report has been prepared in line with relevant guidance on CIL and setting CIL including NPPF, NPG and guidance produced by the Royal Institution of Chartered Surveyors (RICS).

Folkestone and Hythe District	1.8.	Folkestone & Hythe is a coastal district located in Southeast England, home to various towns, villages, and natural environments. The district is large and covers approximately 363 sq. km (140 sq. miles) stretching from the East Sussex border (near Rye) in the southwest, across Romney Marsh and through to Folkestone and the hills of the Kent Downs to the north of the district.
	1.9.	The settlements and districts of Ashford, Dover and Canterbury adjoin Folkestone & Hythe district in eastern Kent. Folkestone is the primary town, accounting for just under half of the district's 109,800 population (Population and household estimates for England and Wales, Census 2021).
Core Strategy Review	1.10.	The Core Strategy Review was adopted on 30 March 2022, a long-term plan bringing together the aims and actions of the district council with the requirements of government and the aspirations of town and parish councils, residents, businesses, and voluntary groups. This replaces the previous Core Strategy, effective since 2013 which the previous CIL assessment was based on.
	1.11.	The Places and Policies Local Plan (PPLP) allocates approximately 1,600 dwellings across many small and medium-sized sites following the framework set by the 2013 Core Strategy (some of these sites now have planning permission). The PPLP also provides a new suite of development management policies and ensures that the council has sufficient allocations to meet development needs to 2030/31.
	1.12.	However, local planning authorities are now required to review their plans at least once every five years and update them as necessary. The review of the 2013 Core Strategy has now been completed and this meets development requirements over a longer period to 2036/37. The development proposed in the PPLP has been considered in setting the development targets in the Core Strategy Review.
	1.13.	Within a short period of time, since the adoption of the 2013 Core Strategy, Folkestone has seen significant change. Core Strategy Review policies SS10 and SS11 set out the policy requirements for the delivery of Folkestone Seafront and Shorncliffe Garrison, both of which now have planning permission, with Shorncliffe Garrison now in particular contributing significantly to the housing needs of the district.
Stakeholder Consultation	1.14.	NPG states that plan makers must work in collaboration with stakeholders in the Local Plan to finalise their policies to ensure that they are appropriate and will result in development that is sustainable and deliverable.
	1.15.	Two stakeholder consultation exercises were undertaken as part of this review process. These comprised of an initial questionnaire (**Appendix 4**) and an online presentation (**Appendix 5**) in relation to the process, setting out the inputs applied and initial findings of our review. Feedback was invited in relation to the typologies, key inputs such as costs and values, the assumptions used, and the process undertaken. This enabled open and transparent engagement with developers and key stakeholders to assist us in informing our evidence base and our recommendations to the Council.
	1.16.	Feedback from a range of different sizes and types of developers and stakeholder organisations was received. A summary of stakeholder feedback is set out in **Section 4**. We had regard to this in our assessment.
Methodology	1.17.	To undertake our viability assessment, we have adopted the residual valuation method. This is in line with the NPPF, NPG, CIL Regulations and Guidance documents; RICS and other relevant guidance as outlined in **Section 2**.

1.18. The following table sets out the CIL Charging Schedule, the original 2016 CIL rates have been indexed using RICS BCIS All-In Tender Price Index. An additional 10% contingency has been incorporated to ensure a level of contingency, referred to as a 'buffer'. Adopted CIL Rates are as follows:

Table 2: The Council's CIL Rates and Adopted Figures

Typology	Original CIL Rate (2016)	2022 CIL Rate (Indexed)	CIL Rate Applied (Inc. 10% Buffer)
Zone A	£0	£0	**£0**
Zone B	£50	£58.86	**£64.75**
Zone C	£100	£117.73	**£129.50**
Zone D	£125	£147.16	**£161.88**
Large Retail (>280 sqm)	£100	£117.73	**£129.50**
Retail	£0	£0	**£0**

Source: The Council

1.19. For analysis purposes we adopted a consistent approach in line with the current adopted CIL Schedule which has four designated geographical CIL zones areas within the district. We then separated the relevant residential typologies into 5 typology groupings. A further 9 typologies were considered for commercial accommodation. We also considered four strategic sites as part of the review. A total of 34 typologies were considered.

1.20. A bespoke Excel financial model has been used to test the different typologies in this process. The industry standard model, Argus, was used to test the viability of the Strategic Sites.

1.21. Sensitivity analysis of the inputs was then undertaken to provide more robust analysis of these results. This includes testing of the key inputs assumptions against a policy compliant level of affordable housing and varying CIL rates.

RICS Professional Guidance

1.22. This assessment has been produced having regard to and abiding by the requirements of RICS Professional Statement Financial Viability in Planning: conduct and reporting (1st edition 2019). For further details please see **Appendix 2**, which provides a guide to where in the report the requirements have been adhered to.

1.23. We declare that to the best of our knowledge there is no conflict of interest (paragraph 1.1 of the Conflict of Interest Professional Statement of January 2018); and that our fee basis for undertaking this viability assessment is neither performance related nor involves contingent fees.

1.24. We can confirm that GE has had sufficient time to complete this instruction.

2. NATIONAL PLANNING POLICY GUIDANCE AND COMMUNITY INFRASTRUCTURE LEVY

Introduction	2.1.	This section considers the planning policy guidance set out in the NPPF and the NPG regarding Plan Making for viability purposes. We consider the guidance in the context of affordable housing and CIL, and we have used this to undertake our assessment.
Plan Making and Viability in Planning Policy Guidance	2.2.	The NPPF 2012 (revised 2021) discusses "Plan Making" (i.e. the setting of policies within a local plan) at paragraphs 15 to 37. It outlines that those plans should be up to date and address the need for housing and other economic, social, and environmental priorities. As such it is important to have an up-to-date evidence base when preparing, or in this case reviewing a Local Plan.
	2.3.	The Plan Making sections of the 2021 NPPF can be linked to the sections that address viability. In particular, paragraph 58 of the NPPF sets out in the extract below: *"...All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance (NPG), including standardised inputs, and should be made publicly available"* (extract from NPPF 2021 paragraph 58)
	2.4.	Paragraphs 001 to 006 of the NPG 2012 (revised 2021) deal with Viability and Plan Making setting out how Plan Makers (i.e. The Council in this case) should set policy requirements for contributions for developments informed by evidence.
	2.5.	Paragraph 002 outlines that the role for viability assessment is primarily at the Plan Making Stage. It states that the "Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic and that the cumulative cost of all relevant policies will not undermine deliverability of the plan."
	2.6.	Paragraph 002, along with paragraph 006, outlines the need for collaboration with stakeholders which is discussed further in **Section 4.**
	2.7.	An important extract from Paragraph 002 regarding affordable housing is outlined below: *"Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision-making stage."* (extract from NPG paragraph 002)
	2.8.	Paragraphs 003 and 004 advise on what sites should be assessed for viability in plan making. This does not include testing all the sites within the Local Plan area, but instead a typology-based approach should be used. This involves grouping sites by certain characteristics, either of their current or proposed use, and reflect the nature of typical sites in the plan.
	2.9.	We have undertaken this approach in our assessment; however, it is important to note that whilst specific sites may be referenced, these sites are the typologies that the Council believe reflect the "type of development proposed for allocation in the plan" extract from Paragraph 004).
	2.10.	In conclusion, we have followed the specific guidance regarding Plan Making set out in the NPPF and NPG when undertaking this assessment. As paragraph 57 of the NPPF states (see 2.3 above) we have also undertaken the assessment in accordance with the NPG in terms of inputs as discussed further in **Sections 7** through **8**.

	2.11.	As such, we provide our assessment and recommendations to the Council in line with guidance for Plan Making, but it is important to note that it is for the Council to take the decision on what policy to adopt in relation to affordable housing.
Community Infrastructure Levy ("CIL") and Planning Policy	2.12.	The Community Infrastructure Levy is a planning charge that came into force in April 2010. It allows local authorities in England and Wales, known as "charging authorities", to raise funds from developers undertaking new building projects in their area to fund a wide range of infrastructure that is needed because of development.
	2.13.	If a charging authority decides to levy CIL, then it is required to prepare and publish a document known as "the Charging Schedule" which will set out the rates of CIL applied in the charging authority's area. Charging authorities must express CIL rates as pounds (£) per square metre, as CIL will be typically levied on the net additional gross internal area ("GIA") of the liable development.
	2.14.	A charging authority must submit its draft charging schedule for an independent examination along with evidence of economic viability and infrastructure planning for approval before being formally approved by a resolution of the full Council of the charging authority.
CIL Regulations and Guidance	2.15.	Statutory provision for CIL was introduced in the Planning Act 2008 ("the 2008 Act"). The ability to charge CIL came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010, as amended in 2011, 2014, 2019 and 2022 (the "Regulations").
	2.16.	The Ministry of Housing, Communities & Local Government has produced a CIL Guidance (Published 12 June 2014 and last updated 5 April 2022) to explain what the Community Infrastructure Levy is and how it operates, which this report has also considered.
CIL Charge Setting	2.17.	Charging authorities are to set their own CIL charging rate(s) depending on the needs of their area. Charging authorities can set different rates within their area, either for different geographical areas and/or for different uses.
	2.18.	In setting rates in the charging schedule, the charging authority needs to be consistent with the requirements of Regulation 14 which states that: 14. (1) In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between— a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, considering other actual and expected sources of funding; and b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.
	2.19.	Therefore, according to the regulations, it is the role of the charging authority to decide what the appropriate balance is between maximising development and raising sufficient funds to provide the necessary infrastructure.
	2.20.	It follows that there may be some development schemes that could be put at risk by the introduction of a particular level of CIL; however, the charging authority must take a holistic view of the potential effects of the imposition of CIL on the economic viability of development across its area.

Preparing the Evidence Base	2.21.	The CIL Guidance states that charging authorities should use an area-based approach which involves 'a broad test of viability across their area, as the evidence base to underpin their charge'. The guidance reiterates that charging authorities should take a strategic view across their area and not focus on the potential implications of setting a CIL for individual sites.
	2.22.	The guidance sets out that the charging authority must use 'appropriate available evidence' and should draw upon existing data where available. Methodologies should also consider other development costs arising from existing regulatory requirements, including any policies on planning obligations.
	2.23.	Charging authorities should seek to illustrate that their proposed charging rate(s) would be robust over time. In setting a CIL rate(s), charging authorities will need to bear in mind that the economic circumstances could change during the lifetime of the charging schedule.
Setting Differential Rates	2.24.	Regulation 13 allows charging authorities to set varying (differential) rates as a way of accounting for different levels of economic viability within the same charging area – for example, varied by location and/or by intended uses of development. Differences in rates should be justified by reference to the economic viability of development, including exempting or setting a zero rate for a particular area or use from CIL.
	2.25.	The guidance, however, states that, a single (uniform) rate may be simpler and charging authorities should take care not to set differential rates in such a way to impact disproportionally on a particular sector or small group of developers or give rise to State Aid.
CIL in Practice	2.26.	CIL charges are expressed in terms of £/sq m of GIA net additional floorspace, after demolition of an existing building. The charge can be levied against all development over 100sq m, except in the case of residential development where a single dwelling is chargeable whatever the floorspace. Calculation is set out in a formula under the Regulations and unlike the current S106 regime, CIL is non-negotiable.
	2.27.	Liability is determined when the scheme is implementable, and is payable on commencement – either in full, or in instalments if agreed beforehand and if the charging authority has adopted an instalment policy.
National Planning Policy Guidance on CIL Charging Schedules	2.28.	The CIL Guidance states that in preparing a Charging Schedule, charging authorities should use evidence in accordance with planning practice guidance and take account of national planning policy on development contributions.
	2.29.	This report is grounded in the National Planning Policy Framework (NPPF) originally published in March 2012 and revised in July 2021 which sets out the Government's planning policies for England and how these are expected to be applied. The NPPF recognises the place of viability testing, in both plan-making and decision-making.
	2.30.	Further guidance relating to interpreting the NPPF is set out in National Planning Guidance (NPG) refers to viability both planning obligations and viability (NPG 2021) and indicates that planning viability assessments are recommended to reflect national planning guidance (NPG 2021), in determined appropriate planning obligations.

	2.31.	The NPG 2021 indicates that viability assessments are to be undertaken by suitably qualified Surveyors. The Royal Institution of Chartered Surveyors (RICS) published guidance in 2012 regarding viability assessments in planning to support qualified members of the RICS in viability assessments. The RICS produced a Professional Statement (Sept 2019) which is informed by the NPPF, NPG as well as practitioner experience.
	2.32.	In accordance with the above, this report seeks to provide a range of appropriate CIL rates for development across the District having regard to: the 2008 Act; the CIL Regulations; Department for Levelling Up, Housing and Communities (DLUHC); National Planning Policy Framework (NPPF); and best practice guidance including the RICS Financial Viability in Planning (August 2012) and Professional Statement (2019). The report also has regard to the RICS Guidance Note "Assessing viability in planning under the National Planning Policy Framework 2019 for England" (1st Edition, March 2021) ("RICS Viability GN 2021").
	2.33.	It is however important to note that whilst we have undertaken our analysis and presented our results in this CIL Review, it is for the Council to decide what rate(s) to set CIL at within the charging schedule using this advice.
Summary	2.34.	In undertaking our assessment, we have followed the guidance as per the NPPF and NPG in consideration of viability in plan-making and affordable housing, but also followed the regulations and guidance for the assessment of appropriate CIL rates to apply and provided our advice and recommendations for both.
	2.35.	We draw on the guidance and how we have followed it further in the appropriate sections of this report.
	2.36.	As outlined above, our assessment can be used as advice to the Council, however, should not be seen as the definitive policy to be set. It is the Council's decision as to what CIL rate(s) should be included in their Local Plan.

3. FOLKESTONE AND HYTHE DISTRICT – PLANNING OVERVIEW

Figure 1: Location Map – Source: Ordinance Survey 1:250K

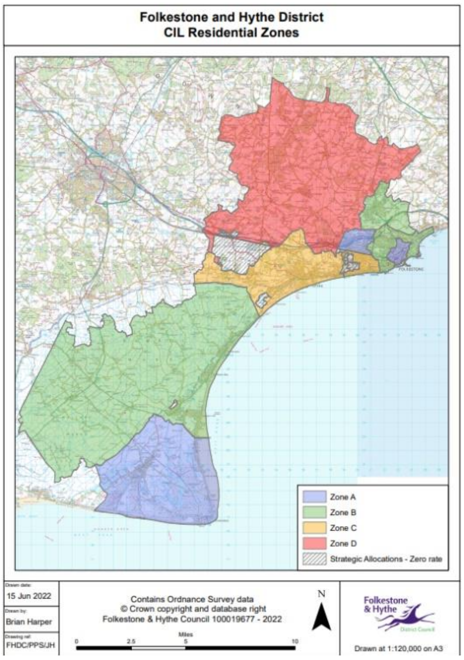
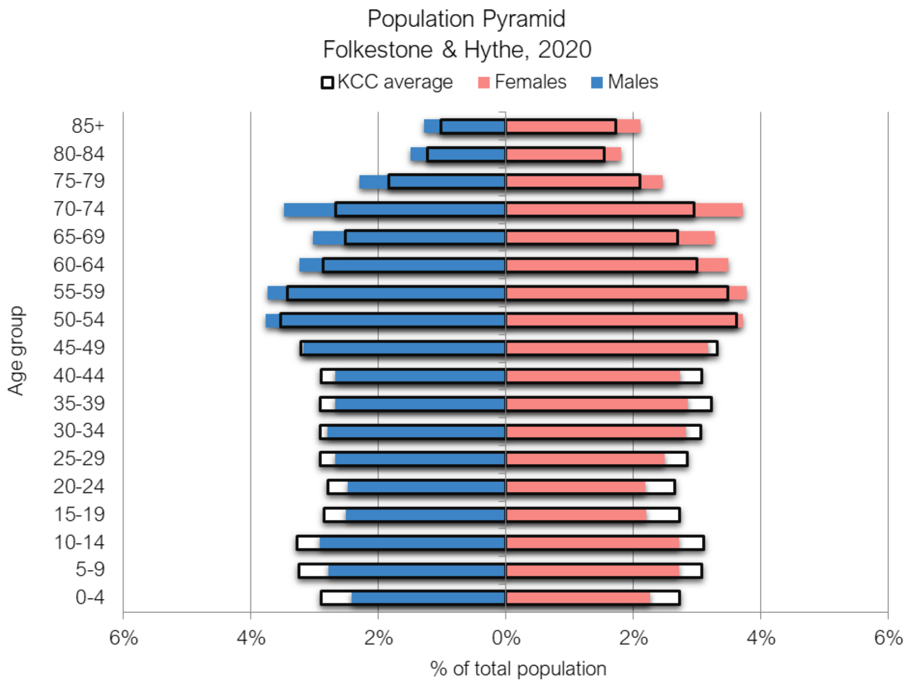


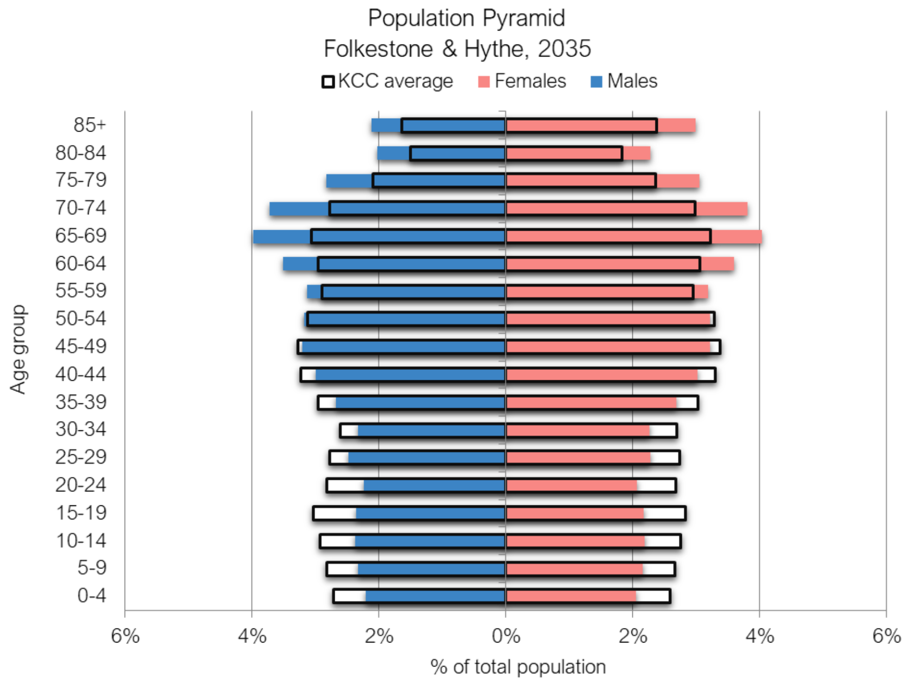
Figure 2: CIL Charging Zone Ward Boundary – Source: (THE COUNCIL)

Location	3.1.	Folkestone & Hythe is a coastal district located in Southeast England, home to various towns, villages, and natural environments. The district is large and covers approximately 363 sq. km (140 sq. miles) stretching from the East Sussex border (near Rye) in the southwest, across Romney Marsh and through to Folkestone and the hills of the Kent Downs to the north of the district. Folkestone is the primary town, which has a population of approximately 54,130 with the district comprising a population of approximately 109,800 in 2021 (census-based estimates).
Infrastructure and Transport Connections	3.2.	The district benefits from good infrastructure and transport connections, by road (M20), by rail (high speed, Eurostar and local lines) and by air (London Ashford Airport at Lydd). The Channel Tunnel (junction 12a of the M20) is set within the district, with the Port of Dover situated a short drive away.
Population	3.3.	The districts population has increased by 15.4% in the last fifteen years according to the mid-2016 population estimates, a rate outpacing the county and national average. Over this period natural change in the population has broadly balanced out and growth can be mainly attributed to domestic migration, particularly from London as well as other parts of the country, although international migration is also positive.
	3.4.	Population growth is expected to lead to an ageing population over the period to 2036/37, an important consideration when considering the demographics of the district's population. This is illustrated in **Figure 3** below.

Figures 3: Folkestone and Hythe Age Distribution – Mid 2020 estimate



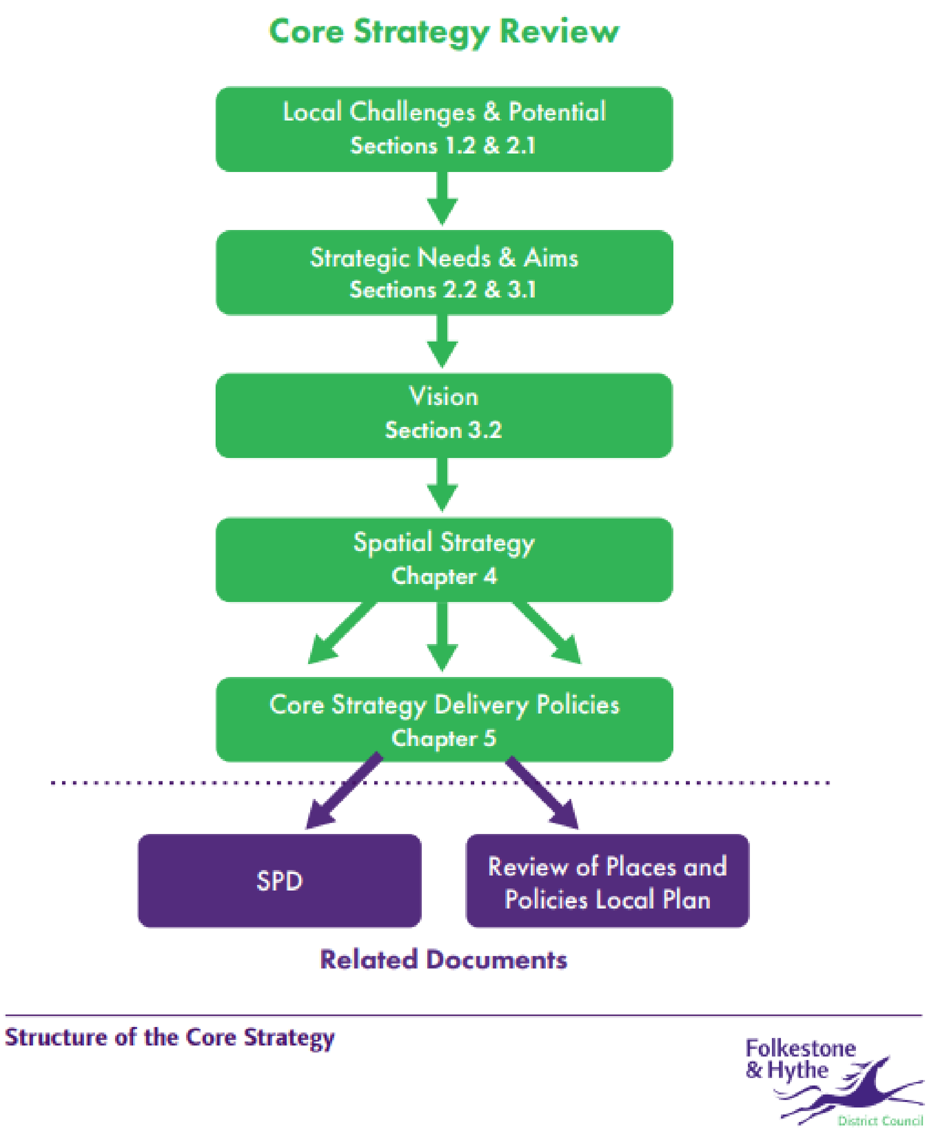
Source: KCC Housing Led Forecasts (November 2020) Kent Analytics, Kent County Council



Source: KCC Housing Led Forecasts (November 2020) Kent Analytics, Kent County Council

Core Strategy Review	3.5.	The Core Strategy Review sets out a long-term vision for the district from 2019/20 to 2036/37. As the focus of many organisations is more immediate, the Core Strategy Review acts as a guide for forward planning and leads the co-ordination of long-term development.
	3.6.	The government requires plans to be reviewed every five years to determine whether updates are necessary, taken place no longer than five years after their adoption. The reviews should consider changing circumstances affecting the area, or any relevant changes in national policy.
	3.7.	The Council's Core Strategy Review considers the context of areas within the district, to help identify key issues, needs and plan aims. The strategy then reviews spatial strategy at the heart of the document. It then focuses on implementation and the core policies and areas of change necessary for delivery. **Figure 4** illustrates the Council's Core Strategy review structure:

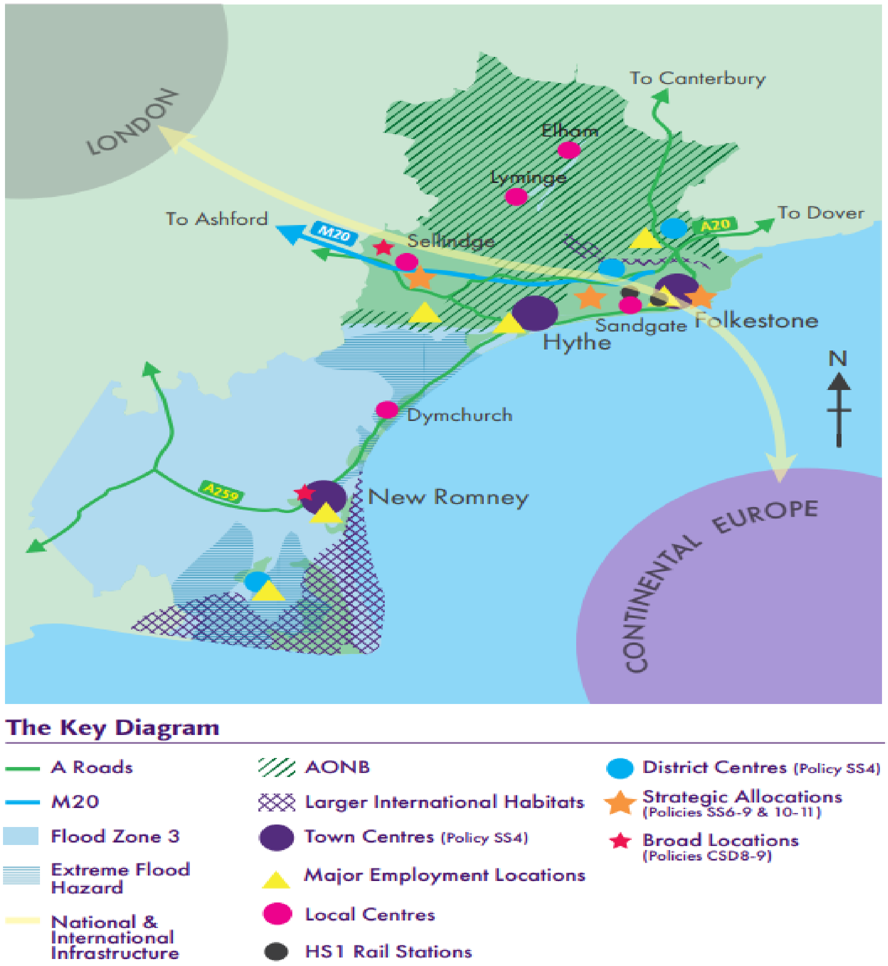
Figure 4: Council's Core Strategy Review Structure



Source: Folkestone and Hythe District Council Core Strategy Review, March 2022

District Planning Aims	3.8.	The four strategic needs set out priorities for the sustainable development of the district. The Core Strategy Review addresses the four issues below.
	3.9.	A) The challenge to improve employment, educational attainment, and economic performance. B) The challenge to enhance management and maintenance of natural and historic assets. C) The challenge to improve the quality of life and sense of place, vibrancy, and social mix in neighbourhoods, particularly where this minimises disparities. D) The challenge to plan for strategic development which fosters high quality place-making with an emphasis on sustainable movement, buildings, and green spaces.
Vision for Folkestone & Hythe	3.10.	The future vision for the district is for it to “flourish into a distinct area of high-quality towns, including a new garden settlement, complemented by the contrasting strengths and distinctiveness of attractive countryside and coastal places. This will occur through planning for a smart, self-confident, secure and low-carbon district, and through enhancing the district’s many diverse and special environments”.
	3.11.	This vision is demonstrated in **Figure 5**.

3.12. **Figure 5: Vision for Folkestone & Hythe**



Source: Core Strategy Review (March 2022)

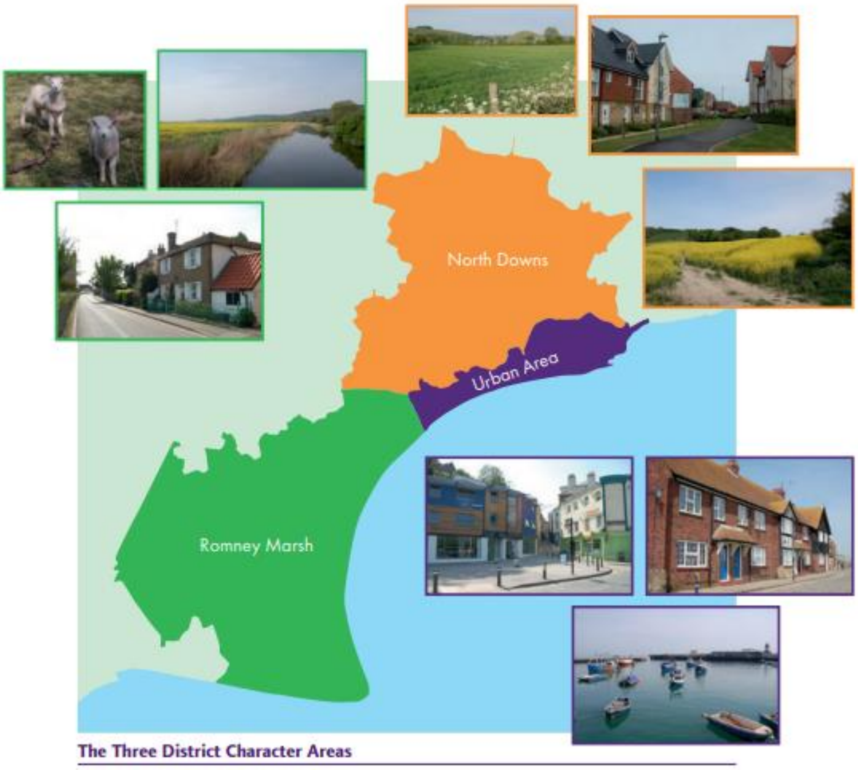
Core Strategy – Three Character Areas

3.13. **The Urban Area -** The towns of Folkestone and Hythe form a continuous built-up area by virtue of the connecting coastal neighbourhoods of Sandgate and Seabrook, defined as the Urban Area. The urban area is bound by the sea to the south and escarpment to the north.

3.14. **The North Downs Area -** The north of the district is predominantly recognised for its landscape quality, part of a wider area known as the Kent Downs Area of Outstanding Natural Beauty (AONB). The North Downs area is centred on traditional villages such as Elham and Lyminge, and the large settlement of Hawkinge within the AONB. It includes a significant rural area near Hythe, encompassing the villages of Lympne and Sellindge which lies outside the national landscape designation, where the three-character areas meet and includes the strategic infrastructure of the M20 motorway, junction 11, High Speed 1 rail and domestic services, including Westenhanger railway station. This area extends almost to district's eastern boundary with Dover, and west as far as Hythe.

3.15. **The Romney Marsh Area –** South and West of the North Downs Area is the distinctive area of countryside commonly known as Romney Marsh. Within this area lie New Romney and Lydd, other coastal communities, small inland villages, and the Dungeness peninsula.

3.16. **Figure 6: The Three District Character Areas**



Source: Core Strategy Review 2022

The Urban Area - Folkestone

3.17. Folkestone, in the east, is district's largest town with a population of approximately 54,130 (2020 census-based estimate). The economy was dominated by international trade, quarrying, farming, military activity, fishing, until railway expansion in the 1840s led to new prosperity for Folkestone as a highly fashionable sea-bathing resort. Especially in its inner western and coastline area (West End), the town retains much of its Victorian and Edwardian architecture including hotels and the mile-long Leas Promenade. However, many buildings have been lost because of the two World Wars and post-war redevelopment. Communities in inner and northern Folkestone now form some of the most deprived in Kent.

3.18. The Channel Tunnel Terminus at Cheriton allows direct rail-based connections from London and the rest of the country to continental Europe, meaning Folkestone acts an interconnectivity hub between Europe and the UK. The nearby Shearway Business Park lies at the end of the M20 and is a key part of Folkestone's varied stock of offices and industry, with further expansion to the west shortly to commence. There is a significant concentration of business activity in Folkestone, with out-of-centre employment areas, in the most part located close to the M20. The largest single private sector employer in the district is the financial, insurance and travel services specialist Saga, based in and around Folkestone and at Sandgate and Cheriton. However, the town has seen growth in a number of other businesses, particularly within the media and digital sectors, located around the Creative Quarter.

	3.19.	In central Folkestone developments include the Lower Leas Coastal Park and Bouverie Place Shopping Centre, with significant investment in recent years transforming the Old High Street, Tontine Street, and harbour area into a cultural and leisure hub. Further investment within the town centre, including the provision of a multi-floor Urban Sports Park, and the redevelopment of Folkestone Seafront over the coming years, is expected to raise the profile of the town as a place to live, work and visit. The Folkestone Triennial, a major artistic and cultural event has raised the town's profile and contributes to its regeneration and evolution, attracting hundreds of thousands of additional visitors every three years.
	3.20.	The provision of High-Speed Rail services to Folkestone in 2009 opened significant new opportunities for the town including investment in digital technologies allowing a de-centralised approach to work. In the mid-nineteenth century the town and its hinterland benefited from the railways, and there are now opportunities to benefit further.
Hythe	3.21.	The district's second largest settlement is Hythe, a coastal town with a population of 14,516. The town has proved resilient over history and grown generally prosperous despite changes in its commercial function. It is situated behind a long stretch of beach, between Folkestone to the east, and Romney Marsh to the west.
	3.22.	Hythe nevertheless also includes certain areas hosting essential functions, for example productive small industry, and military and despoilt land. Much of this is now concentrated in the western part of the town, which is the focus of the main post-war developments, and a 'pocket' of relative deprivation.
	3.23.	Hythe has a large proportion of single-person households, with over half its residents being of retirement age. The town benefits from strong local communities with high civic interest and social activity. This provides a positive resource to strengthen the town's identity and character further, enhancing its historic environment.
Romney Marsh Area	3.24.	Romney Marsh has been reclaimed from the sea over many centuries, creating a unique environment. The rich agricultural land is crossed by a network of drainage channels and native hedgerows, with parts punctuated by small pockets of wooded scrub. The Marsh contains two small towns, some coastal resorts expanded by post-war development, and a handful of small inland villages. The A259 and the Romney, Hythe and Dymchurch Railway follow the coast south from the Urban Area through several Marsh settlements, with the A2070/A259 national route and Ashford branch-line railway to the west with a stop at Appledore, immediately adjacent to the district boundary, within Ashford borough.
	3.25.	New Romney is a market town at the heart of the Romney Marsh. Its situated (14km or around 9 miles) between Hythe and the Sussex town of Rye. Like Hythe, New Romney is one of the Cinque Ports and, while originally a harbour town at the mouth of the river Rother, the historic centre no longer lies on the coast.
	3.26.	The settlement of Lydd is a small town with a rich heritage: All Saints Church, for instance, has been described as the 'Cathedral of the Marsh'. The airport east of the town, London Ashford Airport, is well-established and has attracted significant investment proposals, with planning permission in place for the extension of the runway and expansion of terminal services.
North Downs Area	3.27.	The North Downs is characterised by its rolling topography, steep escarpments and valleys covered by a mix of woodland and open areas of plateau farmland. The significant aesthetic and ecological value of this area is recognised in that much of it falls within the Kent Downs Area of Outstanding Natural Beauty (AONB). The chalk aquifer of the North Downs also provides valuable water resources for the area. Road and bus routes provide links northwards towards Canterbury (including on the A260 or the Roman Stone Street), with the strategic corridor formed of the M20, A20 and domestic and international rail services cutting through the areas west to east, to the south of the Kent Downs AONB.

	3.28.	Most of the North Downs villages within the AONB are relatively prosperous including the attractive, traditional villages of Elham, Lyminge and the dispersed community of Stelling Minnis. These larger settlements play an important role to rural residents in providing commercial services and some public facilities. Around these villages lie several small hamlets that are relatively inaccessible but are integral to the appeal of the Downs area and community life. The attractive environment, housing stock and presence of surrounding towns and major transport connections have resulted in some of the highest house prices in East Kent.
	3.29.	The southwest of this area is outside the AONB and is bisected by major transport infrastructure, which has severed communities such as Stanford. These new routes have partly superseded the former main coastal route from London, the Ashford Road (A20), but the historic coaching route's legacy is evident with ribbons of development, creating other linear or fragmented communities, most notably within Sellindge parish. This part of the district is popular for its villages, access to services and employment opportunities, being close to the M20 junction 11 and railway stations.
Housing and Economy Growth Strategy	3.30.	The approach to housing provision is determined in part by government methodology, requiring the provision of a minimum 738 new homes on average between 2019/20 to 2036/37. This means over the 18 years, a minimum of 13,284 additional housing provision is to be provided.
	3.31.	The National Planning Policy Framework states that the supply of large numbers of new homes can often be best achieved through planning for larger scale development, such as new settlements. However, local authorities should make a realistic assessment of likely rates of delivery, given the lead-in times for large-scale sites (NPPF, paragraph 73). The delivery of large-scale developments may need to extend beyond an individual plan period and anticipated rates of delivery should be kept under review (NPPF, footnote 37).
	3.32.	The NPG (2021) recognises that a 'stepped' housing requirement (where the housing requirement is phased to reflect the level of housing expected to be delivered across the plan period) may be justified in certain circumstances. The NPG (2021) states that this approach may be appropriate where there is a significant change in the level of housing required and/or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. The Core Strategy Review will deliver a significant change in the numbers of new homes being built in the district, compared to the 2013 Core Strategy, and allocates a major strategic site in the form of a new garden town as the focus for future growth. The council considers that a stepped housing requirement is justified and appropriate and will ensure that the housing requirement is met fully within the plan period.
Affordable Housing Delivery	3.33.	The 2013 Core Strategy set a target to deliver 100 affordable homes a year. The council's Strategic Housing Market Assessment found that an average of 139 affordable homes a year now need to be provided to meet existing need and the future need that is likely to arise over the Core Strategy Review plan period.
	3.34.	Therefore, the target for affordable housing provision is 139 per year from 2018/19 to 2036/37. After discounting smaller sites which are not required to provide affordable housing, the total of 2,640 homes represents approximately 22% of the projected housing provision for the plan period. This is considered by the council to be both deliverable and realistic.
	3.35.	The affordable housing policy as set out within the adopted Core Strategy Review, is a blanket 22% across the entire district. The strategy states the importance of providing different tenures, necessary to meet individual circumstances. The review refers to affordable rented, starter homes, discounted market sales housing and shared ownership.
	3.36.	The Strategic Housing Market Assessment (SHMA) indicates that 139 new affordable homes are required a year in the district. Of these affordable homes, the SHMA indicates that 70% should be affordable rent/social rent and 30% should be shared equity.
	3.37.	In line with the SHMA, the district is expected to provide 2,640 affordable dwellings between 2018/19 and 2036/37.

Community Infrastructure Levy	3.38.	A Community Infrastructure Levy (CIL) Charging Schedule was adopted by the council on 20 July 2016 and CIL has been in operation from 1 August 2016. CIL provides financial contributions from development to support infrastructure based on a flat-rate fee per square meter of development. Proposals for a new garden settlement within the district will necessitate some amendments to the CIL Charging Schedule.
Dixon Searle Residential Zones	3.39.	Dixon Searle made a recommendation of a four-zone approach based on figures ranging between initial CIL parameters of £0-£125.sqm. This was adopted by the Council.
Zone A	3.40.	Lower-Folkestone (based on ward areas of Foord and Harbour, together with much of Cheriton and Moorhill). The recommended rate for consideration at the time of report: £0/sq. m.
Zone B	3.41.	Mid-Folkestone, New Romney/Romney Marsh and Hawkinge. The recommended rate for consideration at the time of report: £50/sq. m.
Zone C	3.42.	Upper-Folkestone & Hythe area (west). The recommended rate for consideration at the time of report: £100/sq. m.
Zone D	3.43.	North (Kent) Downs rural area settlements. The recommended rate for consideration at the time of report: £125/sq. m.
Commercial Zones	3.44.	In relation to how CIL was applied to commercial properties by Dixon Searle, a CIL rate was only applied to new larger format of retail.
Large Retail Format	3.45.	The overall parameters for commercial CIL applied by Dixon Searle were £0-£100 per sqm. The recommended rate for larger format retail, such as retail warehousing and supermarkets was a charging rate of £100/sq. m when first applied. This rate would also be applicable to extensions of any size.

4. STAKEHOLDER CONSULTATION

	4.1.	As outlined in Section 2, NPG states that plan makers must work in collaboration with stakeholders in the Local Plan to finalise their policies to ensure that they are appropriate and will result in development that is sustainable and deliverable. This is shown in the key extract from paragraph 002 of the NPG below: *"It is the responsibility of plan makers in collaboration with the local community, developers, and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers."* (Extract from NPG paragraph 002)
	4.2.	Paragraph 6 of the NPG outlines *how* plan makers should engage with stakeholders in the Local Plan. It also outlines *who* these stakeholders are: - Landowners; - Developers; - Infrastructure providers; and - Affordable housing providers.
	4.3.	It follows by stating *what* should be consulted upon: - Costs; - Values; and - Land Value.
	4.4.	Paragraph 006 outlines that it is the responsibility of site promoters to engage in the plan making, however it is the Council's requirement to provide them the chance to be able to do this. As such GE were instructed by the Council to undertake the stakeholder engagement for which we discuss the objective, format, key responses, and conclusion below.
Objective	4.5.	The objective of the consultations was to provide a forum for open and transparent engagement with developers and key stakeholders to assist us in informing our recommendations to the Council regarding our review of the viability and CIL related policies in the Local Plan. The consultations enabled stakeholders to share their experiences of development viability within the Council and provided us with a greater pool of evidence to support our area wide assessment.
	4.6.	We sought the following information from stakeholders: • Details on the stakeholder's role in the development of the district and; • The impact of CIL; • Financial challenges that are often faced when undertaking developments in the district; • What types of developments are not usually financial viable? • Details of abnormal costs that are often faced in developments in the district, and where in these may be found; and • Key differences in development areas within the district.
	4.7.	Due to the market sensitivities, information provided was generally treated as confidential, but was of importance in forming our opinions around the evidence presented in this report.
Format of Consultations	4.8.	Initial consultations included a questionnaire sent to stakeholders within the district, included in **Appendix 4**. The list was compiled through both market research but also based on a wider consultee list that was provided by the Council. We invited written submissions and supplied the questionnaire, which provided a framework for the information we were seeking and allowed the opportunity for further comment. The questions are set out in the following section.

Survey Responses	4.9.	On 31 May 2022, Gerald Eve sent out the first consultation questionnaire, to relevant stakeholders and participants within the district. This list comprised a list of developers and actors in the district provided to us by the council, as well as research of stakeholders we undertook. We received three responses to the survey. from Invicta Planning, Quinn Estates and BDW Kent. The responses we received are summarised under each of the questions taken from the questionnaire in the paragraphs below.
Questions	4.10.	**1) How many developments have you undertaken in the district in the last 5 years?**
	4.11.	Range between 1 and 4 developments
	4.12.	**2) What type (use class) and size (sq. m) of development have you undertaken?**
	4.13.	Mixed Use and Residential. Ranging in size between 9 units and 1,050 units. Largest commercial development includes 18k local centre, 1,150sqm community sports and leisure development and 3,650 sqm open space.
	4.14.	**3) What housing types or typologies have been delivered as part of your development programme in the distric?**
	4.15.	Mixture between flats, apartments, family homes and terraced housing. Flats and family homes range from one-bedroom apartments to four bedroom houses.
	4.16.	**4) Have the above typologies differed according to area or location?**
	4.17.	Most developments located in the North Downs area, although one response suggests typologies depend on how they fit into a site layout and the external factors impacting it.
	4.18.	**5) How has the level of CIL and the Council's planning policy approach affected your ability to undertake certain types of development in the district?**
	4.19.	Issues surrounding uncertainty over CIL for some strategic sites.
	4.20.	**6) Can you describe the financial challenges you face in developing in the district, e.g. land values, costs, sales and commercial values?**
	4.21.	Financial Challenges include: - Abnormal costs - Land values are high - Inflated build costs - CIL costs not fixed thus linked to inflation - Commercial demand is limited and hard to find
	4.22.	**7) Are there any developments with planning permission that you have not implemented due to financial/viability reasons? If yes, please explain why and what types of developments?**

4.23. Reasons developments with planning granted were not implemented:

- Financial recession
- Issues with specific planning allocations

4.24. **8) What do you think are the core categories of abnormal cost associated with development in the district?**

4.25. Abnormal costs:

- Nutrient Neutrality
- Foundation Design
- Working in/within setting of AONB
- New standards that were not considered for CIL previously – Biodiversity net gain/offsetting, water efficiency, new Part L requirements etc need to form part of the considerations for the review.
- Remediation costs

4.26. **9) Are there any types of development that you are unable to make work financially in the district that you pursue elsewhere? If so, what are the reasons for this?**

4.27. Types of developments unable to make viable in the district but can elsewhere?

- Type of developments in the district is dictated by high land values / abnormal costs mentioned
- Marketability and interest of specific uses required on strategic sites

4.28. **10) What are the key differences within the district that enable some development types to be delivered in some locations and not in others, e.g. transport nodes, values, demand?**

4.29. Key differences within the district that enable development types?

- Stronger demand for flats in coastal locations
- Poor connectivity in Romney Marsh

4.30. **11) Please briefly discuss any key housing trends that you think will impact the district moving forward.**

4.31.

- Increased demand for family housing
- Increased second home ownership/holiday lets/Air BNB
- Lack of rental properties partly because of above
- Need for housing for the elderly
- Pressure for redevelopment on family plots to flats in high value areas

4.32. The first stakeholder consultation round clearly supported our initial view that the following uses needed to be given further consideration in our analysis:

- Senior Living/ Housing for Older People
- Flatted Seafront developments
- Build to Rent

Second Stakeholder Consultation	4.33.	A second consultation was undertaken in July with the same stakeholders and developers given the opportunity to participate. This consultation included a presentation explaining the typologies used; the methodology adopted for benchmark land value, the appraisal inputs used in relation to costs and values; the results of our assessment and our initial conclusions. A copy of the presentation is provided in **Appendix 5.**
	4.34.	The presentation also invited feedback from stakeholders in the light of information provided. The key issues raised are set out in 4.35 below. A copy of the presentation was sent to all attendees following the session and is available at **Appendix 5**.
	4.35.	Where appropriate, we have had regard to the feedback provided by stakeholders in both the initial and second rounds, in the production of this review. A summary of the key points is set out as follows: • Abnormal costs – A 10% contingency allowance was adopted for all typologies to account for additional abnormal costs including some of the items raised by stakeholders such as nutrient neutrality, Biodiversity net gain, Part L building regulation requirements. • Inflated build costs – As well as the additional contingency allowance discussed above, all the typologies were subject to extensive sensitivity testing and analysis to ensure the issue of build cost inflation was robustly considered. • High Land values - The review has been undertaken based on a mixture of both greenfield and brownfield existing uses within the different geographical zones. This has enabled us to adopt a range of land values to determine whether development is financially viable and deliverable across the district.
	4.36.	Key questions were also raised in relation to the programme and timescales for implementation of the CIL Charging Schedule. There is some concern that the progression of the strategic sites may be delayed. This was an issue for the Council, who provided a response following the session.

5. METHODOLOGY

Introduction

5.1. In this section we set out the method adopted in undertaking the area-wide assessment

5.2. The method adopted is based upon the NPPF, NPG, CIL Regulations and Guidance documents; RICS and other relevant guidance as outlined in Section 2. It is also influenced by stakeholder consultations as outlined in Section 4. Throughout our assessment we have provided an evidence base on market research and Gerald Eve's professional experience in the district.

5.3. Later sections in the report address the typologies, appraisal assumptions and benchmarks.

Overall Method

5.4. The overall method of this assessment is to undertake a 'fine-grain' analysis of development viability in the district. In order to assess this, we have adopted the residual valuation method, in accordance with RICS guidance.

5.5. The residual method uses various inputs to establish a gross development value ("GDV") from which the gross development cost ("GDC") including developer's return (profit) is deducted resulting in a Residual Land Value ("RLV").

Figure 7: Residual Method

Source: Gerald Eve

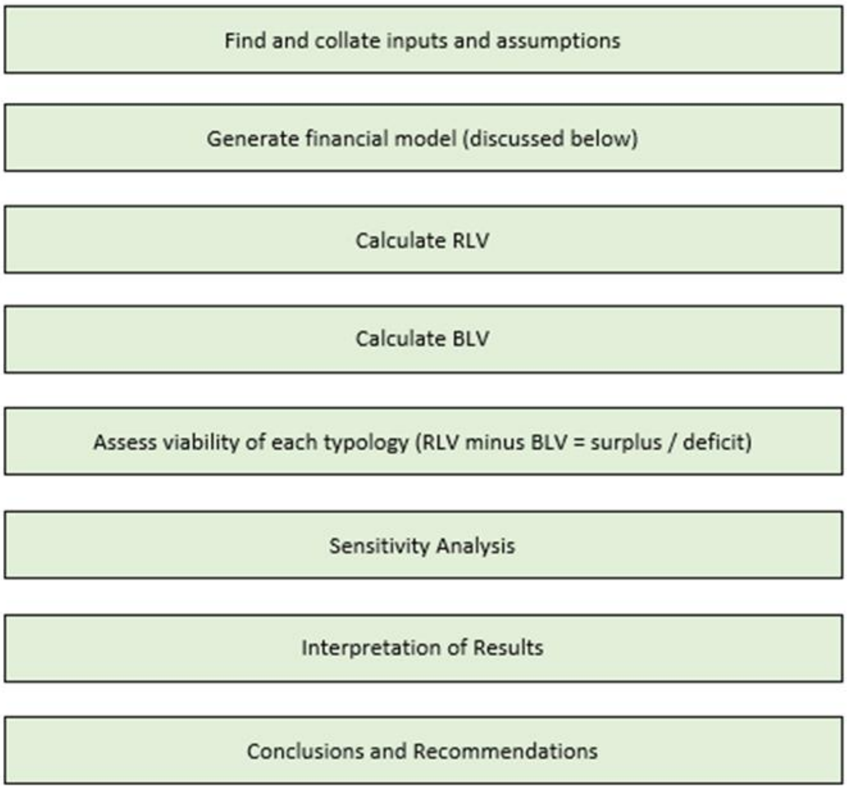
5.6. As such, we worked with the Council to select 34 typologies, which are discussed in **Section 6** to test using this method. Firstly, we ascertain the inputs for the area wide study and in each case, calculate the RLV using a financial model, which we then compare to the Benchmark Land Value (defined below and at **Section 10**). If there is a surplus (i.e. RLV is larger than the BLV), then that typology is viable at that level of planning obligation. If there is a deficit (i.e. RLV is smaller than the BLV), then that typology is unviable at that level of planning obligation.

5.7. Sensitivity analysis of the inputs can then be undertaken to provide more robust analysis of these results. This will include testing of the key inputs, but also of the inputs that we are testing in affordable housing levels and CIL rates.

5.8. By reviewing the results of the assessment and the sensitivity analysis, it is possible to interpret the results as a whole as opposed to on an individual typology/site-based level. This allows us to form our conclusions and recommendations to the Council about CIL rates.

5.9. A simple step by step diagram of this method is shown below:

Figure 8: Step by Step Methodology of a Financial Model to Test Viability in this Assessment



Source: Gerald Eve

Financial Model	5.10.	To undertake this analysis and test the viability of development across the district against the policy compliant level of affordable housing and differing CIL rates, a bespoke model has been developed on Microsoft Excel. The model tests a large number of development typologies (which are discussed further in the following section) having regard to CIL contributions, in order to assess the potential impact upon area wide development viability in the district.
	5.11.	The model has a table of inputs for each of the 34 typologies that are tested as part of this study. The inputs can be categorised into three groups, qualitative, quantitative and lookups.
	5.12.	Qualitative inputs are descriptive in nature and are helpful to the user to understand the typology that is being tested. Qualitative inputs do not affect the calculations of the model. Examples of qualitative inputs include site addresses and descriptions of the site.
	5.13.	Quantitative inputs are numbers that are used in the calculations to determine the outputs. These inputs can include number of units, areas, commercial rents, and yields.
	5.14.	Lookups are inputs which are descriptive but also have an impact on the numbers. Examples of lookups include the residential zone which although is descriptive in nature, is used to determine the value of the residential spaces. Similarly, the CIL zone lookup which describes whether a site is in either Zone A, B, C or D, is used to determine the appropriate CIL rate to apply in the model.
	5.15.	The inputs table feeds into the appraisal section of the model. The calculations use Excel formulae to calculate values which feed through to the cashflow and finance section of the model. Examples of these values include residential GDV, construction costs and professional fees.
	5.16.	The cashflow and finance section of the model takes the values which have been calculated and profiles them into a timeline. The profile and timings of the calculated values will be set out in the inputs table. An example of this might be a 12-month construction phase followed by a 12-month sales phase. In this example the cashflow will set out the timings of these cash inflows and outflows so that the net cash position can be calculated in each month of the development.
	5.17.	The finance calculations use the net cash position to calculate the finance cost of the development. For example, if a development has a negative £100,000 cash position and the finance assumptions is 7%, there would be a £583 finance cost in that month which is calculated as 7% / 12 x £100,000.
	5.18.	The finance cost in each month is deducted from the net cash position so that the finance cost is compounded each month.
	5.19.	As unit sales occur, the cash receipts are used to reduce the negative cash balance until there is no negative balance at which point finance is no longer a cost to the development.
	5.20.	The calculated values including the finance costs are used to determine the RLV of each typology in accordance with the formula depicted in **Figure 8**.
	5.21.	The outputs are then pulled through into an outputs appraisal which summarises the values that are used to calculate the RLV.

6. GEOGRAPHICAL ZONES AND DEVELOPMENT TYPOLOGIES

Introduction	6.1.	This section of the report relates to the selection of the geographical zones and site typologies that were chosen for the area-wide viability assessment.
	6.2.	The NPG states that there is no requirement to assess every site for viability in plan making, stating that (paragraph 003[1]): *"Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site compliant typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence."*
	6.3.	In selecting typologies, we worked with the Council to select a representative sample of the typical development sites that are expected to come forward in the district over the plan period. This allowed us to classify developments according to their type, such as 'Retail – Larger format (A1) Convenience (Large Supermarkets) or 'Development of 25 Mixed units (brownfield)'.
	6.4.	The overall aim was to achieve a good balance of policy compliant development types and locations to ensure a thorough and realistic assessment, while recognising that not every site can plausibly be assessed for the purposes of this study.
Geographical Zones	6.5.	Our review of the current CIL Charging Schedule adopted within Folkestone and Hythe highlighted the current adopted CIL zones and their correlation with ward boundaries. As detailed within **Section 3**, each ward holds its own characteristics that could impact the anticipated demand and revenues anticipated within each zone.

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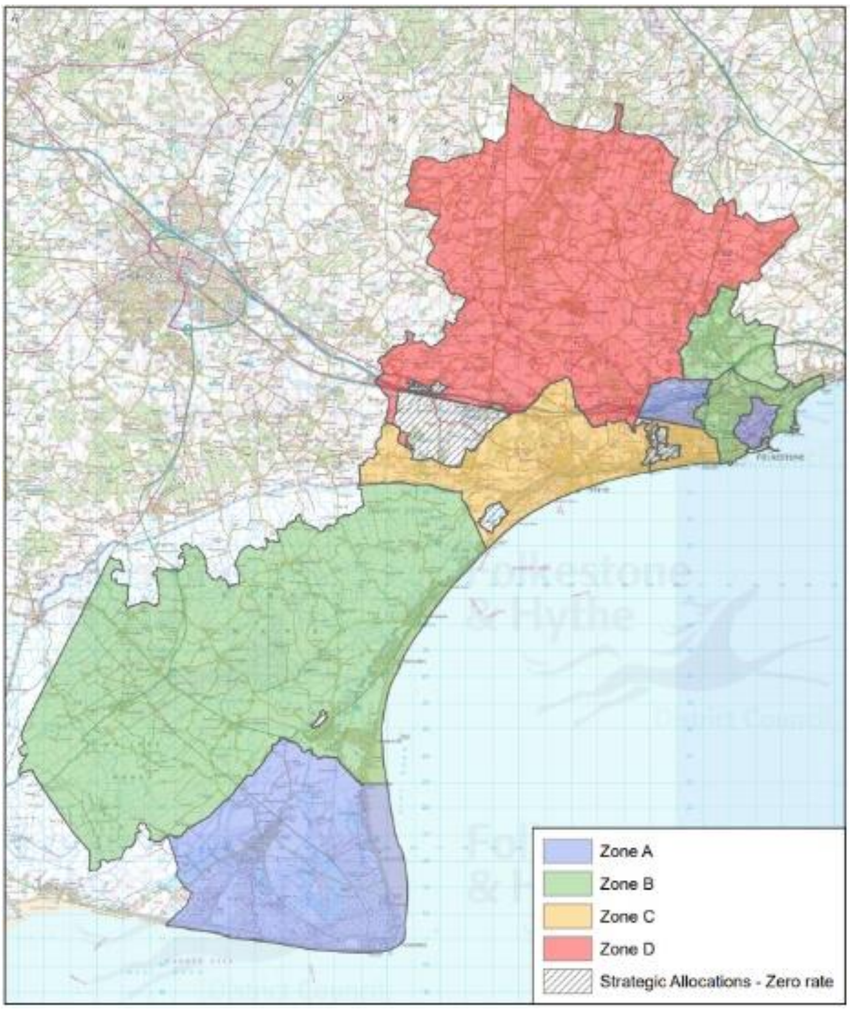
6.6. As part of our review, it was necessary to assess the current CIL Zones to check whether they remain appropriate or if there would be a more appropriate method moving forward.

Figure 9: Map of Folkestone and Hythe CIL Zones



Source: Gerald Eve

6.7. To support our research, we conducted an inspection of the district, visiting each of the zones to form our own opinion of the quality of urban settlements, current stock and whether the zones are still applicable.

6.8. Our inspection provided clarity as to the existing developments within each zone, ongoing projects and the positioning of ward boundaries. As such, a disparity between CIL zones became apparent in terms of which areas seemed more affluent and of higher demand.

6.9. During our inspection, it was clear that the current ward profiles reflect the character areas and the respective boundary lines were generally evident by using main roads throughout the district. Along with our research on market evidence, we concluded that the current four CIL zones incorporating local wards provides a suitable designation for designating CIL rates and should therefore be maintained.

Residential Typologies

6.10. As an initial basis, we identified and reviewed the selected typologies and scheme mixes that were adopted by Dixon Searle within their CIL charging assessment for the district ('CIL & Whole Plan Economic Viability Assessment, Ref: DSP14260', July 2014 - page 17).

6.11. Dixon Searle adopted the following residential typologies and scheme mixes:

Table 3: Dixon Searle Residential Scheme Types

Scheme / Typology	Overall Scheme Mix
1 House	1 x 4BH
4 Houses	4 x 4BH
5 Houses	5 x 3BH
9 Houses	9 x 4BH
10 Houses	10 x 4BH
15 Houses	10 x 3BH, 5 x 4BH
15 Flats	5 x 1BF, 10 x 2BF
25 Mixed	5 x 1BF, 3 x 2BF, 4 x 2BH, 10 x 3BH, 3 x 4BH
30 Flats (Sheltered)	22 x 1BF, 8 x 2BF
50 Flats	8 x 1BF, 42 x 2BF
50 Mixed	10 x 1BF, 6 x 2BF, 8 x 2BH, 20 x 3BH, 6 x 4BH
100 Mixed	10 x 1BF, 15 x 2BF, 15 x 2BH, 40 x 3BH, 20 x 4BH
100 Flats	45 x 1BF, 55 x 2BF

Note: BH = bed house; BF = bed flat; Mixed = mix of houses and flats.

Source: Dixon Searle

6.12. An area-wide inspection was conducted to ascertain the current typology mixes that are prevalent within each zone and how the Dixon Searle typologies were reflected within the zones. Additionally, the inspection aided in our due diligence to gain an understanding of where there may be potential demand for certain asset types.

6.13. We discussed the above set of typologies and our inspection findings with the Council to determine if it was representative of the developments that they were seeing come forward in the planning application process since the Dixon Searle assessment in 2014. It was agreed that the existing typology set should be reviewed to ensure it remains reflective of the current and future development pipeline within the district.

Planning Applications

6.14. The Council provided GE with details of numerous ongoing/recent planning applications within each of the existing four CIL zones, for inclusion as example 'Example Sites' within our assessment. In each instance, sites have been matched to their most applicable Dixon Searle typology set/mix and where appropriate, adapted schemes (all inputs) on a pro-rata basis to match the closest typology set.

6.15. To assist with our analysis of schemes within the district, the following range of information was recorded from each planning permission with the salient details as follows:

- Address
- Type of Development
- Policy Allocation
- Site Area
- Current Use Class
- GIA of Existing Building(s)
- GIA of Proposed Development, by Use Class
- CIL Zone

6.16. The provided information was reviewed, and the relevant planning applications and allocated sites were matched with the corresponding Dixon Searle typology set, to establish which typology delivery is more prevalent within the district.

6.17. **Table 4: Dixon Searle Residential Scheme Types**

No. Units	Unit Mix	Example Site	Zone
1	House		
4	Houses		
5	Houses	Land rear of Varne Boat Club	B
9	Houses		
10	Houses	The Cherry Pickers Public House, Cheriton	C
		Camping and Caravan Site, Stelling Minnis	D
15	Houses		
15	Flats		
25	Mixed	Station Yard, Station Road, Lydd	A
		Former Hope All Saints Garden Centre	B
		Brockman Family Centre, Cheriton	C
		Land east of Broad Street, Lyminge	D
30	Flats (Sheltered)		
50	Flats		
50	Mixed	Marsh Potato Site	B
		Shepway Close, Folkestone	C
100	Mixed	Land off Victoria Road West, Littlestone	B
		Smiths Medical, Hythe	C
100	Flats		

Source: Dixon Searle

6.18. In the majority of typologies, we have used a real planning application as the sample for the assessment. However, real examples were not available for all typologies, so in some cases hypothetical 'Scenario Sites' were created using averages of the real planning applications in our assumptions.

Allocated Sites

6.19. In certain situations, we were aware that real planning applications were not available, however, we have had regard to the Council's 'Places and Policies Local Plan', highlighting allocated sites and their policy compliant proposals. These allocated sites have then been included with standard assumptions derived through existing planning applications.

Scenario Sites

6.20. In order to create the 'Scenario' sites, a schedule of all know example sites was formulated to ascertain the average set of units mix (e.g. 1 bed-flat / 2 bed-house / 3 bed-house) and the respective unit areas (adopting minimum space standards) to form average scheme area, to be used within our model.

6.21. During our inspection, we were able to form a view as to the current typography of each CIL zone and interpret appropriate existing use assumptions for each scenario site, as to whether they were to be assessed as either brownfield or greenfield developments.

Residential Typology Set	6.22.	The outcome of the typology assessment and ongoing discussions with the Council identified certain typologies that did not appear to be prominent within the district and therefore not reflective of the current development market. We were therefore of the view that it would be reasonable to condense the typology set, providing a more accurate representation of the development pipeline within Folkestone and Hythe.
	6.23.	The residential scenarios were chosen to reflect and further test viability across a broad range of scenarios whilst also allowing us to test the adopted affordable housing policy requirement of 22%. We understand that individual schemes may be subject to further viability testing. However, for the purposes of this review, we have assumed that any potential development would be policy compliant.
	6.24.	We have had regard to a range of different development types, use types, and sizes. The refined residential typologies assessed include: • 5 Houses; • 10 Houses; • 25 Mixed; • 50 Mixed; • 100 Mixed.
	6.25.	It should be noted that the residential typologies are split into 'Houses' and 'Mixed'. Through our research into the developments within the area and discussions with the Council, we are of the opinion that the smaller developments within the district would incorporate solely houses to maximise profitability. Therefore, flats have not been included within typology unit mixes for developments below 25 units. Developments that include a provision of flats are designated as 'Mixed'.
	6.26.	Due to the scheme specific nature of each typology example chosen, we have followed Dixon Searle's approach in applying the minimum space standards ('Technical Housing Standards - Notionally Described Space Standard', Department of Communities and Local Government, 2015), to the specific unit mixes of each scheme, providing a consistent approach within our model.
	6.27.	This information allowed us to build a residual appraisal for each individual typology in order to assess their viability. Where we did not have this information, for example in the case of notional schemes, we have made reasonable assumptions regarding the size and nature of the development that we would expect to be typical of that typology within the district.
	6.28.	Regarding the reasoning set out above, the following set of residential typologies have been assessed, detailing the example development chosen for each typology and Scenario site, where applicable:

6.29. **Table 5: Residential Typologies**

Site Number	Typology Description	Example Site
1	Zone A: 5 Houses	Scenario Site (A5)
2	Zone A: 10 Houses	Scenario Site (A10)
3	Zone A: 25 Mixed	Station Yard, Station Road, Lydd
4	Zone A: 50 Mixed	Scenario Site (A50)
5	Zone A: 100 Mixed	Scenario Site (A100)
6	Zone B: 5 Houses	Land rear of Varne Boat Club
7	Zone B: 10 Houses	Scenario Site (B10)
8	Zone B: 25 Mixed	Former Hope All Saints Garden Centre
9	Zone B: 50 Mixed	Marsh Potato Site
10	Zone B: 100 Mixed	Land off Victoria Road West, Littlestone
11	Zone C: 5 Houses	Scenario Site (C5)
12	Zone C: 10 Houses	The Cherry Pickers Public House, Cheriton
13	Zone C: 25 Mixed	Brockman Family Centre, Cheriton
14	Zone C: 50 Mixed	Shepway Close, Folkstone
15	Zone C: 100 Mixed	Smiths Medical, Hythe
16	Zone D: 5 Houses	Scenario Site (D5)
17	Zone D: 10 Houses	Camping and Caravan Site, Stelling Minnis
18	Zone D: 25 Mixed	Land East of Broad Street, Lyminge
19	Zone D: 50 Mixed	Scenario Site (D50)
20	Zone D: 100 Mixed	Scenario Site (D100)

Senior Living

6.30. As part of our due diligence, we have identified the aging population documented within the district, as reported within **Section 3** of this report. Therefore, we have reviewed the planning policy definition and held discussions with our in-house alternatives team to identify the demand for senior living products within the district. We have also considered anticipated sales vales and how the product should be incorporated within our model.

6.31. For the purposes of this review, we have assumed that the delivery of a senior living product would be new build and therefore zone-specific residential CIL rates would be applicable.

(C3)

6.32. In reviewing the current CIL rates within the district, we are of the view that it is important to identify potential trends in future scheme delivery. In terms of value, a C3 senior living product would generally achieve a 5-15% premium in comparison to private residential products, following general residential assumptions. Therefore, it would be anticipated that the added premium may result in greater levels of potential return to developer and therefore, could be assessed on a separate basis to standard residential (C3) typologies. In doing so, there may be scope for a separate CIL rate for Senior Living.

6.33. Therefore, a Senior Living (C3) scenario has been included within the residential section of our model.

(C2)	6.34.	Review of the Dixon Searle assessment highlighted that Care Homes (C2) had been included as a commercial asset, with nil CIL rates applied. Discussions with the Council have indicated that they wish to promote the delivery of assets that would be considered to benefit the local community, such as Care Homes. Whereas a product such as Senior Living is modelled for private revenue, a Care Home typology would be considered as a potential contribution to the local area, of which should not inhibit delivery.
	6.35.	As such, it has been agreed with the Council that Care Homes (C2) would maintain their current nil CIL rate and would therefore not be included within the area-wide CIL review.
	6.36.	**Table 6: Senior Living Typologies**

Site Number	Typology Description	Example Site
30	Senior Living (C3)	Scenario Site (Senior Living)

Build to Rent	6.37.	As part of the review, we consulted with the GE Build to Rent (BTR) team to understand the current supply, market trends and potential demands for the product.
	6.38.	It is evident that BTR is an actively growing typology around the UK, with ongoing projects in some Southeast locations such as Ashford. It is understood that the BTR product requires a minimum of 100 units and must be located in a position to capitalize on strong communication links and rental demand. Within the district, it is understood that a BTR product may be attractive in close proximity to the railway stations and with sea views. However, we have been informed that the BTR model would not outweigh a private sales product in coastal locations due to the premium anticipated for sea views in sales.
	6.39.	Following a review of comparable evidence for both BTR products and private sales in coastal locations, we formed the opinion to concur with the specialists and that a reasonable developer would prioritise a build to sell product within the district. Therefore, a BTR typology has not been tested within this study.
Strategic Sites	6.40.	Within the district, there are a number of 'Strategic Sites' that have been highlighted by the Council for exclusion of CIL charges. The Council removed the Strategic & Key Development Sites from CIL as sites of this nature typically have high levels of infrastructure costs and require early delivery of key infrastructure items. Removing these Sites from CIL obligations maximises the funding that can be secured through S106 and S278 Agreements to ensure that these infrastructure items can be delivered earlier and with a higher degree of flexibility in comparison to monies collected through CIL.
	6.41.	GE have previously conducted financial viability and deliverability assessments of a number of strategic sites, in order to support the Core Strategy Review. A summary of the work undertaken, and reports are set out as follows: • Core Strategy Examination of Additional Sites – Draft Form (August 2020) • Development at Nickolls Road, Hythe, Financial Viability Assessment Review (October 2020) • Folkestone & Hythe District Council CIL Charging Schedule Review in Relation to Strategic and Key Development Sites (November 2020) • Addendum Report on Viability for Otterpool Park New Garden Settlement (June 2021)
	6.42.	We have re-assessed a selection of Strategic Sites to assess the return to developer of such schemes and whether they could be liable for future CIL.

6.43. It must be noted that these schemes involve multiple complexities such as their cash flows and delivery programme when assessing their viability and thus require a master developer approach. Our model provides a high-level assessment of each typology, and we would therefore anticipate a level of variance when compared to a detailed viability assessment. The purpose of the CIL Charging model is to provide a basis of assessing multiple development typologies at once, on the same basis for comparison. It is not possible to include such complexities and the Strategic Sites have therefore been assessed using Argus Developer, to ensure accuracy in our testing.

6.44. The four Strategic Sites that we have considered as part of this review have been identified below, with a brief summary:

Table 7: Strategic Sites

Site Number	Typology Description	Example Site
31	Strategic Site	Otterpool Park
32	Strategic Site	Nicholls Quary "Martello Lakes"
33	Strategic Site	Folkestone Seafront
34	Strategic Site	Sellindge Phase 2

6.45. **Figure 10: Map Identifying Strategic Sites**

Source: Google Maps

6.46. **Otterpool Park (North Downs Garden Settlement) – Core Strategy Review Policies SS6 to SS9**

- Proposals for the North Downs Garden Settlement (also referred to as Otterpool Park development).

- Approximately 1,890 acres allocated for the delivery of circa 10,000 homes and other uses to create a Garden Community.

6.47. **Nicholls Quary (Martello Lakes)**

- Phase 3 comprises an application for 650 homes.
- Phases 1 & 2 incorporate 400 homes, receiving detailed planning permission, with a number of units already built out.
- The site comprises a gross area of 93.52 acres of a wider development, which including phases 1 and 2 already permissioned extends to a gross acreage of some 167.60 acres – the subject therefore making up c. 55.8% of the Martello Lakes project.

6.48. **Folkestone Harbour & Seafront – Core Strategy Review Policy SS10**

- Granted outline permission in January 2015 for a mixed-use scheme comprising up to 1000 residential homes, and up to 10,000 square metres of commercial floorspace.
- Construction of the first phase (84 units) began in early 2020.
- Formerly industrial but has since been cleared and comprises an open beach with 'meanwhile' uses in situ, comprising shipping container structures.
- Developable area of approximately 23 acres.

6.49. **Sellindge Phase 2 – Core Strategy Review Policy CSD9**

- The Sellindge Sites consist of 2 phases. The first phase, currently being delivered by Taylor Wimpey, comprises solely the Land Adjacent to the Surgery site. The second phase comprises Site A and Site B, situated to the West and to the East of Phase 1, respectively.
- We understand all three Sellindge sites comprise, or formerly comprised, predominantly undeveloped greenfield land, with some residential and light commercial uses throughout.

1. Land Adjacent to The Surgery:

    - Comprises 250 units under construction on a 26.6-acre site.

2. Sellindge Site A – Land to the West:

    - Allocated for 188 units on a 13.8-acre site.

3. Sellindge Site B – Rhodes House:

    - Outline planning permission for 162 units on a 46.7-acre site.

- For the purposes of this assessment, we have included Sellindge Phase 2 within the Strategic Sites.

6.50. Pictures conveying the current progression of each Strategic Site are included within **Appendix 6**, captured during an investigative site visit to the district, during June 2022.

Commercial Typologies

6.51. As an initial basis, we identified and reviewed the selected typologies that were adopted by Dixon Searle CIL & Whole Plan Economic Viability Assessment.

6.52. As per Dixon Searle's 2014 report, the following commercial scenarios were tested:

Table 8: Dixon Searle Commercial Scenarios

Development Type	Example Scheme Type(s) and potential occurrence	GIA (m²)	Site Coverage	Site Size (Ha)
Retail - larger format (A1): convenience	Large Supermarket	2500	40%	0.63
Retail - larger format (A1): comparison	Retail Warehousing - edge of centre	1500	25%	0.60
A1- A5: Small Retail	Other retail - town centre	300	70%	0.04
A1-A5: Small retail	Convenience Stores	300	50%	0.06
A1-A5: Small Retail	Farm shop, rural unit, café or similar	200	40%	0.05
B1(a) Offices: Town Centre	Office Building	500	60%	0.08
B1(a) Offices: Out of town centre	Office Building (business park type - various)	2500	40%	0.63
B1(a) Offices: Rural	Farm diversification, rural business centres, ancillary to other rural area uses	250	40%	0.06
B1, B2, B8: Industrial / Warehousing	Start-up / move-on unit	500	40%	0.13
B1, B2, B8: Industrial / Warehousing	Larger industrial / warehousing unit including offices - edge of centre	2000	40%	0.50
C1 - Hotel	Hotel - various types - tourism-led (range dependant on market / type). 60-bed.	2800	80%	0.35
C2 - Residential Institution	Nursing home / care home	3000	60%	0.50

Note: 300 sq. m retail ('small retail') scenarios representative of smaller shop types also permitting Sunday Trading Act related trading hours (see also subsequent information in this report).

Source: Dixon Searle

6.53. The commercial scheme scenarios reviewed were developed through the evaluation of the information provided by the Council and the adopted scenarios within the Dixon Searle charging schedule. This information was further supplemented and examined against wider information including the local commercial market activity, ongoing developments, and future pipeline.

6.54. Furthermore, we have consulted the Council as to high level trends that are noticeable within the district regarding commercial development types and applications. This information, along with discussions held with our in-house market experts, have enabled us to form a view as to the whether all scenarios would be required and suitable.

6.55. We are of the view that the schemes of convenience stores and farm shops/cafes would have similar market conditions and should therefore be merged into 'secondary retail'. Additionally, we concluded that rural offices and out of town offices should be merged as 'secondary offices'. Therefore, we have split commercial assets into 'primary' and 'secondary' classes.

6.56. We have reviewed the Dixon Searle assumptions regarding GIA area, site coverage and site size. These inputs appear to still be reasonable and have therefore been incorporated into the GE model.

6.57. From our experience, we are of the opinion that a provision of commercial floorspace within residential development schemes of sizes included within our typology selection would be notional in aid of S106 negotiations and in attaining planning resolution. Therefore, such commercial uses would not be revenue driven and be able to afford additional CIL charges in lieu of such residential charges that are already exerted on the site. As such, we have not considered mixed uses within our typology set. However, this is in exception of Strategic Sites, which incorporate master planning for the key development sites.

6.58. We provide tables below of all the commercial typologies, which we have separated into groups of similar typologies. These groups feed into the analysis and assessment of results that can be found at Section 11 to 13. These typology groups are listed below with their example sites shown in the tables that follow:

a) Retail;
b) Offices;
c) Industrial;
d) Hotel.

6.59. **Table 9: Retail Typologies**

Site Number	Typology Description	Example Site
21	Retail - Larger format (A1) Convenience (Large Supermarket)	Scenario Site (Supermarket)
22	Retail - Larger format (A1) Comparison (Retail Warehousing)	Scenario Site (Retail Warehouse)
23	Primary: Retail (A1-A5)	Scenario Site (Primary Retail)
24	Secondary: Retail (A1-A5)	Scenario Site (Secondary Retail)

6.60. **Table 10: Office Typologies**

Site Number	Typology Description	Example Site
25	Primary: Office (B1) (Town Centre)	Scenario Site (Primary Office)
26	Secondary: Office (B1) (Out of Town)	Scenario Site (Secondary Office)

6.61. **Table 11: Industrial Typologies**

Site Number	Typology Description	Example Site
27	Large Industrial (B2, B8)	Scenario Site (Large Industrial)
28	Small Industrial (B2, B8)	Scenario Site (Small Industrial)

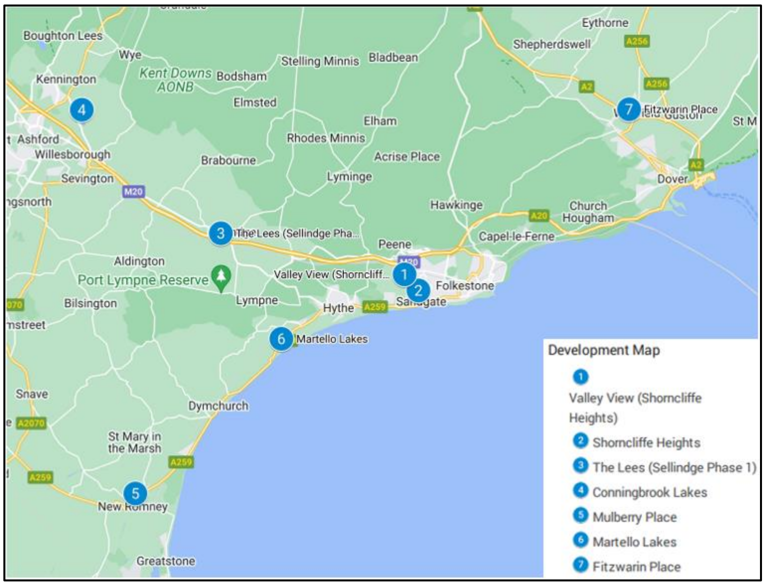
6.62. **Table 12: Hotel Typologies**

Site Number	Typology Description	Example Site
29	Hotel	Scenario Site (Hotel)

7. REVENUE INPUTS AND ASSUMPTIONS

Introduction	7.1.	This section outlines the evidence base for the Revenue inputs used in our viability appraisals. It references the current market conditions for the different typologies and provides the source for each of the inputs.
	7.2.	The NPG defines Gross Development Value as: *"Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary."*
	7.3.	Specifically, for area-wide studies, the NPG notes that: *"For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data."*
Residential Revenue Assumptions	7.4.	We estimated private sales values based on previous financial viability assessment work undertaken within the area, and evidence from local new build developments, whilst also referring to second-hand sales.
	7.5.	We have undertaken a review of private sales values for new build properties in Folkestone & Hythe and the surrounding Southeast areas using the Land Registry databases such as Land Insight and REalyse. These databases provide us with the sales values and floor areas for recent transactions from Q1 2021 to present, of which are analysed on basis of average and blended rates per bedroom, per sq ft and highlights the maximum and minimum results from our comparable evidence.
	7.6.	Using Land Registry data, we are also able to separate the sales evidence we have obtained out into houses and apartments, assessing the different average £ per sq ft rates for these in the different CIL zones. They are then applied appropriately to the typologies that include apartments or houses.
	7.7.	In our analysis, significant weight was apportioned to evidence sourced from recent new build developments within the district. These schemes include recent Strategic Sites, such as Martello Lakes, Shorncliffe Heights and Sellindge. In our opinion, these developments provide a strong basis of the appropriate sales values within the area and for larger typologies. **Figure 11** shows the locations of the new build sites within the district and surrounding areas.

Figure 11: Map of New Build Developments Around Folkestone & Hythe District



Source: Google Maps

7.8. We are aware of several developments within the district that are currently under construction. We have had regard to these in respect to the future pipeline. Photos of current developments, such as the 85-unit flatted scheme on Dymchurch Road, St Marys Bay are included within **Appendix 6**.

7.9. We have supported the Land Registry data by researching asking price data from online sources such as Rightmove, although we gave less weight to this evidence as we expect asking prices to vary from the eventual sales price.

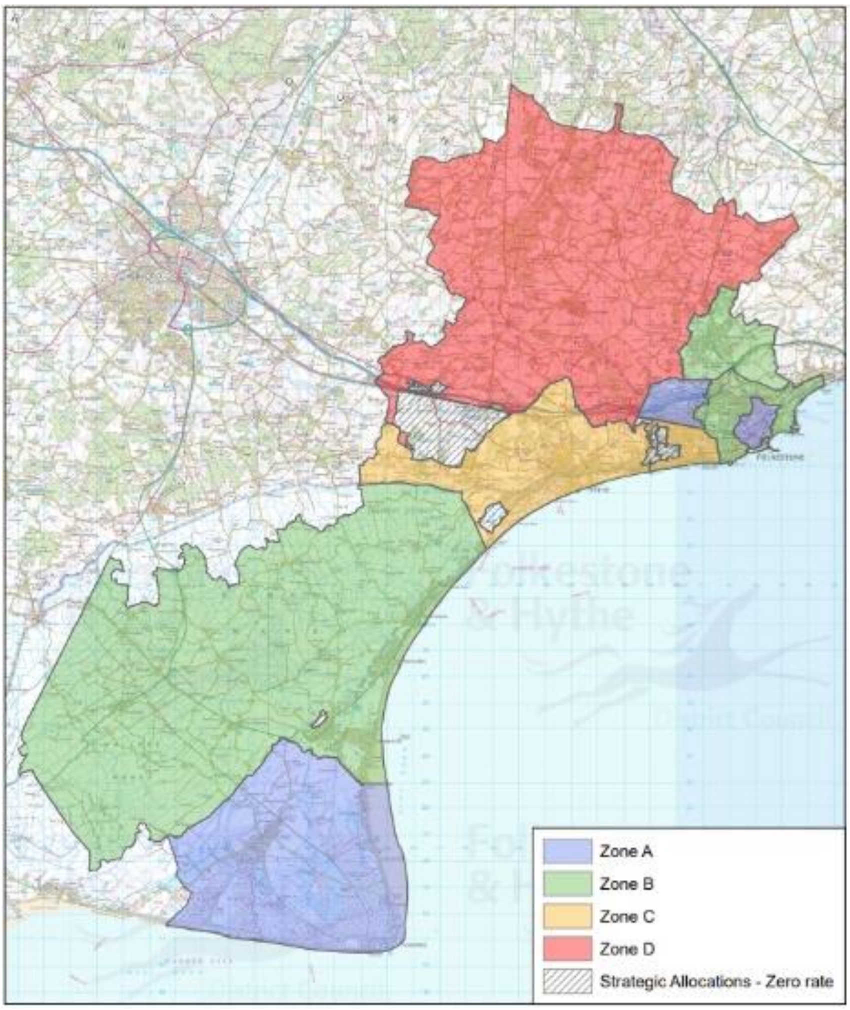
7.10. Using these combined resources allows us to form a view on the sales values in different areas or “zones” of the district. Evidence suggested a range of sales values varying dependent on the location within the zones and proximity to the seafront.

7.11. During our inspection, it was evident that there was a differentiation between wards regarding the affluence and the quality of housing stock in areas across the district. This further supported the adaptation of the current CIL boundaries in the first instance of this exercise.

7.12. A schedule of our comparable evidence and more detailed analysis of average private sales value for each Zone of a £ per sq ft basis can be found in **Appendix 7.**

7.13. By undertaking this exercise, we are able to divide the district into different private residential value zones, following the Council’s adopted CIL zones and as a review of the Dixon Searle report. The designated CIL zones are shown on the map below and our derived private residential values for house and flats included below:

7.14. **Figure 12: Map of adopted CIL Zones**



Source: Gerald Eve

7.15. **Table 13: Summary of Private Residential Values per Zone**

Residential Type	Zone A	Zone B	Zone C	Zone D
Apartments (psm)	£3,014	£3,444	£3,660	£3,014
Apartments (psf)	£280	£320	£340	£280
Houses (psm)	£3,337	£3,660	£3,660	£3,983
Houses (psf)	£310	£340	£340	£370

Source: Gerald Eve

7.16. Our analysis showed that there was a significant difference between new build sales values per sq ft throughout the district, in the most notably in the North Downs of Zone D, compared to the South, within the marsh areas of Zone A.

	7.17.	It was evident within our inspection and desktop research that there is a disparity in terms of the quality of apartment stock within Zones A & D. In this, the standard of second-hand flats is anticipated to be far lower than potential new build products, especially in seaside locations. Therefore, we have also had regard to asking prices of flats within the district, assisting in our interpretation of private residential values for flats in each CIL zone.
Sales Velocity	7.18.	Having regard to our experience of similar typologies within the Southeast and other development projects, we are of the view that the following assumption mix of off-plan sales and respective sales velocity is reasonable:

Table 14: Adopted Residential Sales Velocities

Typology	Off-Plan Sales	Sales Rate (Units per Month)
5 Houses	50%	3
10 Houses	50%	3
25 Mixed	40%	3
50 Mixed	30%	5
100 Mixed	20%	5

Source: Gerald Eve

Senior Living Revenue	7.19.	As previously covered, it is understood that a senior living products would generally anticipate a 5-15% premium in value when compared to private residential products. Furthermore, with the attractive seaside locations available for possible developments in the area, we have been advised that a 10% premium could be expected within the district. Therefore, we have attributed a capital value of £374 per sq ft, realising a 10% premium in regard to Zone B & C private residential values.
Affordable Residential	7.20.	We have tested 22% affordable housing as a base level in our assessment, as per the Council's 'Strategic Housing Market Assessment 2016/17', as referenced by the 'Folkestone & Hythe District Council Core Strategy Review 2022' (for typologies with 10 residential units or over).
	7.21.	We have applied a policy compliant tenure split of 70% Affordable Rent and 30% Intermediate (to be delivered as Shared Ownership).
	7.22.	We have reviewed Dixon Searles approach of applying a percentage of open market value (OMV) for each tenure, to ensure consistency across all residential typology mixes. Whilst the Dixon Searle method is considered reasonable, we have adopted an investment model approach whereby the net rent has been capitalised having regard for appropriate management and maintenance deductions. We have also reviewed the wider work undertaken by Gerald Eve for the district council and other viability consultants to inform the value assumptions, which are summarised in the table below:
	7.23.	**Table 15: Summary of Affordable Residential Values**

Affordable Housing Assumptions	Input (% of OMV / Capital Value)
Houses: Social Rent (£psf)	£195 psf
Houses: Intermediate (£psf)	80% OMV
Flats: Social Rent (£psf)	£195 psf
Flats: Intermediate (£psf)	80% OMV

Source: Gerald Eve

	7.24.	We are of the view that this is an appropriate method for ascertaining affordable values and assumptions for an area wide assessment.
Commercial Revenue	7.25.	We have undertaken a review of the different commercial property markets within the district and similarly to the residential inputs we have deduced that the values for commercial property and non-residential schemes achieved throughout the district vary enormously by specific type of development and location. To ensure consistency in considering the viability of various commercial development types, a range of assumptions are required in regard to the rental values and yields anticipated to drive the values within completed schemes.
	7.26.	Despite the broad variation in commercial values across the district, we are of the view that such values are derived through the quality of stock, in terms of specification and condition, included within recent transactional evidence rather than being specific to the geographical location within the district. Thus, we consider that the recent comparable evidence does not support the justification to split commercial values between four separate CIL Zones.
	7.27.	Therefore, we have differentiated the commercial values through denoting 'Primary' and 'Secondary' values for commercial uses, dependent on product/scheme mix/location, over the entire District rather than split across the four residential CIL Zones.
	7.28.	A schedule of our comparable evidence for the various commercial inputs can be found in **Appendix 8.**
Retail Value Assumptions	7.29.	We have undertaken a review of the retail market using evidence from Costar and Estates Gazette Interactive (Egi) property databases and by liaising with internal Gerald Eve commercial property teams. We provide our evidence at **Appendix 8**, where a rental range of circa 11.00 psf to circa £25.00 psf and yield range of 4.50% to 8.50% is demonstrated.

7.30. Having regard to the comparable evidence, the assumptions used in our appraisals for the typologies including a retail element is outlined in the table below:

Table 16: Retail Value Assumptions Summary

Retail Value Assumptions	Input	Primary	Secondary
Retail - Larger format (A1) Convenience (Large Supermarket)	Rent (psf)	£25	£20
	Yield (%)	4.5%	4.5%
	Rent Free (Months)	24	24
	Term (Years)	15	15
	Years to Break (Years)	5	5
Retail - Larger format (A1) Comparison (Retail Warehousing)	Rent (psf)	£15	£15
	Yield (%)	5.5%	6.5%
	Rent Free (Months)	24	24
	Term (Years)	15	15
	Years to Break (Years)	5	5
Retail (A1-A5)	Rent (psf)	£35	£20
	Yield (%)	5.5%	6.5%
	Rent Free (Months)	24	24
	Term (Years)	10	10
	Years to Break (Years)	5	5

Source: Gerald Eve

Office Value Assumptions

7.31. We have undertaken a review of the office market using evidence from Costar and Egi databases and by liaising with the Gerald Eve Office Investment Team. We provide our evidence at **Appendix 8**, where a rental range of circa £7.00 psf to circa £17.00 psf and yield range of 5.80% to 8.00% is demonstrated.

7.32. Having regard to the comparable evidence, the assumptions used in our appraisals for the typologies including an office element is outlined in the table below:

Table 17: Office Value Assumptions Summary

Office Value Assumptions	Input	Primary	Secondary
Primary - Office (B1) (Town Centre)	Rent (psf)	£20.00	£14.00
	Yield (%)	5.80%	8.00%
	Rent Free (Months)	24	24
	Term (Years)	10	10
	Years to Break (Years)	5	5
Secondary Office (B1) (Out of Town)	Rent (psf)	£14.00	£10.00
	Yield (%)	5.80%	8.00%
	Rent Free (Months)	24	24
	Term (Years)	10	10
	Years to Break (Years)	5	5

Source: Gerald Eve

Industrial Value Assumptions

7.33. We have undertaken a review of the industrial market using evidence from Costar and Egi databases and by liaising with the Gerald Eve Industrial Investment Team. We provide our evidence at **Appendix 8**, where a rental range of circa £5.00 psf to circa £11.50 psf and yield range of 5.50% to 9.00% is demonstrated.

7.34. Having regard to the comparable evidence, the assumptions used in our appraisals for the typologies including an industrial element are outlined in the table below:

Table 18: Industrial Value Assumptions Summary

Industrial Value Assumptions	Input	Primary	Secondary
Large Industrial (B2, B8)	Rent (psf)	£17.50	£15.00
	Yield (%)	5.50%	7.00%
	Rent Free (Months)	12	12
	Term (Years)	10	10
	Years to Break (Years)	5	5
Small Industrial (B2, B8)	Rent (psf)	£17.50	£15.00
	Yield (%)	5.50%	7.00%
	Rent Free (Months)	12	12
	Term (Years)	10	10
	Years to Break (Years)	5	5

Source: Gerald Eve

Hotel Value Assumptions

7.35. We have liaised with the Gerald Eve Hotels Team, and they have undertaken a review of hotel values in the district. They have provided us with a view with regard to the market and the values that hotels should be expected to achieve. This can be found at **Appendix 8.**

7.36. Using this information, we have formulated assumptions to apply to the typologies that contain a hotel element on a price per key basis which is a common metric for valuing hotels. Our hotels team, which have experience of working within the district and its surrounding area have advised the expected value per key would be c. £100k, on the assumption of the delivery of a 60 bedroom budget hotel, of a 3-star standard. This is summarised in the table below:

Table 19: Hotel Value Assumptions Summary

Hotel Value Assumptions	Input	£/Key
Hotel (60 Keys)	Value (£/key)	£100,000

Source: Gerald Eve

Strategic Sites

7.37. In assessing the Strategic Sites, we are aware of the high level of sensitivity reflected when manipulating the assumptions and inputs adopted within the viability assessments. Therefore, we have taken the approach to assess each strategic site in isolation, rather than include them within the model. Therefore, we are able to adopt site specific assumptions and master developer approaches to ensure accuracy in our conclusions.

7.38. As part of previous instructions for the Council, Gerald Eve have assessed the Strategic Sites regarding their CIL charging schedules. These assessments were included in the following reports, with the respective, most recent, Argus Developer appraisals sourced:

- 'Folkestone & Hythe District Council CIL Charging Schedule Review in relation to Strategic and Key Development Sites', dated November 2020.
  - Folkestone Seafront;
  - Sellindge Phase 2 (Sites A & B)
- 'Addendum Report on Viability for Otterpool Park New Garden Village', Dated June 2021.
  - Otterpool Park.
- 'Financial Viability Assessment Review – Development at Nicholls Road, Hythe, CT21 4NE', Dated December 2020.
  - Martello Lakes

7.39. In each of the appraisals highlighted above, the inputs were derived through extensive due diligence and are site specific for each key development site. These inputs were subsequently reviewed and accepted by independent inspectors. If these inputs were to be altered to include the generic CIL zone assumptions utilized within the model, there would be substantial variation between previously reported figures and thus increasing margin of error in assessing the potential for additional CIL charging.

7.40. With consideration to the above, we have adopted the inspector approved inputs within our individual appraisals and indexed the sales values and construction costs to present day, relying upon the UK House Price Index and BCIS General Build Cost Index, respectively. As such, we are of the opinion that the site-specific assumptions will best reflect current market conditions whilst maintaining their salient accuracy.

7.41. **Table 20: Strategic Sites Index**

Strategic Site	Input (Source)	Index Date at Previous Report	Index 1	Index Date at Present	Index 2	INDEX
Otterpool	Sales (HPI)	Jun-21	129.9	Apr-22	161.1	19%
	Costs (BCIS)	Jun-21	381.4	May-22	430.5	11%
Martelo Lakes	Sales (HPI)	Nov-20	134.8	Apr-22	161.1	16%
	Costs (BCIS)	Nov-20	363.3	May-22	430.5	16%
Folkestone Seafront	Sales (HPI)	Nov-20	134.8	Apr-22	161.1	16%
	Costs (BCIS)	Nov-20	363.3	May-22	430.5	16%
Sellindge	Sales (HPI)	Nov-20	134.8	Apr-22	161.1	16%
	Costs (BCIS)	Nov-20	363.3	May-22	430.5	16%

Source: UK House Price Index & BCIS

7.42. Adopted index figures have been sourced from the published dates of which each Strategic Site was previously reported.

8. COST AND PROGRAMME INPUTS AND ASSUMPTIONS

Introduction	8.1.	This section considers the different construction costs applied. Costs associated with Site value and development return are addressed in later sections.
	8.2.	We have had regard to the NPG (paragraph 012[2]), which states the following: *"Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.* *Costs include:* • *build costs based on appropriate data, for example that of the Building Cost Information Service* • *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites…* • *site-specific infrastructure costs…* • *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards…* • *general finance costs including those incurred through loans* • *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site."*
Construction Costs	8.3.	GE has undertaken a high-level analysis of the costs having regard to the RICS Building Cost Information Service ("BCIS") data for the Folkestone & Hythe District (referred to as "Shepway District" by BCIS). Construction costs were sourced from BCIS on a £ per sqm basis and applied to the GIA of the new build floorspace in each typology.
	8.4.	For each use class, the BCIS data was rebased to Shepway, Kent and to Q2 2022, and we took the Median average of the available data.
	8.5.	It is important to note that BCIS has its limitations as a database, particularly for building uses where there are relatively few schemes which the dataset uses as evidence. It is therefore important to note that, as this is an area-wide assessment, construction costs may vary on individual application schemes on site-by-site basis, due to site-specific circumstances.
	8.6.	The data obtained from BCIS is shown in the table below, with the evidence downloaded (last updated Jun-22) also shown at **Appendix 9.**

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8.7. **Table 21: Construction Costs Assumptions Summary**

Use Class	£/sqm	Information Selection	Source (Jun-22)
Houses (< 3)	£2,288	Median	'One-off' housing detached (3 units or less) (2-storey)'
Houses (> 3)	£1,411	Median	Estate Housing (General)
Flats (3-5 storeys)	£1,620	Median	Flats (apartments) (3-5 storeys)
Flats (6+ storeys)	£1,935	Median	Flats (apartments) (6+ storeys)
A1-A5 Retail	£1,432	Median	Shops (General)
C3/C4 - Extra Care (Senior Living)	£1,712	Median	Supported Housing (General)
B1 Offices	£2,098	Median	Offices (General)
B2-B8 Industrial	£854	Median	Industrial (General)
C1 Hotels	£2,358	Median	Hotels

Source: Gerald Eve

8.8. We have reviewed the adopted construction costs with reference to the Dixon Searle study. It is evident that construction costs have generally increased on the whole since 2014, with an average increase in costs by 32%. The only exception regards the construction cost anticipated for B2-B8 Industrial typology, showing an 8% decrease in comparison to the Dixon Searle adopted costs.

8.9. BCIS General Build Cost Index calculate that as of February 2022, there has been a 28% increase in build costs since June 2014. We view that the adopted BCIS figures are in correlation with historic levels of inflation and an appropriate assumption for this exercise.

Construction Market Overview

8.10. BCIS has recently published the following statement regarding the current volatility regarding construction costs within the UK:

"Tender prices continue to increase driven mainly by the current unprecedented material cost increases and labour shortages. BCIS expect tenders to rise by 8% this year falling back to around 4% per annum for the next 4 years.

During the first half of 2022, the BCIS Materials Cost Index has continued to grow at an annual growth in excess of 20%, a rate not seen since 1980. The annual material increase is now expected to be 15% on the year falling back to between 1 and 3.5% over the following 4 years.

The high inflation and general economic uncertainty could lead to clients delaying projects and a slowing down in construction activity.

8.11.

Series:	BCIS All-in TPI		BCIS GBCI		BCIS MCI	
Common base date:	2022					
Downloaded:	23-Jun-2022 09:41					
Date	**Index**	**On year**	**Index**	**On year**	**Index**	**On year**
2022	100	8.00%	426	10.10%	426	14.80%
2023	104	3.90%	434	1.90%	434	0.30%
2024	108	3.70%	446	2.80%	446	2.40%
2025	112	3.80%	460	3.10%	460	3.30%
2026	116	3.90%	474	3.00%	474	3.20%

The results of a recent BCIS survey of housebuilders revealed that the additional cost complying with new Building regulations is estimated be 6%."

Source: BCIS

8.12. The construction industry has been hampered over recent years, through impacts of Brexit, Covid-19 and more recently, the severe consequences of Russia's invasion of Ukraine has become the top risk to global supply, prompting a spike in energy costs and a consequent resumption of an inflationary trend. Rising energy prices will invariably impact the manufacturing costs for many construction products and materials. Indeed, the CLC has confirmed that manufacturers have increased prices by between 5-10% so far this year, with the cost of the most energy-intensive products rising by as much as 20%.

8.13. While the UK is not as reliant on Russian energy and commodities as mainland Europe, the shockwaves stemming from the crisis will be far-reaching. There have been notable impacts in the market including supply chain disruption, shortages, and price hikes will affect materials and deliveries. The reallocation of certain types of materials will only intensify the situation.

8.14. With rising costs of materials and inflation, the use of fixed-price contracts could be problematic for some contractors and could result in financial stress and, in the most extreme, insolvencies. Therefore, the use of historic BCIS tender prices ensues the limitation of backward-looking data that does not correspond with the current market and future volatility.

Construction Contingency

8.15. We have used a standardised approach in relation to construction contingency which is in line with NPG para 012[3] and also consistent with our experience of undertaking financial viability assessments elsewhere in the district and throughout the UK. It is also consistent with the experience of council officers based on discussions in relation to other schemes coming forward in the area, including the strategic sites and incorporation of risk in construction within flood risk zones and marshlands.

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	8.16.	Further consideration has been attributed to potential scheme specifications and abnormal costs that may come to fruition within the district, following future market demands and supply variance. Therefore, we have incorporated an additional allowance to encompass potential factors such as carbon reduction, net gain in biodiversity and adaptable housing and space standards, which may be experienced across differing typologies.
	8.17.	With special consideration given to the above information regarding the current construction market and additional risks, we have applied a contingency cost to all construction rates of 10%. This represents an amount held in reserve for the unknown risks associated with the different projects.
	8.18.	It should be noted that this additional 10% contingency allowance has only been applied to the typology schemes and not the strategic sites.
Professional Fees	8.19.	The general, industry standard range for professional fees is between circa 10-12%. This would include architects, mechanical and engineering consultants, structural engineers, quantity surveyors, project managers, etc.
	8.20.	We have applied 10% professional fees across all typologies, which is a reasonable assumption, based on our knowledge of development in the district.
Other Construction Costs	8.21.	The BCIS data includes the base build cost and does not allow for External Works, Environmental Costs, or Site Preparation.
	8.22.	We have therefore applied an additional cost to allow for these items within the appraisal. These are summarised in the table below:

Table 22: Other Construction Costs Summary

Other Construction Costs	Rate Applied
External Works	10%
Environmental Costs	2%
Site Preparation	2.5%

Source: Gerald Eve

	8.23.	As part of the information provided by the Council regarding Strategic Development Sites, we have included further additional costs, where appropriate. For instance, where we have been provided with a specific quantum for additional infrastructure costs, these have been included within our model.

Table 23: Additional Infrastructure Costs

Strategic Site	Infrastructure Cost
Otterpool Park	£217,471,832
Nicholls Quary	£13,383,978
Folkestone Seafront	£19,000,000

Source: Gerald Eve

Marketing and Disposal Costs	8.24.	We have applied standard disposal costs across the various typologies based on industry standards and our knowledge of the Southeast development market.

8.25. For the typologies with all or part residential use, we have applied a flat rate of 4% which incorporates agency fees (1%), legal fees (0.5%), and marketing costs (2.5%).

8.26. For the typologies with all or part commercial uses, we have adopted 10% of the estimated rental value (ERV) for the letting and legal fees, and 5% for the sales agency and legal fees.

8.27. These assumptions are summarised in the below table:

Table 24: Marketing and Disposal Costs Summary

Marketing and Disposal Costs	Rate Applied
Residential Sales Agents, Legal & Marketing	4%
Commercial Letting Agents & Legal	10%
Commercial Sales Agents & Legal	5%

Source: Gerald Eve

Section 106

8.28. To determine an appropriate estimate for the Section 106 (S106) costs across the typologies, we discussed the notional rate with the Council and considered evidence of S106 costs on a per unit basis from existing schemes.

8.29. Current guidance for S106 within the district is detailed in Core Strategy Policy SS5, which states:

> *"Development should provide, contribute to or otherwise address the district's current and future infrastructure needs. Infrastructure that is necessary to support development must exist already, or a reliable mechanism must be available to ensure that it will be provided at the time it is needed."*

8.30. As such, there is no standard assumption that can be assessed and incorporated within our model. Each site and typology would be inspected on an individual basis in order to maximise its provision to the Council and incorporate all nuances presented in each case. However, in order to ensure that all potential costs are captured within our model, a high-level assumption for S106 costs has been applied.

8.31. As part of our assessment, the Council has provided information regarding the agreed Section 106 (S106) for a selection of example typologies within our assessment, most notably the Strategic Sites. Where actual S106 contributions are unknown, we have assumed an average of all known S106 costs, to be allocated on a 'per unit' basis across all residential typologies.

Table 25: Section 106 Contribution

Cost	Rate Applied Per Unit
Section 106 Contribution	£3,365

Source: Gerald Eve

Build Programme

8.32. Having regard to all the information that we have available to us and with our experience of similar scheme typologies, we are of the view that a minimum build programme totalling 12-months, including pre-construction, for 5-dwelling typology. We would then anticipate for the construction period to incorporate a level of economies of scale regarding deliverability. Therefore, we have adopted the following residential build programmes:

Table 26: Residential Build Programme

Period	Pre-Construction (months)	Construction (months)	Total (months)
5 Houses	3	9	**12**
10 Houses	3	12	**15**
25 Mixed	3	18	**21**
50 Mixed	6	24	**30**
100 Mixed	6	36	**42**

Source: Gerald Eve

8.33. To ensure consistency with our review of the Dixon Searle assessment, we have reviewed the original build programmes assumed for the commercial typologies.

Table 27: Commercial Build Programme

Period	Pre-Construction (months)	Construction (months)	Total (months)
Retail – Larger Format (Large Supermarket)	3	12	**15**
Retail – Larger Format (Retail Warehousing)	3	7	**10**
Primary Retail	3	6	**9**
Secondary Retail	3	6	**9**
Primary Offices (Town Centre)	3	6	**9**
Secondary Offices (Out of Town)	3	12	**15**
Large Industrial	3	9	**12**
Small Industrial	3	6	**9**
Hotel	3	14	**17**
Senior Living	3	16	**19**

Source: Dixon Searle

Finance

8.34. We have applied a rate of 7% finance costs within the appraisal across all typologies. We consider that this reflects the current market position and is in accordance with recent schemes that have been reviewed. We have applied this rate on the basis of our market knowledge, and our full approach and reasoning behind this are set out at **Appendix 10.**

District CIL Rates

8.35. For testing purposes, as advised by the Council, we have initially applied the rates of CIL as per the Council's CIL Charging Schedule indexed to 2022. We recognise that indexation is variable and given that we have applied other assumptions based on the best available evidence, as provided by the Council (having regard to the impact of Covid-19), we have applied a CIL indexation on a consistent basis. However, we have then gone on to test a range of CIL rates, as part of our analysis.

8.36. The current CIL charging schedule for the district is as follows:

Table 28: Current Residential CIL Charges (2022 Indexed)

Development Type	Current CIL Rate			
Residential Development	Zone A	Zone B	Zone C	Zone D
	£0	£58.86	£117.73	£147.16
Residential Development on Strategic Site Allocations	£0			

Source: The Council

Viability Buffer

8.37. Throughout our assessment, we have ensured that we have had regard to the need to allow for a viability "buffer". This is a margin or allowance in relation to typology viability having regard to potential future market movements and changes to development types within the district, such as interest rates and developer's profit returns.

8.38. So for example, the current CIL rate per zone we have applied includes an element of viability 'buffer', by way of a 10% increase per zone; the fact that we are testing many typologies in an area-wide study seeks to ensure no development is unreasonably limited in terms of viability; and we have applied sensitivity testing to ensure our results have regard to potential future changes in costs and values.

8.39. Most notably, the sensitivity 'buffer' is vital in allowing for potential impacts on the construction industry in the UK, as detailed earlier in this report. It is integral that the information and conclusions provided to the council, to assist with their decision making, does not implicate the viability of future developments, if market conditions change.

8.40. The adopted CIL charging schedule for the district, including a 10% buffer, is as follows:

Table 29: Adopted Residential CIL Charges (2022 Indexed) with 10% Buffer

Development Type	Current CIL Rate			
Residential Development	Zone A	Zone B	Zone C	Zone D
	£0	£64.75	£129.50	£161.88
Residential Development on Strategic Site Allocations	£0			

Source: The Council/Gerald Eve

Strategic Sites

8.41. As detailed within **Section 7**, the Strategic Sites have been analysed through the adaptation of previous viability models that had been constructed for site specific assessments, as instructed by the council. Therefore, the Strategic Site appraisals incorporate specific master developer build programs/phasing, infrastructure and inspector approved revenue assumptions.

8.42. With consideration to the above, we have adopted the inspector approved inputs within our individual appraisals and indexed the sales values and construction costs to present day, relying upon the UK House Price Index (HPI) and BCIS General Build Cost Index (BCIS), respectively. As such, we are of the opinion that the site-specific assumptions will best reflect current market conditions whilst maintaining their salient accuracy.

8.43. **Table 30: Strategic Sites Index Calculation**

Strategic Site	Input (Source)	Index Date at Previous Report	Index 1	Index Date at Present	Index 2	INDEX
Otterpool	Sales (HPI)	Jun-21	129.9	Apr-22	161.1	19%
	Costs (BCIS)	Jun-21	381.4	May-22	430.5	11%
Martelo Lakes	Sales (HPI)	Nov-20	134.8	Apr-22	161.1	16%
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	Costs (BCIS)	Nov-20	363.3	May-22	430.5	16%
Sellindge	Sales (HPI)	Nov-20	134.8	Apr-22	161.1	16%
	Costs (BCIS)	Nov-20	363.3	May-22	430.5	16%

Source: UK House Price Index & BCIS

8.44. To ensure that consideration is made regarding potential shifts in market conditions for such large and complex sites, sensitivity testing is required when assessing the viability of such schemes against their benchmark land values. Further details regarding the appropriate level of sensitivity buffer adopted for the Strategic Sites is included in **Section 12**.

9. RETURN TO THE DEVELOPER (PROFIT)

Introduction

9.1. This section of the report sets out the proposed return applied to the appraisal and the basis upon which a reasonable competitive return to a willing Developer has been considered.

9.2. A significant factor in undertaking viability assessments for development purposes is the level of return which a developer might reasonably require from undertaking the development and in turn on what basis the Scheme could be funded and financed. This will depend on a number of factors including the size of the development, the perceived risks involved, the degree of competition between funding and finance institutions for the Scheme, the state of the market in terms of demand for and lot size of the completed development and the anticipated timescales for development and for receiving a return.

9.3. In relation to a reasonable return to the Developer, the NPG states (paragraph 018[4]):

> *"For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development."*

9.4. Furthermore, the NPG recognises that lower returns are considered more appropriate for affordable housing where risk to receipt of income are lower.

9.5. We have taken into consideration the risks involved, the nature of the market, the types of development coming forward in the district and the nature of Developers likely to be bringing forward these developments.

9.6. We have applied a rate of 20% profit on GDV to the Private Residential, 6% to the Affordable Residential, and 15% to the Commercial uses. These return to developer levels have been arrived at having regard to the risk of future property market movement which may impact on viability, and therefore include an element of viability "buffer" taking this risk into account.

9.7. **Table 31: Required Profit on GDV**

GDV	Profit on GDV
Private Residential	20%
Affordable Residential	6%
Commercial	15%

Source: Gerald Eve

9.8. GE understand that the growing risks to developments, including increasing construction costs and interest/funding rates may have potential impact on future profit margin requirements. Therefore, such risk must be reflected within our review, by applying the 10% CIL buffer within the model.

9.9. It should be noted that the term 'Profit' included in the summary appraisals at Appendix 11 represents an output and reflects the Developer Return, which as discussed above is considered reasonable to include, under the NPG for plan making.

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10. BENCHMARK LAND VALUE

Introduction	10.1.	This section sets out the underlying basis of the adopted Benchmark Land Value (BLV). Our views are formed having regard to the NPPF, the NPG, RICS Guidance Note 'Financial Viability in Planning' published August 2012 (RICS GN) and the RICS Professional Statement 'Financial Viability in Planning: conduct and reporting' published NPG in May 2019 (effective September 2019).
	10.2.	NPG indicates that viability is to determine a Benchmark Land Value (BLV) which reflects the aggregate of the Site's Existing Use Value (EUV) (Component 1) and a premium for the landowner to release the land for development (Component 2), or an assessment of an Alternative Use Value (AUV) which has regard to planning policy. Therefore, in accordance with NPG (2019) this section looks to establish the BLV for each typology.
Methodology	10.3.	The below outlines our methodology for determining the BLV of each typology having regard to the EUV and premium.
	10.4.	We have assessed the BLV for each typology dependent on an assumed existing use, which we have broken into two categories: greenfield (agricultural) and brownfield (previously developed land).
	10.5.	In determining whether the site is assumed to be greenfield or brownfield we have first had regard to the scenario sites. For the scenario sites the existing use is known, and as such we have determined the existing use based on the known use.
	10.6.	For the remaining non-scenario site typologies, we have assumed an existing use dependent on the characteristics of the CIL zone, principally the level of development within the zone, as well as the nature and use of development. In determining the assumed existing use of the non-scenario sites, we have also had regard to the principles of the NPPF (specifically paragraph 119).
	10.7.	We have therefore assumed brownfield existing use for smaller sites in the more developed zones (Zones B, C and D). Collectively this has enabled us to produce a holistic and robust approach which captures and assess the mixture of existing uses within Folkstone and Hythe, whilst also reflecting the principles of the NPPF.
	10.8.	To summarise, in determining a site's existing use, we have followed the below existing use assessment hierarchy: 1. Scenario Sites: existing use known and adopted. 2. Zone A non-scenario sites: Rural and therefore assumed **all** non-scenario sites to be greenfield. 3. Zone B non-scenario sites: More developed than Zone A and therefore assumed greenfield except for the 100-mixed typology. 4. Zone C non-scenario sites: Most developed therefore assumed brownfield except for the 50-mixed typology to reflect zone specific characteristics. 5. Zone D non-scenario sites: More rural than Zones B and C therefore assumed greenfield except for the 5-houses typology to reflect Paragraph 119 of the NPPF.
EUV (Component 1)	10.9.	EUV is the first component of calculating BLV. EUV can be established in collaboration between plan makers, developers, and landowners by assessing the value of the specific site or type of site using published sources of information, such as appropriate capitalised rental levels at an appropriate yield. The NPG (2019) sets out sources of data that can be used and at paragraph 015 indicates that EUV can reflect the land in its existing use.

	10.10.	NPG (2019) indicates that EUV should reflect the land and property in its existing-use, un-refurbished and excluding any hope value for redevelopment.
Premium (Component 2)	10.11.	NPG (2019) indicates that the 'Premium' is the second component of BLV and is the amount above the EUV that should provide a reasonable incentive for a landowner to bring forward the land for development, while allowing a sufficient contribution to comply with policy requirements.
	10.12.	NPG (2019) at paragraph 016 indicates that establishing a reasonable premium to the landowner is an iterative process informed by professional judgement and must be based upon the best available adjusted market evidence or from FVAs.
	10.13.	Furthermore, the RICS GN outlines that it is essential to have regard to sales prices of comparable development sites, para 3.16 states: *"The importance…of comparable evidence cannot be over-emphasised, even if the supporting evidence is very limited, as evidenced in Court and Land Tribunal decisions."*
	10.14.	NPG (2019) at paragraph 017 provides guidance for undertaking an alternative use value (AUV) on the basis that there is a planning permission or reasonable prospect of planning permission being granted, and a demand for such a scheme can be demonstrated.
Existing use assessment	10.15.	As part of the EUV and BLV assessment of the various sites, we considered the existing policy evidence available:
		Shepway District Places and Policies Local Plan – Preferred Options Viability Assessment (September 2017)
	10.16.	In this assessment a Market Value approach was considered, although where relevant the sites should be tested against their existing use values, where the site can continue to be used for beneficial economic purpose without the requirement of alternative development.
	10.17.	They comment that values of between £500k and £750k+/ gross hectare are sought for development sites which equates to a private sale plot value of between £25k and £35k before concluding that the study adopts a EUV of £500k per gross acre.
		Shepway District Council CIL and Whole Plan Economic Viability Assessment (July 2014)
	10.18.	In this study consideration was given to the development land market values to inform BLV based on the EUV plus a premium methodology.
	10.19.	A range of £500k to £1.2m per gross hectare was considered, concluding that the minimum land value to incentivise release for development would be £500k per hectare. However, they acknowledge that values of between £150k and £400k per gross hectare maybe relevant for less attractive locations or land for improvement, supported by the principle of adopting an uplift factor of 10 to 20 times base agricultural land value of between £15k to £20k per gross acre.
		Ashford Borough Council Local Plan Viability Report Update (2017)
	10.20.	Whilst this study relates specifically to Ashford, its close proximity to F&H makes it useful comparable information.

	10.21.	The study considers an EUV plus landowner premium in respect of BLV. A premium of 45% was adopted over industrial land uses values, generating a BLV of £700k per gross hectare for urban/ edge of urban sites.
	10.22.	When considering agricultural uses, 15 x the agricultural use value was adopted to establish a BLV of £300k per gross hectare for greenfield strategic sites.
Typologies in assumed Greenfield use – EUV (Component 1)	10.23.	Based on policy evidence and our experience of reviewing EUV in the context of agricultural uses, we have had regard to the Ministry of Housing, Communities & Local Government, Land Value Estimates for Policy Appraisal (2017). The guidance suggests that circa. **£10,000 per acre** would be considered reasonable as a base point for EUV.
Typologies in assumed Greenfield use – EUV Plus Premium (Component 2)	10.24.	As set above, in line with the NPG (2019), to ascertain the BLV, we also need to consider the 'Premium' as the second component of BLV, ensuring that a reasonable incentive is provided to the landowner to bring forward the land for development, whilst allowing a sufficient contribution to comply with policy requirements.
	10.25.	In our assessment, we have considered policy guidance as well as our own market knowledge of assessing the BLV of large-scale agricultural sites. As set out above, both the Shepway District Council CIL and Whole Plan Economic Viability Assessment (2014) and the Ashford Local Plan Viability Report Update (2017) supported the principle of adopting an uplift factor of between 10 to 20 times base agricultural land value, 15 times for the latter.
	10.26.	We have also had regard to the Homes and Communities Agency (HCA) guidance: "Transparent Assumptions: Guidance for the Area Wide Viability Model" which states that for greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value.
	10.27.	Taking this guidance into account, it would suggest that in this instance, the Premium would equate to this uplift in agricultural value. Given the potential level of infrastructure requirements associated with the greenfield sites, we consider that applying the lower rate of x10 would be more realistic, equating to £240,000 per Hectare, or c.£100,000 per acre.
	10.28.	A valuation of c.£100,000 per gross acre does appear to be consistent with other land values applied for predominantly agricultural land which we have assessed nationally. We have worked on numerous projects including Braintree, Alconbury, Oxford, West Winch and Waterbeach Barracks, where this value per acre was considered acceptable and in line with the market.
	10.29.	We note that several of the sites currently being assessed are within agricultural uses or were at the time the policy was formulated. We therefore consider it reasonable to apply the above methodology to the assessment of BLV in respect of the agricultural sites.
Adopted BLV for Greenfield typologies	10.30.	To summarise, for the greenfield typologies we have therefore adopted a BLV of **£100,000 per acre**.
Typologies in Brownfield Use – EUV (Component 1)	10.31.	Based on policy evidence and our experience of reviewing EUV in the context of brownfield sites, we have had regard to the Ministry of Housing, Communities & Local Government, Land Value Estimates for Policy Appraisal (2017). Whilst this guidance is slightly dated, we consider it still relevant and have therefore had regard to it, along with current comparable evidence of land transactions.

	10.32.	The guidance is however unclear on the average value that should be applied for the sites located in the district. We have therefore considered the value range provided for comparable areas.
	10.33.	The values for the Southeast range from £1.8-£3m per hectare. Whilst the district is within the Southeast, we consider it relatively remote in comparison to other locations being considered. It is also useful to review other coastal locations to offer a comparison. For example, Brighton has been allocated a value of £1.8m, whereas Bournemouth and Poole are both at £1m per hectare, equating to c.£400k per acre. In our view these locations are all superior to the district in terms of the land values and a deduction should be applied to the baseline figure.
	10.34.	We therefore consider the EUV for brownfield land in this area to be in the region of £300-£400k per acre. However, we have undertaken additional research to sense check this assumption and ensure our assessment is in line with the market in the section below.
Typologies in Brownfield Use – EUV plus Premium (Component 2)	10.35.	We have analysed comparable evidence from brownfield land transactions to determine a relevant EUV Premium for sites that have an existing brownfield use.
	10.36.	We have also considered a premium to the landowner, reflecting a reasonable incentive for a landowner to bring forward the land for development.
	10.37.	For brownfield land, in line with the policy guidance discussed in the above sections, we consider a 20% uplift on the EUV is standard practice to incentivise the landowner to sell. We have therefore adopted Benchmark Land Value of **£420k per acre**, which we consider to be reasonable.
	10.38.	We have also sensed checked the proposed BLV against local comparable evidence. The comparable evidence demonstrates industrial land achieves values in the range of circa £273,000 to £730,000 per acre in Kent and the wider south-east region.

10.39. **Table 32: Summary of brownfield land transactions**

Address	Date	Price	Gross Size (Acres)	Price per gross acre	Planning position at sale
Leacon Road, Ashford, Kent, TN23 4TU	Jan-22	£3,500,000	4.8	£729,166	None
Former Gasholders Brielle Way, Sheerness Kent, ME12 1YW	Aug-21	£835,000	1.5	£542,208	None
Sevington Rail Depot, Waterbook Avenue, Ashford, Kent	Apr-20	£8,400,000	13.3	£631,579	Outline planning permission for employment uses.
Land at Roundabout Farm, Canterbury, Kent, CT6 8LW	Aug-19	£2,400,000	8.8	£273,660	Full planning permission for 2,125 sq m retail unit

Source: Gerald Eve / Landinsight

Summary

10.40. To summarise, we have adopted the following BLVs dependent on existing use:

Existing Use	Benchmark Land Value per acre
Greenfield	£100,000
Brownfield	£350,000

11. OUTPUTS

Introduction	11.1.	This section provides a summary of the outputs produced in the model which form the basis for the conclusions of this report. A comprehensive table of outputs is attached at **Appendix 11**, but this section summarises the base assessments of each of the typologies in the different groups as outlined in **Section 6**.
	11.2.	For reference, these groups are: a) Residential; b) Retail; c) Office; d) Industrial; e) Hotel;
	11.3.	A detailed qualitative assessment of the typologies within these groups based on the outputs below is undertaken in **Section 13**. A summary of the outputs for each typology group is included below:

11.4. **Table 33: Residential Development Output Summary**

Site Number	Typology Description	Example Site	Surplus / Deficit (c£10,000)
1	Zone A: 5 Houses	Scenario Site (A5)	-£370,000
2	Zone A: 10 Houses	Scenario Site (A10)	£310,000
3	Zone A: 25 Mixed	Station Yard, Station Road, Lydd	-£520,000
4	Zone A: 50 Mixed	Scenario Site (A50)	-£10,000
5	Zone A: 100 Mixed	Scenario Site (A100)	-£60,000
6	Zone B: 5 Houses	Land rear of Varne Boat Club	-£280,000
7	Zone B: 10 Houses	Scenario Site (B10)	£220,000
8	Zone B: 25 Mixed	Former Hope All Saints Garden Centre	£90,000
9	Zone B: 50 Mixed	Marsh Potato Site	-£2,990,000
10	Zone B: 100 Mixed	Land off Victoria Road West, Littlestone	£970,000
11	Zone C: 5 Houses	Scenario Site (C5)	-£440,000
12	Zone C: 10 Houses	The Cherry Pickers Public House, Cheriton	£220,000
13	Zone C: 25 Mixed	Brockman Family Centre, Cheriton	£310,000
14	Zone C: 50 Mixed	Shepway Close, Folkstone	£850,000
15	Zone C: 100 Mixed	Smiths Medical, Hythe	-£1,520,000
16	Zone D: 5 Houses	Scenario Site (D5)	-£410,000
17	Zone D: 10 Houses	Camping and Caravan Site, Stelling Minnis	£440,000
18	Zone D: 25 Mixed	Land East of Broad Street, Lyminge	£510,000
19	Zone D: 50 Mixed	Scenario Site (D50)	£570,000
20	Zone D: 100 Mixed	Scenario Site (D100)	£1,170,000

Source: Gerald Eve

11.5. **Table 34: Senior Living / Extra Care Development (C3) Output Summary**

Site Number	Typology Description	Example Site	Surplus / Deficit (c£10,000)
30	Senior Living	Zone A (Senior Living)	£663,299
30	Senior Living	Zone B (Senior Living)	£1,165,754
30	Senior Living	Zone C (Senior Living)	£986,903
30	Senior Living	Zone D (Senior Living)	£1,578,769

Source: Gerald Eve

11.6. **Table 35: Retail Development Output Summary**

Site Number	Typology Description	Example Site	Surplus / Deficit (c£10,000)
21	Retail – Larger format (A1) Convenience (Large Supermarket)	Scenario Site (Supermarket)	£2,710,000
22	Retail – Larger format (A1) Comparison (Retail Warehousing)	Scenario Site (Retail Warehouse)	-£320,000
23	Primary: Retail (A1-A5)	Scenario Site (Primary Retail)	£190,000
24	Secondary: Retail (A1-A5)	Scenario Site (Secondary Retail)	-£420,000

Source: Gerald Eve

11.7. **Table 36: Office Development Output Summary**

Site Number	Typology Description	Example Site	Surplus / Deficit (c£10,000)
25	Primary: Office (B1) (Town Centre)	Scenario Site (Primary Office)	-£820,000
26	Secondary: Office (B1) (Out of Town)	Scenario Site (Secondary Office)	-£7,840,000

Source: Gerald Eve

11.8. **Table 37: Industrial Development Output Summary**

Site Number	Typology Description	Example Site	Surplus / Deficit (c£10,000)
27	Large Industrial (B2,B8)	Scenario Site (Large Industrial)	-£280,000
28	Small Industrial (B2,B8)	Scenario Site (Small Industrial)	£140,000

Source: Gerald Eve

11.9. **Table 38: Hotel Development Output Summary**

Site Number	Typology Description	Example Site	Surplus / Deficit (c£10,000)
29	Hotel	Scenario Site (Hotel)	-£6,010,000

Source: Gerald Eve

11.10. **Table 39: Strategic Sites Development Output Summary**

Site Number	Typology Description	Site	Surplus / Deficit (c£100,000)
31	Strategic Site	Otterpool Park	n/a
32	Strategic Site	Nicholls Quary "Martello Lakes"	£7.4m
33	Strategic Site	Folkestone Seafront	-£4.5m
34	Strategic Site	Sellindge Phase 2	£3.6m

Source: Gerald Eve

12. SENSITIVITY AND SCENARIO ANALYSIS

Introduction	12.1.	In accordance with relevant RICS guidance we have undertaken sensitivity and scenario testing on the appraisal outputs to determine the impact that changes in costs, values, affordable housing levels, and CIL levels has on the viability of the various typologies and typology groups.
RICS	12.2.	The RICS[5] requires that all valuations of development property must provide a sensitivity analysis of the results and an accompanying explanation and interpretation of respective calculations on viability, having regard to risks and an appropriate return(s). This is to: • Allow the applicant, decision- and plan-maker to consider how changes in inputs to a financial appraisal affect viability, and; • Understand the extent of these results to arrive at an appropriate conclusion on the viability of the application scheme (or of an area-wide assessment). This also forms part of an exercise to 'stand back' and apply a viability judgement to the outcome of a report.
Sensitivity – present day	12.3.	A sensitivity analysis is a simplistic (but widely used) approach for testing viability and the robustness of the Scheme. Uncertainties can be identified in respect of the inputs and their effects can then be looked at in terms of the development return and then the level of planning payment. In short, this is a straightforward deterministic approach from which a judgement needs to be made as to the appropriateness of the outcome. Benchmarks can be used as performance measures. A prudent developer will also consider the sensitivities of a development and assess the risks of the project.
Sensitivity	12.4.	In this section, we summarise the findings from the sensitivity analysis. Detailed tables are set out at **Appendix 12**.
Minimum Residential Typology Threshold	12.5.	In determining whether a group of typologies is viable at the current CIL level, we have assumed a **minimum threshold of 70%** of those residential typologies in that CIL zone need to be viable when tested through stepped sensitivity, incorporating potential market conditions.
	12.6.	In arriving at this minimum reasonable threshold level, we have had regard to the following factors:
	12.7.	(a) As part of the process of selecting our appraisal inputs and assessing these through sensitivity analysis, we have incorporated a level of "viability buffer" to allow for changes in the market and variation cost or values. This therefore allows a level of flexibility and margin of error having regard to the current market uncertainty and the number of typologies tested.
	12.8.	(b) Some typologies tested are not viable with any level of affordable housing or CIL contribution using the area wide assessment inputs we have assumed. For this reason, there will always be certain schemes which will need to be viability tested on a site-specific basis when they are brought forward.

[5] Paragraph 4.3.1 in 'Assessing Viability in Planning Under the National Planning Policy Framework 2019 For England', issued March 2021.

	12.9.	Each step in the component sensitivity testing has been benchmarked against the BLV, with the corresponding surplus/deficit for each step per typology formatted to convey the respective changes in viability.
Commercial Typology Threshold	12.10.	Our assessment models commercial assets across the entire District and therefore, these typologies are not Zone specific. As such, the commercial typologies are analysed on an individual basis to determine their viability positions with current CIL rates and how resulting sensitivity analysis impacts them. Therefore, a minimum viability threshold would not be suitable in assessing commercial typologies.
Variation in Residential Sales Values	12.11.	This sensitivity analysis is shown at **Appendix 12(i)** and tests the viability of the Zoned typologies to changes in the private sales values, in 2.5% increments, from -5% to +5%, whilst keeping the costs consistent with the base position. As per standard market assumptions, affordable housing values have not been tested and such variance only corresponds to the private residential values that have been identified for each CIL Zone.
	12.12.	Initial analysis identifies that the level of sensitivity has differing impact per CIL zone, highlighting the contract in anticipated private sales values throughout the district.
	12.13.	Zone A, which assumes the lowest private residential values within the district, expresses a 40% increase in viability through an increase of +2.5% in sales values, increasing from a base position of 20% of units generating a surplus, to 60% (10% below the threshold).
	12.14.	Zones B & C indicate acute variance when private sales values are tested to a +/- 5% limit. When assessed together, 10% of typologies become unviable when sales revenues are decreased by -5%. When sales values are increased by +5%, nil properties change position to generate a surplus when compared to the BLV.
	12.15.	Within Zone D, sensitivity testing of +/-5% does not impact the respective viability per typology, indicating a more stable basis for development within the zone. When considering variance in sales revenue in isolation, the typology set reflects 80% generating a surplus, breaching the set 70% threshold. Therefore, further testing will be required, as covered further below.
Variation in Commercial Revenue	12.16.	This sensitivity analysis is shown at **Appendix 12(i)** and tests the viability of the individual commercial typologies to changes in the assumed revenue, in 2.5% increments, from -5% to +5%, whilst keeping the costs consistent with the base position.
	12.17.	The overall range of 10% in revenue sensitivity, from +5% to -5% resulted in nil commercial typologies shifting viability position, to either creating a surplus or a deficit. The results indicate there may be difficulties posed in the development of typologies in perceived secondary locations.
Variation in Residential Construction Costs	12.18.	This sensitivity analysis is shown at **Appendix 12(ii)** and tests the viability of the Zoned typologies to changes in all construction costs, in 2.5% increments, from -5% to +5%, whilst keeping the private residential sales values with the base position. Unlike sensitivity to sales values, the construction cost variance impacts all aspects of the scheme, including affordable housing.
	12.19.	Within Zone A, sensitivity variance to residential typologies has generated a similar outcome, reflecting a 40% increase of typologies generating a surplus through construction costs reducing by -2.5%. This results in a 40% variance between the baseline position and -2.5% costs. Despite the most viable position of the sensitivity reaching 60% of typologies being viable, this falls below the 70% threshold.
	12.20.	A +5% variation in construction costs within Zones B & C result in a 10% increase in typologies becoming unviable and generating a deficit. At this level of increased construction costs, 50% of typologies within the two zones reflect positive positions, where they could potentially contribute further affordable housing.

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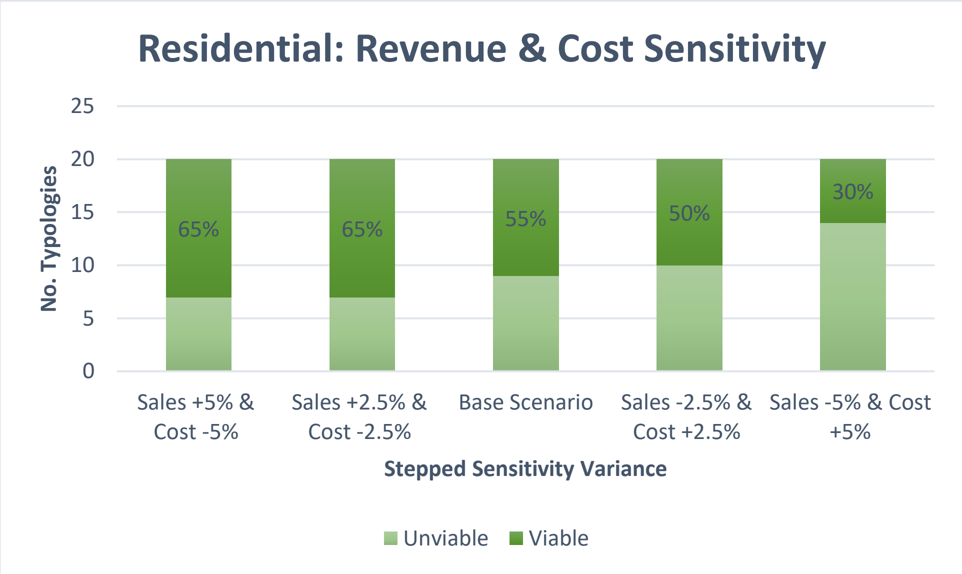
	12.21.	Zone D indicates that 0% of typologies would change viability position when tested to sensitivity in construction costs, resulting in a 10% excess in viable typologies against the 70% threshold.
Variation in Commercial Construction Costs	12.22.	This sensitivity analysis is shown at **Appendix 12(ii)** and tests the viability of the individual commercial typologies to changes in the BCIS construction costs assumed, in 2.5% increments, from -5% to +5%, whilst keeping the revenue with the base position.
	12.23.	Commercial typologies have experienced slight shifts in surplus/deficit, however nil typologies were subject to their viability position shifting.
Simultaneous Sales & Cost Sensitivity	12.24.	Our assessment reflects the potential market positions within the district until the next CIL charging review. It is anticipated that there could be variation in both construction costs and sales values during this period. To reflect a more realistic view of future market conditions, **Appendix 12(iii)**, incorporates simultaneous steps in both revenue assumptions and construction costs.
Residential Simultaneous Variation	12.25.	When the sensitivity of residential costs and sales values were assessed in isolation, results indicated limited impact on the viability of the typologies in the different zones. However, when simultaneously impacting the model, a more expansive outcome of results is attained for assessing the viability against the chosen threshold. With a 10% range in stepped sensitivities, the model generates a 35% range in viability positions for residential typologies across all four zones, from a position of +5% costs & -5% values to -5% costs & +5% values.

Figure 13: Stacked Bar Graph Conveying the Sensitivity Variance in Residential Viability Positions Across the District



Source: Gerald Eve

	12.26.	When each zone is assessed in isolation, Zone A becomes 60% viable when experiencing a +2.5% increase in revenue and a -2.5% reduction in construction costs, reflecting a 40% increase from the baseline position.

12.27. Zone B does not present any typologies becoming profitable when construction costs are reduced and revenues increase, however the zone demonstrates greater sensitivity when experiencing detrimental market conditions. When revenues are reduced by -2.5%, coupled with an increase of +2.5% in construction costs, only 40% of zonal typologies are in a viable position. When stepped further to +/-5% variances, 80% of typologies are unviable, falling 50% below the threshold.

12.28. Zone C reflects a baseline position of 60% of typologies generating a surplus. Sensitivity testing only experienced a reduction in revenue by -5% and increase in costs by +5%, where only 40% of typologies are viable, 30% below the threshold.

Further Zone D Sensitivity

12.29. Initial baseline results for Zone D indicated that 80% of the tested typologies presented viable positions, being greater than the 70% threshold set. Therefore, further sensitivity testing has been conducted to ascertain the Zone's robustness when incorporating potential shifts in market conditions, in addition to the standard 10% CIL Buffer. The resulting sensitivity is included below:

12.30. **Table 40: Zone D Sensitivity Analysis (Including Standard 10% Buffer)**

Sensitivity Analysis	Sensitivity Variance	Zone D: 5 Houses Brownfield	Zone D: 10 Houses Greenfield	Zone D: 25 Mixed Greenfield	Zone D: 50 Mixed Greenfield	Zone D: 100 Mixed Greenfield
	BLV	£240,000	£115,000	£520,000	£610,000	£755,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	-£271,266	£623,413	£912,228	£1,239,908	£2,535,154
	Sales +2.5% & Cost -2.5%	-£338,909	£532,927	£713,311	£904,836	£1,852,504
	Base Scenario	-£406,552	£442,442	£513,767	£569,091	£1,169,031
	Sales -2.5% & Cost +2.5%	-£474,195	£351,956	£313,900	£233,346	£482,381
	Sales -5% & Cost +5%	-£541,837	£261,471	£114,033	-£102,398	-£205,388

Source: Gerald Eve

12.31. As part of our further sensitivity analysis for Zone D we have tested a further assumption of a 15% CIL buffer, to determine whether the scheme viability outputs are as a direct result of CIL rates or through other model assumptions.

12.32. **Table 41: Zone D Sensitivity Analysis (Including an Increased 15% Buffer)**

Sensitivity Analysis	Sensitivity Variance 5% CIL Buffer	Zone D: 5 Houses Brownfield	Zone D: 10 Houses Greenfield	Zone D: 25 Mixed Greenfield	Zone D: 50 Mixed Greenfield	Zone D: 100 Mixed Greenfield
	BLV	£240,000	£115,000	£520,000	£610,000	£755,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	-£274,648	£618,279	£900,602	£1,219,680	£2,491,685
	Sales +2.5% & Cost -2.5%	-£342,291	£527,794	£701,686	£884,493	£1,808,789
	Base Scenario	-£409,934	£437,308	£502,076	£548,748	£1,125,317
	Sales -2.5% & Cost +2.5%	-£477,577	£346,823	£302,209	£213,003	£438,420
	Sales -5% & Cost +5%	-£545,220	£256,337	£102,343	-£122,741	-£249,598

Source: Gerald Eve

12.33. As indicated in the sensitivity tables, the respective level of CIL rates incorporated within the model have limited impact to the viability of the tested schemes. However, in both sensitivity tests, the number of viable typologies reduces to 40% at -5% revenue and +5% costs. Further analysis of the Zone D CIL rates results is included within **Section 13**.

Seafront Scenario	12.34.	It was evident from our market research that private residential units positioned on the seafront within the district could achieve a minimum 10% premium when compared to similar products located in-land. Furthermore, evidence of coastal developments in the pipeline, including Folkestone Seafront and Princes Parade suggest that flatted schemes would be most prevalent, maximising the efficiency in regard to space available.
	12.35.	Following discussions with the Council regarding our initial hypothesis, we have tested an additional typology scenario, reflecting a new CIL band along the coastline, running through and overarching current CIL Zones of A, B & C.
	12.36.	During our due diligence process, our area-wide inspection suggested that apartment developments tended to be within c.100 meters from the seafront, with the example of **Figure 14**. Therefore, the hypothetical 'Zone S' banding would be considered to be 100 metres wide, along the coast front.
	12.37.	**Figure 14: Seafront Development, St Mary's Bay (Zone B)**  *Source: Gerald Eve*
	12.38.	Therefore, the residential typology set has been tested for a new 'CIL Zone S', for schemes designed as 100% apartment units, with private residential sales values reflecting c.£380 per sq ft. Furthermore, specific assumptions regarding existing uses and areas have been formed due to the reduced space requirements for solely apartment developments. Additionally, the model assumptions regarding off-plan sales have been increased to a minimum of 50% off-plan sales, reflecting the anticipated premium and demand for seafront dwellings.
	12.39.	We formed the opinion that for typologies of 50 units or greater, the existing land would generally be sourced as brownfield land due to the composition of existing seafront uses.
	12.40.	With the tested 'Zone S' being positioned over three existing CIL zones, we have attributed the higher CIL rate from Zone C within our testing, with the addition of a 10% buffer. Therefore, 'Zone S' has been assessed with a CIL rate of £117.73 per sq m (including 10% buffer).

12.41. **Table 42: Seafront Residential Development Output Summary**

Site Number	Typology Description	Example Site	Surplus / Deficit (c£10,000)
21	Zone S: 5 Flats	Scenario Site (S5)	£110,000
22	Zone S: 10 Flats	Scenario Site (S10)	£120,000
23	Zone S: 25 Flats	Scenario Site (S25)	£330,000
24	Zone S: 50 Flats	Scenario Site (S50)	-£310,000
25	Zone S: 100 Flats	Scenario Site (S100)	-£360,000

Source: Gerald Eve

Seafront Sensitivity

12.42. **Table 43: Seafront (Zone S) CIL Zone Sensitivity Analysis**

Sensitivity Analysis	Sensitivity Variance	Zone S: 5 Houses Greenfield	Zone S: 10 Houses Greenfield	Zone S: 25 Mixed Greenfield	Zone S: 50 Mixed Brownfield	Zone S: 100 Mixed Brownfield
	BLV	£55,000	£85,000	£125,000	£1,280,000	£1,585,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	£177,597	£248,641	£637,142	£291,195	£755,005
	Sales +2.5% & Cost -2.5%	£142,457	£185,245	£481,400	-£7,808	£196,585
	Base Scenario	£107,317	£121,849	£325,658	-£306,812	-£364,676
	Sales -2.5% & Cost +2.5%	£72,177	£58,453	£169,917	-£607,204	-£927,645
	Sales -5% & Cost +5%	£37,037	-£4,943	£14,175	-£907,764	-£1,492,665

Source: Gerald Eve

12.43. At a baseline level, the tested typologies reflect a 60% viable position, falling 10% below the threshold. The scenario zone seems to be highly sensitive, with 100% of typologies generating a surplus with +5% revenue and -5% costs. And when inversed, the typology viability shifts by 60%, reflecting 40% of typologies with a viable output. Further analysis of the Seafront Sensitivity is included within **Section 13**.

Senior Living Scenario

12.44. As previously detailed within **Section 6**, Senior Living typology has not been previously assessed within past CIL Charging Reviews as a separate residential typology. With an aging population in the district driving demand and the understood revenue premiums applicable for the asset class, additional testing has been conducted to ascertain where the correct CIL rates are currently being charged.

12.45. As such, the typology has been tested within the four CIL Zones, with the current 2022 rates, with a 10% buffer. The four zoned typologies produced the following outcome:

Table 44: Senior Living CIL Rate Adopted per Zone and Output Summary

Typology	BLV	CIL Rate Applied (Inc. 10% Buffer)	Surplus / Deficit (c£10,000)
Zone A	£55,000	£0	£660,000
Zone B	£55,000	£64.75	£1,170,000
Zone C	£55,000	£129.50	£990,000
Zone D	£55,000	£161.88	£1,580,000

Senior Living Sensitivity

12.46. With the scenario testing implying a surplus within each zone, when applying zonal CIL rates, further sensitivity testing has been conducted to establish the durability of the typology in withstanding potential changes in market conditions. Therefore, simultaneous impacts of varying construction costs and sales values have been assessed, identifying whether the minimum threshold is met within the set viability buffer zone.

12.47. **Table 45: Senior Living CIL Zone Sensitivity Analysis (10% Buffer)**

Sensitivity Analysis	Sensitivity Variance	Senior Living Zone A	Senior Living Zone B	Senior Living Zone C	Senior Living Zone D
	BLV	£55,000	£55,000	£55,000	£55,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	£1,320,208	£1,856,727	£1,677,877	£2,303,806
	Sales +2.5% & Cost -2.5%	£991,754	£1,511,241	£1,332,390	£1,941,287
	Base Scenario	£663,299	£1,165,754	£986,903	£1,578,769
	Sales -2.5% & Cost +2.5%	£334,844	£820,267	£641,417	£1,216,250
	Sales -5% & Cost +5%	£6,389	£474,781	£295,930	£853,732

Source: Gerald Eve

12.48. Following market sensitivity, the Senior Living typology suggests that 100% of tested sites are viable through testing. Therefore, further tests have been conducted to establish the impact of introducing a CIL premium to each zone.

12.49. Analysis of the Senior Living Sensitivity is included within **Section 13**.

Strategic Sites

12.50. In assessing the four Strategic Sites, sensitivity testing has been conducted within the bespoke Argus Developer appraisals. As such, the stepped sensitivity variation of +/-2.5% for each site is included in **Appendix 12(iv)**, showing steps in private sales, construction costs and both inputs simultaneously.

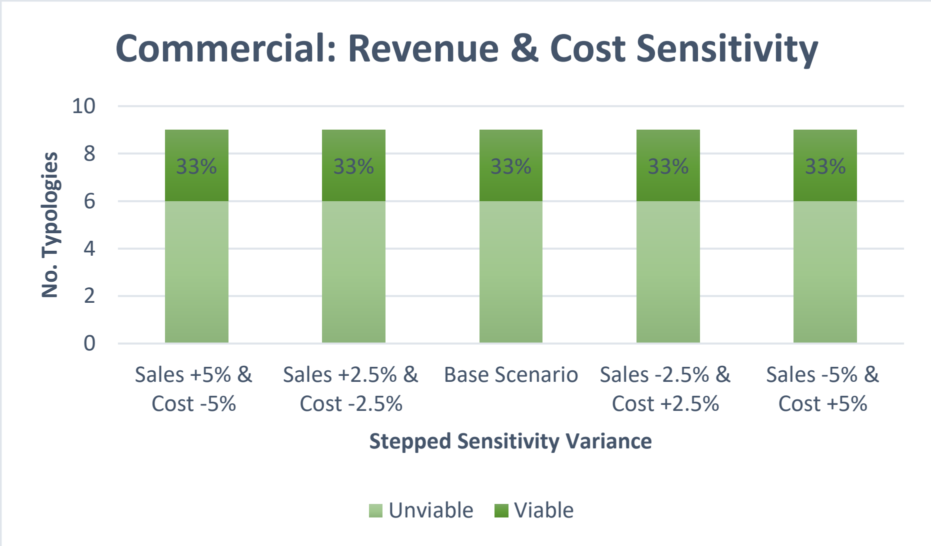
12.51. In order to assess the potential for the Strategic Sites to be in a viable position where CIL charging could be possible, the viability threshold must be assessed against the maximum position of the sensitivity analysis. Therefore, the Strategic Sites must be assessed at -5% private sales values and +5% construction costs, representing the least viable position, if market conditions were to shift to the schemes' detriment.

12.52. As a base position, 100% of the Strategic Sites indicate an improved viability position when compared to their previous assessments undertaken in November 2020 and June 2021 (Otterpool Park). Of the four sites, three viability outputs represent a surplus when compared to their benchmark land values, indicating that an additional contribution could be supported through CIL charging. However, when tested through sensitivity, all four Strategic Sites reflect either a substantial deficit or a position that does not support additional CIL obligations to the scheme.

12.53. It is evident that due to the length of programme, quantum of units within the design of each Strategic Site and the respective infrastructure cost requirements, the schemes are very sensitive to small changes to the key inputs.

12.54. As an additional point, specifically in relation to Otterpool Park, if the scheme generates a surplus above a reasonable Developer Return, as the Council is a beneficiary party of the LLP, there should be an opportunity for the surplus to be reinvested in the project to further support the development and meet planning policy requirements. This statement is made in accordance with evidence given to the Examination of the Core Strategy Review.

Commercial Simultaneous Variation	12.55.	In assessing simultaneous variation within the commercial typologies, market conditions have been tested to a +/-5% level, in 2.5% stepped increments. The market inputs that have been tested are commercial revenues and construction costs. The commercial simultaneous sensitivity table is included within **Appendix 12(iii)**.
	12.56.	**Figure 15: Stacked Bar Graph Conveying the Sensitivity Variance in Commercial Viability Positions Across Folkestone & Hythe District**



Source: Gerald Eve

	12.57.	The results indicate that at all tested levels of variance produce 33% of commercial typologies producing a positive surplus. The remaining 67% of tested typologies generate a deficit when tested with current CIL rates (including a 10% buffer, where rates apply).
Supermarket Scenario	12.58.	In analysing the results, it is evident that the 'Retail – Larger Format (Supermarket)' typology generates a large surplus, when tested with current 2022 CIL rates (£117.73 psm +10% buffer) and the adopted commercial assumptions for the area.
	12.59.	Initial testing for a supermarket typology assumed development on undeveloped land, resulting in a lower benchmark land value in our assessment. To assist with the council's decision making, a further scenario financially test has been conducted to establish the typology's viability if it were to be delivered on previously developed land.
	12.60.	**Table 46: Supermarket Sensitivity: Greenfield vs Brownfield Existing Use**

Sensitivity Analysis	Construction Costs & Revenue Sensitivity Variance	Retail - Larger format (A1) Convenience (Large Supermarket) Greenfield	Retail - Larger format (A1) Convenience (Large Supermarket) Brownfield
	BLV	£155,000	£655,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	£3,296,808	£2,796,808
	Sales +2.5% & Cost -2.5%	£3,002,841	£2,502,841
	Base Scenario	£2,708,875	£2,208,875
	Sales -2.5% & Cost +2.5%	£2,414,909	£1,914,909
	Sales -5% & Cost +5%	£2,120,942	£1,620,942

Source: Gerald Eve

12.61. Further analysis of the supermarket scenarios has been included within **Section 13.**

13. ASSESSMENT OF THE RESULTS

Introduction

13.1. This section, as outlined in our methodology in Section 5, reviews the results of the assessment and the sensitivity analysis to interpret the results based on our assumptions. We provide a qualitative view based on the quantitative assessment and our knowledge of viability and of Folkestone & Hythe itself.

13.2. As outlined in **Section 11**, we have grouped the typologies and provide a qualitative assessment of these below.

13.3. In assessing the results of our review, consideration must be made to current CIL charging rates and how such rates will continue to be indexed per annum as per the Royal Institution of Chartered Surveyors (RICS) Building Cost Information Services (BCIS) 'All In Tender Prices Index'. Therefore, in the event that the financial viability outcome within this report indicates that there could be a potential to increase CIL levels, the new rate would additionally be subject to annual indexation.

13.4. Current volatility in construction market conditions and the potential fallback that could incur on revenues suggest that significant evidence must be required in order to justify implementing additional costs to future schemes, at present. Therefore, the modelled results must be considered within their basis of sensitivity, to ensure that the threshold of 70% of typologies per zone are viable, when tested to all potential market conditions.

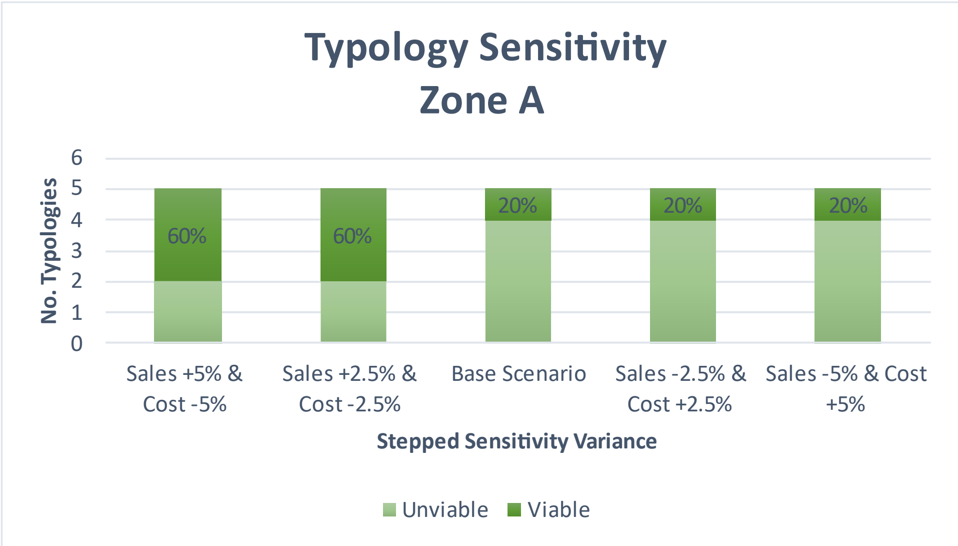
13.5. For the purposes of our modelling, the current 2022 indexed CIL rates have been adopted. To ensure a contingency due to variation in schemes/design/external factors, a 'buffer zone' has been incorporated in testing, with an additional 10% applied to the tested CIL rates. The current CIL rates that have been reviewed are as follows:

Table 47: The Council's CIL Rates and Adopted Figures

Typology	Original CIL Rate (2016)	2022 CIL Rate (Indexed)	CIL Rate Applied (Inc. 10% Buffer)
Zone A	£0	£0	**£0**
Zone B	£50	£58.86	**£64.75**
Zone C	£100	£117.73	**£129.50**
Zone D	£125	£147.16	**£161.88**
Large Retail (>280 sqm)	£100	£117.73	**£129.50**
Retail / Commercial	£0	£0	**£0**

Source: The Council

13.6. It is of note that it is not necessary for the modelling to cover every potential scheme type and as such, it is more necessary to consider the more relevant schemes and typologies aligned with the anticipated delivery within Folkestone and Hythe.

	13.7.	In regard to the tested schemes, some individual typologies (residential and commercial) may not be in a position to support the collective requirement, especially when delivered on certain existing use types, such as brownfield land. However, the schemes producing a deficit may be unviable either prior to or following the inclusion of CIL rates, among other costs and site requirements. As such, it is unlikely that an unviable position would be as a direct result of solely imposing CIL. The viability would most likely be impacted through wider market conditions, requirement for affordable housing, design/specification of a scheme, legislations such as environmental requirements and wider planning objectives.
	13.8.	An example of an unviable typology has been identified as the 5-Houses scheme. The typology has been tested in all four CIL zones, with base positions and sensitivity producing viability deficits. As previously noted, all typologies have been modelled with a 10% buffer in regard to current CIL rates. However, the results indicate that wider assumptions implicate the financial viability of the typology and the deficit is not solely caused through inclusion of CIL.
Zone A	13.9.	At present, Zone A is subject to nil CIL rates due to the anticipated impact of reduced private residential sales values in the area. Results indicate that 20% of the five tested typologies produce a surplus when tested against the calculated BLV.
	13.10.	**Figure 16: Stacked Bar Graph Conveying the Sensitivity Variance in Commercial Viability Positions in Zone A**  *Source: Gerald Eve*
	13.11.	Sensitivity analysis reflects flexibility in improving the viability outcome, with 60% of typologies producing a surplus with a 2.5% increase in sales values. However, this 'best case' instance would still fall below the 70% threshold required for potentially applying a CIL rate for the zone. Furthermore, the typologies become further unviable when tested for harsher market conditions.
	13.12.	Therefore, the evidence suggests that the current nil rate of CIL for Zone A is adequate, and the financial results of CIL testing do not provide evidence to implement a charging rate.
Zone B	13.13.	CIL Zone B represents the largest zone within the district, incorporating a coastal stretch to the East and largely inland rural areas to the West, in addition to urban areas within Folkestone town. Within our model, Zone B contained the highest proportion of example sites (4/5) to be used as typologies, including the Former Hope All Saints Garden Centre and Land at Rear of Varne Boat Club. With use of example sites, the indicative outcomes can be attributed further weight in our recommendations.

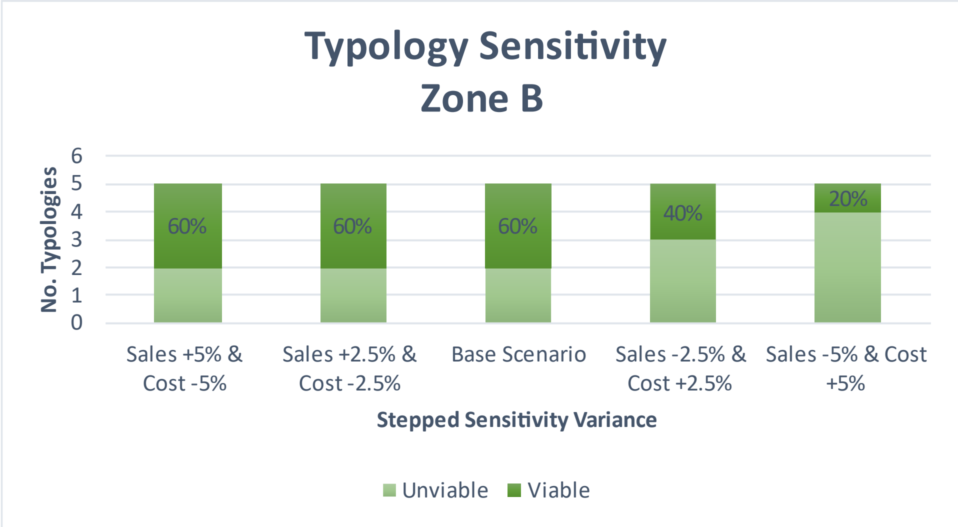
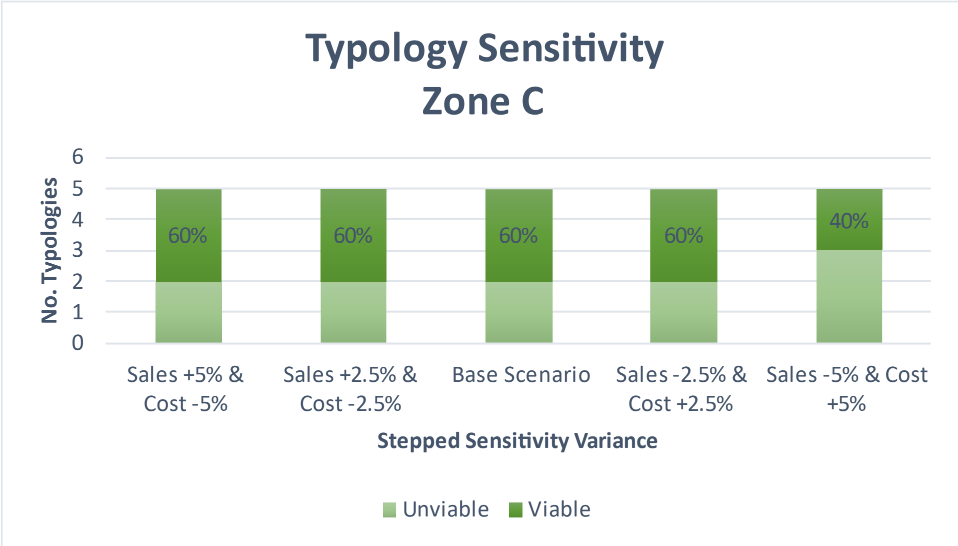
	13.14.	On the basis of the adopted inputs, Zone B modelling implies that 60% of tested typologies could produce a viable outcome at the current CIL rate (including a 10% buffer).
	13.15.	**Figure 17: Stacked Bar Graph Conveying the Sensitivity Variance in Commercial Viability Positions in Zone B**  *Source: Gerald Eve*
	13.16.	As previously noted with the impact of sensitivity, Zone B is considered to be highly sensitive in respect to market conditions, resulting in a single viable scheme when tested by +5% costs and a reduction of -5% in sales values, with the sole surplus being circa £14,000. Additionally, there seems to be a potential implication of developing on brownfield land, due to the respective BLV calculated within the model. It is understood that a 50-unit scheme within Zone B could realistically be delivered on greenfield land, resulting in a reduced BLV for comparison within our assessment, however the chosen typology is based upon an example within the district. Therefore, the scheme is a valid representation of potential developments that could be bought forward.
	13.17.	Due to high levels of sensitivity within Zone B and the viability outputs not surpassing the threshold, evidence suggests that the Zone could maintain the current CIL rates, however there is no justifiable evidence to increase rates.
Zone C	13.18.	Zone C has produced a relatively stable set of results, with tested typologies being acutely impacted through sensitivity testing. As such, only one additional typology shifts to become unviable within sensitivity.
	13.19.	CIL Zone C incorporates the most populated areas of the district with a large coastal stretch incorporating Hythe and positioning of Strategic Sites. With the area being predominantly urban, the assumption of existing land use would generally entail previously developed land. Therefore, the respective results are in regard to higher BLVs, and further justify the stability of the results within the zone.

Figure 18: Stacked Bar Graph Conveying the Sensitivity Variance in Commercial Viability Positions in Zone C



Source: Gerald Eve

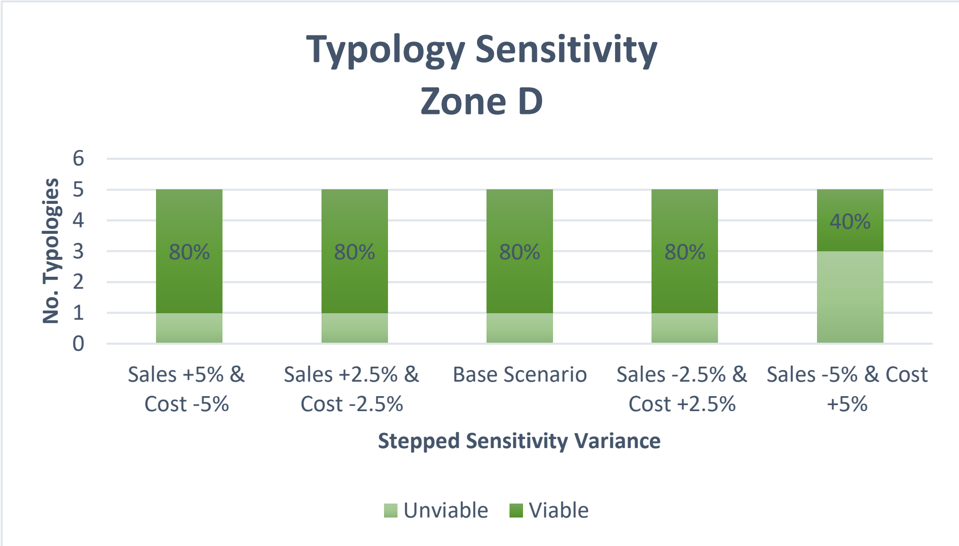
13.20. The sample set presents 60% of the tested schemes producing a surplus when delivered at the current CIL level, whilst including the 10% buffer. The results suggest that the current rate is maintainable within Zone C and further sensitivity does not justify for the CIL rate to be adjusted.

Zone D

13.21. As per the sensitivity testing detailed within **Section 12**, initial findings indicated that Zone D could have potential for adjusting the current CIL rate applicable for new developments. Initial baseline tests with the 10% CIL buffer presented 80% viability within the tested typologies. This initial testing indicated an excess of 10% above the threshold.

13.22. As per our methodology, further sensitivity testing was conducted to ascertain the impact through varying levels of market conditions, and whether the threshold would still be met.

Figure 19: Stacked Bar Graph Conveying the Sensitivity Variance in Commercial Viability Positions in Zone D



Source: Gerald Eve

13.23. The sensitivity analysis expressed an additional two typologies becoming unviable if market conditions were to aggravate costs and sales. Most notably, the larger schemes were the most effected. Therefore, the minimum requirement of viable typologies would fall to 40% and does not meet the threshold.

13.24. To further assess the CIL implications within Zone D, we conducted two further sensitivity tests with an increased 15% buffering to CIL, to determine how sensitive the developments within the Zone are to solely CIL levels. As detailed within the sensitivity tables included in **Section 12**, there seems to be minimal variance in deficits for the 50 & 100 Mixed Schemes, with a circa 20% variance per step. This therefore indicates that the resulting deficits are not solely due to the applied CIL levels and more the potential market conditions impacting the financial viability.

13.25. Despite initial findings indicating that the 70% viability threshold being met within Zone D, further analysis has concluded that the threshold is not met with variance to market levels. It is evident that changes in CIL rates have limited impact within the Zone, however the financial evidence does not support any adjustment to CIL rates due to the uncertainty in future market conditions and its relation to potential sensitivity results.

13.26. It is understood that the financial analysis is to aid the Council in their decision regarding the appropriate CIL rates to be applied within the district. As such, the high levels of surplus presented at a base level and the other sensitivity levels could suggest that an increase in CIL rates could be possible with the caveat that certain typologies could be greater impacted. If the rate was to increase within Zone D, there may be a reduction in future delivery of larger developments and therefore a large proportion of potential CIL payments not being bought forward. Therefore, we would not recommend an adjustment, as to maximise the potential CIL captured within the Zone.

Senior Living

13.27. As detailed within **Section 12**, the Senior Living typology produced a greater surplus than standard residential typologies (including the 10% CIL buffer) within our financial modelling due to the revenue premium impacting the potential schemes. Due to the typology's link to residential CIL charging, we have conducted scenario testing to determine whether the typology could financially afford to support an additional premium to the respective residential CIL zone rates and whether it would be appropriate.

13.28. As such, the typology CIL inputs have been amended to test additional CIL contribution by incorporating percentage increases. Therefore, we have applied an additional 10% above the standard 10% buffer, resulting in a 20% CIL sensitivity test on applied each zonal CIL Rate.

13.29. **Table 48: Senior Living Sensitivity Table Reflecting a 10% Premium (20% Buffer) to Residential CIL rates per Zone:**

Sensitivity Analysis	Sensitivity Variance (20% CIL Buffer)	Senior Living Zone A	Senior Living Zone B	Senior Living Zone C	Senior Living Zone D
	BLV	£55,000	£55,000	£55,000	£55,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	£1,320,208	£1,840,471	£1,645,361	£2,263,162
	Sales +2.5% & Cost -2.5%	£991,754	£1,494,984	£1,299,874	£1,900,644
	Base Scenario	£663,299	£1,149,498	£954,388	£1,538,125
	Sales -2.5% & Cost +2.5%	£334,844	£804,011	£608,901	£1,175,606
	Sales -5% & Cost +5%	£6,389	£458,524	£263,414	£813,088

Source: Gerald Eve

13.30. Base level outputs indicate that all four zones could support up to a 10% premium to the current CIL levels, allowing for an additional 10% buffer. At a sensitivity variance of +5% costs and -5% revenue, the typology experiences 100% viability across all four zones. Therefore, there could be potential to apply a premium to the relative residential CIL rate for Senior Living products.

13.31. The above sensitivity conveys that at a 20% buffer, Senior Living would still generate excess surplus, portraying scope to potentially increase a potential CIL premium further, however in our experience, we would not recommend a substantial increase to CIL rates, due to the potential implications to developer appetite.

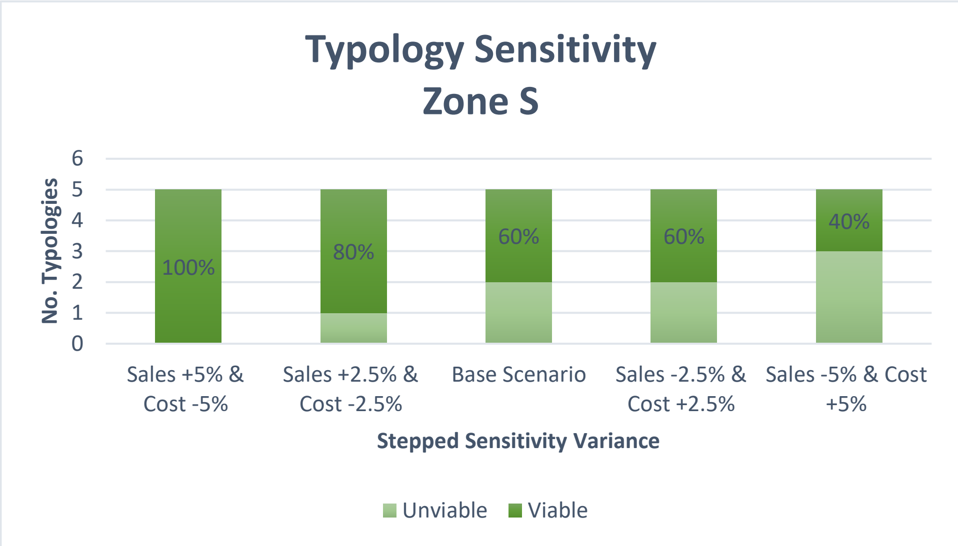
13.32. Additionally, further consideration would be required by the Council to establish relevant planning guidance and policies relating to the definition of Senior Living and the required criteria/specification to capture the potential CIL premium. As such, we believe that application of a CIL premium may prove challenging and would require legal consultation, if it is to be considered.

Seafront

13.33. Due to the anticipated premium to be achieved at seafront developments, an initial hypothesis was considered for the implementation of a new CIL zone banding along the coast, overarching Zones A, B and C. A new 'Zone S' would apply a singular CIL rate for a strip of c.100m from the seafront.

13.34. With the tested typology and assumptions being adjusted to emulate the delivery of 100% apartment schemes, further testing was conducted regarding sensitivity. Testing indicated that general viability surpluses were generated along the coast, however the typology appears to be sensitive to the existing land use, specifically the financial implications of developing on brownfield land.

Figure 20: Stacked Bar Graph Conveying the Sensitivity Variance in Commercial Viability Positions in Zone S



Source: Gerald Eve

13.35. Due to implications of expected development land within close proximity to the seafront being previously developed, the resulting model outputs do not support the proposed Zone S CIL charging band. Additionally, upon further review of a new band, we believe that its implication would be difficult in practice due to developers potentially setting back their developments to avoid being captured within the band.

Strategic Sites

13.36. Analysis of the bespoke appraisals constructed for the chosen Strategic Sites indicate that three of the four sites reflect a positive surplus when comparing the calculated residual land value to the BLV.

13.37. Due to the scale of the Strategic Sites, they are perceived to be far more susceptible to fluctuations in market conditions that smaller sites. Therefore, sensitivity testing is integral when assessing potential viability.

13.38. As detailed within **Section 12**, the Strategic Sites have been tested in stepped increments of +/-2.5% in revenues and construction costs. It is evident that if revenues were to be reduced and construction costs increased, the sites would be all become unviable or in positions that would not justify implementing CIL.

Commercial

13.39. The sensitivity analysis of commercial typologies demonstrated that nil typologies are implicated by potential market conditions in terms of changing viability position. At present, all typologies tested that contribute a £0 per sq m either generate a deficit or a minimal surplus. Therefore, no evidence is substantiated in order to adjust the nil CIL rate.

Supermarket

13.40. It should be noted however that the 'Retail - Larger format (A1) Convenience (Large Supermarket)' typology generates an excess when tested for development on both greenfield and brownfield. Additionally, market sensitivity also demonstrates a surplus for both existing uses, when revenue decreases -5% and construction costs increase +5%.

13.41. On a financial basis, our model implies that supermarkets could viably afford further CIL contributions within the district. Calculations have been conducted with the adopted CIL rate of c.£118 per sq m rate, plus a +10% buffer. The outcome of our model is purely financial and is to assist the Council in their decision making regarding potential CIL levels. Therefore, these results are to be considered in addition to further research to supply/demand for supermarkets within the district, planning policies and the Local Plan.

14. CONCLUSION

Introduction	14.1.	As a result of the above assessment of results we can make the following conclusions:
Residential CIL Zones	14.2.	At a base level, the financial modelling generates an output of 55% of policy compliant residential typologies generating a surplus at current CIL levels, including the 10% buffer. This figure rests 15% below the set minimum viability threshold of 70%.
	14.3.	As per Section 12, our assessment has indicated that the current residential CIL charging rates should be maintained across all geographical zones, A-D.
	14.4.	In Zone A, 20% of the tested typologies produced viable outcomes. However, sensitivity analysis suggests that a minimal variance is required to demonstrate a positive viability in two additional typologies, which would result in 60% of typologies across the zone.
	14.5.	In Zones B and C, 60% of tested typologies produced viable outcomes at the current adopted CIL rates.
		Zone D produced the most stable results per typology set and suggests scope to potentially increase CIL rates, with a 10% excess above the 70% minimum threshold across the zone. However, sensitivity testing suggest that potential detrimental market conditions could result in a reduction of viable typologies to 40%, being a 30% deficit to the threshold.
	14.6.	If the CIL rate in Zone D is increased, there is concern that it may have a negative impact on the delivery of larger schemes within the Zone and therefore a reduction in the quantum of units developed, including affordable housing. This could hinder development in an already restricted area which is largely subject to Area of Outstanding Natural beauty (AONB) status.
Seafront	14.7.	Based on initial research of sales values, a hypothesis was drafted with the Council suggesting developments located on the seafront in Zones B and C may be able to absorb a higher CIL contribution than currently applied. Through our analysis, we therefore tested an additional scenario – seafront CIL band (Zone S). However, the initial results indicate that there is not sufficient evidence to justify increasing the CIL charge in this location, with under 70% of the typologies being viable.
	14.8.	We understand that there may be instances where some seafront schemes could benefit from current CIL rates charged within their respective zone. However, an increase in CIL rate may result in an overall reduction in the quantum of developments due to other schemes no longer being viable and thus a reduction in overall CIL contribution.
	14.9.	Practically, it would also be difficult to set the boundary for the seafront zone, for example, distance from the seafront. In our view this could lead to complex discussions between developer and the Council moving forward.
	14.10.	The above combined factors demonstrate that a new 'Zone S' would not beneficial, in practice.

Senior Living	14.11.	Senior Living (C3) was not tested within Dixon Searles original assessment due to the typology being categorised as an extension to the residential use class (C3) and therefore subject to residential CIL rates. We agree with this approach, however, due to the anticipated premium associated with the product, we were of the view that there could be potential to apply an additional premium to the residential zoning CIL rates for Senior Living schemes. Therefore, the typology was included within our residential model.
	14.12.	Sensitivity results indicate that Senior Living (C3) could financially support a further premium to standard zonal residential CIL rates. Further testing suggested that an additional 10% premium would be absorbed within the financial modal, in addition to the 10% buffer.
	14.13.	However, we anticipate that the application of an exclusive premium for Senior Living, as part of Residential C3 use, would be challenging to implement. The concept would require legal consideration and further research into the supply/demand implications and alignment with the Council's vision.
Strategic Sites	14.14.	Individual outputs reflected that the Strategic Sites, except for Folkestone Seafront, were producing a positive surplus when compared to previously agreed benchmark land values produced as part of the Core Strategy Review. However, sensitivity analysis showed that any fluctuation in market conditions would greatly impact the deliverability of the schemes.
	14.15.	With current uncertainty in the construction market and UK economy, as detailed within Section 8, we are of the view that the Strategic Sites could not viably support an additional contribution through CIL.
	14.16.	Additionally, we would anticipate that any potential surplus generated within the Strategic Sites could be targeted towards necessary Section 106 contributions, as required.
Commercial	14.17.	The analysis demonstrates that there is insufficient evidence to support an increase in CIL rates across the different commercial typologies. At present, all typologies tested that contribute a £0 per sq m, either generate a deficit or a minimal surplus. Similarly for Large Retail (>280 sqm), there is limited evidence to support any adjustment to the current CIL rate.
	14.18.	Following our conclusions, we confirm that the conclusions of our CIL charging model provide a solely financial outlook regarding respective charging levels and all results must be assessed in a holistic view. As such, we recommend further consideration regarding both planning and political implications that may incur through adjusting CIL rates and alignment with the Council's vision.

15. RECOMMENDATIONS

Introduction

15.1. This section provides our recommendations to the Council having regard to our overall review and conclusions made in the previous section. These recommendations are not proposed policy changes and the Council is the final plan maker as set out in the NPPF and NPG.

Residential CIL Zones

15.2. As outlined within our review, there is economic uncertainty currently and it should be noted that our stakeholder consultation responses indicate an increase in CIL beyond the current charging schedule level (allowing for indexation); or an increase in affordable housing obligations was considered by developers to potentially create an additional impact on viability. In our opinion, we have taken reasonable steps to reflect this concern in our assessment.

15.3. Following our independent review of the Community Infrastructure Levy Charging Schedule implemented by the Council, we provide the following recommendations:

15.4. **Table 49: THE COUNCIL CIL Recommendation per Zone**

CIL Zone	Original CIL Rate (2016)	2022 CIL Rate (Indexed)	Recommendation
Zone A	£0	£0	**Maintain**
Zone B	£50	£58.86	**Maintain**
Zone C	£100	£117.73	**Maintain**
Zone D	£125	£147.16	**Maintain**
Senior Living	Residential Zonal Rates	Residential Zonal Rates	**Maintain**
Large Retail (>280 sqm)	£100	£117.73	**Maintain**
Retail	£0	£0	**Maintain**
Strategic Sites	£0	£0	**Maintain**

Source: The Council

15.5. We have concluded that at this stage it would not be reasonable to apply a premium to the seafront areas in Zones B and C. We recommend however that this is kept under review by the Council and revisited at the next CIL Charging Schedule Review.

15.6. Further analysis should be undertaken to determine the potential surplus that the strategic sites could achieve moving forward. The Council should seek to determine whether additional contributions could be sought for Section 106 on a site-by-site basis, at the planning application stage.

15.7. As highlighted within this review, the development market is currently experiencing high levels of uncertainty of which may impact future delivery within the District. Where substantial evidence is not present to support adjusting CIL rates, we recommend that the figures are maintained.

APPENDICES

APPENDIX 1

GENERAL TERMS OF ENGAGEMENT

Gerald Eve LLP is a limited liability partnership incorporated in England and Wales (registered number OC339470) whose registered office is at One Fitzroy, 6 Mortimer Street, London, England, W1T 3JJ. Gerald Eve LLP is regulated by the Royal Institution of Chartered Surveyors ("RICS").

Introduction

1.0 References in these Terms of Engagement to:

1.1 "Gerald Eve", "we", "us" and "our" are to Gerald Eve LLP.

1.2 "the Client", "you" and "your" are to the Company, organisation or person to whom Gerald Eve will provide the Services under the Contract.

1.3 "the Contract" are to the Engagement Letter and these Terms of Engagement together.

1.4 "Partner" are to a title referring to a member of Gerald Eve or an employee or consultant with equivalent standing and qualifications. A list of partners of Gerald Eve is available for inspection at its registered office.

1.5 "Services" are to the services that Gerald Eve will provide the Client under the Contract.

2.0 When instructed to advise on a new matter, we will where reasonably possible confirm this in writing. All new matters will be subject to these Terms of Engagement. Where a formal fee bid or formal proposal has been made and accepted, the formal bid or proposal will also be subject to these Terms of Engagement. Any written confirmation of a new matter, fee bid or proposal are referred to in this document as the "Engagement Letter" and together with these Terms of Engagement will form the "Contract" between Gerald Eve and you in relation to the Services we provide.

3.0 You hereby confirm that whoever instructs us on your behalf has the necessary authority to do so and we are entitled to rely upon any information provided to us by that person.

4.0 Any replacement addition to, or variation of, the Contract shall be binding on Gerald Eve and you only when agreed in writing by both parties. No representation about or in relation to the Services shall have any effect unless expressly agreed in writing by Gerald Eve and you as a specific variation to the Contract. Gerald Eve, however, reserves the right to vary these Terms of Engagement from time to time for legal or regulatory reasons, and will provide the Client with reasonable notice of such variation.

5.0 Any dates specified in the Contract for performance of the Services by Gerald Eve are intended to be an estimate only and Gerald Eve shall not be liable for any losses incurred by the Client or any third party as a result of any delay in Gerald Eve providing or performing the Services.

6.0 If and to the extent that there is any inconsistency between the Engagement Letter and these Terms of Engagement, the Engagement Letter shall prevail.

7.0 The Services, and the fees and expenses to be paid by you, shall be as set out in the Engagement Letter and shall be payable in accordance with the terms set out in the Payment of Fees section below.

Insurance and Liability

8.0 Gerald Eve shall have and keep in effect professional indemnity insurance in no less than the minimum sum as from time to time prescribed by RICS in respect of its appointment under the Contract and in any event for not less than £5,000,000 in the aggregate. Gerald Eve shall produce evidence on request from the Client that appropriate professional indemnity insurance has been effected and remains in effect.

9.0 Gerald Eve shall provide the Services with reasonable skill, care and diligence and acknowledges that (save as otherwise provided in the Contract) Gerald Eve will be liable to you for losses, damages, costs or expenses ("losses") directly caused by its negligence or wilful misconduct.

10.0 Gerald Eve shall have no liability for: (i) losses where there is no breach of the Contract or breach of a legal duty owed to the Client by us; (ii) losses that are not a reasonably foreseeable result of any breach by us; and (iii) any increased losses resulting from breach of contract or any other duty by or on behalf of the Client. Neither party shall be liable for any indirect or special losses of any nature whatsoever.

11.0 Gerald Eve will not be liable for any losses under any circumstances which are due or in any respect attributable to the provision of false, misleading or incomplete information or documentation by any party other than Gerald Eve or losses which are due to any acts or omissions of any person other than Gerald Eve or due to any cause beyond Gerald Eve's reasonable control.

12.0 You agree not to bring any claim whether in contract, tort, under statute or otherwise against any individual member, employee or consultant of Gerald Eve in relation to or in connection with the Services.

13.0 The liability of Gerald Eve shall be limited to sum of £5,000,000 in the aggregate and Gerald Eve shall have no liability for any losses in excess of such maximum amount.

14.0 If you have agreed a limitation or exclusion of liability with any other person (for example, another adviser) in connection with a matter in which we are advising you, you agree that we will not be liable to you for any amount which we would have been able to recover from that other person by way of indemnity, contribution or otherwise but are unable to recover because you agree, or are treated as having agreed, with them any limitation or exclusion on their liability.

15.0 No third party may rely upon the advice or services provided to the Client under the Contract without the prior written consent of Gerald Eve. The advice and services provided by Gerald Eve will be provided to the Client only and will not be provided to any other party and, to the maximum extent permitted by law, we will not accept or assume responsibility to anyone other than the Client. All warranties, conditions and other terms implied by statute or common law are, to the maximum extent permitted by law, excluded from the Contract.

16.0 The exclusions and limitations in these Terms of Engagement will not operate to exclude or limit any liability for fraud or liabilities which cannot lawfully be limited or excluded under applicable law. Nothing in the Contract shall exclude Gerald Eve LLP's liability for death or personal injury caused by its negligence.

GENERAL TERMS OF ENGAGEMENT

TUPE

17.0 Except as otherwise agreed in writing by the parties, Gerald Eve and you acknowledge and agree that it is not intended that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) (as amended)) ("TUPE") shall apply to the Services (or any part thereof. Gerald Eve and you further acknowledge and agree that it is not intended that any person's employment should transfer to or become employed by the other party as a result of the commencement, variation or termination of the Services (or any part thereof).

18.0 In the event TUPE does apply, despite Gerald Eve and you using their reasonable efforts for TUPE not to apply, then the parties agree to discuss in good faith and give the other its reasonably co-operation to ensure each party is complying with its legal obligations under TUPE., and:

18.1 you agree to indemnify us against any liabilities, obligations, costs, claims and demands in relation to any claim by any person arising from or in connection with (i) any breach by the Client or any previous supplier of Client of its obligations under TUPE; and (ii) any act or omission of Client or any previous provider of the service or any of their representatives prior to the commencement of the relevant Services by Gerald Eve;

18.2 we agree to indemnify you against any liabilities, obligations, costs, claims and demands in relation to any claim by any person arising from or in connection with (i) any breach by Gerald Eve of its obligations under TUPE; and (ii) any other act or omission of Gerald Eve during the period we performed the relevant Services in relation to such period.

Payment of Fees

19.0 The fees payable by the Client for the Services will be set out in the Engagement Letter and unless expressly stated otherwise are quoted exclusive of any Value Added Tax (VAT) and disbursements. Unless otherwise stated, disbursements will be payable by you.

20.0 Gerald Eve shall be entitled to render fee accounts monthly in arrears unless otherwise agreed with you.

21.0 Fee accounts will, unless otherwise agreed, be addressed by Gerald Eve to you. Upon reasonable request by you, we may (at our discretion) agree to issue the invoice to a third party if possible under applicable law, but you will continue to be responsible to us for full payment, notwithstanding that another party may have agreed with you to pay or reimburse part or all of the invoice. We may (at our discretion) also make an additional charge to cover the cost of any additional checks we need to do in order to issue the invoice to a third party.

22.0 Payment (including of VAT where applicable) is to be made by you within 30 days of receipt of the invoice or fee account by the Client or its solicitor, agent or representative.

23.0 Gerald Eve reserves the right to charge interest, both before and after judgment, at the rate of 3% per annum above the published base rate for Barclays Bank Plc accruing on a daily basis from the date which is 30 days after the date of the invoice until payment is made.

24.0 Non-payment of our fees or expenses or any other payments due to us from you will constitute a material breach of this Contract, and without prejudice to any other rights, we reserve the right to suspend the Services until payment of our fees and expenses is made in full.

25.0 If you wish to dispute any invoice, you must notify us in writing within 10 business days of the date of invoice.

Termination of Contract

26.0 Unless provided otherwise in the Engagement Letter, either party may terminate the Contract at any time by giving the other not less than four weeks' notice in writing.

27.0 Gerald Eve shall be entitled to terminate the Contract immediately by giving notice in writing in the event that:

27.1 you become bankrupt or insolvent, including making a composition or arrangement with your creditors, you become subject to an administrative order, you go into liquidation or your assets are taken over by a third party;

27.2 Gerald Eve gives you written notice specifying a breach or breaches of the Contract and you have failed within 30 days of the service of such notice to remedy such breach or breaches;

27.3 Gerald Eve gives you written notice of termination if you are in material breach of the Contract;

27.4 performance or provision of the Services has been suspended for reasons beyond the reasonable control of either party for more than 28 days; or

27.5 you fail to give clear or proper instructions, within a reasonable period after being requested in writing by Gerald Eve to do so, or you give instructions which conflict with the rules of professional conduct which apply to chartered surveyors.

28.0 If the Contract is terminated for any reason, Gerald Eve shall be entitled to payment of fees and expenses incurred by Gerald Eve for the Services performed up to the date of such termination and any unpaid invoices will become immediately due and payable.

Retention of Documents

29.0 Gerald Eve will retain all files and documents for a reasonable period, which will in any event be not less than six years after performance of the Services is completed or terminated, but thereafter may dispose of them. Gerald Eve reserves the right to make a charge for the costs incurred in storing or retrieving files and documents after the six-year period.

GENERAL TERMS OF ENGAGEMENT

Conflicts of Interest and Confidentiality

30.0 It is Gerald Eve's practice to check for conflicts of interest before accepting instructions. You accept however that Gerald Eve provides a range of professional services to clients and that there can be no certainty that all situations where a conflict of interest may arise will be identified. You therefore undertake to notify Gerald Eve promptly of any conflict or potential conflict of interest relating to the provision of the Services of which you are, or become, aware. Where a conflict or potential conflict is identified by either party, and Gerald Eve believes that your interests can be properly safeguarded by the implementation of appropriate procedures, Gerald Eve will discuss and seek to agree such procedures with you.

31.0 Save as agreed with you or as required by law or regulation, professional duty or as is necessary to protect Gerald Eve's own legitimate interests, Gerald Eve shall not disclose to any other person (except its own advisers) any confidential information relating to you or your business which is provided or obtained during the provision of the Services.

32.0 You accept that Gerald Eve owes a duty of confidentiality to all of its clients and accordingly that it will not be required to disclose to you, or to use on your behalf, any documents or information in its possession and in respect of which a duty of confidentiality is owed to another client or former client

Data Protection

33.0 For the purposes of this section the terms "controller", "processor", "data subject", "personal data", "personal data breach" and "processing" shall have the meaning given to them in the UK GDPR (which has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018).

34.0 Each party agrees to comply with all applicable data protection laws and this section is in addition to, and does not relieve, remove or replace, a party's obligations or rights under applicable data protection laws.

35.0 You shall ensure that you have all necessary and appropriate consents and notices to enable the lawful processing and transfer of personal data for the duration and purposes of the Services.

36.0 Depending on the circumstances and the Services provided, we may act as controller or as processor. When acting as processor, Gerald Eve will only process personal data on your instructions for the scope, nature and purpose agreed between the parties.

37.0 Each party agrees to co-operate and agree any addition schedule or document required under applicable data protection laws from time to time.

Intellectual Property Rights

38.0 Gerald Eve will retain copyright and all other intellectual property rights in all documents and other works we develop or generate for you in providing the Services. We grant you a non-exclusive, non-transferable, royalty-free licence to use such documents or other works solely for purposes relating to the Services provided by Gerald Eve.

Know Your Customer and Money Laundering Regulations

39.0 In performing the Services and our other obligations under the Contract, we may be required to comply with sanctions laws and other regulatory requirements. You agree to give us all reasonable co-operation as we may request for this purpose. In particular, you agree to immediately inform us if you become or have reasonable suspicion that you (or one of your affiliates, shareholders or connected persons) might be sanctioned.

40.0 Under anti-money laundering laws, Gerald Eve will require formal evidence of your identity before accepting or acting on instructions. We are required to report suspicions of money laundering activity to the relevant authorities, and we may not be permitted to tell you if we make such a report.

41.0 It is the policy of Gerald Eve not to accept cash payments or deposits in excess of 15,000 euros (or the sterling equivalent) or linked payments or deposits the total of which would exceed that amount.

42.0 By entering into the Contract, you accept that the duties and constraints imposed on Gerald Eve by the relevant legislation may have to take precedence over instructions received from you where such instructions, if acted upon, would or may result in an offence or a breach of duty by Gerald Eve under the legislation.

General Matters

43.0 Gerald Eve may assign the benefit of a Contract to any partnership or corporate entity (including a limited liability partnership) which carries on its business in succession to it. Such assignee may also assume all of Gerald Eve's obligations under the Contract, and you will accept the performance by such assignee of the Services in substitution for the performance by Gerald Eve. Other than as envisaged by this paragraph, neither Gerald Eve nor you may assign or transfer the benefit or burden of the Contract without the written consent of the other party (not to be unreasonably withheld or delayed).

44.0 Any notice required to be given by one party to the other shall be in writing and shall be served by first class post to, or by delivery to, the current registered office or one of the principal places of business of the other party. If delivered by hand, such notice shall be deemed to have been received on the date of delivery and, if sent by post, shall be deemed served on the second working day after posting (if within the UK) or fifth working day after posting (if outside of the UK).

GENERAL TERMS OF ENGAGEMENT

45.0 In the event that any of the terms or provisions of the Contract are found to be invalid, illegal or unenforceable in any respect, the remainder of the Contract shall remain valid and enforceable.

46.0 Failure or delay by Gerald Eve in enforcing or partially enforcing any provision of the Contract will not be considered as a waiver of any of its rights under the Contract.

47.0 The parties to this Contract do not intend that any term of this Contract will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it. Accordingly no third party shall have any right to enforce or rely on any provision of the Contract.

48.0 These Terms of Engagement shall be governed and interpreted in accordance with the laws of England and each of the parties submits to the exclusive jurisdiction of the English Courts.

49.0 The Engagement Letter and these Terms of Engagement constitutes the whole agreement between the parties relating to the Services and replaces any previous agreements and arrangements whether written or oral relating to this subject matter. Any additional or specific terms that apply and are part of the Contract shall be included within the Engagement Letter.

50.0 Gerald Eve will cooperate fully, as is reasonable, with the Company in the event that the Company chooses to bring the services in-house or transition the services to a third party service provider.

51.0 Gerald Eve's official qualifications as a supplier can be found on Gerald Eve's website.

52.0 Gerald Eve shall not be liable for any delay in performing, failure to perform or improper performance of, any services or any of its other obligations if the delay or failure is in any way caused by any event, matter or circumstance that is beyond Gerald Eve's reasonable control (an "Event of Force Majeure"). An Event of Force Majeure shall include (without limitation) any changes in applicable laws, civil commotion, riot, crowd disorder, spread of diseases, epidemics, pandemics or any other health related matters, restrictions on travel or government advisories relating to travel, invasion, war, threat of or preparation for war, fire, explosion, storm, flood, earthquake, subsidence or any other natural disaster.

Complaints Procedure

53.0 In accordance with the RICS Rules of Conduct a copy of Gerald Eve LLP's complaints procedure is available on request.

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Gerald Eve is a firm of international property consultants based in the UK. We operate a national network of nine offices and an international association covering 20 European countries and all major US markets.

Whether you are a property owner, investor, occupier or developer, Gerald Eve provides independent, intelligent and relevant advice based on detailed market knowledge and sector understanding.

Together we have the resource, experience and relationships to deliver the best property solutions for your business.

June 2022

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APPENDIX 2

2 Reporting and process requirements

The requirements in sections 2.1 to 2.14 set out what **must** be included in all FVAs (scheme-specific and area-wide) and how they **must** be carried out. This concerns all FVAs, whether they are:

- on behalf of, or by, the applicant
- in respect of a review or otherwise of a submitted FVA or
- on behalf of, or by, the decision- or plan-maker.

The following requirements are mandatory in all cases.

2.1 Objectivity, impartiality and reasonableness statement

A collaborative approach involving the LPA, business community, developers, landowners and other interested parties will improve understanding of the viability and deliverability for everyone involved in the process. The report **must** include a statement that, when carrying out FVAs and reviews, RICS members have acted:

- with objectivity
- impartially
- without interference and
- with reference to all appropriate available sources of information.

This applies both to those acting on behalf of applicants as well as those acting on behalf of the decision-makers.

A similar statement **must** appear in area-wide studies and submissions. RICS members **must** also comply with the requirements of PS 2 *Ethics, competency, objectivity and disclosures* in the Red Book in connection with valuation reports.

2.2 Confirmation of instructions and absence of conflicts of interest

Terms of engagement **must** be set out clearly and should be included in all reports. The RICS professional statement *Conflicts of interest* (1st edition, 2017) applies, but with the additional requirement that RICS members acting on behalf of all those involved **must** confirm that no conflict or risk of conflict of interest exists (see *Conflicts of interest* paragraph 1.1). The professional statement allows ‘informed consent’ management, which, subject to the circumstances, can be both pragmatic and appropriate. This should take the form of a declaration statement.

Where either applicants or decision-makers specify requests of RICS members, either at the start or during the viability process, these **must** be explicitly set out in respective reports. This includes additional requests for testing the viability of the proposed scheme or counterfactual scenarios. RICS members **must**, at all times, satisfy themselves that these requests do not contradict the mandatory requirements of this professional statement.

2.3 A no contingent fee statement

A statement **must** be provided confirming that, in preparing a report, no performance-related or contingent fees have been agreed.

2.4 Transparency of information

Transparency and fairness are key to the effective operation of the planning process. The PPG (paragraph 021, reference ID 10-021-20190509) states that:

'Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances.'

Although certain information may need to remain confidential, FVAs should in general be based around market- rather than client-specific information.

Where information may compromise delivery of the proposed application scheme or infringe other statutory and regulatory requirements, these exceptions **must** be discussed and agreed with the LPA and documented early in the process. Commercially sensitive information can be presented in aggregate form following these discussions. Any sensitive personal information should not be made public.

2.5 Confirmation where the RICS member is acting on area-wide and scheme-specific FVAs

Before accepting instructions, if RICS members are advising either the applicant or the LPA on a planning application and have previously provided advice, or where they are providing ongoing advice in area-wide FVAs to help formulate policy, this **must** be declared.

In these circumstances respective parties **must** also ensure that no conflicts of interest arise, particularly where advice in connection with policy is concurrent with carrying out or reviewing the financial viability of a specific scheme. When reporting, RICS members **must** declare whether they have advised an LPA that is considering the planning application that is subject to an FVA. This applies to individuals as well as the firm/company advising either the applicant or LPA, and includes subpractitioners. It applies both before accepting instructions and subsequently when reporting. Refer to the RICS professional statement *Conflicts of interest* to ensure that you follow the correct process in all cases.

2.6 Justification of evidence and differences of opinion

All inputs into an appraisal **must** be reasonably justified. Where a reviewer disagrees with a submitted report and/or with elements in it, differences **must** be clearly set out with supporting and reasonable justification. Where inputs are agreed, this **must** also be clearly stated. Where possible, practitioners should always try to resolve differences of opinion.

2.7 Benchmark land value and supporting evidence

Stakeholders are often presented with a variety of valuation figures that are not always easy to understand. In particular they will wish to reconcile figures included in FVAs with figures reported in the market. In the interest of transparency, when providing benchmark land value in accordance with the PPG for an FVA, RICS members **must** report the:

- **current use value** – CUV, referred to as EUV or first component in the PPG (see paragraph 015 reference ID: 10-015-20190509). This equivalent use of terms – i.e. that CUV and EUV are often interchangeable – is dealt with in paragraph 150.1 of IVS 104 *Bases of Value* (2017)
- **premium** – second component as set out in the PPG (see paragraph 016 reference ID: 10-016-20190509)
- **market evidence** as adjusted in accordance with the PPG (see PPG paragraph 016 reference ID: 10-016-20190509)
- **all supporting considerations, assumptions and justifications adopted** including valuation reports, where available (see PPG paragraphs 014 reference ID: 10-014-20190509; 015 reference ID: 10-015-20190509; and 016 reference ID: 10-016-20190509)
- **alternative use value** as appropriate (market value on the special assumption of a specified alternative use; see PPG paragraph 017 reference ID: 10-017-20190509). It will not be appropriate to report an alternative use value where it does not exist.

A statement **must** be included in the FVA or review of the applicant's FVA or area-wide FVA that explains how market evidence and other supporting information has been analysed and, as appropriate, adjusted to reflect existing or emerging planning policy and other relevant considerations. If a market value report has recently been prepared, this should be stated with the:

- reason for the report
- assumptions adopted and
- reported valuation.

The onus is on RICS members to enquire about all of the above.

In addition, the price paid for the land (or the price expected to be paid through an option or conditional agreement), should be reported as appropriate (see PPG paragraph 016 reference ID: 10-016-20190509) to improve transparency. Price paid is not allowable evidence for the assessment of BLV and cannot be used to justify failing to comply with policy.

2.8 FVA origination, reviews and negotiations

During the viability process there **must** be a clear distinction between preparing and reviewing a viability report and subsequent negotiations. The negotiations, which take place later and separately, commonly relate to section 106 agreements. This distinction is to retain the objectivity and impartiality of the origination and review of an FVA and to clarify where respective parties, or their practitioners, are seeking to resolve differences of opinion by comparison with subsequent negotiations.

2.9 Sensitivity analysis (all reports)

All FVAs and subsequent reviews **must** provide a sensitivity analysis of the results and an accompanying explanation and interpretation of respective calculations on viability, having regard to risks and an appropriate return(s). This is to:

- allow the applicant, decision- and plan-maker to consider how changes in inputs to a financial appraisal affect viability and
- understand the extent of these results to arrive at an appropriate conclusion on the viability of the application scheme (or of an area-wide assessment).

This also forms part of an exercise to 'stand back' and apply a viability judgement to the outcome of a report.

2.10 Engagement

At all stages of the viability process, RICS members **must** advocate reasonable, transparent and appropriate engagement between the parties, having regard to the circumstances of each case. This **must** be agreed and documented between the parties.

2.11 Non-technical summaries (all reports)

For applicants, subsequent reviews and plan-making, FVAs **must** be accompanied by non-technical summaries of the report so that non-specialists can better understand them. The summary **must** include key figures and issues that support the conclusions drawn from the assessment and also be consistent with the PPG (see paragraph 021 reference ID: 10-021-20190509).

2.12 Author(s) sign-off (all reports)

Reports on behalf of both applicants and the authority **must** be formally signed off and dated by the individuals who have carried out the exercises. Their respective qualifications should also be included.

The authors of FVAs and subsequent reviews **must** come to a reasonable judgement on viability on the basis of objectivity, impartiality and without interference, taking into account all inputs, including those supplied by other contributors. For more on inputs by other specialists in relation to valuation work, see PS 2 of the Red Book.

2.13 Inputs to reports supplied by other contributors

All contributions to reports relating to assessments of viability, on behalf of both the applicants and authorities, **must** comply with these mandatory requirements. Determining the competency of subcontractors is the responsibility of the RICS member or RICS-regulated firm.

2.14 Timeframes for carrying out assessments

RICS members **must** ensure that they have allowed adequate time to produce (and review) FVAs proportionate to the scale of the project, area-wide assessment and specific instruction. They **must** set out clear timeframes for completing work. If the timeframes need to be extended, the reasons **must** be clearly stated, both at the time and in the subsequent report.

Where RICS members believe that the timeframes have not been reasonable, they **must** state this and give a brief outline of the issues and consequential impacts.

APPENDIX 3

D|S|P Housing & Development Consultants

Shepway District Council

Folkestone
Hythe & Romney Marsh
Shepway District Council
www.shepway.gov.uk

CIL & Whole Plan Economic Viability Assessment

Ref: DSP14260

Final Report

July 2014

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Contents

Figures

Appendices

Executive Summary

1. Project scope – the Council's brief

The scope of this study is to:

i. Provide robust viability evidence base to inform and support the development of a Community Infrastructure Levy associated with and based on the Local Plan.

ii. Provide recommendations on the appropriate level of CIL whilst maintaining viable development taking into account the cumulative impact of Local Plan policies.

2. National planning and Community Infrastructure Levy (CIL) context

The National Planning Policy Framework (NPPF) & CIL Regulations require and provide for:

i. Local Plans to be deliverable; and identified development should not be subject to such a scale of obligations and policy burdens that viability is threatened.

ii. Assessment of the cumulative impact of existing and proposed local and national standards; and those should not put at serious risk the implementation of the Plan.

iii. CIL is expected to have a 'positive economic benefit' and an 'appropriate balance must be struck between additional investment to support development and the potential effect on the viability of development'.

iv. The CIL Regulations have changed recently (February 2014) to include:

- Limitation on the pooling of s. 106 obligations delayed until April 2015

- A *requirement* on the charging authority to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the levy on the economic viability of development across the area. Previously the authority had to respond to the need to 'aim to strike the appropriate balance'.

- New mandatory exemptions for self-build housing, and for residential annexes and extensions.

- A change to allow charging authorities to set differential rates by the scale of development (e.g. in response to varying viability driven by the amount of floorspace or number of units).

- An authority's ability to accept payments in kind through the provision of infrastructure either on-site or off-site.

- A new 'vacancy test', as part of determining when existing floorspace reduces the CIL payment.

3. Viability assessment – principles

i. It is accepted that not all development may be viable either before or after the impact of CIL or other planning policies – what counts is that delivery of the Local Plan, as a whole, will not be put at undue risk through the influence of requirements that place too high a level of collective costs on developments (through the CIL levels and policies).

ii. Charging Authorities need to show how their CIL proposals contribute positively to plan delivery; and how they will operate alongside s.106 (so as to ensure no "double-dipping" in terms of overlaps between costs and obligations used to support particular infrastructure provision).

iii. The assessment provides appropriate, proportionate evidence. It is a high-level overview based on scenarios and site-specifics research and development appraisals.

iv. In very basic terms, through the study we are looking at the strength of relationship between development values and costs.

4. Study methodology – principles and brief outline

i. The viability of a scheme is based on '*the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate site* *value for the landowner and a market risk adjusted return to the developer in delivering that project' (RICS Guidance – 'Financial viability in Planning' - August 2012).*

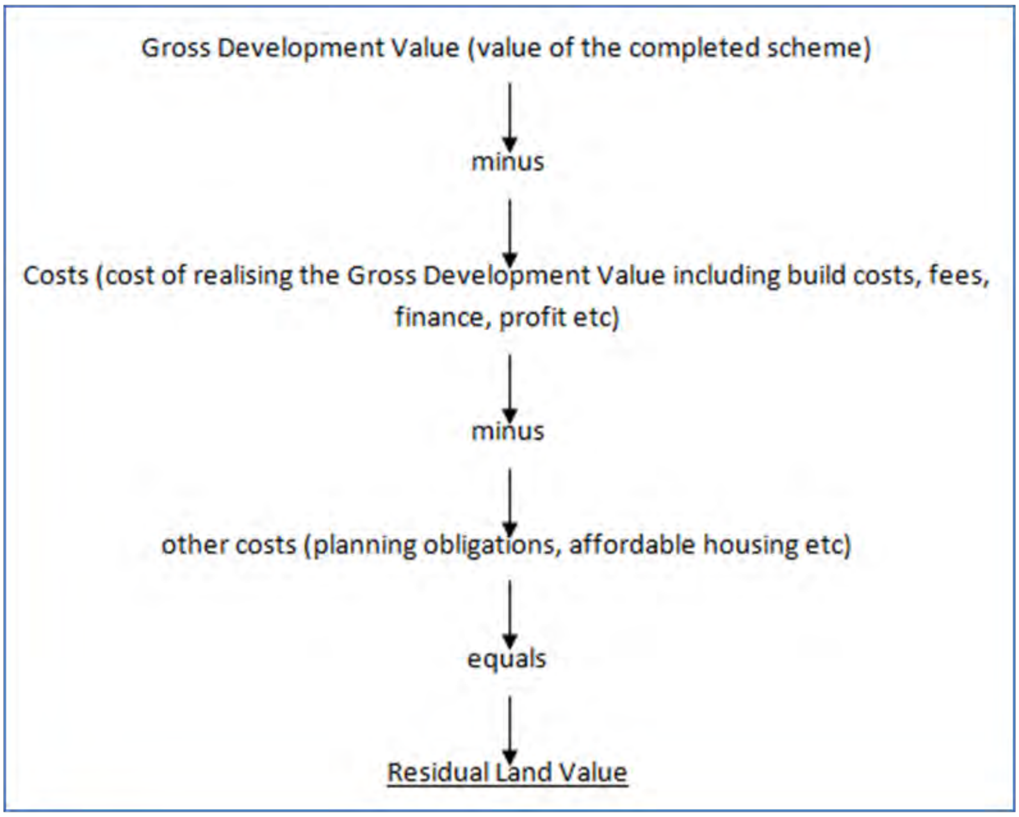
ii. This means that there needs to be sufficient land value and profit once all the costs of development have been met. The assumptions take into account planning obligations, CIL and affordable housing but also any policy requirements that may have a cost impact on development – e.g. sustainability, density, unit mix, affordable housing type / tenure, etc.

iii. The methodology basis is the same for all parts of the study – it uses residual land valuation techniques.

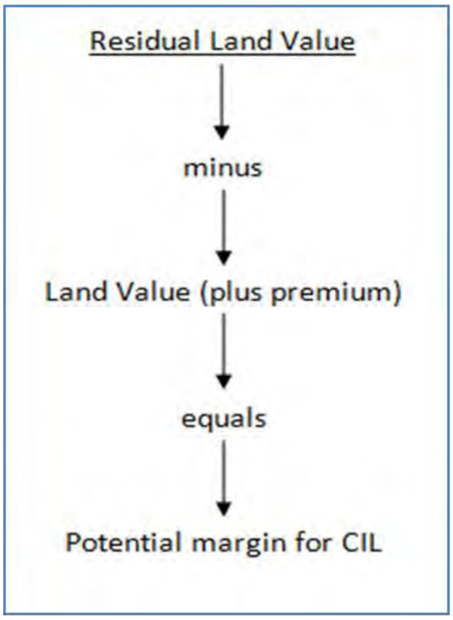
iv. The assessment process involves calculating the residual land value (RLV) produced by a range of scheme types and sizes (including non-residential for CIL) and comparing the results to benchmark or threshold land values. For CIL this includes trialling a range of potential CIL charging rates – an iterative approach following the initial assessment of the viability of key policies, allowing a review of the general viability picture and, from there, any in-principle surplus available to support CIL funding.

v. The process may be visualised as follows (see the following diagrams – steps 1 and 2):

Step 1: Appraisal produces a 'RLV':



Step 2: Considering the RLV and whether it is sufficient to provide a surplus for CIL:



5. Findings in Shepway

i. In high level terms, values across Shepway vary significantly across the district but also with significant variation within the main settlement of Folkestone (which contains amongst both the highest and lowest values seen in the district). Higher values are also seen within Hythe and the northern rural AONB areas of the district with amongst the lowest values seen in parts of Folkestone and Lydd. A range of values is seen in other areas of the district as described in more detail within this report.

ii. This points to CIL differentiation being a necessary and appropriate consideration for the Council, certainly at least at the level that parts of Folkestone and the southernmost area including Lydd will in our view need some significant differential treatment.

iii. As an overview, there are a range of characteristics relevant to proposed CIL setting in our view and experience. It is considered that overall, CIL will need to be set in a range between £0 and £125/m². The Council need to consider CIL rates differentiation by location of residential development and this has been discussed at length with officers, reviewing our information and combining that with local delivery experience. This need not produce a complex schedule of proposed rates for the PDCS but it is recommended that 4 CIL charging rate zones will be required respecting the viability evidence as follows. For ease of reference each of these set of characteristics is lettered (A to D):

   a. Folkestone (lower end values) & Lydd area (viability scope – A) ;
   b. Romney Marsh (rural and coastal) and north Folkestone fringe / Hawkinge (B);
   c. West of Folkestone (Sandgate) and Hythe (C);
   d. North Downs rural area settlements (D)

iv. In terms of the CIL considerations for non-residential development, we do not consider that there will be a need to differentiate geographically.

v. In summary, from a viability point of view we recommend the following for consideration by Shepway District Council - taking account of its adopted affordable housing policy and avoiding the setting of CIL charging rates at the margins of viability:

CIL Charging rates Parameters & Rates for Consideration
1. Residential
Overall parameters - £0 to £125/sq. m. **Recommend a 4 zones approach based on figures within this overall range and responsive to the variation in values and area characteristics:** **A:** **Lower-Folkestone (based on ward areas of Foord and Harbour, together with much of Cheriton and Moorhill)** **>> Recommended rate for consideration at the current time: £0/sq. m** **B:** **Mid-Folkestone, New Romney/Romney Marsh and Hawkinge** **>> Recommended rate for consideration at the current time: £50/sq. m** **C:** **Upper-Folkestone & Hythe area (west)** **>> Recommended rate for consideration at the current time: £100/sq. m** **D:** **North (Kent) Downs rural area settlements** **>> Recommended rate for consideration at the current time: £125/sq. m**

vi. With regard to non-residential development, the findings are for CIL charging scope applicable to any new larger format retail – i.e. supermarkets and similar, retail warehousing – at a rate not more than £100/sq. m. This rate would also be applicable to extensions of any size.

vii. All other retail, where applicable, should be charged at £0/sq. m. in terms of current viability.

viii. Any differentiation by type of retail, if following the above, should be linked to use rather than simply based on size.

ix. In testing other forms of commercial / non-residential development, it was found that any level of CIL charging could generally either exacerbate the viability issues associated with marginal schemes or unviable schemes by placing undue added risk to other forms of new development coming forward. This added risk needs to be balanced against the likely frequency of such schemes, their role in the development plan delivery overall and perhaps also the level of CIL "yield" (total monies collected) that they might provide. We are seeing some authorities looking to charge CIL on development uses such as hotels and care homes where those are shown clearly to be viable and of planned local relevance, but experience of such areas is highly variable and in Shepway we consider that the viability evidence does not support that at the current time.

x. Business (B use class) development (i.e. offices, industrial, warehousing) were found to show consistently poor viability outcomes. Assumptions need to be made too optimistic to reliably evidence any CIL charging scope. Therefore a nil charge (£0/sq. m) is recommended at the current time.

xi. The same applies to range of other uses except the larger format retail developments. So for all other development uses such as community, health, leisure, hotel, care homes, etc. again a nil CIL charge (£0/sq. m rate) is recommended at the current time.

2. <u>Retail</u>
Overall parameters – £0 – £100/sq. m. **Recommend larger format retail – retail warehousing and supermarkets – a charging rate of not more than £100/sq. m**. This rate would also be applicable to extensions of any size. **All other retail at £0/sq. m.** Any differentiation by type of retail should be linked to use rather than simply based on size (see 3.6.12 and associated text).

3. All other development uses
Nil CIL charge (£0/sq. m)

6. CIL and the Council's approach – Delivery considerations

i. The Council will need to continue to operate its overall approach to parallel obligations (s.106 and other policy requirements) in an adaptable way; reacting to and discussing particular site circumstances as needed (and supported by shared viability information for review). CIL will be fixed, but will need to be viewed as part of a wider package of costs and obligations that will need to be balanced and workable across a range of circumstances.

ii. This again is not just a local Shepway factor, but is a widely applicable principle.

iii. Under the latest CIL guidance, prospective charging authorities will need to make clear how CIL and s.106 will operate together in their area, including setting-out what each will be used for so as to ensure no 'double-dipping' (as it has been referred to) for funds towards meeting the infrastructure costs or for the provision of works in-lieu of financial contributions (known as 'works in kind').

1 Introduction

1.1. Background to the Study

1.1.1. Shepway District Council (SDC) is at an advanced stage in preparing its Local Plan, with the NPPF compliant Core Strategy formally adopted in September 2013. The Core Strategy sets out the long term vision for the district up to 2031.

1.1.2. The Council is currently producing a 'Places and Policies' Local Plan (the second and final part of the development plan) alongside an update of the Strategic Housing Land Availability Assessment (SHLAA).

1.1.3. The National Planning Policy Framework (NPPF) was published in final form in March 2012 and supersedes previous Planning Policy Statements (PPSs). The NPPF sets out the overall approach to the preparation of Local Plans. It states that planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, with net gains across all three. Significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued. The NPPF also states that Local Plans should be aspirational but realistic - that is, to balance aspirational objectives with realistic and deliverable policies.

1.1.4. The NPPF provides specific guidance on ensuring Local Plan viability and deliverability, in particular, paragraphs 173-174 state:

'Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle'[1].

1.1.5. Having regard to this guidance the council needs to ensure that the Local Plan, in delivering its overall policy requirements, can address the requirements of the NPPF.

1.1.6. Alongside the Local Plan, the Council is also introducing a Community Infrastructure Levy.

1.2. Background to the CIL

1.2.1. The Community Infrastructure Levy (CIL) came into force in April 2010 and allows local authorities in England and Wales to raise funds from developers undertaking new developments in their area. In this case, Shepway District Council will be the charging authority.

1.2.2 CIL takes the form of a charge that may be payable on 'development which creates net additional floor space'[2]. The majority of developments providing an addition of less than 100 sq. m in gross internal floor area will not pay. For example, a small extension to a house or to a commercial / non-residential property; or a non-residential new-build of less than 100 sq. m will not be subject to the charge. Additionally, under the Community Infrastructure (Amendment) Regulations 2014, there will be a mandatory exemption for residential annexes and extensions regardless of size. However, development that involves the creation of a new residential unit (such as a house or a flat) will pay the charge, even if the new dwelling has a gross internal floor area of less than 100 sq. m.[3]

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[1] Communities & Local Government – National Planning Policy Framework (March 2012)
[2] DCLG – Community Infrastructure Levy Guidance (February 2014)
[3] Subject to the changes introduced in The Community Infrastructure Levy (Amendment) Regulations 2014 that provide a mandatory exemption for self-build housing, including communal housing.

1.2.3 The funds raised are to be allocated towards infrastructure needed to support new development in the charging authority's area, in accordance with its Local Plan.

1.2.4 The CIL regulations require charging authorities to allocate a 'meaningful proportion' of the levy revenue raised in each neighbourhood back to those local areas. In January 2013 it was announced that in areas where there is a neighbourhood development plan in place, the neighbourhood will be able receive 25% of the revenues from the CIL arising from the development that they have chosen to accept. Under the Regulations the money would be paid directly to the neighbourhood planning bodies (usually Parish / Town Councils) and could be used for community projects. The Government has said that it will issue further guidance on exactly what the money can be spent on.

1.2.5 Neighbourhoods without a neighbourhood development plan but where a CIL is still charged will receive a capped share of 15% of the levy revenue arising from development in their area. This announcement was first formalised through the Community Infrastructure Levy 2013 (Amendment) Regulations on 25th April 2013. The Guidance was also updated at that stage to reflect these changes[4]. As will be noted below, further review and consolidation of the regulations and guidance has been put in place subsequently (see 1.2.13 below).

1.2.6 Under the Government's regulations, affordable housing and development by charities will not be liable for CIL charging. This means that within mixed tenure housing schemes, it is the market dwellings only that will be liable for the payments at the rate(s) set by the charging authority.

1.2.7 The levy rate(s) will have to be informed and underpinned firstly by evidence of the infrastructure needed to support new development, and therefore as to the anticipated funding gap that exists; and secondly by evidence of development viability.

1.2.8 Shepway District Council has been working with infrastructure providers and agencies in considering and estimating the costs of the local requirements associated with supporting the Local Plan. This ensures that new development is served by necessary infrastructure in a predictable, timely and effective fashion. It sets out key

[4] DCLG – Community Infrastructure Levy Guidance (April 2013)

infrastructure and facility requirements for new development, taking account of existing provision and cumulative impact.

1.2.9 Infrastructure is taken to mean any service or facility that supports the Shepway area and its population and includes (but is not limited to) facilities for transport, affordable housing, education, health, social infrastructure, green infrastructure, public services, utilities and flood defences. In the case of the current scope of the CIL, affordable housing is assumed to be outside that and dealt with in the established way through site specific planning (s.106) agreements. Within this study, an allowance has been made for the cost to developers of providing affordable housing and other costs of policy compliance in addition to testing potential CIL charging rates. In this sense, the collective planning obligations (including affordable housing, CIL and any continued use of s.106) cannot be separated. The level of each will play a role in determining the potential for development to bear this collective cost. Each of these cost factors influences the available scope for supporting the others. It follows that the extent to which s.106 will have an on-going role also needs to be considered in determining suitable CIL charging rates, bearing in mind that CIL is non-negotiable.

1.2.10 In most cases CIL will replace s.106 as the mechanism for securing developer contributions towards required infrastructure. Indeed, Government guidance on CIL states that it expects LPAs to work proactively with developers to ensure they are clear about infrastructure needs so that there is no actual or perceived “double dipping” – i.e. charging for infrastructure both through CIL and s.106. Therefore s.106 should be scaled back to those matters that are directly related to a specific site and are not set out in a Regulation 123 list (a list of infrastructure projects that the local planning authority intends to fund through the Levy). This could be a significant consideration, for example, in respect of large scale strategic development associated with on-site provision of infrastructure, high site works costs and particularly where these characteristics may coincide with lower value areas.

1.2.11 An authority wishing to implement the CIL locally must produce a charging schedule setting out the levy’s rates in its area. The CIL rate or rates should be set at a level that ensures development within the authority’s area (as a whole, based on the plan provision) is not put at serious risk.

1.2.12 A key requirement of CIL and setting the charging rates is that an appropriate balance should be struck between the desirability of funding infrastructure from the levy and the potential effects that imposing the levy may have upon the economic viability of development (development viability).

"The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened"[5]*.*

1.2.13 The latest amendments to the CIL Regulations (The Community Infrastructure Levy (Amendment) Regulations 2014 came into force on 24th February 2014. These regulations introduce:

- Limitation on pooling of s.106 obligations delayed until April 2015;
- new mandatory exemptions for self-build housing, and for residential annexes and extensions;
- a change to allow charging authorities to set differential rates by the size of development (i.e. floorspace, units);

[5] DCLG – Community Infrastructure Levy – Guidance (February 2014)

- the option for charging authorities to accept payments in kind through the provision of infrastructure either on-site or off-site for the whole or part of the levy payable on a development;

- a new 'vacancy test' - buildings must have been in use for six continuous months out of the last three years for the levy to apply only to the net addition of floorspace (previously a building to be in continuous lawful use for at least six of the previous 12 months);

- a requirement on the charging authority to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the levy on the economic viability of development across the area. Previously a charging authority had to 'aim to strike the appropriate balance';

- provisions for phasing of levy payments to all types of planning permission to deal fairly with more complex developments.

1.2.14 The CIL Regulations (Amendment) have been taken into account in the preparation of this report and in our opinion the preparation of this study meets the requirements of all appropriate Guidance (see 1.3 below).

1.2.15 Shepway District Council commissioned Dixon Searle LLP to carry out an Economic Viability Assessment (EVA) to inform and support the development of a Community Infrastructure Levy associated with and based on the Local Plan. This involves assessment of the potential impact of development standards, policies and the potential levy rates on the viability of residential and non-residential development. The approach builds on the existing evidence supporting the Local Plan development process, including a previous viability assessment of affordable housing, the Strategic Housing Land Availability Assessment (SHLAA) and an employment land review (ELR). The EVA will provide the viability evidence base for further development of the Local Plan and in doing so considers the cumulative impact on viability of the stated development standards, policies, affordable housing requirements policies and a level of CIL that strikes a balance between the need to fund infrastructure and the potential impact on economic viability across Shepway District.

1.3 Shepway District Council Context

1.3.1 Shepway District is situated on the coast in East Kent less than one hour from central London on High Speed 1 rail-link. It occupies a key strategic position and a gateway to continental Europe, given the presence of the Channel Tunnel and Eurotunnel terminal in Folkestone. The district has an area of 140 sq. miles (35,700 hectares) and a 20 mile coastline. 33 per cent of the district falls in the Kent Downs Area of Outstanding Natural Beauty. About 108,000 people live in Shepway, with 47% of the population residing in Folkestone, and 22% living in the towns of Hythe and New Romney.

1.3.2 The Core Strategy builds on the improved connectivity and growing profile of places in the district to regenerate its towns, increase business activity and jobs, and to attract in families (sustaining the local labour force). Three broad character areas are identified:

- The diverse Urban Area of Folkestone and Hythe – featuring several opportunities for additional major investment.

- The Romney Marsh Area, which includes the historic towns of New Romney and Lydd, a variety of coastal and inland villages, and some pockets of relative isolation and rural depravation.

- The North Downs Area, which lies between the Urban Area, Canterbury and several of the main towns in East Kent. It includes generally more prosperous villages and Hawkinge.

1.3.3 The adopted Core Strategy sets out strategic targets for development in the district. It states that the core long-term objective is to ensure the delivery of a *minimum* of 350 dwellings (Class C3) per annum on average until 2030/31. To promote sustainable development and prioritise urban regeneration, a target is set for at least 65% of dwellings to be provided on previously developed ('brownfield') land by the end of 2030/31. The target amount of additional development (2006/7 – 2030/31) includes approximately 8,000 dwellings by the end of 2025/26. This equates to an initial target average delivery of 400 dwellings per annum. Allied to this rate of housing delivery, business activity and the provision of jobs will be facilitated through supporting town centres, the protection of sufficient employment land across the district, allocations and concerted efforts to deliver rural regeneration (especially in south and west Shepway). The target amount of additional development (2006/7 – 2025/26) includes 8,000 dwellings, 20ha of industrial, warehousing and offices (B classes) and approximately 35,000m² of retailing (Class A1).

1.4 Purpose of this Report

1.4.1 This study has been produced in the context of and with regard to the NPPF, CIL Regulations, CIL Guidance and other Guidance[6] applicable to studies of this nature. This study has also had regard to recently introduced national Planning Practice Guidance ('PPG' – an online resource live as of 6 March 2014).

1.4.2 In August 2013 the Government also began consultation on a Housing Standards Review to seek views on the rationalisation of the framework of building regulations and local housing standards. On 13 March 2014 the Government set out its response to the consultation with the decision to, as far as possible, consolidate technical standards into the Building Regulations. The Government intends to consolidate the standards into Regulations during this Parliament, with draft Regulations due to be published in the Summer of 2014 with supporting approved documents coming into force towards the end of 2014. At this stage, prior to any Guidance or statutory Regulation, we have applied the Council' policies as set out in the Core Strategy. It is possible that this may need to be reviewed later in the year as more detail on housing standards is known.

1.4.3 The Government has also recently finished consulting on the potential to abolish any locally set affordable housing thresholds with a national minimum threshold of 10 units being put forward. Again, for the purposes of this study, an assumption has had to be made based on current circumstances. However, we provide sensitivity testing to reflect potential changes in national policy on affordable housing thresholds, so that the Council has a complete set of information from which to draw on as it reviews and develops both the Plan policies and its approach to the CIL.

1.4.4 In order to meet the requirements of Regulation 14 of the CIL Regulations April 2010 (as amended) and the requirements of the NPPF, the Council appointed Dixon Searle

[6] Local Housing Delivery Group – Viability Testing Local Plans (June 2012) & Royal Institution of Chartered Surveyors (RICS) – Financial Viability in Planning (GN 94/2012).

Partnership (DSP) to provide the viability evidence base to inform the development of the Council's new draft CIL charging schedule. Alongside and integral to the development of the CIL charging schedule is the level of affordable housing that can be viably sought across the district as well as other planning obligations and standards that have a cost impact on development viability.

1.4.5 This study investigates the potential scope for CIL charging in Shepway whilst reviewing and taking into account the adopted Core Strategy policies. This is done by considering the economic viability of residential and commercial / non-residential development scenarios within the district; taking into account the range of normal costs and obligations (including local and national policies associated with development, as would be borne by development schemes alongside the Community Infrastructure Levy and affordable housing). The aim is to provide the Council with advice as to the likely viability of seeking developer contributions towards infrastructure provision through the CIL. This includes the consideration of viability and the potential charging rate or rates appropriate in the local context as part of a suitable and achievable overall package of likely planning obligations (including affordable housing) alongside other usual development costs.

1.4.6 This does not require a detailed viability appraisal of every site anticipated to come forward over the plan period rather the testing of a range of appropriate site typologies reflecting the potential mix of sites likely to come forward. Neither does it require an appraisal of every likely policy but rather potential policies which are likely to have a close bearing on development costs.

1.4.7 To this end, the study requires the policies and proposals in the Local Plan to be brought together to consider their cumulative impact on development viability. This means taking account of the policy requirements such as design standards, infrastructure and services, affordable housing, local transport policies and sustainability measures as well as the cost impact of national policies and regulatory requirements.

1.4.8 In practice, within any given scheme there are many variations and details that can influence the specific viability outcome. Whilst acknowledging that, this work provides a high level, area-wide overview that cannot fully reflect a wide range of highly variable site specifics.

1.4.9 The approach used to inform the study applies the well-recognised methodology of residual land valuation. Put simply, the residual land value (RLV) produced by a potential development is calculated by subtracting the costs of achieving that development from the revenue generated by the completed scheme (the gross development value – GDV).

1.4.10 The residual valuation technique has been used to run appraisals on residential and commercial / non-residential scheme typologies representing development scenarios that are likely to be relevant to the development strategy and that are likely to come forward across the district.

1.4.11 The study process produces a large range of results relating to the exploration of a range of potential ('trial') CIL charging rates, affordable housing percentages as well as other variables. As with all such studies using these principles, an overview of the results and the trends seen across them is required - so that judgments can be made to inform both the policy and CIL rate setting process.

1.4.12 The potential level of CIL charge viable in each scenario has been varied through an iterative process exploring trial charging rates over a range £0 to £180/sq. m for residential and non-residential / commercial scheme test scenarios. This was found to be a sufficient range for exploring the CIL charging scope locally and did not need to be extended following the review of initial results. All policies that have a potential impact on the cost of development have also been included within the CIL viability testing.

1.4.13 The results of each of the appraisals are compared to a range of potential benchmark land values or other guides relevant to the particular development scenarios. These are necessary to determine both the overall viability of the scheme types tested and a potentially viable level of CIL and affordable housing as it relates to development type and varying completed scheme value levels (GDVs). The results sets have been tabulated in summary form and those are included as Appendices IIa (residential) and IIb (non-residential / commercial).

1.4.14 A key element of the viability overview process is comparison of the RLVs generated by the development appraisals and the potential level of land value that may need to be reached to ensure development sites continue to come forward so that development across the area is not put at risk. These comparisons are necessarily indicative but are usually linked to an appropriate site value or benchmark. Any surplus is then potentially available for CIL, with an appropriate level of affordable housing assumed (i.e. so that the review considers a viable combination of affordable housing requirements and CIL alongside all usual development costs).

1.4.15 In considering the relationship between the RLV created by a scenario and some comparative level that might need to be reached, we have to acknowledge that in practice this is a dynamic one – land value levels and comparisons will be highly variable in practice. It is acknowledged in a range of similar studies, technical papers and guidance notes on the topic of considering and assessing development viability that this is not an exact science. Therefore, to inform our judgments in making this overview, our practice is to look at a range of potential land value levels that might need to be reached allied to the various scenarios tested.

1.4.16 In the background to considering the scale of the potential charging rates and their proportional level in the Shepway context, we have also reviewed them alongside a variety of additional measures that are useful in considering the overall impact of a level of CIL on development viability. This includes reviewing the potential CIL charging rates in terms of percentage of development value and cost. This provides additional context for considering the relative level of the potential CIL charging rate(s) and their impact compared with other factors that can affect development viability such as changes in property market conditions, build costs, inflation, affordable housing, etc.

1.4.17 This report sets out our findings and recommendations for the Council to consider in taking forward its further development work on the local implementation of a new CIL via, as a first step, a Preliminary Draft Charging Schedule (PDCS). As noted, the approach taken also provides the Council with information to inform and support its ongoing work on and delivery of the Local Plan as a whole, building on the adopted Core Strategy and the evidence supporting that.

1.5 Notes and Limitations

1.5.1 This study has been carried out using well recognised residual valuation techniques by consultants highly experienced in the preparation of strategic viability assessments for local authority policy development including affordable housing and

CIL economic viability. However, in no way does this study provide formal valuation advice. It should not be relied on for other purposes.

1.5.2 In order to carry out this type of study a large quantity of data is reviewed and a range of assumptions are required. It is acknowledged that these rarely fit all eventualities - small changes in assumptions can have a significant individual or cumulative effect on the residual land value generated and / or the value of the CIL funding potential (the surplus after land value comparisons).

1.5.3 It should be noted that in practice every scheme is different and no study of this nature can reflect all the variances seen in site specific cases. The study is not intended to prescribe assumptions or outcomes for specific cases.

1.5.4 Specific assumptions and values applied for our schemes are unlikely to be appropriate for all developments and a degree of professional judgment is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and informing the Council's work on its CIL Preliminary Draft Charging Schedule preparations and Local Plan policies.

2 Assessment Methodology

2.1 Residual valuation principles

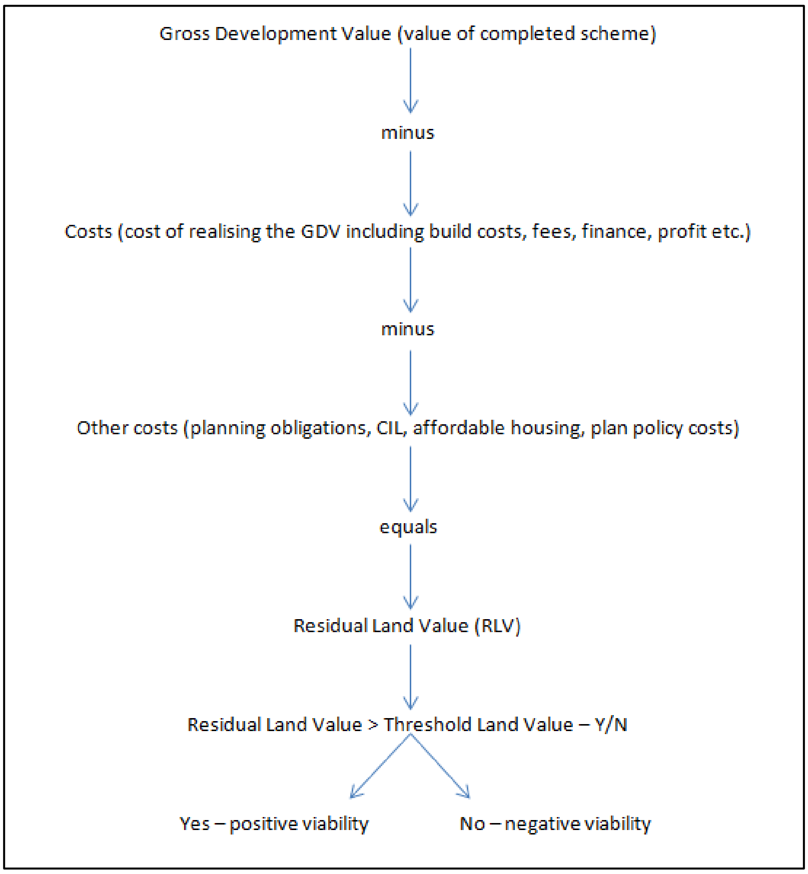
2.1.1 Collectively this study investigates the potential for a range of development types to contribute to infrastructure provision funding across the district through the collection of financial contributions charged via a Community Infrastructure Levy and provides recommendations on the viability of the Local Plan.

2.1.2 There are a number of policies that may have an impact on the viability of development. In running this study, we have had regard to typical policy costs based on policies set out in the adopted Core Strategy, in particular the including affordable housing policy which invariably across our wide range of such work we find to be one of the largest influence son viability; secondary only to the market and local property price influences. By doing so we are able to investigate and consider how the cost of these obligations interact and therefore estimate the cumulative impact on viability. This is in accordance with established practice on reviewing development viability at this strategic level, and consistent with requirements of the NPPF. In this context, a development generally provides a fixed amount of value (the gross development value – GDV) from which to meet all necessary costs and obligations.

2.1.3 In carrying out this study we have run development appraisals using the well-recognised principles of residual valuation on a number of scheme types, both residential and non-residential / commercial.

2.1.4 Residual valuation, as the term suggests, provides a “residual” value from the gross development value (GDV) of a scheme after all other costs are taken into account. The diagram below (Figure 1) shows the basic principles behind residual valuation, in simplified form:

Figure 1: Simplified Residual Land Valuation Principles



2.1.5 Having allowed for the costs of acquisition, development, finance, profit and sale, the resulting figure indicates the sum that is potentially available to pay for the land – i.e. the residual land value (RLV).

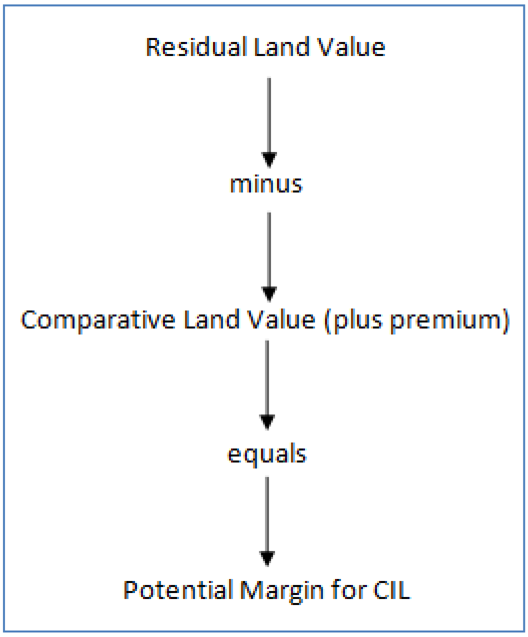
2.1.6 In order to guide on a range of likely viability outcomes the assessment process also requires a benchmark, or range of benchmarks of some form, against which to compare the RLV - such as an indication of current or alternative land use values, site value relevant to the site and locality; including any potential uplift that may be required to encourage a site to be released for development (which might be termed a premium, over-bid, incentive or similar). Essentially this means reviewing the potential level(s) that the land value (i.e. the scheme related RLV) may need to reach in order to drive varying prospects of schemes being viable.

2.1.7 The level of land value sufficient to encourage the release of a site for development is, in practice, a site specific and highly subjective matter. It often relates to a range of factors including the actual site characteristics and/or the specific requirements or circumstances of the landowner. Any available indications of land values using sources such as the Valuation Office Agency (VOA) reporting, previous evidence held by the Council and any available sales, or other evidence on value, are used for this purpose in making our assessment. Recently there has been a low level of activity on land deals and consequently there has been very little to use in terms of comparables. In any event, any available land sale comparables need to be treated with caution in their use directly; the detailed circumstances associated with a level of land value need to be understood. As such a range of reporting as mentioned above has to be relied upon to inform our assumptions and judgments. This is certainly not a Shepway specific factor. In assessing the appraisal results, the surplus or excess residual (land value) remaining above these indicative land value comparisons is shown as the margin potentially available to fund CIL contributions from the particular appraisal result or results set that is under review.

2.1.8 The results show trends indicating deteriorating residual land values (and therefore reduced viability) as scheme value (GDV) decreases and / or costs rise – e.g. through adding / increasing affordable housing, increasing costs (as with varying commercial development types) and increasing trial CIL rates.

2.1.9 Any potential margin (CIL funding scope) is then considered in the round so that charging rates are not pushed to the limits but also allow for some other scope to support viability given the range of costs that could alter over time or with scheme specifics. In essence, the steps taken to consider that potential margin or surplus are as follows (see figure 2 below):

Figure 2: Relationship Between RLV & Potential Maximum CIL Rate (surplus or margin potentially available for CIL).



2.1.10 The range of assumptions that go into the RLV appraisals process is set out in more detail in this chapter. Further information is also available at Appendices I and III. They reflect the local markets through research on local values, costs and types of provision, etc. At key project stages we consulted with the Council's officers and sought soundings as far as were available from a range of local development industry stakeholders as we considered our assumptions. This included issuing a stakeholder questionnaire / pro-forma to key stakeholders (developers, house builders, landowners, agents, Registered Providers etc.) alongside e-mail exchanges and telephone discussions through which DSP sought to get feedback on study assumptions and to provide the opportunity for provision of information to inform the study. Appendix III provides more details.

2.2 Site Development Scenarios

2.2.1 Appraisals using the principles outlined above have been carried out to review the viability of different types of residential and non-residential / commercial developments. The scenarios were developed and discussed with the Council following a review of the information it provided. Information included the adopted Core Strategy, Strategic Housing Land Availability Assessment (SHLAA), previous viability evidence and other sources. For the purposes of CIL, it was necessary to determine scenario types reasonably representative of those likely to come forward across the district bearing in mind the probable life of this CIL Charging Schedule. In addition the scale of development coming forward across the district also needed to be considered.

Residential Development Scenarios

2.2.2 For residential schemes, numerous scenario types were tested with the following mix of dwellings and including sensitivity testing on affordable housing provision and other policy cost areas including sustainable design and construction standards and Lifetime Homes (see Figure 3 below, and Appendix I provides more details):

Figure 3: Residential Scheme Types

Scheme / Typology	Overall Scheme Mix
1 House	1 x 4BH
4 Houses	4 x 4BH
5 Houses	5 x 3BH
9 Houses	9 x 4BH
10 Houses	10 x 4BH
15 Houses	10 x 3BH, 5 x 4BH
15 Flats	5 x 1BF, 10 x 2BF
25 Mixed	5 x 1BF, 3 x 2BF, 4 x 2BH, 10 x 3BH, 3 x 4BH
30 Flats (Sheltered)	22 x 1BF, 8 x 2BF
50 Flats	8 x 1BF, 42 x 2BF
50 Mixed	10 x 1BF, 6 x 2BF, 8 x 2BH, 20 x 3BH, 6 x 4BH
100 Mixed	10 x 1BF, 15 x 2BF, 15 x 2BH, 40 x 3BH, 20 x 4BH
100 Flats	45 x 1BF, 55 x 2BF

Note: BH = bed house; BF = bed flat; Mixed = mix of houses and flats.

2.2.3 The assumed dwelling mixes are based on the range of information reviewed, combined with a likely market led mix. They reflect a range of different types of development that could come forward across the district so as to ensure that viability has been tested with reference to the potential housing supply characteristics. Each of the above main scheme types was also tested over a range of value levels (VLs) representing varying residential values as seen currently across the district by scheme location / type whilst and also allowing us to consider the impact on development viability of changing market conditions over time (i.e. as could be seen through falling or rising values dependent on market conditions) and by scale of development.

2.2.4 The scheme mixes are not exhaustive – many other types and variations may be seen, including larger or smaller dwelling types.

2.2.5 The residential scenarios were chosen to reflect and further test viability across a broad range of scenarios whilst also allowing us to test Shepway District Council affordable housing policy thresholds. In all cases it should be noted that a "best fit" of affordable housing numbers and tenure assumptions has to be made, given the effects of numbers rounding and also the limited flexibility within small scheme numbers. The affordable housing numbers assumed within each scheme scenario can be seen in Appendix I – Assumptions Spreadsheet.

2.2.6 For strategic scale sites (new settlements and large urban extensions) much depends upon the extent, cost and phasing of the infrastructure to be funded by the development, the amount of housing that can actually be accommodated on site, and the timing of its provision in relation to that of the accompanying infrastructure. At present and of relevance to the likely life of a first CIL Charging Schedule, major site delivery (strategic sites) is coming forward through existing permissions and current applications considered through the established s.106 regime; with delivery settled and progressing in advance of a CIL being in place for the district. Currently examples coming forward at varying stages include the strategic sites at Folkestone Harbour and Shorncliffe Garrison. A range of typically smaller sites and development types could come forward during the next few years, potentially with the upper end of the size range including those with a capacity in the order of say 100 – 150 dwellings or so; with anticipated limited or later Plan phase occurrence of any larger or further strategic sites. Whilst large relative to the wide range and spread of locations relevant to the more typical smaller sites, currently it is not expected that these larger sites will come with significant on-site / site specific s106 requirements that would require separate treatment with regard to the Community Infrastructure Levy. Further commentary is provided within Chapter 3, so far as possible at this stage, given the results trends indicated by the largest current stage appraisals.

2.2.7 The dwelling sizes assumed for the purposes of this study are as follows (see figure 4 below):

Figure 4: Residential Unit Sizes

Dwelling type	Dwelling size assumption (sq. m)	
	Affordable	Private (market)
1-bed flat	50	45
2-bed flat	67	60
2-bed house	75	75
3-bed house	85	95
4-bed house	110	125

2.2.8 As with many other assumptions there will be a variety of dwelling sizes coming forward in practice, varying by scheme and location. These could also be influenced to some extent by the Governments Housing Standards Review. No single size or even range of assumed sizes will represent all dwelling types. Since there is a relationship between dwelling size, value and build costs, it is the levels of those that are most important for the purposes of this study (i.e. expressed in £ sq. m terms); rather than the specific dwelling sizes to which those levels of costs and values are applied in each case. With this approach, the indicative 'Values Levels' ('VL's) used in the study can then be applied to varying (alternative) dwelling sizes, as can other assumptions. The approach to focus on values and costs per sq. m also fits with the way developers tend to price and assess schemes and is consistent with CIL principles. It provides a more relevant context for considering the potential viability scope and also, purely as an additional measure, reviewing the potential CIL charging rate outcomes as a proportion of the schemes value (see Chapter 3 for more detail).

2.2.9 The dwelling sizes indicated are expressed in terms of gross internal floor areas (GIAs). They are reasonably representative of the type of units coming forward within the scheme types likely to be seen most frequently providing on-site integrated affordable housing. All will vary, and from scheme to scheme. However, our research suggests that the values (£ sales values) applicable to larger house types would generally exceed those produced by our dwelling size assumptions but usually would be similarly priced in terms of the relevant analysis – i.e. looking at the range of £ per sq. m 'Value levels' basis. In summary on this point, it is always necessary to consider the size of new build accommodation in looking at its price; rather than its price alone. The range of prices expressed in £s per square metre is the therefore the key measure used in considering the research, working up the range of values levels for testing; and in reviewing the results.

Commercial / Non-Residential Development Scenarios

2.2.10 In the same way, the commercial scheme scenarios reviewed were developed through the review of information supplied by, and through consultation with, the Council; following the basis issued in its brief. This was supplemented with and checked against wider information including the local commercial market offer – existing development and any new schemes / proposals. Figure 5 sets out the various scheme types modelled for this study, covering a range of uses in order to test the impact on viability of requiring CIL contributions from different types of commercial development considered potentially relevant in the district.

2.2.11 In essence, the commercial / non-residential aspects of this study consider the relationship between values and costs associated with different scheme types. Figure 5 below summarises the scenarios appraised through a full residual land value approach; again Appendix I provides more information.

Figure 5: Commercial / Non-residential Development Types Reviewed – Overview

Development Type	Example Scheme Type(s) and potential occurrence	GIA (m^2)	Site Coverage	Site Size (Ha)
Retail - larger format (A1): convenience	Large Supermarket	2500	40%	0.63
Retail - larger format (A1): comparison	Retail Warehousing - edge of centre	1500	25%	0.60
A1- A5: Small Retail	Other retail - town centre	300	70%	0.04
A1-A5: Small retail	Convenience Stores	300	50%	0.06
A1-A5: Small Retail	Farm shop, rural unit, café or similar	200	40%	0.05
B1(a) Offices: Town Centre	Office Building	500	60%	0.08
B1(a) Offices: Out of town centre	Office Building (business park type - various)	2500	40%	0.63
B1(a) Offices: Rural	Farm diversification, rural business centres, ancillary to other rural area uses	250	40%	0.06
B1, B2, B8: Industrial / Warehousing	Start-up / move-on unit	500	40%	0.13
B1, B2, B8: Industrial / Warehousing	Larger industrial / warehousing unit including offices - edge of centre	2000	40%	0.50
C1 - Hotel	Hotel - various types - tourism-led (range dependant on market / type). 60-bed.	2800	80%	0.35
C2 - Residential Institution	Nursing home / care home	3000	60%	0.50

Note: 300 sq. m retail ('small retail') scenarios representative of smaller shop types also permitting Sunday Trading Act related trading hours (see also subsequent information in this report).

2.2.12 Although highly variable in practice, these types and sizes of schemes are thought to be reasonably representative of a range of commercial or non-residential scheme scenarios that could potentially come forward in the district and are as subsequently agreed with the Council. As in respect of the assumptions for the residential scenarios, a variety of sources were researched and considered for guides or examples in support of our assumptions making process; including on values, land values and other development appraisal assumptions. DSP used information sourced from Estates Gazette Interactive (EGi), the VOA Rating List and other web-based review. We also received some additional indications through our process of seeking local soundings. Additional information included articles and development industry features sourced from a variety of construction related publications; and in some cases property marketing details. Collectively, our research enabled us to apply a level of “sense check” to our proposed assumptions, whilst necessarily acknowledging that this is high level work and that a great deal of variance is seen in practice from scheme to scheme. Further information is provided within Appendix III to this report.

2.2.13 In addition to testing the commercial uses of key relevance above, further consideration was given to other development forms that may potentially come forward locally. These include for example non-commercially driven facilities (community halls, medical facilities, schools, etc.) and other commercial uses such as motor sales / garages, depots, workshops, surgeries / similar, health / fitness, leisure uses (e.g. cinemas / bowling) and day nurseries.

2.2.14 Clearly there is potentially a very wide range of such schemes that could be developed over the life of the Local Plan and this CIL charging schedule. Alongside their viability, it is also relevant for the Council to consider the likely frequency and distribution of these; and their role in the delivery of the emerging development plan overall. For these scheme types, as a first step it was possible to review (in basic terms) the key relationship between their completed value per square metre and the cost of building. We say more about this in Chapter 3.

2.2.15 Where it can be quickly seen that the build cost (even before all other costs such as finance, fees, profits, purchase and sale, etc. are allowed for) outweighs or is close to the completed value, it becomes clear that a scenario is not financially viable in the usual development sense being reviewed here and related to any CIL contributions scope. We are also able to consider these value / cost relationships alongside the range of main appraisal assumptions and the results that those provide (e.g. related to business development). This is an iterative process in addition to the main appraisals, whereby a further deteriorating relationship between values and costs provides a clear picture of further reducing prospects of viable schemes. This starts to indicate schemes that require other support rather than being able to produce a surplus capable of some level of contribution to CIL.

2.2.16 Through this process we were able to determine whether there were any further scenarios that warranted additional viability appraisals. Having explored the viability trends produced by examination of the cost/value relationships we found that in many other cases, completed scheme values were at levels insufficient to cover development costs and thus would not support any level of CIL.

2.3 Gross Development Value (Scheme Value) - Residential

2.3.1 For the residential scheme types modelled in this study a range of (sales) value levels (VLs) have been applied to each scenario. This is in order to test the sensitivity of scheme viability to geographical values variations and / or with changing values as may be seen with further market variations. In the case of Shepway and given the values variations seen in different parts of the district through the initial research stages, the VLs covered typical residential market values over the range £2,000 to £4,250/sq. m at £150/sq. m intervals. These are set out within Appendix I – described as VLs 1 to 12.

2.3.2 The CIL rates were trialled by increasing the rate applied to each scenario over a scale between £0 and £180/sq. m. By doing this, we could consider and compare the potential for schemes to support a range of CIL rates over a range of value levels. From our wider experience of studying and considering development viability and given the balance also needed with other planning obligations including affordable housing, exploration beyond the upper end £180/sq. m potential charging rate level trial was not considered relevant in the district. The CIL trial rates range would have been extended following initial testing outcomes, had this been considered necessary.

2.3.3 We carried out a range of our own research on residential values across the Council's area (see Appendix III). It is always preferable to consider information from a range of sources to inform the assumptions setting and review of results stages. Therefore, we also considered existing information contained within previous research documents including previous viability studies forming the evidence base for existing policies and CIL; from sources such as the Land Registry, Valuation Office Agency (VOA) and a range of property websites. This is in accordance with the CIL Regulations and Guidance which states that proposed CIL rates should be informed by 'appropriate available' evidence and that 'a charging authority should draw on existing data wherever it is available'. Our practice is to consider all available sources to inform our up to date independent overview, not just historic data or particular scheme comparables.

2.3.4 A framework needs to be established for gathering and reviewing property values data. In researching residential values patterns we considered that the settlements, parish areas and Wards (for finer grained analysis within Folkestone) provided the best and most reflective, appropriate framework for gathering information.[7] It was considered that this would also enable a view on how the values patterns compare with the areas in which the most significant new housing provision is expected to come forward.

2.3.5 The purpose of the settlement hierarchy is to identify the current role and function of settlements based on the number and type of facilities and services they provide, to inform the spatial strategy of the Local Plan. Our desktop research considered the current marketing prices of properties across the district and Land Registry House Prices Index trends; together with a review of new build housing schemes of various types. This information was further supplemented by an updated review of Land Registry information, on-line property search engines and new build data where available. Together, this informed a district-wide view of values appropriate to this level of review and for considering the sensitivity of values varying. This research is set out at Appendix III.

2.3.6 Overall the research indicated that the values seen were variable as expected (a common finding whereby different values are often seen at opposing sides or ends of roads, within neighbourhoods and even within individual developments dependent on design and orientation, etc.), with some of the highest values seen in seafront

[7] The Folkestone wards used to gather data, and wards across the District, have been subject to a Boundary Commission review. Revised ward boundaries will therefore come into effect during the 2015 local elections

Folkestone, Hythe and the North Downs AONB. Lower values were seen particularly in areas such as eastern Folkestone and Lydd. Values patterns are often indistinct and especially at a very local level. However, in this study context we need to consider whether there are any clear variations between settlements or other areas where significant development may be occurring in the context of the future district development strategy. It should also be noted that house price data is highly dependent on specific timing in terms of the number and type of properties within the data-set for a given location at the point of gathering the information. In some cases, small numbers of properties in particular data samples (limited house price information) produce inconsistent results. This is not specific to Shepway. Neither is the relatively small number of current new-build schemes from which to draw information. However these factors do not affect the scope to get a clear overview of how values vary or otherwise typically between the larger settlements and given the varying characteristics of the district; as set out in these sections and as is suitable for the consideration of both the Local Plan and CIL.

2.3.7 The research and data sources behind our assumptions on values (as at Appendix III) - Background Data - are not included in the main part of this report. However, Figure 6 below indicates some key themes on values patterns across the district as observed through our research:

Figure 6: Indicative Settlement / Locality Relationship to Value Level (VL)

<table>
<tr><th colspan="2">Value (£/m²)</th><th colspan="2">Example Location (see footnotes below)</th></tr>
<tr><td>VL1</td><td>£2,000</td><td rowspan="2">Lydd, Folkestone (1)</td><td></td></tr>
<tr><td>VL2</td><td>£2,150</td><td rowspan="2">Folkestone 2, Dymchurch, Burmarsh, Hawkinge</td></tr>
<tr><td>VL3</td><td>£2,300</td><td rowspan="2">New Romney & Littlestone</td></tr>
<tr><td>VL4</td><td>£2,450</td><td rowspan="2">Rural 1, Folkestone 3</td></tr>
<tr><td>VL5</td><td>£2,600</td><td>Rural 2</td></tr>
<tr><td>VL6</td><td>£2,750</td><td></td><td rowspan="4"></td></tr>
<tr><td>VL7</td><td>£2,900</td><td rowspan="2">Rural 3, Hythe</td></tr>
<tr><td>VL8</td><td>£3,050</td></tr>
<tr><td>VL9</td><td>£3,350</td><td rowspan="2">Rural 4, Folkestone 4</td></tr>
<tr><td>VL10</td><td>£3,650</td><td rowspan="3">Rural 5</td></tr>
<tr><td>VL11</td><td>£3,950</td><td rowspan="2"></td></tr>
<tr><td>VL12</td><td>£4,250</td></tr>
</table>

Folkestone 1 = Ford, Harbour, Morehall, Cheriton Wards

Folkestone 2 = East & Park Wards

Folkestone 3 =	Harvey Central Ward
Folkestone 4 =	Harvey West, Sandgate Wards
Rural 1 =	Etchinghill, Lyminge, St Mary's Bay, Greatstone-on-Sea
Rural 2 =	Densole
Rural 3 =	Lympne, Brenzett
Rural 4 =	Saltwood, Newchurch, Stelling Minnis, Brookland
Rural 5 =	Elham, Stanford & Westenhanger, Ivychurch, Sellindge

2.3.8 The values that are assumed (as being available to support development) affect the consideration of viability of plan policies across the district and ultimately the level of CIL that can be charged without unduly affecting the viability of development. As will be outlined in Chapter 3, this process informed a developing view of how to most appropriately describe and cater for the values and viability levels seen through varying property values. Through on-going discussion and consideration of the various data sources, this evolved to a settled, evidenced view of the key characteristics of the district - to inform potential options for an appropriate local approach to both Local Plan policy and CIL charging scope.

2.3.9 In addition to the market housing, the development appraisals also assume a requirement for affordable housing. Shepway District Council's current approach is to seek affordable housing from sites of 5 or more units. The requirement is based on seeking 1 unit on sites of 5 to 9; 20% affordable housing on sites of 10 to 14 units and 30% on sites of 15 or more units. As this study seeks to test the viability of Local Plan policies holistically alongside the potential level of CIL that could be viable, we have included the full, policy compliant affordable housing requirement in each case. For the affordable housing, we have assumed that approximately 60% is affordable rented tenure and 40% is 'intermediate' in the form of shared ownership (although again it should be noted that this tenure mix was accommodated as far as best fits the overall scheme mixes and affordable housing proportion in each scenario).

2.3.10 In practice many tenure mix variations could be possible; as well as many differing levels of rents derived from the affordable rents approach as affected by local markets and by affordability. The same applies to the intermediate (assumed shared ownership) element in that the setting the initial purchase share percentage, the rental level charged on the Registered Provider's (RP's - i.e. Housing Association or similar) retained equity and the interaction of these two would usually be scheme specific considerations. Shared ownership is sometimes referred to as a form of 'low cost home ownership' (LCHO). Assumptions need to be made for the study purpose.

2.3.11 For the on-site affordable housing, the revenue that is assumed to be received by a developer is based only on the capitalised value of the net rental stream (affordable rent) or capitalised net rental stream and capital value of retained equity (in the case of shared ownership tenure). Currently the Homes and Communities Agency (HCA) expects affordable housing of either tenure on s.106 sites to be delivered with nil grant input and this has been confirmed also by DCLG for the next round of affordable housing spending (Affordable Homes Programme 2015 – 2018). At the very least this should be the starting assumption pending any review of viability and later funding support for specific scenarios / programmes. We have therefore made no allowance for grant.

2.3.12 The value of the affordable housing (level of revenue received for it by the developer) is variable by its very nature. This may be described as the ‘payment to developer’, ‘RP payment price’, ‘transfer payment’ or similar. These revenue assumptions were reviewed based on our extensive experience in dealing with affordable housing policy development and site specific viability issues (including specific work on SPD, affordable rents, financial contributions and other aspects for other authorities). The affordable housing revenue assumptions were also underpinned by RP type financial appraisals. We considered the affordable rented revenue levels associated with potential variations in the proportion (%) of market rent (MR); up to the maximum allowed by the Government of 80% MR including service charge.

2.3.13 In broad terms, the transfer price assumed in this study varies between approximately 30% and 75% of market value (MV) dependent on tenure, unit type and value level. For affordable rented properties we introduced a revenue level cap by assuming that the Local Housing Allowance (LHA) levels will act as an upper level above which rents will not be set – i.e. where the percentage of market rent exceeds the Local Housing Allowance (LHA) rate. The average LHA rate for the three Broad Rental Market Areas (BRMAs) that cover Shepway District for the varying unit types was used as our cap for the affordable rental level assumptions.

2.3.14 In practice, as above, the affordable housing revenues generated would be dependent on property size and other factors including the RP’s own development strategies and therefore could well vary significantly from case to case when looking at site specifics. The RP may have access to other sources of funding, such as related to its own business plan, funding resources, cross-subsidy from sales / other tenure forms, recycled capital grant from stair-casing receipts, for example, but such additional funding cannot be regarded as the norm for the purposes of setting viability study assumptions – it is highly scheme dependent and variable and so has not been factored in here.

2.3.15 Again, it is worth noting that affordable housing will not be liable for CIL payments. This is the case under the regulations nationally; not just in the Shepway context. The market dwellings within each scenario will carry the CIL payments burden at the Council's specified rate(s).

2.4 Gross Development Value – Commercial / Non-residential

2.4.1 The value (GDV) generated by a commercial or other non-residential scheme varies enormously by specific type of development and location. In order to consider the viability of various commercial development types, a range of assumptions needed to be made with regard to the rental values and yields that would drive the levels of the completed scheme values that would be compared with the various development costs to be applied within each commercial scheme appraisal. The strength of the relationship between the GDV and the development costs was then considered. This was either through residual valuation techniques very similar to those used in the residential appraisals (in the case of the main development types to be considered) or; a simpler value vs. cost comparison (where it became clear that a poor relationship between the two existed so that clear viability would not be shown - making full appraisals unnecessary for a wider range of trial scenarios).

2.4.2 Broadly the commercial appraisals process follows that carried out for the residential scenarios, with a range of different information sources informing the values (revenue) related inputs. Data on yields and rental values (as far as available) was from a range of sources including the VOA, EGi and a range of development industry publications, features and web-sites. As with the residential information, Appendix III sets out more detail on the assumptions background for the commercial schemes.

2.4.3 Figure 7 below shows the range of annual rental values assumed for each scheme type. These were then capitalised based on associated yield assumptions to provide a GDV for each scheme dependent on the combination of yield and rental values applied.

2.4.4 The rental values were tested at three levels representative of low, medium and high values relevant to each commercial / non-residential scheme type in the district. This enables us to assess the sensitivity of the viability findings to varying values. They are necessarily estimates and based on the assumption of new build development. This is consistent with the nature of the CIL regulations in that refurbishments / conversions / straight reuse of existing property will not attract CIL contributions (unless floor-space in excess of 100 sq. m is being added to an existing building; and providing that certain criteria on the recent use of the premises are met). In many cases, however, limited or no new build information for use of comparables exists, particularly given recent and current market circumstances. Therefore, views have had to be formed from local prevailing rents / prices and information on existing property and past research carried out on behalf of the Council. In any event, the amount and depth of available information varied considerably by development type. Once again, this is not a Shepway only factor and it does not detract from the necessary viability overview process that is appropriate for this type of study.

2.4.5 These varying rental levels were capitalised by applying yields of between 5.5% and 7.5% (varying dependent on scheme type). This envisages good quality new development, rather than relating to mostly older accommodation which much of the marketing / transactional evidence provides. As with rents, varying the yields enabled us to explore the sensitivity of the results given that in practice a wide variety of rental and yields could be seen. We settled our view that the medium level rental assumptions combined with 7.5% base yield (5.5% - 6.5% for large retail formats and hotels) were appropriate in providing context for reviewing results and considering viability outcomes. Taking this approach also means that it is possible to consider what changes would be needed to rents or yields to sufficiently improve the viability of non-viable schemes or, conversely, the degree to which viable scheme assumptions and results could deteriorate whilst still supporting the collective costs, including CIL.

2.4.6 It is important to note here that small variations can have a significant impact on the GDV that is available to support the development costs (and thus the viability of a scheme) together with any potential CIL funding scope. We consider this very important bearing in mind the balance that must be found between infrastructure funding needs and viability. Overly optimistic assumptions in the local context (but envisaging new development and appropriate lease covenants etc. rather than older stock), could well act against finding that balance.

2.4.7 This approach enabled us to consider the sensitivity of the results to changes in the capital value of schemes and allowed us then to consider the most relevant results in determining the parameters for setting non-residential CIL rates across the district. As with other study elements, particular assumptions used will not necessarily match scheme specifics and therefore we need to look instead at whether / how frequently local scenarios are likely to fall within the potentially viable areas of the results (including as values vary). This is explained further in Chapter 3.

Figure 7: Rental Value for Commercial Schemes

Development Type		**Value Level (Annual Rental Indication £/sq. m)**		
		Low	Medium	High
Retail - larger format (A1) – convenience	Large Supermarket - Town centre	£200	£250	£300
Retail - larger format (A1) - comparison	Retail Warehousing - edge of centre	£100	£175	£225
A1- A5 - Small Retail	Other retail - town centre	£70	£120	£170
A1-A5 - Small retail*	Convenience Stores	£80	£100	£120
A1-A5 - Small Retail	Farm shop, rural unit, café or similar	£60	£80	£100
B1(a) Offices - Town Centre	Office Building	£75	£100	£125
B1(a) Offices - Out of town centre	Office Building (business park type - various)	£100	£125	£150
B1(a) Offices - Rural	Farm diversification, rural business centres, ancillary to other rural area uses	£70	£85	£100
B1, B2, B8 - Industrial / Warehousing	Start-up / move-on unit	£45	£65	£85
B1, B2, B8 - Industrial / Warehousing	Larger industrial / warehousing unit including offices - edge of centre	£40	£55	£70
C1 - Hotel	Hotel - various types - tourism-led (range dependant on market / type). 60-bed.	£3,000**	£4,000**	£5,000**
C2 - Residential Institution	Nursing home / care home	£110	£130	£150

* Convenience stores with sales area of less than 3,000 sq. ft. (280 sq. m.), assuming longer opening hours.

**per room per annum

Economic and market conditions

2.4.8 We are making this viability assessment following what appears to be the end of a period of significant recession which has seen a major downturn in the fortunes of the property market – from an international and national to a local level, and affecting all property types (residential and commercial). At the time of writing we appear to have come through a period of relatively weak and uncertain economic conditions with the economy and property market in particular beginning to show signs of continued recovery. At the point of closing-off the study, there continues to be mixed messages but the British economy is showing signs that the market is beginning to pick up with house price growth rising at a rapid pace, especially in the South East of England boosted by the Government's Funding for Lending scheme and some forecasts indicating UK house price inflation of between 21% - 24% by the end of 2018[8].

2.4.9 The RICS Commercial Market Survey for Q1 of 2014 - stated that '*The Q1 2014 RICS UK Commercial Property Market Survey highlights a continued strengthening in both the occupier and investment sectors. This improvement is becoming increasingly broad based in both sectoral and regional terms; this is no longer just a London offices story*.

At the all-sector level, occupier demand increased while availability fell. With the market tightening, rents are expected to pick up further and the value of tenant inducements are falling. This broad pattern is also evident across the three subsectors (retail, office and industrial) and the survey's broad four regional groupings (London, the South, Midlands/Wales and the North).

While London offices are still the outperforming market segment, it is increasingly apparent in the survey that the market, ex-London offices, is beginning to shift up a gear. This is a welcome development given how unbalanced the commercial real estate sector had become in recent years and reflects the broader economic recovery underway.

In the investment market, buyer enquiries accelerated further at the all-sector level, pushing up survey respondents' confidence in the outlook for capital values. Again,

[8] Knight Frank Residential Research – UK Housing Market Forecast (Q42013 Edition)

the regional and sector breakdown of the results indicate that this improvement is taking place not just in London and not just in the office sector.

The survey comments bear out a few interesting anecdotal points. First, while conditions in some secondary markets clearly remain challenging, there is a growing sense that some office tenants are beginning to revaluate the economics of renting prime versus secondary office space. Second, availability in some markets is falling not just because of strong tenant demand, but also because part of the stock is being converted for residential use.

Over the next twelve months, rents are projected to rise by around 4.5% in the office sector, by approximately 5.5% in the industrial segment and by just over 3% in the retail sector. On the same basis, capital values are forecast to increase by roughly 5% and 6% in the office and industrial sectors respectively, while retail sector gains are expected to be a slightly more modest 3%.'

2.4.10 As with residential development, consideration was given to the Shepway context for whether there should be any varying approach to CIL charging levels for commercial and other developments locally. On review, it was considered that variations in values and viability outcomes would be more likely to be the result of detailed site and scheme specific characteristics, and not necessarily driven by distinctions between general location (area) within the district so far as the likely location of such development is concerned, focussed in the early Plan timescales on the three main towns. This was borne out on review of the commercial values data and results, as per the examples included at Appendix III.

2.4.11 As can be seen, there is great variety in terms of values within each of the main settlement areas and across the full range of locations in the district. However, there were tones of values which informed our rental and other assumptions for the appraisals, based on the upper end rental indications seen for business uses (offices and industrial / warehousing) as appropriate for high quality new build schemes and on the variety of indications seen for retail. In both cases these were taken from a combination of the VOA Rating List, EGi and other sources as far as were available whilst keeping the review depth proportionate and economic in the study overview context. In respect of other commercial / non-residential development types again a district-wide overview was considered appropriate.

2.4.12 Overall, we found no clearly justifiable or readily definable approach to varying the potential CIL charging on commercial / other development types through viability findings based on location / geography – without risking the approach becoming overly complex. Whilst certain specific scheme types could create more value in one location compared with another in the district, typically there was felt to be no clear or useful pattern which might be described for that. In preference to a more complex approach, given the lack of clear evidence pointing towards that, the project ethos was to explore potential CIL charging rates for these various development types in the case of making them workable district-wide. We therefore continued our work based on a uniform approach district-wide to exploring the CIL charging rate scope in viability terms for commercial uses. It must be accepted that there will always be variations and imperfections in any level of overview approach; with or without area based differentiation.

2.5 Development Costs – General

2.5.1 Total development costs can vary significantly from one site or scheme to another. For these strategic overview purposes, however, assumptions have to be fixed to enable the comparison of results and outcomes in a way which is not unduly affected by how variable site specific cases can be. As with the residential scenarios, an overview of the various available data sources is required and is appropriate.

2.5.2 Each area of the development cost assumptions is informed by data - from sources such as the RICS Building Cost Information Service (BCIS), any locally available soundings and scheme examples, professional experience and other research.

2.5.3 For this overview, we have not allowed for abnormal costs that may be associated with particular sites - these are highly specific and can distort comparisons at this level of review. Contingency allowances have however been made for all appraisals. This is another factor that should be kept in mind in setting CIL charging rates and ensuring those are not set to the 'limits' of viability. In some circumstances and over time, overall costs could rise from current / assumed levels. The interaction between values and costs is important and whilst any costs rise may be accompanied by increased values from assumed levels, this cannot be relied upon.

2.6 Development Costs – Build Costs

2.6.1 The base build cost levels shown below are taken from the BCIS. In each case the median figure, rebased to a Shepway location index, is used. Costs shown for each development type (residential and commercial) are provided in Appendix I.

Figure 8: Build Cost Data (BCIS Median, Shepway Location Factor relevant at time of research)

Development use	Example property type	BCIS Build Cost (£/sq. m)*
Residential (C3)	Houses - mixed development	£916
	Houses – one-off (3 units or less)	£1,302
	Flats - generally	£1,056
	Flats – 6+ storey	£1,323
	Flats - Sheltered housing	£1,085
Retail - larger format (A1) – convenience	Large Supermarket - Town centre	£1,086
Retail - larger format (A1) - comparison	Retail Warehousing - edge of centre	£629
A1- A5 - Small Retail	Other retail - town centre	£753
A1-A5 - Small retail*	Convenience Stores – Towns / Service centres	£753
A1-A5 - Small Retail	Farm shop, rural unit, café or similar	£753
B1(a) Offices - Town Centre	Office Building	£1,318
B1(a) Offices - Out of town centre	Office Building (business park type - various)	£1,259
B1(a) Offices - Rural	Farm diversification, rural business centres, ancillary to other rural area uses	£1,243
B1, B2, B8 - Industrial / Warehousing	Start-up / move-on unit	£923
B1, B2, B8 - Industrial / Warehousing	Larger industrial / warehousing unit including offices - edge of centre	£640
C1 - Hotel	Hotel - various types - tourism-led (range dependant on market / type). 60-bed.	£1,224 - £1,712**
C2 - Residential Institution	Nursing home / care home	£1,483

*excludes external works and contingencies (these are added to the above base build costs)

**all-in cost – range from budget to 4*+

2.6.2 Unless stated, the above build cost levels do not include contingencies or external works. An allowance for externals has been added to the above base build cost on a variable basis depending on the scheme type (typically between 5% and 20% of base build cost). These are based on a range of information sources and cost models and generally pitched at a level above standard levels in order to ensure sufficient allowance for the potentially variable nature of site works. The resultant build costs assumptions (after adding to the above for external works allowances but before contingencies and fees) are included at the tables in Appendix I.

2.6.3 For this broad test of viability it is not possible to test all potential variations to additional costs. There will always be a range of data and opinions on, and methods of describing, build costs. In our view, we have made reasonable assumptions which lie within the range of figures we generally see for typical new build schemes (rather than high specification or particularly complex schemes which might require particular construction techniques or materials). As with many aspects there is no single appropriate figure in reality, so judgments on these assumptions (as with others) are necessary. As with any appraisal input of course, in practice this will be highly site specific. In the same way that we have mentioned the potential to see increased costs in some cases, it is just as likely that we could also see cases where base costs, externals costs or other elements will be lower than those assumed. Once again, in accordance with considering balance and the prospect of scheme specifics varying in practice, we aim to pitch assumptions which are appropriate and realistic through not looking as favourably as possible (for viability) at all assumptions areas.

2.6.4 Further allowances have been added to the total build cost in respect of achieving higher sustainable design and construction standards (either in relation to building regulations or equivalent requirements – e.g. Code for Sustainable Homes / BREEAM). In the residential scenarios, this was applied to all dwellings assuming that construction standards met the requirements for the Code for Sustainable Homes enhancement to level 4 (CfSH L4). Sensitivity testing on further changes to Part L of the Building Regulations has also been undertaken assuming future compliance equivalent to meeting zero carbon requirements. We have utilised information within the DCLG Housing Standards Review Impact Assessment[9] and Zero Carbon Hub respectively[10]. Appendix I provide more detail.

2.6.5 An allowance of 5% of build cost has also been added to cover contingencies. This is a relatively standard assumption in our recent experience. We have seen variations, again, either side of this level in practice.

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[9] DCLG – Housing Standards Review Consultation Impact Assessment August 2013 / EC Harris – Housing Standards Review – Potential Cost Impacts – Summary (June 2013)

[10] Zero Carbon Hub / Sweett Group – Cost Analysis: Meeting the Zero Carbon Standard (February 2014)

2.6.6 Survey and normal site costs have been allowed for on a notional basis (£4,500 per unit for smaller residential scenarios; variable within the larger residential and commercial scenarios).

2.6.7 The interaction of costs and values levels will need to be considered again at future reviews of CIL. In this context it is also important to bear in mind that the base build cost levels will also vary over time. In the recent recessionary period we saw build costs fall, but moving ahead they are expected to rise again, if only over the longer term. Costs peaked at around Q4 2007 / Q1 2008 but fell significantly (by more than 10%) to a low at around Q1 2010 (similar index point to that seen at around Q1- Q2 2004 levels). The index shows that, after modest rises in the first half of 2010, building costs have been at relatively consistent (flat) levels. This trend is forecast to continue with steady tender price increases forecast through to early 2017 (rising from about a 2% per annum increase in 2014 to 3.9% at the beginning of 2018). Clearly only time will tell how things run-out in comparison with these forecasts.

2.6.8 The latest available BCIS briefing (30th April 2014) stated on build cost trends:

'The General Building Cost Index rose by 0.3% in 4th quarter 2013 compared with the previous quarter, and by 1.3% compared with the same quarter in 2012.

Materials prices rose by 0.4% in the year to 4th quarter 2013 and nationally agreed wage rates rose by 1.6%. General inflation rose by 2.7% over this period.

Materials prices as a whole are expected to rise by under 2% over the first year of the forecast, on the back of weak upward pressure in raw materials prices. As the construction industry and the wider economy improves over the following years, it is anticipated that overall annual price increases will rise from 2.6% in 1st quarter 2016 to 3.8% in 1st quarter 2019. Looking at the global economy, and in particular the emerging economies, growth is not expected to rise fast enough to put significant upward pressure on materials prices throughout the forecast period.

From the standpoint of employees in the construction industry, their wage bargaining position is expected to improve on the back of increasing demand for construction work going forward. As a result, the average of wage settlements is forecast to rise from 2.6% in the year to 1st quarter 2015 to 3.9% over the last two years of the forecast period.

New orders for construction work rose by 2% in 4th quarter 2013 compared with the previous quarter, and by 4% compared with a year earlier. It should be noted that ONS changed the methodology of data collection for construction orders in 2nd quarter 2013, without applying any conversion factor, which may continue to distort the yearly percentage changes through to 1st quarter 2014.

New work output recovered to modest growth in 2013, and growth is expected to become stronger as the economy as a whole picks up. However, some sectors and regions will lag behind. Construction demand is not expected to return to its pre-recession level until 2016.

Tender prices have risen by 7% over the past year, and it is now felt that short term capacity issues may keep increases higher over the next year, as contractors struggle with the increase in workload. This was one of our alternative scenarios given previously. Tender prices are therefore expected to rise by 6.1% over the first year of the forecast period. Tender prices are then predicted to slow to around 4.6% over the following year, as the industry begins to cope with the increased workload. Over the remaining years of the forecast, tender prices are expected to rise by around 5.2% per annum, driven by increasing demand and upward pressure from input costs. Tender prices are forecast to have risen by around 26% above the pre-recession peak by the end of the forecast period.'[11]

Annual % Change	1Q12 to 1Q13	1Q13 to 1Q14	1Q14 to 1Q15	1Q15 to 1Q16	1Q16 to 1Q17	1Q17 to 1Q18	1Q18 to 1Q19
Tender Prices	+9.3%	+3.8%	+6.1%	+4.6%	+5.2%	+5.3%	+5.3%
Building Costs	+1.3%	+0.3%	+2.2%	+3.1%	+3.0%	+3.8%	+3.9%
Nationally Agreed Wage Awards	+1.4%	+1.4%	+2.6%	+3.0%	+3.6%	+3.9%	+3.9%
Materials Prices	0	+0.8%	+1.5%	+2.6%	+2.9%	+3.2%	+3.8%
Retail Prices	+3.1%	+2.7%	+3.3%	+2.9%	+3.1%	+3.4%	+3.6%
Construction New Work output*	-11.3%	+1.0%	+5.1%	+6.1%	+5.8%	+6.0%	+6.1%
* Year on Year (1Q12 to 1Q13 = 2012 to 2013)							

(Data Source: BCIS)

[11] BCIS Quarterly Briefing - Five Year Forecast of Building Costs and Tender Prices (April 2014)

2.7 Development Costs – Fees, Finance & Profit (Residential)

2.7.1 The following costs have been assumed for the purposes of this study alongside those at section 2.6 above and vary slightly depending on the scale and type of development (residential or commercial). Other key development cost allowances for residential scenarios are as follows (Appendix I also provides a summary):

<u>Professional fees</u>:	*Total of 10% of build cost*
<u>Site Acquisition Fees</u>:	*1.5% agent's fees* *0.75% legal fees* *Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT).*
<u>Finance</u>:	6.5% p.a. interest rate *(assumes scheme is debt funded)* *Arrangement fee variable – basis 1-2% of loan*
<u>Marketing costs</u>:	*3.0% - 6.0% sales fees* *£750 per unit legal fees*
<u>Developer Profit</u>:	*Open Market Housing – 20% GDV* *Affordable Housing – 6% of GDV (affordable housing revenue).*

2.8 Development Costs – Fees, Finance & Profit (Commercial)

2.8.1 Other development cost allowances for the commercial development scenarios are as follows:

<u>Professional and other fees</u>:	*12% of build cost*
<u>Site Acquisition Fees</u>:	*1.5% agent's fees* *0.75% legal fees* *Standard rate (HMRC scale) for Stamp Duty land Tax (SDLT)*

Finance:	*6.5% p.a. interest rate (assumes scheme is debt funded)* *Arrangement fee variable – 1-2% loan cost*
Marketing / other costs:	*(Cost allowances – scheme circumstances will vary)* *1% promotion / other costs (% of annual income)* *10% letting / management / other fees (% of assumed annual rental income)* *5.75% purchasers costs – where applicable*
Developer Profit:	*20% of GDV*

2.9 Build Period

2.9.1 The build period assumed for each development scenario has been based on BCIS data (using its Construction Duration calculator - by entering the specific scheme types modelled in this study) alongside professional experience and informed by examples where available. The following build periods have therefore been assumed. Note that this is for the build only; lead-in and extended sales periods have also been allowed-for on a variable basis according to scheme type and size, having the effect of increasing the periods over which finance costs are applied (see Figure 9 below):

Figure 9: Build Period

Development Use Type	Scheme Type	Build Period (months)
Residential (C3)	1 House	6
	2 Houses	6
	4 Houses	6
	9 Houses	9
	10 Houses	9
	15 Mixed	12
	30 Mixed	18
	30 Flats (Sheltered)	18
	100 Mixed / Flats	24
Retail - larger format (A1) – convenience	Large Supermarket - Town centre	12
Retail - larger format (A1) - comparison	Retail Warehousing - edge of centre	7
A1- A5 - Small Retail	Other retail - town centre	6
A1-A5 - Small retail*	Convenience Stores – Towns / Service centres	6

Development Use Type	Scheme Type	Build Period (months)
A1-A5 - Small Retail	Farm shop, rural unit, café or similar	6
B1(a) Offices - Town Centre	Office Building	6
B1(a) Offices - Out of town centre	Office Building (business park type - various)	12
B1(a) Offices - Rural	Farm diversification, rural business centres, ancillary to other rural area uses	6
B1, B2, B8 - Industrial / Warehousing	Start-up / move-on unit	6
B1, B2, B8 - Industrial / Warehousing	Larger industrial / warehousing unit including offices - edge of centre	9
C1 - Hotel	Hotel - various types - tourism-led (range dependant on market / type). 60-bed.	14
C2 - Residential Institution	Nursing home / care home	16

2.10 Other planning obligations - Section 106 ('s.106') Costs

2.10.1 Current guidance states the following with regard to CIL: "*At examination, the charging authority should set out a draft list of the projects or types of infrastructure that are to be funded in whole or in part by the levy (see Regulation 123). The charging authority should also set out any known site-specific matters for which section 106 contributions may continue to be sought. This is to provide transparency about what the charging authority intends to fund through the levy and where it may continue to seek section 106 contributions*"[12]. The purpose of the list is to ensure that local authorities cannot seek contributions for infrastructure through planning obligations when the levy is expected to fund that same infrastructure. The Guidance[13] states that where a change to the Regulation 123 list would have a significant impact on the viability evidence that supported examination of the charging schedule, this should only be made as part of a review of that charging schedule. It is therefore important that the level of planning obligations assumed in this study reflects the likely items to be funded through this route.

2.10.2 On discussion with the Council it was considered that a great majority of existing Planning Obligation requirements on future schemes would be taken up within the CIL proposals, but nevertheless that small scale site-specific requirements (perhaps dedicated highways improvements / alterations, open space related or similar

[12] DCLG – Community Infrastructure Levy Guidance (February 2014)

requirements) could remain alongside CIL in some circumstances. The appraisals therefore included a notional sum of £3,000 per dwelling (for all dwellings – including affordable - and all schemes) on this aspect purely for the purposes of this study and in the context of seeking to allow for a range of potential scenarios and requirements – effectively as an additional contingency in respect of any residual s.106 requirements.

2.11 Indicative land value comparisons and related discussion

2.11.1 As discussed previously, in order to consider the likely viability of both the Local Plan and its policies and the scope for a range of potential (trial) CIL contribution rates in relation to any development scheme, a comparison needs to be made between the outturn results of the development appraisals (in terms of RLV) and some benchmark or known land value. As suitable context for a high level review of this nature, DSP's practice is to compare the wide range of appraisal RLV results with a variety of potential land value comparisons. This allows us to consider a wide range of potential scenarios and outcomes and the viability trends across those. This approach reflects the varied land supply picture that the Council expects to see, including the occurrence of greenfield sites and schemes coming forward on previously developed former commercial / employment land as well as reuse and intensification of existing residential sites and garden areas.

2.11.2 The scale of the difference between the RLV and comparative land value level (i.e. surplus after all costs (including policy costs), profit and likely land value expectations have been met) in any particular example, and as that changes between scenarios, allows us to judge the potential CIL funding scope. It follows that, in the event of little or no surplus or a negative outcome (deficit), we can see that, alongside the other costs assumed, there is little or no CIL or affordable housing contribution scope once all other assumed normal costs have been allowed for.

2.11.3 This also needs to be viewed in the context that in terms of CIL, invariably (as we see across a range of strategic level viability studies) the levy rates are usually not the main factor in the overall viability outcome. Market conditions and whether a scheme is inherently viable or not (i.e. prior to CIL payment considerations) tend to be the key factors. Typically, small shifts in the CIL trial rate significantly affect viability only in the case of schemes that are already marginally viable (prior to considering CIL) and so at a tipping-point of moving to become non-viable once CIL is imposed or other relatively modest costs (in the context of overall development costs) are added. Sales values, land value expectation and policy costs such as affordable housing or the move towards zero carbon development will tend to create much larger viability impacts on schemes. As the inherent viability of schemes improves then even a larger increase in the CIL trial rate is often not seen to have a very significant impact on the RLV and therefore likely viability impact by itself. As the trial CIL rate increases it is usually more a matter of relatively small steps down in reducing viability and so also considering the added risk to developments and the balance that Councils need to find between funding local infrastructure and the viability of development in their area.

2.11.4 In order to inform these land value comparisons or benchmarks we sought to find examples of recent land transactions locally. However, no firm evidence of such was available from the various soundings we took and sources we explored. We reviewed information sourced as far as possible from the VOA, previous research / local studies / advice provided by the Council, seeking local soundings, EGi; and from a range of property and land marketing web-sites. Details of the research are provided in Appendix III.

2.11.5 Each of the RLV results is compared to a range of land value levels representing potential values for sites of varying types of PDL previously developed land – i.e. brownfield) and greenfield sites; envisaging a potential spectrum of sites from greenfield through lower and then upper value commercial land and sites with existing residential use. Again, scheme specific scenarios and the particular influence of site owners' circumstances and requirements will be variable in practice.

2.11.6 In terms of the VOA, data available for comparison has reduced significantly since the July 2009 publication of its Property Market Report (PMR), with data provided only on a limited regional basis in the later reporting. The VOA now no longer produces a PMR and suggests that caution should be used when viewing or using its data. Nevertheless in areas where it is available, the data can provide useful indicators, certainly in terms of trends.

2.11.7 As can be seen at Appendices IIa and IIb (residential and commercial scenarios results respectively), we have made indicative comparisons at land value levels in a range between £500,000/ha and £1,200,000/ha so that we can see where our RLVs fall in relation to these levels and the overall range between them. These benchmarks are based on a review of available information from site specific reviews, local research and research carried out by others in carrying out viability studies both for Shepway and neighbouring authorities. On PDL land, typically we would expect to see a land value benchmark in the region of £750,000/ha.

2.11.8 Where greenfield or other lower value land were to be relevant then the results can be used in exactly the same way; to get a feel for how the RLVs (expressed in per ha terms) compare with a lower land value levels of say £500,000/ha. The minimum land values likely to incentivise release for development under any circumstances is probably around £500,000/ha in the Shepway context. Land values at those levels are likely to be relevant to development on greenfield land (or enhancement to amenity land value) and therefore relatively commonly occurring across the district. This range could be relevant for consideration as the lowest base point for enhancement to greenfield land values (with agricultural land reported by the VOA to be valued at £15,000 - £20,000/ha in existing use, verified by our own research). The HCA issued a transparent assumptions document which referred to guide parameters of an uplift of 10 to 20 times agricultural land value. This sort of level of land value could also be relevant to a range of less attractive locations or land for improvement. This is not to say that land value expectations would not go beyond these levels – they could well do in a range of circumstances.

2.11.9 As well as a level of value relating to an existing or alternative use driving a site's value ('EUV' or 'AUV'), there may be an element of premium (an over-bid or incentive) required to enable the release of land for development. The HCA's draft document 'Transparent Viability Assumptions' that accompanies its Area Wide Viability Model suggests that '*the rationale of the development appraisal process is to assess the residual land value that is likely to be generated by the proposed development and to compare it with a benchmark that represents the value required for the land to come forward for development*'. This benchmark is referred to as threshold land value in that example: '*Threshold land value is commonly described as existing use value plus a premium, but there is not an authoritative definition of that premium, largely because land market circumstances vary widely'*. Further it goes on to say that '*There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied*'.

2.11.10 RICS Guidance[13] refers to site value in the following '*Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan… The residual land value (ignoring any planning obligations and assuming planning permission is in place) and current use value represent the parameters within which to assess the level of any planning obligations*'.

2.11.11 In the Local Housing Delivery Group report[14] chaired by Sir John Harman, it is noted that '*Consideration of an appropriate Threshold Land Value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful 'sense check' on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input to a model.*

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values'.

2.11.12 These types of acknowledgements of the variables involved in practice align to our thinking on the potential range of scenarios likely to be seen. As further acknowledged later, this is one of a number of factors to be kept in mind in setting suitable rates which balance viability factors with the infrastructure needs side.

2.11.13 We would stress here that any overbid level of land value (i.e. incentive or uplifted level of land value) would be dependent on a ready market for the existing or other use that could be continued or considered as an alternative to pursuing the redevelopment option being assumed. The influences of existing / alternative uses on site value need to be carefully considered. At a time of a low demand through depressed commercial property market circumstances, for example, we would not expect to see inappropriate levels of benchmarks or land price expectations being set

[13] Financial Viability in planning – RICS Guidance note (August 2012)
[14] Local Housing Delivery Group – Viability Testing Local Plans (June 2012)

for opportunities created from those sites. Just as other scheme specifics and appropriate appraisal inputs vary, so will landowner expectation.

2.11.14 Essentially this approach leads to the comparison of the RLV results in £s per hectare (£/ha), having taken into account all values and costs including varying levels of CIL and affordable housing, to a range of potential land values representing various greenfield, previously developed land (e.g. former commercial uses) or existing residential (residential intensification) benchmark land value indications. The range of land value comparisons is set out beneath the results tables (at Appendices IIa and IIb) and further information is set out within the wider research as included at Appendix III. The results trends associated with these are seen at Appendices IIa and IIb as explained in Chapter 3 below.

3 Findings

3.1 Introduction, values patterns and relationship with the development strategy options associated with the emerging Local Plan.

A guide to the results and appendices tables

3.1.1 Results summaries are included within the tables at the Appendices to the rear of this report, as follows:

- Appendix IIa (residential scenarios – lower density - tables 1a to 1i and appraisal summaries that follow those tables);
- Appendix IIb (residential scenarios – higher density - tables 1j to 1v and appraisal summaries that follow those tables);
- Appendix IIc (commercial / non-residential scenarios – tables 2 to 5 and relevant appraisal summaries);

3.1.2 In each case these reflect the scenarios explained in Chapter 2 and summarised at Appendix I.

3.1.3 Within Appendices IIa and IIb (together with equivalent IIc for commercial) the tables refer to the potential relevance / occurrence of the scenarios, on an overview basis and bearing in mind that in practice each site will be different. The process included consideration of the varying site types relevant to schemes on greenfield land and PDL of varying types (e.g. from former commercial / non-residential existing uses to land with established residential use such redevelopment of existing housing). Across this range of site types, varying land values will be relevant to some extent. Development, overall, looks set to be a mix of PDF and greenfield site based. In the early years of the Plan supported by the first CIL charging schedule, this is likely to include predominantly a range of smaller sites across a range of sizes to say 100 to 150 dwellings; sites are not expected to be larger in the next few years. Most of the development scenarios considered could occur on host sites with a variety of characteristics. This is a feature of development in the district area, which will be based largely on PDL in the main ('sub-regional') town of Folkestone and a mix of sites at the 'strategic towns' of Hythe and New Romney together with the 'service centres' Hawkinge and Lydd. Smaller scale development could also be scattered amongst the number of smaller settlements within Shepway's rural areas. The Local Plan Core Strategy sites at Folkestone Harbour, Shorncliffe and Sellindge are currently coming forward under the existing s.106 arrangements; those are not relevant to the CIL considerations.

3.1.4 The included assumption on affordable housing, set according to the scenario type and its relationship with the existing policy thresholds, is shown in the grey column at the far left had side of the Appendix IIa and IIb tables. Each of the Appendix IIa and IIb tables shows for that development scenario (as titled at the top alongside the Table number) the resulting RLVs (£) and RLVs/ha (£/ha) from the tests at each value level (VL) across the range of trial CIL charging rates (£0 to £180/sq. m or to £150/sq. m in respect of Appendix IIc commercial, moving from left to right).

3.1.5 Affordable housing (AH) has been tested based on the assumption of the Council's fully applied policy as per the recently adopted Local Plan Core Strategy. That policy set, in general, forms the up to date basis for the viability testing for and consideration of the CIL.

3.1.6 Numbers rounding combined with overly rigid application of the policy target %s can have a significant effect on the detail of this. The 20% AH policy applying from 5 to 9 dwellings means that the scenarios of 5 and 9 dwellings are assumed to contain a single affordable unit. The scenarios of 10 or more dwellings include the 30% AH requirement, as best fits with the rounding and also with the usual dwelling and tenure mix target considerations.

3.1.7 1 and 4 houses schemes (tables 1a, 1b, 1j and 1k), including no (0%) AH but with a higher build cost assumed (see Appendix I), have been appraised given that the CIL would take effect from a single (non-self-build) dwelling upwards.

3.1.8 At this stage, no appraisals have been carried out in respect of financial contributions for affordable housing on smaller schemes (of 1 to 4 dwellings) because with established low affordable housing thresholds already in operation following recent adoption any alteration of the approach to include formal introduction of the requirements for such contributions is unlikely to become a key part of the local approach in the next few years at least. This and other aspects of how viability for CIL may interact with AH provision on sites providing fewer than 10 dwellings could be an area for further consideration by the Council if considered of relevance locally.

However, and of great significance, it is likely that the scope to consider such aspects or indeed any AH policy effecting sites of fewer than 10 dwellings will be dependent on the outcome of recent Government consultations. This report also picks up on the viability switch-point that could be created and therefore be considered in terms of CIL differentiation (related to scale of development), should the Government decide to pursue a national threshold set at 10 dwellings or similar.

3.1.9 The lower section tables 1g (IIa - lower density) and 1p (IIb – higher density) show the results of a further range of sensitivity tests carried out in respect of the 25 units mixed housing scenario, reflecting zero carbon related build costs adjustments compared with the base (CfSH4 or equivalent) assumptions associated with the upper tables sections there. Again, this was considered alongside the adopted 30% AH policy basis as underpins all of the testing of sites over the 15 dwellings threshold. As noted at 2.6.4, this is with a view to forward-looking information for the Council based on current costs estimates. As with all other trial scenarios, the further sensitivities enable the viewing of varying potential cumulative costs impacts based purely on these current stage assumptions.

3.1.10 Following the main results tables sets within Appendix IIa and IIb (as described above), sample appraisal summaries are included to further explain the appraisal structure - for those readers wishing to review.

3.1.11 Tables 2 to 5 at Appendix IIc include the equivalent information for the commercial / non-residential scenarios testing undertaken – only where full development appraisals were carried out (retail, offices, industrial / warehousing, hotel and residential institution (nursing /care home). These tables show in their heading the rental yield % assumed for each set. At the lower yield tests (5.5% and 6.0%), these included only the larger format retail (supermarket and retail warehousing developments) - according to the potential relevance of yield % test by development use type. The 5.5% and 6.0% yield test(s) are considered only applicable to those development types as shown in tables 2 and 3 at Appendix IIc.

3.1.12 Overall, the range of yield %s used assumes high quality, well-located new-build development as relevant to the Local Plan and to CIL. It should be noted that in respect of some development uses in the local context (particularly the ‘B’ (business) Class uses) the yield % tests shown are at the positive end of the potential range and are used so that we can see to what extent realistic assumptions support positive scheme viability and, from there, any scope for CIL payments. For the development use types considered, where poor or marginal outcomes are shown generally (B, C1 and C2 Uses – business, hotels, care / nursing homes) we can see that results would deteriorate further with increased yield % trials as may be applicable in practice.

3.1.13 As noted at 3.1.11, only the results relating to key commercial / non-residential development trials are included at Appendix IIc. This is because the early stages consideration of the strength of relationship between the values and build costs quickly showed there to be no point developing the full testing process beyond initial stages. This applied where certain scenarios were seen to be clearly unviable as development uses based on the range of assumptions applied. We will pick up this area with further commentary later in this chapter; see 3.7.8 (Figure 11 below).

3.1.14 In the current climate and Shepway context it is likely that even the higher yield % tests – i.e. those at 6.5% and / or 7.5% yield trials (results at tables 4 and 5) - may well represent too positive a scenario in some cases, and particularly for the B uses together with others outside retail use. However, as above, these trials served the purpose of exploring how positive the assumptions would need to become to support viability where poor initial outcomes were seen and, hence, potentially, how far they would need to move so as to provide scope for CIL charging. It follows that if those and other scenarios (including for hotels and similar uses) produce poor results with these assumptions then we can see that the results would deteriorate further (become increasingly negative) with a range of less favourable yield % (or other) assumptions that might be seen in practice.

3.1.15 In summary Appendix IIa and IIb results tables show:

- Left side column: Scheme scenario. This summarises the dwelling numbers / scheme type and, for residential scenarios at tables 1a to 1v, the AH policy requirement or sensitivity variation tested. For each results set the assumed AH% is stated in accordance with the SDC adopted 5 and 10 dwellings threshold and 0%, 20% and 30% respectively applied targets.

- Across the top grey row: other assumptions headings and the increasing 'trial CIL charging rate' tested from £0/sq. m to £180/sq. m applied across all scheme scenarios and variations at £20/sq. m intervals for residential (Appendix IIa and IIb) and £15/sq. m steps for commercial (Appendix IIc) scenarios given the need to consider small CIL variation impacts once the initial nil CIL base outcomes were viewed.

- Within the table section for each residential scenario type and AH assumption variation, the increasing market sales value level (VLs 1 to 12 key basis) used to test the sensitivity of the outcomes to the varying values of new-build (rather than existing (re-sale) housing. Overall, this covers values from £2,000 to £4,250/sq. m (approximately £186 to £395/sq. ft.). This range enables us to consider viability as influenced by location and by the market (e.g. including values falling or rising from current typical levels). This provides full context for considering the potential for the varying value levels to support viable developments with reference to the delivery of the Plan and for considering the CIL funding scope. It should also be noted that for the 30 unit apartments scenario included at this stage, envisaging retirement (sheltered type) housing, we looked at the higher part of the VLs within the range and added a further 2 VLs, 13 and 14, for wider review context – reflecting our view of the expected location characteristics and premium level pricing of most new-build schemes of that type; a common observation made through our wider work (table 1q within Appendix IIb refers).

- VL1 represents the lowest market values sensitivity test, relevant only to lower-end Folkestone town and Lydd; through a scale including the highest market values sensitivity test at VL12 (VL14 upper end test for sheltered / retirement scenarios) representing at that end in the main higher value smaller rural settlement developments.

- The range of values currently most relevant to the Local Plan and to the CIL that will support it, is represented by VLs 1 to 10 overall in respect of the main settlement areas of Folkestone and Hythe or new development adjoining those. Within that, a narrowed range of VLs 2/3 to 8 is likely to be most relevant. There is the potential for great variation to be seen within that wide range, but we consider it to be variation that may be appropriately categorised into areas having similar values and outcomes to each other in terms of CIL funding scope. Nevertheless, aiming to differentiate for the whole range of values variation subtleties is very likely to over-complicate matters and not be justified.

- Under each commercial / non-residential scheme type: Increasing value (this time meaning rental value that underpins the completed scheme (sale) value – OR GDV - in combination with the yield %) – L (low); M (medium); H (high). The medium value levels were considered to be the key area regarding current balanced interpretation of results. 'L' and 'H' allow us to consider the sensitivity of outcomes flowing from lower or higher values, related to varying scheme type / location; and / or market movements. As with the yield trials, in the case of poor viability outcomes, they provide context by helping us to gauge the extent to which the values would need to increase to provide viable scheme results where the medium level results are poor or marginal. Similarly, we can develop a feel for how sensitive the better viability indications are to a reduction in values as could be seen through any further weakening of commercial property market conditions. For context here, in our wider work we are seeing that for prime sectors and locations the commercial market is beginning to show signs of picking-up from the recession period in some respects. To date, however, the signs of market pick-up are not so evident in areas such as Shepway, which do not have a well-established prime commercial property offer.

- Main areas of results in table sets 1 and 2 to 5: RLV appraisal results for each set expressed in £s within the white / grey and white areas (top section – residential tables 1a to 1v); left-side section (commercial – tables 2 to 5) and in £/ha within the coloured table areas (lower section – residential; right-side section - commercial) given the assumed scenario type, density / site coverage, etc. generated by each individual appraisal within the set and stated by table (to be viewed alongside the overall assumptions outline at Appendix I).

- Within each of those sections, the coloured table cells (see below) act as a guide to the trends seen across the range of results as represent the scenarios relevant to considering the scope for potential CIL charging in the context of the emerging plan. The trial CIL rates – in £/sq. m - shown across the top row are applied as a key part of the process of exploring the effect on likely viability. These trial rates are considered in combination with the key areas of potential policy that impact on viability. The noted affordable housing %s are the key factor in that respect, but also allowances were made for other Plan policies / wider requirements that at this stage are considered likely to have a direct development cost implication.

- The overall trends show lower RLVs and therefore increased viability impact (reduced viability outcomes) as those trial CIL charging rates increase (moving from left to right within all Appendix IIa and IIb – and for commercial, IIc - tables).

- As discussed earlier, realistically this testing of trial CIL rates has to be carried out in steps to control to reasonable parameters the extent of the appraisal modelling exercise. Provided that these trial rates span a sufficient range, and the steps between each trial level are not too large, an element of interpolation can be applied and considered. It is not necessary, and would not be practical or economic to further extend this process. In this case, we considered potential charging rates of £0 to £180/sq. m for residential and commercial scenarios to give a sufficient range for review; we could see that higher rates were likely to be unsuitable. In our experience and from a review of emerging results, this provided us with suitable parameters and context for review with the Council. The emerging results did not warrant further exploration of higher potential CIL charging rates alongside the proposed Plan policy directions.

- It is important to note that the colour-coding shown on the tables at Appendices IIa and IIb provides only a rough guide – it helps to highlight the general results trends, as noted above. Based on the accepted nature of such an exercise, i.e. this not being an exact science - this guide to the trends must not be over-interpreted as representing any strict cut-offs as regards viability / non-viability. In practice, switch-points between viability and non-viability will be variable and this process explores the likelihood of various realistically assumed values and costs (including potential CIL rates) proving to be workable and therefore achieving the most appropriate points for finding balance between CIL rates and the high level of the local infrastructure needs. This is all in the context of the emerging Plan development strategy so far as it was possible to make financial assumptions at this Options review stage; in advance of the proposals for more settled policy and delivery details.

- The colours within the results tables therefore show trends in accordance with a general grading that indicates increased confidence levels in the viability results ranging from red (representing poor outcomes – negative or very low RLVs failing the lowest tests considered – i.e. clear non-viability) to the boldest green-coloured results (indicating the greatest level confidence in viability across a wider range of land value comparisons representing different host site types). There are no precise cut-offs or steps in terms of the results interpretation. In practice a range of outcomes within the non-red table areas could prove viable depending on particular scheme and site circumstances. The foot-notes to the Appendix IIa and IIb tables describe these as a series of 'viability tests', referring to the various land value comparison levels considered:

- Red coloured table cells (results) – negative RLVs – schemes in financial deficit or in any event representative of clearly poor viability outcomes – no prospect of viable schemes based on the collective assumptions used in each case. In most of the table rows that have part red or part red shading, the CIL trial rate is seen to have relatively little impact on scenarios that are inherently unviable. In a small number of cases, however, it can be seen that a nil or very low CIL rate might contribute to supporting a level of viability in greenfield or other lower land value scenarios. That effect could be relevant for example in the case of any larger scale developments relevant at future stages, where carrying significant site-specific costs sought through s.106, or where similar cost impacts are involved in bringing those forward.

- Pale green cells – Positive RLVs, but which are under our higher land value comparisons and therefore indicating reduced confidence in results in respect of PDL scenarios in particular. Potentially representative of scenarios that may be workable on some lower value PDL (commercial) or (usually with greater confidence) on greenfield sites.

- Mid-green cells - considered to provide improving to good viability prospects in a range of circumstances meeting a wide range of likely former commercial use and lower residential values expectations / high level of scope for enhancement to greenfield land use values; but possibly not reaching sufficient levels for a limited range of high-value commercial / non-residential developments (e.g. potentially large format retail / similar scenarios). Therefore whilst these results indicate workable schemes on a range of previously developed land (PDL) site types, they may be viewed with a lower confidence level overall than the darker green shaded RLV indications (as above) that are considered capable of working even on the highest value PDL scenarios in the Shepway context.

- Boldest green coloured cells - considered to provide very good viability prospects; the best results from the range produced; likely to be workable across the full range of site types.

- The above colour scale, showing the results trends within Appendices IIa and IIb (as per the table foot-notes there) appears as follows (extract):

Key:	
	Negative RLV
	Positive RLV beneath Viability Test 1 (RLV <£250,000/ha)
	RLV exceeding Viability Test 1 (RLV £250,000 - £500,000/ha)
	RLV exceeding Viability Test 2 (RLV £500,000 - £750,000/ha)
	RLV exceeding Viability Test 3 (RLV £750,000 - £1,000,000/h
	RLV exceeding Viability Test 4 (RLV >£1,000,000/ha)

Source: Dixon Searle LLP (2014)

- As seen here the table footnotes provide a reminder of the land value benchmarks (comparisons) applied in arriving at this picture; all bearing in mind the context and explanations provided within this report. The same principles are applied in respect of the Appendix IIc tables 2 to 5 commercial scenario outcomes.

- DSP considers that within the bracket to £250,000 to £500,000/ha, outcomes represent potentially workable greenfield scenarios where the RLVs exceed the minimum expected land price level of around £250,000/ha. With increasing land value comparison covering the overall range £250,000/ha (potential minimum greenfield enhancement land value) to £1m/ha (upper PDL level), those are noted there as 'Viability Tests' 1 to 4. However, it can be seen that the RLV outcomes from a wide range of residential and large format retail scenario testing exceed this level in any event, so that we expect many schemes to have the capacity to support higher land values than these example comparison levels (benchmark indications).

3.1.16 In addition, each results Appendix contains sample appraisal summary information. Bearing in mind the study purpose and nature, these are not the full appraisals or sets, given the volume and added complexity of information that would involve reproducing. They are intended to provide an overview of the basic calculation structures and the outcomes; and to further help an understanding of how residual land valuation principles have been used here. The summaries included represent a selection of scheme / use types with a focus where, ultimately, positive CIL charging scope and recommendations have been made. To reiterate, appraisal summaries are not included for the full range of scenarios that were considered non-viable or insufficiently viable to clearly support CIL, looking at this at the current time (again see the results tables).

3.1.17 The results discussion within this section, and the reported CIL positions / scope that is supported by our findings, is based on current stage assumptions. In turn, these are based on the policy positions within and the next phase of developments associated with the delivery of the Shepway Local Plan Core Strategy. That is the up to date plan for CIL purposes; the key policies impacting viability from site to site are not subject to review at the current stage. Key aspects influencing the cumulative impact on viability are seen from the policies on affordable housing and, to a significantly lesser extent, sustainability. These matters are included within this scenario as fixed costs – applied fully alongside the CIL trial rates, because the impacts need to be taken account of together.

3.1.18 Government guidance states that CIL charging rates should not be set up to their potential limits (up to 'the margins of viability', or similar phrases). On reviewing the results and for the Council taking this further into the wider consideration of its Preliminary Draft Charging Schedule (PDCS) CIL rate(s) proposals, a number of key principles have been and will need to be considered as set out below (at 3.1.19 to 3.1.39) .

3.1.19 Costs will vary from these assumptions levels with site specifics and over time (particular build and related costs being a key example). We have allowed appropriately and have not kept these to what might be regarded minimum levels. However, some scope may be needed where costs are higher through such factors as site-specific abnormals and / or increasing national level carbon reduction agenda requirements longer term, scheme-specific design / materials, etc. When viewed overall, the various assumptions made represent market norms from our wide experience of strategic and site-specific viability assessment work and from established information sources; but tailored to the Shepway characteristics where more specific / local information pointed to particular assumptions or adjustments being used. Through applying our well established and tested approach the assessment is strategic in a way that is relevant to informing and supporting the development of the plan and to informing the associated approach to any updated CIL proposals by the Council.

3.1.20 Land owners' situations and requirements will vary. Expectations will need to be realistic and take account of policy and CIL requirements. As part of that, assessments will need to be made as to whether there are realistic prospects of securing significant value from some existing or alternative uses in the prevailing market. Nevertheless, land values could be outside the ranges that we indicate as benchmarks purely for the use of making our overview, including at higher levels.

3.1.21 The wider economic backdrop remains mixed, although at the point of writing-up this study there are increasingly established signs of an improved level of housing market stability - local house prices have remained relatively flat and have recently shown signs of uplift. The more positive climate has been noted through bank and government figures, house prices indices and also through some performance reporting coming out from the house-building sector. In addition, a level of continued development activity and interest in promoting sites, including challenging sites, suggests that there is some underlying strength in the local market. Nevertheless, the uncertainties and experiences of the last few years could still resurface to some extent. These are unknowns, particularly with a general election approaching next year, a number of potential Government initiatives and changes effecting the planning and development environment and recent moves towards more stringent mortgage lending criteria, introduced as at May 2014. Such factors could be seen to have a dampening effect on the recent market pick-up. We cannot rely on any assumptions related to increasing house prices and improved viability that may flow out of that trend; the use of the residential values levels (VLs) sensitivities provides indications of the potential effect on outcomes of values changing. Looking at the range of values expected, from the information currently available, this is a part of the process that we use to inform the CIL viability scope put to the Council. The same principles have been considered and applied in respect of the commercial / non-residential scenarios.

3.1.22 Certainly a significant factor for the residential scenarios, as is always the case, is the affordable housing (AH) provision to be secured from market developments based on the policy targets.

3.1.23 HCA funding for affordable housing appears to be uncertain at best, and likely to continue being limited in application to non s.106 provision for the foreseeable future. Again, appropriate revenue assumptions have been made so that no affordable housing grant / other similar subsidy sources have been factored-in. The reported outcomes are not reliant on grant or any other external subsidy. Where available, added grant would improve the viability positions indicated, or could help to restore affordable housing proportions or tenure mixes to some extent where those would otherwise need to be below target requirements in order to maintain viability (e.g. in instances of higher site costs, significant development abnormals or other requirements).

3.1.24 Developer's profit level requirements (and in some cases related funders' stipulations) could well vary. Particularly in the case of commercial schemes, we could see lower profit level requirements than those we have assumed; potentially significantly lower than 20% GDV. However, we felt it appropriate given particularly depressed recent commercial market conditions overall to acknowledge that there may need to be some scope in this regard; or in respect of other commercial scheme costs / risks. This, again, is part of setting assumptions which fit with arriving at a balanced approach overall and do not mean that the consideration of CIL charging rates involves pushing to the margins of viability. It is important to avoid removing cost from collective assumptions so that scheme prospects become too dependent on those particular assumptions proving absolutely correct in practice. When it comes to site specifics, all individual appraisal inputs will vary and, therefore, how they interact will vary too.

3.1.25 The potential CIL charging rates need to be considered alongside other factors relevant to the locality and the development plan delivery; not based on viability only in terms of reaching an appropriate balance between that and the local infrastructure needs associated with supporting new development.

3.1.26 Amongst these, the location and frequency of site and scheme types forming key parts of the local growth planning options is key – i.e. considering where in the main development will be coming forward (in relation to the site types and values patterns for example).

3.1.27 The types and frequency of schemes likely to be relevant under the next phase of the Local Plan delivery relevant to the first CIL charging schedule will influence the selection of the Council's approach to implementing its CIL; and may subsequently vary for future CIL charging schedules updated at points when market, government policy or other influences together with review of the Council's monitoring information suggest that to be appropriate. In practice, the variation of schemes types could be very wide – including for commercial / non-residential development, where schemes could be seen in many shapes and sizes, widely varying uses and combinations of uses. However, it is necessary to consider the local relevance of those in terms of the plan delivery as a whole alongside their likely typical scope to support viability. Focus needs to be on the main relevant types, given that plan delivery and the Council's proposals for new housing and economic development based schemes across its administrative area as a whole are of greatest importance.

3.1.28 Under the next phase of Local Plan Core Strategy delivery, strategic scale housing developments[15] with potentially significant specific infrastructure / mitigation requirements looks set to have reduced importance compared with recent years and current delivery. Hence the focus for review on typically smaller sites, with sites in excess of the range 100 to perhaps 150 dwellings unlikely to form part of the supply on a known or regular basis, viewed at this stage. Therefore, for the first charging schedule CIL looks set to be most relevant to the scattering of generally smaller development proposals - as represented by the appraisal scenarios approach adopted in the assessment. As the Council's longer term picture on the sites likely to be contributing to later Local Plan delivery phases becomes clearer, the implications of CIL charging alongside the typically higher site-specific costs and planning obligations levels that tend to apply on larger / strategic sites will need to be considered further as part of future CIL review(s).

3.1.29 The modelling does not need to be sufficient to cover every potential scheme type; rather it is necessary to consider the more relevant types aligned to the expected Shepway District delivery.

3.1.30 Some individual schemes (residential and commercial) may not be able to support the collective requirements; they may not be viable either prior to or following the imposition of CIL (alongside other costs and requirements). Such viability outcomes are unlikely to be solely due to CIL charging, however. They are more likely to be associated with market conditions (arguably the biggest single factor) as impact a particular scheme, affordable housing, scheme design / construction / specification requirements (including but not limited to sustainable construction) and wider

[15] The Core Strategy strategic sites requiring significant infrastructure / mitigation requirements are Folkestone Harbour and Seafront and Shorncliffe Garrison. Other key sites that may also require significant infrastructure / mitigation requirements include Sellindge, New Romney master plan sites, and remaining large sites in Hawkinge.

planning objectives. Usually, the collective costs impact on schemes will be relevant for consideration where issues arise, so that some level of prioritisation may be required – but, as noted above, bearing in mind that the CIL will be non-negotiable.

3.1.31 Under the CIL principles this is accepted, so that the inevitable non-viability of some individual schemes need not prejudice the plan delivery and the approach to CIL. This also means, however, that the viability of schemes that are critical to overall plan delivery needs to be assured, including to the extent that the approach to CIL as it affects such sites must not have too significant an effect on their viability so as to place their delivery at risk. Given the nature of CIL and the need to keep it as simple as possible, in any event this could in some cases mean that other planning obligations aspects may need to be negotiated with CIL in place at levels suitable for the majority of sites.

3.1.32 Conversely, this means also understanding that in theory some schemes / scheme types may have been able to fund a greater level of CIL than the recommended levels (and / or greater levels of other obligations). This is again in the context of seeking an appropriate local balance in setting the charging rate(s); not adding undue risk to delivery and therefore moving forward with the local economy and development to support that, whilst collecting contributions towards meeting the infrastructure needs associated with the required new development. The latter points here tie in with the Government's latest CIL Guidance (February 2014 - as noted earlier) as they relate also to local authorities putting in place a CIL regime that will not only avoid prejudicing the plan delivery as a whole, but will contribute positively to the development of the area. The Council will need to be able to show that it has struck an appropriate balance between infrastructure needs and viability / delivery considerations in any re-setting of its CIL charging rates.

3.1.33 As above, the variety of site and scheme types that is expected to come forward is an important consideration – meaning reviewing the scale of results in the context of a range of potential locations and land value comparison levels. We do not consider it appropriate to rely on comparisons at a single land value level for each scenario as development will come forward in various forms and on a range of site types over time. In assessing results it has been necessary to consider viability outcomes across the results range and against various land value comparison levels. In some cases it can be seen that the land value comparisons are greatly exceeded, showing that higher levels of land value expectations could be met in those scenarios (assumptions sets) if needed under certain circumstances. Whilst the reducing boldness of the green colour-coding within the results tables indicates scenarios that are unlikely to be viable against the higher land value benchmarks, in many cases those outcomes meet or exceed requirements where lower land values are likely to be sufficient. The range of results should be viewed in this wide context.

3.1.34 The reality is that site-specifics will involve a wide range of land value scenarios. Whilst in the main these will be within or well within this upper benchmark given that a mix of greenfield and PDL sites are likely to be relevant, higher levels should also be considered, however, in order to provide the full context for review of results. As noted previously, many results support higher land values than the benchmarks that have been considered for comparison purposes.

3.1.35 Consideration is to be given to the scale of local infrastructure needs that require funding contributions and development viability amount to opposing tensions. The Council needs to strike the right balance with its approach to CIL and other policy requirements in order to reach the most appropriate mix of ingredients to allow and promote appropriate development by ensuring that the viability impacts are not too great, and yet ensuring that an optimal level of affordable housing and infrastructure is also provided. At the time of this study, work on infrastructure requirements is ongoing and is likely to be further updated. Nevertheless, there is a notable funding gap in Shepway; meaning that the Council needs to secure a level of CIL that is as meaningful as possible, but realistic. This is a key ingredient of the overall growth and funding packages, in support of its development strategies; focused on the emerging plan.

3.1.36 CIL charging calculations relate to net new development – added floor-space. As is typical, in practice we understand that in line with the CIL regulations a number of developments in the district will entail some level of “netting-off” of existing floor-space within the charging calculations. This means that the selected CIL rate will not be applied to the full scale of new development in many cases. This could be by way of replaced or re-used / part re-used buildings. Our appraisals have not factored-in any netting-off in this way, because this will have a highly variable influence on scheme outcomes. The netting-off effect is expected to further contribute to ensuring that schemes remain deliverable and that the charging rates(s) are not set right 'at the margins of viability' [16] as part of this overall theme.

3.1.37 Local authorities (the charging authorities, including SDC) have significant scope to consider exactly how they will assess what the right balance is given the particular characteristics of their area.

3.1.38 A common theme running through all of the results (residential and commercial) is that they are highly sensitive to varied appraisal inputs and to the land value comparisons considered as potential benchmark ranges. A relatively small adjustment, particularly in some assumptions areas, can have a significant effect on the outcome.

3.1.39 It is important to note, when we refer to highly variable outcomes / sensitive results, that:

- These are not factors that only affect Local Plan and CIL considerations in Shepway. They have to be recognised in any similar study and applied through practical local application of the Government's approach – through the NPPF, more recent Planning Practice Guidance (PPG) and the CIL regime – regardless of location;

- These characteristics would apply regardless of the CIL rate(s) set, so that with particular scheme difficulties (for all development types) setting a significantly lower CIL rate would not necessarily resolve any viability issues. In practice, we could still see a range of unviable or marginally viable schemes with even a zero (£0/sq. m) CIL rate in place – as the results show for many non-residential scheme types (Appendix IIc and Figure 11 below – 3.7.8) and the lower value residential sensitivities, particularly above the AH threshold.

3.2 Values and other local characteristics

3.2.1 The following sections first consider residential development and then commercial / non-residential.

[16] DCLG – Community Infrastructure Levy Guidance (February 2014)

Residential – values and characteristics

3.2.2 Adjustments from asking price, as are usual to some extent, are often handled by way of bespoke incentives to particular purchasers, rather than by headline price adjustments. In whichever form, adjustments will vary by developer, by scheme and often by individual plot in practice. Nevertheless, in the current market we consider that a 5% deduction from asking prices in most cases is likely to represent a reasonable current approach to the sales value estimate, especially given the recent more positive market trends and continued signals that we are seeing. This depends of course on the approach to marketing price setting, and will be influenced by the nature of the market, however we consider it a reasonable current stage assumption amongst the range of property values information that we reviewed to inform the study.

3.2.3 Any clear values patterns that influence viability and are critical to the relationship between viability and housing (or other development) supply in terms of ensuring overall plan delivery are to be respected. However, it also needs to be understood that there are bound to be imperfections in defining any viability zones or similar (linked to any differential CIL charging rates). In practice values can change over very short distances (even within schemes, between different sides or ends of roads, with different aspects, particular surroundings, school catchments or other specific local influences). This, again, is not solely a Shepway issue.

3.2.4 These blurring factors are seen in the district on several levels – from the site / street or local area specific level to the higher level characteristics varying between the 3 main settlements and most other areas. However, in terms of general values patterns (as seen through overall market research), we found the following general picture relevant to considering the viability of both affordable housing (for setting target %s and considering any policy variance by area) and CIL (for setting a rate or differential rates):

- Diverse characteristics and values within the Folkestone town urban area – generally with notably higher values on the south western side running out towards Hythe compared with the typical lower town centre, eastern and north western Folkestone values – e.g. as seen generally in the Foord and Harbour ward areas;

- Typically lowest values are seen in the Foord ward area of Folkestone. Whilst still amongst the lowest value areas in the District, typically Harbour ward area values are higher than in Foord;

- Folkestone's Cheriton and Morehall wards in the north western part of the town show typical values that exceed those in Harbour ward, perhaps by up to around 10%. However, for the most part those are also generally lower value areas in comparison with the southern central and, more so, the south western portions of the town;

- The Park and East ward areas of Folkestone, broadly to the north of Foord ward and the town centre show what we consider may be regarded as mainly intermediate values in the Folkestone town overall context. These fit to some extent with the western town centre fringe values – in areas such as Harvey Central ward and also not dissimilar to the values levels seen running out to the north of the main urban area and the M20 motorway (such as at Hawkinge). We found that a broadly a central swathe of the urban area (largely to the west and north of the main town centre and the lowest value areas there) has typical property values that fall in between the higher levels seen to the south west of the town and the lower values in its south eastern and north western areas.

- Overall Folkestone exhibits amongst the lowest and some of the highest values in the District;

- Looking at the south western section of the Folkestone urban area, Sandgate, and west to Hythe and Lympne; typically the property values step up significantly and reach levels only exceeded in some of the northern rural area settlements (see below – North Downs area);

- Beyond Hythe and Lympne, moving south west into the Romney Marsh area, values typically fall away (e.g. relevant to New Romney, St Marys Bay, Dymcurch);

- Moving further south still, to the southern extreme of the district, Lydd values are typically amongst the lowest district-wide; at a similar level to the lower end of Folkestone town values (e.g. at Harbour ward);

- A further and distinct characteristic of the district is found broadly to the north of the M20 moving away from the Folkestone fringe within the North Downs rural area where in settlements such as Stelling Minnis and Sellindge are found to have values typically higher than elsewhere. There is variety seen within this area, but in broad terms appropriate to CIL principles this is another area with a particular character and values on the whole reflecting that.

- In practice, a variety of values will continue to be seen within all settlements and from one locality or neighbourhood to another, or even at a street by street / site-specific level. However, we found a picture that fits broadly with the above findings bearing in mind that an overview has to be made;

- This points to CIL differentiation being a necessary and appropriate consideration for the Council, certainly at least at the level that parts of Folkestone and the southernmost area including Lydd will in our view need some significant differential treatment. This theme is developed further below;

- As is usually the case in our experience, there is of course some blurring of this general picture but, again, in CIL terms it is not necessary or appropriate to create too complex a set-up that in any event would still be likely to have many imperfections when looking at the street level of detail.

3.2.5 As a reminder, this picture is again demonstrated by the following (see Figure 10 below), as per the overview basis also included at Figure 6 within Chapter 2 of this report (at 2.3.7 above) and as summarised also at Appendix I:

Figure 10: Residential value levels range and patterns

<table>
<tr><th colspan="2">Value (Value level – VL)
(£/sq. m)</th><th colspan="2">Example Location (see footnotes below)</th></tr>
<tr><td>VL1</td><td>£2,000</td><td rowspan="2">Lydd,
Folkestone (Lower)</td><td></td></tr>
<tr><td>VL2</td><td>£2,150</td><td rowspan="2">Folkestone 2,
Dymchurch,
Burmarsh,
Hawkinge</td></tr>
<tr><td>VL3</td><td>£2,300</td><td rowspan="2">New Romney &
Littlestone</td></tr>
<tr><td>VL4</td><td>£2,450</td><td rowspan="2">Rural 1,
Folkestone 3</td></tr>
<tr><td>VL5</td><td>£2,600</td><td>Rural 2</td></tr>
<tr><td>VL6</td><td>£2,750</td><td></td><td rowspan="4"></td></tr>
<tr><td>VL7</td><td>£2,900</td><td rowspan="2">Rural 3,
Hythe</td></tr>
<tr><td>VL8</td><td>£3,050</td></tr>
<tr><td>VL9</td><td>£3,350</td><td rowspan="2">Rural 4,
Folkestone 4</td></tr>
<tr><td>VL10</td><td>£3,650</td><td rowspan="3">Rural 5</td></tr>
<tr><td>VL11</td><td>£3,950</td><td rowspan="2"></td></tr>
<tr><td>VL12</td><td>£4,250</td></tr>
</table>

Folkestone 1 = Ford, Harbour, Morehall, Cheriton Wards
Folkestone 2 = East & Park Wards
Folkestone 3 = Harvey Central Ward
Folkestone 4 = Harvey West, Sandgate Wards

Rural 1 = Etchinghill, Lyminge, St Mary's Bay, Greatstone-on-Sea
Rural 2 = Densole
Rural 3 = Lympne, Brenzett
Rural 4 = Saltwood, Newchurch, Stelling Minnis, Brookland
Rural 5 = Elham, Stanford & Westenhanger, Ivychurch, Sellindge

As with all references to locations and VLs, these are indications; based on ward based information for initial information gathering, then subject to further review in order to make an overview of the values patterns.

3.2.6 Given the Local Plan development delivery in the coming few years in particular, the variety of potentially relevant locations and scheme types, our research and results picture on residential development suggests that the Council should consider the following themes:

- Generally, aside from the market influences as affect sale prices, affordable housing is the primary viability consideration. The CIL rate(s) should be set so that undue additional pressure on its delivery is avoided;

- The sub-regional centre, Folkestone, contains a variety of characteristics - ranging from relatively low value areas within some of the central, eastern and northern parts of the town typically supporting only difficult to marginal development viability; to more affluent outer coastal urban areas with significantly higher values, especially to the west side of the town. The strong pointers are that CIL charging differentiation will not only be justified but will be needed within this main town urban area in response to these characteristics, particularly given the PDL biased nature of development here. Overall, we find that a suitable CIL charging set up for Folkestone will include a range from nil-rated (£0/sq. m) zones to charging rates set towards the upper-end appropriate for the district as a whole.

- Similarly increased typical viability levels moving westwards from the Folkestone urban area to adjoining Hythe and its surrounding area indicate that together these areas share similar overall characteristics in terms of viability outcomes and prospects.

- Moving further south / south west to the southern extreme of the district through the Romney Marsh area to Lydd, as the settlements in these areas will continue to see a level of development on a mix of sites considered relevant to the plan overall, the indications are that CIL charging differentiation will also be necessary here. This is likely to mean looking at two levels - firstly reducing back to a mid-Folkestone rate and then, to Lydd, reducing further – equivalent to the low-end Folkestone picture (nil-rating, as above).

- Broadly to the of Folkestone and Hythe (in essence north of the M20 motorway) the remainder of the district amounts to a rural area, within which viability will vary but where the Hawkinge area provides lower values for potentially significant further development in this northern Kent Downs area context. The remainder supports typically higher values and viability prospects in relation to typically smaller and a limited occurrence of larger potential (greenfield) sites; including the highest values and most of the better viability prospects in the district.

- As an overview, there are a range of characteristics relevant to proposed CIL setting in our view and experience. We consider that this picture points to the Council considering CIL rates differentiation by location of residential development. This has been discussed at length with officers, overviewing our information and combining that with local delivery experience. We consider that this need not produce a complex schedule of proposed rates for the PDCS. It is likely to include, as a basis for consideration, a range of 4 CIL charging rates - broadly for, and increasing with respect to, the following hierarchy. For ease of reference in developing the report findings and potential CIL rates mapping by the Council for the PDCS following its consideration of the DSP recommendation on CIL charging scope and realistic rates, each of these set of characteristics is lettered (A to D):

  - Folkestone lower & Lydd area (viability scope – A) ;
  - Romney Marsh (rural and coastal) and north Folkestone fringe / Hawkinge (B);
  - West of Folkestone (Sandgate) and Hythe (C);
  - North Downs rural area settlements (D)

- For current stage CIL context, the nature of true strategic type development is not considered to be a key factor. As noted above, larger sites as envisaged currently are not considered to be at the scale that will require very significant on-site community infrastructure / site-specific mitigation or other strategic site type works or development costs. However, whilst we do not expect such development proposals to influence the first charging schedule set-up, this may well be a factor for potential re-consideration and review at a future points because any new identification of strategic sites is likely to need an accompanying specific CIL treatment depending on the nature of sites and the works scope / requirements needed to support those.

3.2.7 Further commentary and advice on these residential development themes and the potential CIL scope that arises from them is provided below.

Commercial / non-residential – values and characteristics

3.2.8 Similar consideration of the relevant values ranges and any clear patterns was also given in respect of the various commercial / non-residential development use types reviewed.

3.2.9 DSP considered that the main types of commercial / non-residential development, and particularly the viable types relevant to potential CIL charging (i.e. any larger scale retail proposals only in the Shepway context at the current time of review), would be likely to occur in a limited range of location types within the district and Local Plan context. Between these (assumed based on the Folkestone / Hythe urban areas for any further supermarket or retail warehousing type development) it would be difficult to distinguish values and costs for these uses with any real clarity at this level of review. Such developments appear highly unlikely to occur elsewhere in the district. Beyond those, the other forms of retail development that DSP has discussed with the Council as potentially occurring are within the town or smaller settlement and rural provision as part of farm diversification or local community shops etc. In practice, it is most likely that any ongoing provision of smaller units for retail use will occur through proposals for the re-use of or extension to existing buildings that do not trigger significant CIL liabilities.

3.2.10 In terms of local relevance and seeking an appropriate balance in the Shepway context, overall our research supports a simple approach to limited non-residential / commercial CIL charging whereby any differentiation should be as needed based on viability associated with varying development use; and not by location as well.

3.2.11 This view is reinforced by and linked to the nature of the commercial scenarios results which, as will be discussed below and can be seen at Appendix IIc, currently do not show CIL charging scope in respect of the key area of B Use Class (business) development, regardless of the specific assumptions in any event. Away from the potential for the Council to consider CIL charging for some forms of retail (larger formats – supermarkets and retail warehousing), the results clearly indicate there to be no CIL charging scope at the current time. This should be reviewed at the point of considering future charging schedules.

3.3 Overview of results – Residential scenarios – CIL charging scope

3.3.1 The following commentary is provided by reference to the 4 broad sets of area and associated values and viability outcomes characteristics as were noted at 3.2.6 above.

3.3.2 This is based on consideration of the most relevant VLs and scenarios from within the overall range studied and appraised. The Council will need to consider this information not in isolation, since the viability evidence need not be followed slavishly, but alongside its site supply and monitoring information together with the recent and current delivery experience in the context of the adopted Local Plan Core Strategy policies and operation of s.106 planning obligations agreements.

3.3.3 We look at these by reference to the review scenarios undertaken to date based on the information available. Necessarily this means also acknowledging that further more site-specific discussion and review of particular proposals, and especially with regard to the details of any further future strategic scale development scenarios, may well need to take place as part of the delivery process – in the normal way. The Council has work on-going on the further building and updating of its Infrastructure Development Plan (IDP) understanding and this will need to be factored into the rolling review type process that we envisage, usually carried out through joint working with the service providers and any larger site promoters.

3.3.4 The current stage involves reviewing the findings as best represent the relevant areas of the scenarios range and value levels (VLs) in the context of the Shepway district's characteristics – again as per A to D purely for the purposes of starting to describe how we think this viability picture comes together. The indications of potential occurrence by locality are simply that. In practice a range of scheme types could come forward in many localities, and particularly within or around the main settlements ('sub-regional town' of Folkestone and 'strategic towns' of Hythe and New Romney), so the discussion is necessarily aligned to example scenarios considered representative of sample situations from the emerging overall site supply picture. The use of the VLs in conjunction with Figure 10 above (3.2.5) and 3.2.6 regarding Shepway's variety and area characteristics informs and supports the review of this.

3.3.5 It is not practical or necessary to cover all results variations, so here we provide an overview.

3.3.6 This process and the outcomes from its findings does not tie-down the Council to a particular CIL charging approach or details for other Core Strategy amplification at this stage. The Council will also consider other information.

3.3.7 The Government's recent consultation on a potential national affordable housing threshold of 10 dwellings, ended in May 2014, could be set to override any local approach to affordable housing provision / contributions sought from smaller developments than that. From our viability perspective, this will have an effect on the CIL charging scope aligned to the potential introduced in February 2014 for local authorities to set up differential CIL charging by scale of development. In this event, the 10 threshold would move a number of Shepway developments out of the adopted affordable housing policy (5 dwellings lower threshold 20% target) scope and therefore significantly boost their viability relative to the existing situation; and relative to the overall position on sites above that threshold.

3.3.8 In general the 1 and 4 dwellings units scenario results indicate that the Council's current policy approach to request affordable housing from such schemes (of fewer than 5 dwellings) mean that it is in our view unlikely to be appropriate to complicate the CIL approach by seeking to differentiate for the smallest, sub-AH threshold developments and so apply a higher charging rate to schemes of fewer than 5 dwellings. Doing so may have the effect of taking-up some of the viability flexibility that may be needed in respect of increased build or land plot costs relevant to some smaller schemes, perhaps especially in rural area / smaller settlement or high value instances. Whilst a revised approach / added differentiation may be appropriate in the event of a raised lower threshold (e.g. as a result of national criteria) if things continue as they are we suggest no differentiation based on (smaller) scale of development.

3.3.9 Therefore, in Shepway, for residential development we consider that at this stage, and unless the national position changes, the CIL charging differentiation should be limited to location – with the significant variations in values and viability seen across the district driving that.

3.3.10 In any event some of these smallest schemes will now be classified as self-builds, which will not attract CIL – those have been exempted from CIL charging under the 2014 Regulations changes. So far as we can see, and for general information only at this stage, any policy development to include the setting-aside of self-build plots within a larger market housing scheme (that also included a proportion of affordable homes) would allow the overall development to remain viable. From a high level review of the principle of acquiring and servicing land, facilitating the selling-on of plots to self-builders at likely profitable prices, it appears that development viability prospects would at least be maintained and may even be enhanced dependent on the pricing of the "ready-to-go" plots. This aspect could be considered further at a subsequent point if relevant to any approach developed by the Council.

3.3.11 Whilst within the CIL viability study assumptions approach the smallest scenario (sub-AH threshold) results are pulled down by the significantly higher build cost assumptions used, in our view those costs levels will not always be applicable. Where they are, schemes are likely to be supported by significantly higher sales values characteristic of relevant sites and locations, and in order to make them work. At the mid to higher VLs often likely to be appropriate to this form of development in our opinion an appropriately set level of CIL (see the parameters and recommendations provided below) would not pose a significant threat to the deliverability of schemes, especially while those continue to provide no affordable housing financial contribution.

3.3.12 In general, the results tables at Appendices IIa and IIb can be used to consider alternative scenarios (VL and CIL rate combinations) that provide similar, potentially workable RLV and viability outcomes when considered in the context of the range of land value comparisons (viability tests / benchmark indications). The review includes the lower density Appendix IIa tables 1a to 1i results since those allow a more cautious view to be taken of the CIL charging scope from the wider range of appraisal results. On the same theme, we focus on the "with affordable housing" (AH) results and particularly the scenarios where the AH impact is at its greatest – i.e. 30% AH on schemes of 15 or more dwellings (tables 1f to 1i). Considered in this way, we can view the range of impacts of the CIL trial rates, including in circumstances where the overall combination of viability influences may be amongst the most challenging.

3.3.13 With reference to the varying values and viability outcomes associated with the different broad area characteristics (see 3.2.5 and 3.2.6 above), looking first at A (lower Folkestone – meaning essentially Foord, Harbour plus the majority of Cheriton and Morehill Ward areas; together with Lydd) in the main at present we can refer to the VL1 and at best VL2 results.

3.3.14 On the 15 unit scheme (the first point at which 30% AH applies – Appendix IIa table 1f) at VL2, the first point at which meaningful RLVs are created, the lowest land value comparison of £250,000/ha is met is maintained with no more than approximately £60/sq. m CIL maximum. Higher greenfield or PDL land value expectations are not met until we rely on VL3 values, and then only with a nil or nominal CIL trial rate (no more than £15/sq. m maximum) or values at VL4 plus. The appraisals for the mixed unit scenarios (tables 1g to 1i) are shown to provide reduced results in comparison, due the influence of the flatted element higher build costs whilst the £/sq. m values are the same for those.

3.3.15 The higher density (Appendix IIb) equivalent results are seen to improve, as expected. In this scenario the VL2 result supports a land value of £500,000/ha, so a result that may be viewed with increased confidence but most likely only in respect of greenfield sites; and with nil CIL. In that scheme scenario the RLV exceeds £500,000/ha with a maximum of £120/sq. m but does not reach the next land value comparison of £750,000/ha with a CIL trial rate exceeding approximately £15/sq. m maximum.

3.3.16 Particularly bearing in mind the likely role of schemes on PDL, we consider that the outcomes point to a nil CIL rate (£0/sq. m) in respect of the identified low value areas within Folkestone and at Lydd, where similar relatively low values only are available to support viability.

3.3.17 Moving to the areas broadly characterised as 'B' - mid-range Folkestone, New Romney (Romney Marsh) and Hawkinge – and looking at the VL 3 and 4 outcomes, we see the lower density Appendix IIa 15 unit scenario RLV exceeding £500,000/ha at VL4 with between £135/sq. m and £150/sq. m CIL trialled. The higher density scenario at table 1n shows the next land value comparison level of £750,000/ha attained at VL4 with the same CIL level trialled. We consider the outcomes at these VLs to be relevant typically to new-builds also in areas such as Dymchurch, St Mary's Bay, Burmarsh and Littlestone. Overall a £50/sq. m CIL rate is considered to provide more than sufficient buffering beneath the maximum levels that might be supported in theory.

3.3.18 Assuming a similar development scenario located in the coastal zone to the west side of Folkestone area (e.g. Sandgate, and out to Hythe and adjoining areas) where the values pick-up further and VLs 7 and 8, possibly higher, are relevant, as expected the viability outcomes improve significantly again. The RLV produced by the same scenario with the lower density assumption (table 1f) just exceeds the highest of the land value comparisons, at £1m/ha, with the highest CIL rate trial of £180/sq. m. The VL8 scenario improves the outcome by approximately £200,000/ha. The higher density equivalent scenario (table 1n) shows further improved RLVs of just over

£1.5m and £1.8m/ha for VLs 7 and 8 respectively. Overall, and again allowing for rates set well away from the margins of viability indicated by apparent maximums, across a range of relevant circumstances within this bracket of values we consider that a £100/sq. m CIL rate would be suitable and would not impact unduly so as to threaten overall viability. The results from this point upwards in the VLs scale show that at this or a higher CIL rate (see below), developments have the capacity to underpin higher land values than the range of indicative comparisons shown in the table foot-notes.

3.3.19 This theme develops further in respect of the highest new-build values typically seen in Shepway; those within the Kent Downs area, the northern rural portion of the district. Allowing for the possibility of higher land values and / or development costs to be met if needed, however, we consider that a highest charging rate for the District at say £125/sq. m, ideally not higher from a viability point of view, would be appropriate.

3.3.20 As a general observation, and based on the assumptions used at this time, larger all-flatted scenarios appear unlikely to be clearly viable in a range of locations across the district – i.e. unless they are underpinned by values towards the top of the scale that we have considered. In our experience this is not an unusual finding, owing to the increased build costs that are usually appropriately assumed – as here. Taking the 100 flats at 150 d.p.h. scenario (final Appendix IIb table - 1v) we can see very mixed results, with a switch to potential viability and then significant improvement in RLVs as the increased scheme costs are met and then out-weighed at VL 9-10 plus. This is indicative of such a scheme being likely to work in viability terms in the highest value urban locations – e.g. Folkestone and potentially Hythe waterfront / coastal areas. As the only location type likely to support and host such a scheme, we consider that the west of Folkestone / Hythe area suggested CIL rate proposal of say £100/sq. m would not in itself be prejudicial to any future development of this type bearing in mind the relatively high value levels that the research indicates should be supported in such circumstances.

3.3.21 The retirement (sheltered type) housing apartments scenario expected to achieve values amongst the higher levels appraised in the context for the district - results at Appendix IIb table 1q - indicate at VL 10 plus a capacity to exceed a land value equating to £1m+/ha with CIL trialled at a rate not exceeding £135/sq. m. As with other scenarios, the effect of an increasing sales value assumption is then seen to significantly improve the outcomes. Although, as in other cases, it must be acknowledged that land value expectations could in some scenarios rise beyond the comparison levels noted, they will need to reflect the Council's and other development requirements. Overall, and particularly as 30% AH has been factored-in to the assumptions rather than any ultimately negotiated amount / financial contribution, it is considered that the same CIL rates should apply to this from of C3 market housing development as to all others. Given the most likely locations for this form of development in the district this would mean that a £50 or £100/sq. m charging rate would apply depending on particular location in respect of the area / value characteristics identified above; or £0/sq. m as put forward by DSP if located within the lower value Folkestone / Lydd areas.

3.4 Wider Information

Sustainability - Carbon reduction sensitivity

3.4.1 Turning to the further sensitivities reviewed, the lower sections at tables 1g and 1p of Appendices IIa and IIb respectively (higher and lower density test assumptions) indicate the outcomes from increased costs assumptions in respect of a current view zero carbon basis. The deterioration in results from the upper table base assumptions RLVs can clearly be seen; broadly a reduction equivalent to around £200,000/ha on the higher density scenario or £130-150,000/ha on the lower density one (bearing in mind the lower land value starting point and hence similar proportional reduction effect in the lower density case).

3.4.2 For wider context in reviewing these results sensitivities, it is worth noting that this clear deterioration of results with increasing requirements is not unusual by any means. There is a national level issue building around the viability impact of increasing carbon reduction standards; even though the approach to using currently known / estimated costs with current / projected trial level values may well not be reflecting how this will move with developing technologies and a greater market place for those. Having also noted the further uncertainties around the Government's proposed wholesale review of housing standards; only further time will allow us to see how these aspects develop and settle down to further inform the review of viability.

3.4.3 These same principles apply to other areas that increase scheme costs.

At the current time, we can only advise that the Council should consider any aspect of its further Local Plan policy development building on the adopted Core Strategy (and the practical operation of it) and particularly any detail that may be considered in regard to going beyond the scope of building regulations or other equivalent requirements, and should monitor and keep under review such areas. This means review in the context of other collective requirements on development (affordable housing %s or make-up, just for example), as have been reflected in this study; not just single policy effects in isolation. The outcome of the Government's Housing Standards Review, as has been noted, may well be a key factor in determining how the detailed consideration of these matters progresses generally – not just in Shepway's case.

3.4.4 In the meantime, whilst the potential for significantly increased build costs relating to sustainability to influence the CIL charging rates setting process may be more a matter for future review, at the current stage this direction is one of a number of factors that, as above, means avoiding CIL rates set towards or at their maximum potential levels.

Potential future review in respect of any future strategic scale development

3.4.5 DSP anticipates that it may well be necessary to consider a differential CIL charging rate approach for any future strategic developments; potentially at £0/sq. m subject to the Council's ongoing review of the type and cost of site-specific infrastructure obligations / works necessary to support any further schemes of this type. Certainly, it appears that the CIL scope alongside likely s.106 requirements will be very limited in those circumstances given the relatively modest sales values available to support the high levels of costs that seem likely to be relevant. As a general observation rather than firm finding at this stage, based on experience from other recent studies the more likely to provide the most flexible and appropriate delivery mechanism. As above, above all this is simply a flag suggesting particular review should this type of scheme form part of the longer term housing growth delivery proposals as further work is done by SDC on the Local Plan.

Government consultations and reforms – Affordable housing thresholds

3.4.6 A key aspect of the CIL reforms brought in by the 2014 regulations and guidance is the change to allow differential rates to be set with reference to scale of development. DSP's view and experience is that this does not necessarily affect our recommendations on some areas (e.g. retail differentiation) - covered later in this chapter – but could have some significant effects on residential CIL charging depending on the Council's choice of affordable housing policy targets and especially given the Government's current consultation on a potential national policy threshold of 10 dwellings. There is a key viability differential related to scale of development between sites with a requirement for affordable housing and sites without – e.g. a site of 10 with a requirement for affordable housing has very different viability characteristics from a site of 9 units with no affordable housing requirement even though the site costs and values may be very similar.

3.4.7 In the Shepway current context we have worked on the basis that the Council is likely to continue to place a high priority on affordable housing and will if possible continue to spread those obligations to some degree across smaller developments too – through the use of low thresholds where possible, as per the existing equitable approach of the adopted policy. That being the case, with sites of 5 or more dwellings contributing to affordable housing, then there is a significantly less clear viability differential than where a "cut-off" type threshold (i.e. a straight "with and without" affordable housing scenario) exists based on policy. This is especially the case where higher build costs are considered relevant in some cases on the smallest schemes.

3.4.8 If the Government brings in a threshold at say 10 dwellings, so that sites of 9 or fewer dwellings are expected to provide no affordable housing contribution, the Council may wish to consider using this study's results to inform a balancing of the resulting viability step (differential); consistent also with the recently introduced scope for differential CIL charging rates by reference to scale of development. This area will need to be monitored. The type of information provided in this report, including the range of comparative results from different assumptions combinations, could be used by the Council in this regard and could be readily updated in future if required.

Other aspects associated with the residential CIL

3.4.9 Mapping will need to be prepared by SDC to accompany the CIL PDCS and subsequent consultation stages in order to clearly show the extent of any CIL differentials pursued following DSP's finding and recommendations.

3.4.10 The following paragraphs offer additional observations relating to our findings, CIL viability assessment and CIL Examination stages experience.

3.4.11 The CIL principles are such that ideally Charging Schedules should be as simple as possible; i.e. as simple as the viability overview and finding the right balance locally will permit. Whilst a more differential approach in theory has the potential to reflect more closely the changing values and viability scenarios moving around the district and even within the larger settlements (especially in respect of Folkestone as the more detailed picture of values is blurred away from the general trends), such variety always occurs and in fact the effects will be highly localised or even site and scheme specific in many cases. This need to look at high level value and viability patterns, rather than seeking to reflect highly localised effects, is consistent with CIL principles.

3.4.12 For clarity, these residential findings are considered to also apply to sheltered / retirement housing development types that could form part of the wide spectrum of market housing delivery. In our experience this form of market apartments based development is capable of supporting similar CIL viability outcomes and competing very effectively with general market / non-retirement housing developments and other uses for suitable sites. By sheltered / retirement housing we are referring to housing-led (rather than care provision based) schemes the generally high density apartment-based schemes providing retirement housing in self-contained dwellings, usually with some element of common space and warden support; but where no significant element of care is provided as the norm. As a characteristic in common with other mainstream residential development, these schemes generally trigger affordable housing requirements on a negotiated basis (which in our experience may often be provided by way of negotiated financial contributions given the potential development mix, management and service charge issues than might otherwise arise in some scenarios by seeking to integrate an affordable housing element). They are regarded as falling under Use Class C3 (dwelling houses). They are distinct in our view from care / nursing homes which would generally fall within Use Class C2 as have also been considered, through a different scenario type, for this study purpose. There are various forms of similar developments, so that the Council will need to consider the characteristics of forms such as “extra-care”. As above, the relevant Use Class and applicability of affordable housing requirements is likely to be a key indicator. In DSP’s view, where the care provision is central to the development, so that it is not purely housing-led (where any visiting / part-time care would more likely be incidental), this may indicate characteristics closer to care / nursing homes development rather than market housing. The Council may need to consider the specific nature of development proposals and their fit within this range of types as schemes come forward and early stages discussions with planning applicants take place – in order to inform expectations. All affordable schemes would be nil-rated for CIL in any event, by virtue of the statutory exemption under the CIL regulations.

3.4.13 To reiterate, there may be instances of lower value residential schemes (of a range of types) and localities / particular schemes where developments struggle for viability in any event (i.e. prior to the consideration of CIL). It is important to stress that this could occur even without any CIL or similar (s.106) contribution / obligation. Wider scheme details, costs and obligations or abnormal costs can render schemes marginally viable or unviable before factoring-in CIL. As a common finding across our studies, no lower level set for CIL (i.e. even if at £0/sq. m) could ensure the deliverability of all these individual schemes on a guaranteed basis. In some cases, viability is inherently low or marginal, regardless of CIL or other specific cost implications. In this sense, CIL is unlikely to be solely responsible for poor or non-viability. These are not just local factors; we find them in much of our wider viability work. The same principles apply to commercial schemes too. The key test in terms of the CIL principles is that the rates selected do not put at undue risk the overall plan delivery; it is accepted that some schemes may not work and that those do not in themselves necessarily prejudice the bigger picture on overall plan delivery.

3.4.14 Associated with this, it will be necessary for the Council to monitor outcomes annually as part of its normal monitoring processes, with a view to informing any potential / necessary review of its CIL in perhaps 2 to 3 years’ time or so, as other Government or local policy developments may take place; and / or potentially in response to market and costs movements, or indeed any other key viability influences over time. There is no fixed or universally recommended approach to the timing of view; this depends on the way the wider and more local market and other viability influences (e.g. national and local policy approaches) develop.

3.4.15 In reviewing the findings and putting forward the above, although not part of the viability testing, in the background we have also had some regard to the proportional cost of the potential (trial) CIL rates relative to scheme value (GDV). These aspects are considered further where some guide information and comparisons are provided towards the end of this chapter.

3.5 Values and other characteristics – Findings: Commercial

3.5.1 A similar review process was considered with respect to commercial and non-residential scenarios. Again, this involved a refreshed look first at whether or not there were any particular values patterns or distinct scenarios that might influence the implementation of a next version CIL charging schedule for the Shepway district area (non-residential aspects).

3.5.2 As with the residential oriented review, the starting point aim should be a simple approach to the charging regime as far as development viability, and the relationship of that to the Development Plan (Local Plan) relevance, permits.

3.5.3 In essence, after considering the forms of development most relevant and the research on values, we decided that the focus for differentiation should be on varying development use types as informed by the viability findings. Variance also by locality was considered not to be justified for commercial / non-residential uses. If a route including that were chosen, in our view the local CIL charging approach could well become unnecessarily complex. As with residential and the potential values variety over short distances, we found no clear justification for further complexity in the circumstances. Further and potentially unnecessary differentiation could not be expected make the approach more reflective of actual viability variations in any event.

3.5.4 In arriving at this, a number of aspects were considered alongside the values research (see Appendix III). This also helped to determine the scope of the commercial / non-residential scenarios modelling carried out overall.

3.5.5 **Here we summarise key high-level commercial / non-residential points and findings** (more detail then follows in later report sections):

- Retail: While DSP understands that at present the emerging plan identifies no significant individual requirements for retail, we completed the range of testing that usually forms the basis of our CIL studies because a range of scenarios could come forward and an equitable approach would be necessary to all developments that could support CIL.

- In practice, as reflected by the development strategy, any new retail development (as opposed to the usual "churn" of existing units) is most likely to occur on an ad-hoc basis. In the Shepway context, other than for Supermarkets or other larger formats such as any new retail warehousing units, additional developments of smaller units within the main and smaller settlement centres within the district (or similar new developments) would be likely to have poor to marginal viability based on current assumptions and on-going underlying general commercial market uncertainty locally.

- From what we can see, the same would certainly apply to any new farm diversification based / rural areas retail provision, and would also be relevant at the current time to any smaller retail units provided within any strategic developments that become relevant to the current CIL considerations. The results show that the poor level of viability likely to be associated with most retail development points towards the need to nil rate development of new shops other than supermarkets / superstores and retail warehouses.

- Although larger format retail unit development (larger supermarkets, superstores and retail warehousing) is not specifically envisaged in the local context at the present time and is unlikely to come forward in significant quantities, it could occur through market forces subject to the meeting of the Local Plan and national principles on impact assessments and suitability of location, etc. The only potential for development of this nature to occur was considered to be supermarket development in Folkestone / Hythe / New Romney or potentially at the service centres. Based on discussions with Council officers even this seems a limited prospect in the short term and probable life of the early CIL charging schedule(s). In viability terms, should they come forward these forms of development would not support the level of CIL that we and other consultants have identified for such developments in some locations owing to the lower rental profiles here than we tend to see in more significant shopping locations. They are considered generally able to support CIL charging rates of approximately £100/sq. m, broadly equivalent to the upper CIL charging rates DSP considers appropriate for the main Shepway urban areas (Folkestone upper / Hythe) based on review of the range of positive outcomes from the 5.5% to 6.5% yield tests (tables 2 to 4 at Appendix IIc). This allows for stepping well back from maximum theoretical CIL rates, which look to be potentially beyond the £180/sq. m maximum trial rate here based on the 5.5% yield test and significantly exceeding the highest of the land value benchmarks at £1m/ha. RLVs at up to around £3.3m/ha are indicated based on the 5.5% yield review and other assumptions used with the 'M' trial rental level; maintained at £1.7m/ha with a significantly more cautious 6.5% yield assumption applied to the 'M' level rent tests. Overall, the indications are that at the very least these development uses have the potential to compete for sites, including with mid to higher value residential proposals.

- The Council will need to consider the viability findings alongside the recurring themes that we have noted – i.e. around the local relevance of development types; the likely frequency and nature of development. In our view, such a CIL rate could not be considered prejudicial to the overall emerging plan delivery in any event and could be applied to all larger format retail development types. On the accepted CIL principles, any individual schemes that proved non-viable here would not threaten overall plan delivery so far as we can see.

- The appraisals run following extensive research show that other forms of retail development would not reliably support CIL charging in the district, and the Council's selected approach probably needs above all to be responsive to any potential for smaller shops development, especially within the main town and other centres, so as not to add undue delivery risk to any marginal proposals (as they look likely to be at best in the short term).

- Business development (offices and industrial / warehousing – of all types): Experience from elsewhere along with firmed-up early stage findings for Shepway suggested again that viability outcomes here would not be sufficient to support CIL charging from this range of ('B' class) uses at the present time at least. This is a finding in common with all of our viability studies to date. If robust assumptions are used, of the type necessary to underpin Local Plan and CIL viability studies, then those and the resulting viability outcomes would be unlikely to improve sufficiently to enable clear evidencing CIL charging scope, regardless of any area based variation or particular use type. Therefore, we formed the view that any area based differentiation would not be relevant for these uses. Even in the better locations / scenarios our findings indicate that there is no clear CIL charging scope without adding further risk to schemes that at best appear to struggle for any real level of viability. This takes into account the level of uncertainty and risk inherent in such schemes at present, prior to considering fixed (non-negotiable) CIL levels being added to scheme costs.

- Hotel and care home development scenarios were considered, overall with a similar tone of findings from each of these. As noted at the Appendix I scenarios / assumptions summary, hotel appraisals were run to allow us to consider the sensitivity of outcomes to the relationship between their value and build costs, following the review of web based, BCIS and any other available information. With assumptions considered relevant at the current time, these scenarios were considered non-viable locally – as shown by the extensive 'negative RLV' results areas on the tables at Appendix IIc.

- We found that what we considered to be potentially over-optimistic assumptions had to be made in order to consistently provide development viability outcomes that support clear CIL charging scope for a range of such developments. Detailed information on development is particularly hard to come by for these sectors, but from our research it appears that the longer term business model associated with the trading / operational (revenue) side of the care homes business is often what underpins or largely underpins the progressing of schemes for this use; as opposed to the development activity.

3.5.6 In summary, the meaningful CIL charging potential from commercial / non-residential development in Shepway is likely to be restricted to considering any relevance of and scope around any ad-hoc larger format retail development that may occur.

3.5.7 These aspects are all put forward with respect to the first charging schedule, and therefore involve a fairly short term view - subject to future review.

3.5.8 Consistent with most other viability studies that we have dealt with, our viability findings seek to provide wider information enabling the Council to consider various approaches – including on the characteristics of and related advice on differentiation for varying retail formats (as those provide different offers and effectively are different development uses). If not now, this may be relevant at a future stage as part of continuing to seek the right balance to the CIL approach for Shepway. Further information is set out at 3.6 below. That may help to inform the PDCS drafting.

3.5.9 As would be expected, the commercial / non-residential appraisal findings are wide-ranging when viewed overall. For this strategic overview rather than detailed valuation exercise we have essentially considered the interaction of rent and yield as presenting a view of sample ranges within which capitalised net rents (completed scheme sales values - GDVs) could fall. Then we considered the strength of the relationship between the GDV and the development costs – the essence of the CIL viability study.

3.5.10 In this way we have explored various combinations of assumptions (including capitalised rental levels) which produce a range of results from negative or marginal outcomes (meaning nil or at best very limited CIL charging scope) to those which produce meaningful and in some cases considerable CIL charging scope. To illustrate the trends that we see, the coloured tables at Appendix IIc use the same "coding" type principles as the residential results tables (strongest green colouring indicating the best viability prospects through to red areas and other swathes of the results tables noted as 'Negative RLV' indicating non-viability based on the assumptions used). Once again, these provide a guide to the strength of the results and the trends across them at varying value levels and trial (potential) CIL charging rates, but must not be interpreted too strictly. The findings do not mean that in practice all such development will be consistently and firmly non-viable. Rather, the necessary approach to considering viability for a CIL demonstrates no CIL charging scope at the current time.

3.5.11 Another factor to which the commercial outcomes are greatly sensitive is the site coverage of a scheme, i.e. the amount of accommodation to be provided on a given site area; the equivalent of residential scheme density. This can affect results considerably, combined with the assumed land buy-in cost for the scheme. We saw the effect of these factors in looking at the residential scenarios too.

3.5.12 Factors such as build costs clearly have an impact as well but, for the given scheme scenarios, are not likely to vary to an extent that makes this a more significant single driver of results than the values influences (rents and yields) outlined above. In practice, it will be the interaction of actual appraisal inputs (rather than these high level assessment assumptions) that determines specific outcomes. As with actual schemes though, again it is the interaction of the various assumptions (their collective effect) which counts more than individual assumption levels in most cases. There are some commercial or non-residential use types where build costs, or build and other development costs, will not be met or will not be sufficiently exceeded by the completed values (GDVs) so as to promote viable development.

3.5.13 Having looked at varying forms of commercial / non-residential development for the viability review of CIL rates scope, the review process and findings also inform the Council's on-going work on the local plan and its delivery details. The study inevitably has to take a view of looking at all of this now, influenced by the recent recessionary conditions and on-going economic backdrop constraints in mind. These cannot be fully projected out of the picture at the current time or, most likely, in the coming few years.

3.5.14 The Council will need to keep all of this under review, a repeated theme here, and in the meantime will also need to work-up up its delivery strategies for employment supporting development so as to maximise opportunities as the market is able to respond and work creatively over time.

3.5.15 We will now provide further detail on the assessment findings for the commercial development scenarios considered, bearing in mind that in practice scheme types and viability outcomes will be highly variable. In all cases, it is not necessary for the Council to link its approach to particular Use Classes – descriptions and added clarity to the CIL Charging Schedule may be better made by referring to locally relevant development types.

3.6 Potential CIL Charging Scope – Commercial / Non-Residential

Retail scenarios (across Use Classes A1 – A5; i.e. also covering food and drink, financial services, etc.)

3.6.1 The ‘small retail’ unit appraisal results showed a very significantly weaker viability picture compared with the indications from the larger format retail scenarios (upper sections of Appendix IIc tables 4 and 5). This applied to all scenarios reviewed for the development type.

3.6.2 More generally speaking, whilst the retail scenarios overall showed amongst the best viability outcomes from the wide range seen, if the smaller shops scenarios are considered relevant to the plan delivery then this factor should be included in the consideration of the CIL charging rates. This would be reflected here through a nil charging rate (£0/sq. m) set for small format retail – applied to the whole of the Shepway district.

3.6.3 As a high level outcome this general viability distinction between larger and smaller retail formats is consistent with most of our previous and wider work on CIL viability, as well as with the findings of other consultants engaged in similar work in many cases. This tone of results is shown by the range of red shaded ‘small retail’ results areas at tables 4 and 5 (representative of any new units at shopping parades / neighbourhood centres, individual units, farm shops, village or rural provision), compared with the larger format retail results and again particularly those at tables 2 to 4 associated with the 5.5% to 6.5% yield tests (as at 3.5.5 above).

3.6.4 In comparison, the best ‘small retail’ scenario outcomes at table 4 show only a switch to positive RLVs where the ‘H’ (high) level rental test assumption is used.

3.6.5 DSP has experience of single and differential CIL charging rates approaches for retail development. We consider that a CIL charging rate for the larger retail types (supermarket and retail warehousing formats) could certainly be taken up to around £100/sq. m reflecting a rate set well within the margins of viability but in any event considered non-prejudicial to overall plan delivery.

3.6.6 Although a supermarkets / superstores and retail warehousing / similar based charging rate might be taken higher than this in theory, the prospect that relatively high land values may be associated with this form of development needs to be kept in mind, together with the significant overall development costs. There are a range of factors which, together, suggest that setting retail up to the higher CIL trial rate levels explored (i.e. up £180/sq. m or perhaps more) may not be appropriate in the local context at this stage. Respecting such principles will build-in some significant margin for any increase in costs assumptions over those used at this stage, especially given that no positive viability effect of netting –off for any existing floorspace on a site has been allowed-for.

3.6.7 Again, the Council will need to consider the plan relevance of the various retail types; and potentially the following factors:

- The extent to which retail of any form is overall plan relevant. If certain or all forms are likely to be coming forward on an ad-hoc basis only (i.e. outside the plan policies scope) then potentially it may be considered that any non-viability of individual schemes is not critical under the CIL principles;

- Non plan relevance (or limited / uncertain relevance) would also suggest the prospect of a low level of increase in CIL receipts from setting a higher charging rate for certain development uses;

- However, as part of considering the impacts of its CIL proposals (both positive and negative), the Council may also wish to consider the relevance of any unintended consequences for other forms of development, such as smaller shops in the larger centres, shops provided through farm diversification or other smaller settlements / rural areas / tourism and visitor based provision.

3.6.8 We also aim to provide wider information, having taken the exploration of this area of the study further (for any charging rates options based on differentiation by type) in the event that consideration of a differential rates approach is taken forward as a result of the Council's future work on this. If there is to be differentiation by use type, then (to reinforce the points made previously) the viability evidence is such that consideration should be given to a significantly lower or, more appropriately, a £0/sq. m. charging rate for smaller shops developments at this time.

3.6.9 As we noted previously, the Government (DCLG) has recently introduced scope for charging authorities to be able to set differential CIL rates by reference to varying scale of development as well as varying development use (as has been discussed above in relation to residential development). Whilst DSP's experience is that differentiation has been possible for scale where that relates to varying development use (i.e. retail offer, site and unit type, site etc. associated with that), it appears possible that this element of the reforms could expand and cement the scope to consider differentiation on CIL charging rates for retail development. However, DSP's experience is such that a retail use does not necessarily change characteristics at any specific floor area point other than that determined by the Sunday Trading provisions.

3.6.10 Overall, as with the residential findings, the Council may well be able to consider options for any renewed approach to its CIL charging. So in order to provide the Council with additional information should it be needed in due course, whilst reviewing this potential differentiation further and appraising the smaller retail category, we explored the sensitivity of that scenario type to varied size (floor area). These outcomes are not included in detail in this report, but further information can be supplied to the Council by DSP if required. In any event, this may be as much about considering the differing retail offers and development types associated with those, and therefore general principles around CIL and differentiation, rather than the viability outcomes alone.

3.6.11 Since altering the assumed floor area to any point between say 200 and 500 sq. m would not trigger varying values or costs at this level of review, basically the reported values / costs relationship stays constant; so that we did not see altering viability prospects as we altered its specific floor area over that range but assumed development for the same use type (same type of retail offer). This means that the outcomes for this scenario (as for many others) are not dependent on the specific size of unit alone. The key factor differentiating these types of retail scenarios from the larger ones is the value / cost relationship related to the type of premises and the use of them; they are simply different scenarios where that relationship is not as positive as it is in respect of larger, generally out of town / edge of town stores. Specific floor area will not produce a different nature of use and value / cost relationship. The same applies on altering the high levels testing for floor area variations on supermarkets or similar; the use type does not switch at particular points so that selection of thresholds for the varying scale of development could be arbitrary.

3.6.12 To reiterate, in our view any differentiation is more about the distinct development use, the different retail offer that it creates and the particular site type that it requires, etc. The description of the use and its characteristics may therefore be more critical than a floor area threshold or similar. The latter could also be set out to add clarity to the definition and therefore to the operation of the charging schedule in due course. In case of assistance, DSP has worked with a number of authorities on the details of these aspects. As an example, the adopted Wycombe DC CIL Charging schedule (see: http://www.wycombe.gov.uk/council-services/planning-and-buildings/planning-policy/community-infrastructure-levy.aspx) included wording clarifications, in the form of footnotes to assist with the definitions of the chargeable retail use types, put forward by that Council and accepted by the Inspector at Examination, as follows:

[1] Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.

[2] Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for mainly car-borne customers.

3.6.13 Only if differentiating between these smaller and larger retail formats, for example because of their plan relevance, we consider that creating a link with the size of sales floor space associated with the Sunday Trading provisions (3,000 sq. ft. / approx. 280 sq. m) may provide the most appropriate threshold as a secondary measure to the development use description that is the most relevant factor. This assumes the threshold being used for clarity and to further explain the nature of the development use that the viability and CIL differential is linked to.

3.6.14 It is considered that, where these schemes may come forward in this district (currently assumed to be on an ad hoc basis only), they could be seen in a variety of circumstances; but with none of those being fundamental to overall plan delivery in any event.

3.6.15 **Overall for retail, therefore, we consider that these findings viewed alongside our wider work on this development use point to the Council considering:**

- Differential rates for larger format retail (at £100/sq. m) and smaller format retail of all types – i.e. all other retail (put forward at £0/sq. m);

3.6.16 A single retail rate considered at this level (£100/sq. m), or even at a lower level equivalent to the mid-Folkestone / other area 'B' residential CIL scope, would be likely to place undue additional development risk on any smaller scale shops development, and so is unlikely to be appropriate here.

3.6.17 There are a range of retail related uses, such as motor sales units, wholesale type clubs / businesses, which may also be seen locally, although not regularly as new builds because these uses often occupy existing premises. Whilst it is not possible to cover all eventualities for ad hoc development, and that is not the intention of the CIL principles, we consider that it would be appropriate in viability terms to also link these to the retail approach that is selected based on the main themes of plan delivery, all as above.

3.6.18 Similarly, we assume that where relevant any new fast food outlets, petrol station shops, etc., provided for example as part of large retail developments, would be treated as part of the retail scheme.

3.6.19 Other uses under the umbrella of retail would be treated similarly. Individual units or extensions would be charged according to their size applied to the selected rate as per the regulations and standard charging calculation approach.

3.7 Other development use types – including community and other uses potentially relevant to the district – agriculture, leisure, visitor facilities, etc.

3.7.1 Following our extensive iterative review process, throughout this assessment we can see that once values fall to a certain level there is simply not enough development revenue to support the developments costs, even before CIL scope is considered (i.e. where adding CIL cost simply increases the nominal or negative numbers produced by the residual land value results – makes the RLVs, and therefore viability prospects, lower or moves them further into negative).

3.7.2 In such scenarios, a level of CIL charge or other similar degree of added cost in any form would not usually be the single cause of a lack of viability. Such scenarios are generally unviable in the sense we are studying here – as a starting point. This is because they have either a very low or no real commercial value and yet the development costs are often similar to equivalent types of commercial builds. We regularly see that even the build costs, and certainly the total costs, exceed levels that can be supported based on any usual view of development viability. These are often schemes that require financial support through some form of subsidy or through the particular business plans of the organisations promoting and using them.

3.7.3 As will be seen below, there are a wide range of potential development types which could come forward as new builds, but even collectively these are not likely to be significant in terms of "lost opportunity" as regards CIL funding scope. We consider that many of these uses would more frequently occupy existing / refurbished / adapted premises.

3.7.4 A clear case in point will be community uses which generally either generate very low or sub-market level income streams from various community groups and as a general rule require very significant levels of subsidy to support their development cost; in the main they are likely to be a long way from producing any meaningful CIL scope.

3.7.5 There are of course a range of other arguments in support of a distinct approach for such uses. For example, in themselves, such facilities are generally contributing to the wider availability of community infrastructure. They may even be the very types of facilities that the pooled CIL contributions will ultimately support to some degree. For all this, so far as we can see the guiding principle in considering the CIL regime as may be applied to these types of scenarios remains their viability as new build scenarios.

3.7.6 **In any event, from our viability perspective, a zero (£0/sq. m) CIL rate is recommended in these instances.**

3.7.7 As a part of reviewing the viability prospects associated with a range of other uses, we compared their estimated typical values (or range of values) – with reference to values research from entries in the VOA's Rating List and with their likely build cost levels (base build costs before external works and fees) sourced from BCIS. As has been discussed above, where the relationship between these two key appraisal ingredients is not favourable (i.e. where costs exceed or are not sufficiently outweighed by values) then we can quickly see that we are not dealing with viable development scenarios. The lack of positive relationship is often such that, even with low land costs assumed, schemes will not be viable. Some of these types of new developments may in any event be promoted / owned by charitable organisations and thereby be exempt from CIL charging (as affordable housing is).

3.7.8 Figure 11 below provides examples of the review of relationship between values and costs in a range of these other scenarios. This is not an exhaustive list by any means, but it enables us the gain a clear picture of the extent of development types which (even if coming forward as new builds) would be unlikely to support CIL funding scope so as to sufficiently outweigh the added viability burden and complication in the local CIL regime. These types of value / cost relationships are not unique to the Shepway at all. Very similar information is applicable in a wide range of locations in our experience, although the largely rural nature of this district increases the relevance of certain types of development uses.

Figure 11: Other uses – example guide value / cost ranges and relationships

Example development use type	Indicative annual rental value (£/sq. m)	Indicative capital value (£/sq. m) before sale costs etc.	Base build cost indications –BCIS**	Viability prospects and Notes
Cafés	£45 - £395 per sq. m	£450 - £3950 per sq. m	Approx. £1,185 - £3,560	Insufficient viability to clearly and reliably outweigh the costs
Community Centres	£25 - £60 per sq. m	£250 - £600 per sq. m	Approx. £1,300 - £1,795	Clear lack of development viability
Day Nurseries	£35 - £140 per sq. m	£350 - £1,400 per sq. m	Approx. £1,415 - £1,960	Insufficient viability to clearly and reliably outweigh the costs
Equestrian Stables / Livery	Approx. £250 per unit		Approx. £960 - £1,425/sq. m	Insufficient evidence of viability to clearly and reliably outweigh the costs
Garages and Premises	£30 - £80 per sq. m	£300 - £800 per sq. m	Approx. £850 - £1,200	Low grade industrial (B uses) - costs generally exceed values
Halls - Community Halls	£15 - £40 per sq. m	£100 - £250 per sq. m	Approx. £1,350 - £1,750 (General purpose Halls)	Clear lack of development viability – subsidy needed
Leisure Centre - Health and Fitness	£40 - £115 per sq. m	£1,533 @ 7.5% yield (upper-end)	Approx. £925 - £1,860	Likely marginal development viability at best - probably need to be supported within a mixed use scheme; or to occupy existing premises
Leisure Centre Other - Bowling / Cinema	No information available but say £115 - £125 per sq. m so similar to above approx. £1,600 @ 7.5% yield		Approx. £1,080 - £1,560	Likely marginal development viability at best - probably need to be supported within a mixed use scheme; or to occupy existing premises
Museums	No comparable information available		Approx. £1,100 - £2,360	Likely clear lack of development viability – subsidy needed

Example development use type	Indicative annual rental value (£/sq. m)	Indicative capital value (£/sq. m) before sale costs etc.	Base build cost indications –BCIS**	Viability prospects and Notes
Storage Depot and Premises – e.g. Agricultural	No information readily available but say £30 - £40 per sq. m i.e. £300 - £400 per sq. m @ 10% yield		Approx. £400 - £6650 (mixed storage types to purpose built warehouses)	Assumed (generally low grade) B type uses. Costs generally exceed values - no evidence in support of regular viability.
Surgeries	£45 - £395 per sq. m	£450 - £3,950 per sq. m	Approx. £1,270 - £1,700 (Health Centres, clinics, group practice surgeries)	Insufficient viability to clearly and reliably outweigh the costs based on other than high-end looking value assumptions.
Visitor Centres and similar	No comparable information available		Approx. £1,500 - £2,300	Likely clear lack of development viability – subsidy needed

*£/sq. m rough guide prior to all cost allowance (based on assumed 10% yield for illustrative purposes - unless stated otherwise).

**Approximations excluding external works, fees, contingencies, sustainability additions etc.

3.7.9 With the exception, potentially, of any retail linked types such as mentioned at 3.6.17 to 3.6.19 above (should the Council consider those sufficiently relevant to the plan delivery and include those with the CIL charging scope), our recommendation is for the Council to consider a zero (£0/sq. m) CIL rate in respect of a range of other uses such as these. As in other cases, this could be reviewed in future - in response to monitoring information. Our over-riding view is that the frequency of these other new build scenarios that could support meaningful CIL scope is likely to be very limited.

3.7.10 As alternatives, and we understand that there is no guidance pointing either way, the Council could consider leaving such other proposals to “default “ to a nominal rate; or to a higher rate to capture contributions from a small number of developments - but with the risk that others could present difficulties.

3.8 Charge Setting and CIL Rate Review

3.8.1 To further inform the Council’s CIL charging rates setting and on-going work, we have also considered the range of potential CIL rates that have been viability tested in terms of their proportion of (percentage of - %) completed development value (sales value or ‘GDV’).

3.8.2 The following figures (contained with the tables at Figures 12 and 13 below) do not relate to the viability testing (they are not viability tested outcomes or recommendations) beyond the fact that we have considered these straight calculations at a selection of the potential CIL (trial) rates that were tested for viability. The values assumptions (GDVs) used to calculate the following proportions are as assumed within the study (see chapter 2 and Appendix I).

3.8.3 Percentage of GDV figures are only provided here for the residential and example commercial / non-residential uses (viability study scenarios) that are capable of supporting CIL charging in accordance with our findings (CIL rate as % of GDV figures for other non-viable uses are not provided). See Figures 12 and 13 below.

3.8.4 In our experience, CIL rates in the order of those discussed above for Shepway are relatively small as is appropriate when viewed in the context of the gross development value, with charging rates at the proposed levels equating to no more than approximately 2% to 3.5% of GDV. In many other areas we see the CIL rate as a percentage of GDV tending to be within an overall range not usually exceeding say 3-5% of GDV; but only as a rough guide and further background indicator of the potential suitability of the rates. To put this into context, upwardly moving house prices[17] are currently expected to increase significantly in the next few years with further annual growth indicated to occur in the each of the next few years on average[18]. Appendix III includes market context information in this regard.

[17] Office for National Statistics (ONS) – House Price Index
[18] Savills Residential Property Focus for Q4 2013 for example suggested up to 25% growth in house prices to 2018/19.

Figure 12: Trial CIL Charging Rates as a Percentage of GDV – Residential

Scheme Type	CIL Rate (£/sq. m)	Value Level (GDV) & % GDV represented by trial CIL rates											
		VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10	VL11	VL12
Residential	£15	0.75%	0.70%	0.65%	0.61%	0.58%	0.55%	0.52%	0.49%	0.45%	0.41%	0.38%	0.35%
	£30	1.50%	1.40%	1.30%	1.22%	1.15%	1.09%	1.03%	0.98%	0.90%	0.82%	0.76%	0.71%
	£45	2.25%	2.09%	1.96%	1.84%	1.73%	1.64%	1.55%	1.48%	1.34%	1.23%	1.14%	1.06%
	£60	3.00%	2.79%	2.61%	2.45%	2.31%	2.18%	2.07%	1.97%	1.79%	1.64%	1.52%	1.41%
	£75	3.75%	3.49%	3.26%	3.06%	2.88%	2.73%	2.59%	2.46%	2.24%	2.05%	1.90%	1.76%
	£90	4.50%	4.19%	3.91%	3.67%	3.46%	3.27%	3.10%	2.95%	2.69%	2.47%	2.28%	2.12%
	£105	5.25%	4.88%	4.57%	4.29%	4.04%	3.82%	3.62%	3.44%	3.13%	2.88%	2.66%	2.47%
	£120	6.00%	5.58%	5.22%	4.90%	4.62%	4.36%	4.14%	3.93%	3.58%	3.29%	3.04%	2.82%
	£135	6.75%	6.28%	5.87%	5.51%	5.19%	4.91%	4.66%	4.43%	4.03%	3.70%	3.42%	3.18%
	£150	7.50%	6.98%	6.52%	6.12%	5.77%	5.45%	5.17%	4.92%	4.48%	4.11%	3.80%	3.53%

(Source: DSP 2014)

Figure 13: CIL Charging Rates as a Percentage of GDV – Commercial (for retail development uses for which CIL charging / potential charging is discussed in the report)

Scheme Type	CIL Rate (£/sq. m)	7.5% Yield			6.5% Yield			6% Yield			5.5% Yield		
		L	M	H	L	M	H	L	M	H	L	M	H
Capital Value (GDV - £/sq. m) >>		**£2,660**	**£3,325**	**£3,990**	**£3,076**	**£3,845**	**£4,614**	**£3,320**	**£4,150**	**£4,980**	**£3,636**	**£4,545**	**£5,454**
Supermarket	**£15**	0.56%	0.45%	0.38%	0.49%	0.39%	0.33%	0.45%	0.36%	0.30%	0.41%	0.33%	0.28%
	£30	1.13%	0.90%	0.75%	0.98%	0.78%	0.65%	0.90%	0.72%	0.60%	0.83%	0.66%	0.55%
	£45	1.69%	1.35%	1.13%	1.46%	1.17%	0.98%	1.36%	1.08%	0.90%	1.24%	0.99%	0.83%
	£60	2.26%	1.80%	1.50%	1.95%	1.56%	1.30%	1.81%	1.45%	1.20%	1.65%	1.32%	1.10%
	£75	2.82%	2.26%	1.88%	2.44%	1.95%	1.63%	2.26%	1.81%	1.51%	2.06%	1.65%	1.38%
	£90	3.38%	2.71%	2.26%	2.93%	2.34%	1.95%	2.71%	2.17%	1.81%	2.48%	1.98%	1.65%
	£105	3.95%	3.16%	2.63%	3.41%	2.73%	2.28%	3.16%	2.53%	2.11%	2.89%	2.31%	1.93%
	£120	4.51%	3.61%	3.01%	3.90%	3.12%	2.60%	3.61%	2.89%	2.41%	3.30%	2.64%	2.20%
	£135	5.08%	4.06%	3.38%	4.39%	3.51%	2.93%	4.07%	3.25%	2.71%	3.71%	2.97%	2.48%
	£150	5.64%	4.51%	3.76%	4.88%	3.90%	3.25%	4.52%	3.61%	3.01%	4.13%	3.30%	2.75%
Capital Value (GDV - £/sq. m) >>		**£1,330**	**£2,328**	**£2,993**	**£1,538**	**£2,692**	**£3,461**	**£1,660**	**£2,905**	**£3,735**	**£1,818**	**£3,182**	**£4,091**
Retail Warehousing	**£15**	1.13%	0.64%	0.50%	0.98%	0.56%	0.43%	0.90%	0.52%	0.40%	0.83%	0.47%	0.37%
	£30	2.26%	1.29%	1.00%	1.95%	1.11%	0.87%	1.81%	1.03%	0.80%	1.65%	0.94%	0.73%
	£45	3.38%	1.93%	1.50%	2.93%	1.67%	1.30%	2.71%	1.55%	1.20%	2.48%	1.41%	1.10%
	£60	4.51%	2.58%	2.00%	3.90%	2.23%	1.73%	3.61%	2.07%	1.61%	3.30%	1.89%	1.47%
	£75	5.64%	3.22%	2.51%	4.88%	2.79%	2.17%	4.52%	2.58%	2.01%	4.13%	2.36%	1.83%
	£90	6.77%	3.87%	3.01%	5.85%	3.34%	2.60%	5.42%	3.10%	2.41%	4.95%	2.83%	2.20%
	£105	7.89%	4.51%	3.51%	6.83%	3.90%	3.03%	6.33%	3.61%	2.81%	5.78%	3.30%	2.57%
	£120	9.02%	5.15%	4.01%	7.80%	4.46%	3.47%	7.23%	4.13%	3.21%	6.60%	3.77%	2.93%

Scheme Type	CIL Rate (£/sq. m)	7.5% Yield			6.5% Yield			6% Yield			5.5% Yield		
		L	M	H	L	M	H	L	M	H	L	M	H
	£135	10.15%	5.80%	4.51%	8.78%	5.01%	3.90%	8.13%	4.65%	3.61%	7.43%	4.24%	3.30%
	£150	11.28%	6.44%	5.01%	9.75%	5.57%	4.33%	9.04%	5.16%	4.02%	8.25%	4.71%	3.67%

(Source: DSP 2014)

3.8.5 The Council may wish to use the above information to consider the potential CIL charging rates parameters recommended, and the wider potential rates / options, as part of its balancing of objectives and overall assessment.

3.8.6 As an example a £50/sq. m residential CIL charge for the area B values / characteristics locations amounts to approximately 2 – 2.5% GDV at VL3/4. A CIL at approximately twice that level (e.g. in respect of the higher value Folkestone / Hythe are C values characteristics) would equate to approximately 3 – 3.5% GDV at VL7/8. A linear effect is not necessarily expected on review of this additional information; it simply acts a further and informal “health-check” when reviewing the proposals.

3.8.7 A £100/sq. m proposed CIL charge is seen to represent approximately 2.3 – 2.7% GDV for the larger format retail (supermarket / similar) scenario – assumed at the ‘M’ rental values and a 5.5% to 6.5% yield assumptions combination.

3.9 Summary – Local Plan Viability and CIL Charging Rates

3.9.1 It has been necessary for us to acknowledge the various viability sensitivities, which are likely to mean that outcomes move around given the many variables.

3.9.2 Whilst we have made comments about affordable housing and sustainable construction impacts in this way, the key point will be for the Council to work up an adaptable approach for delivery. This will need to be expressed in any further policy positions that are developed; as is currently applied in respect of the affordable housing policy targets operation for example.

3.9.3 The engagement to date between the Council and its various partners in respect of a range of proposals and sites provides positive signs of the delivery scope, and this should be a key indicator of the potential and a vital continued aspect of the planning and delivery processes across the range of development types relevant to the Local Plan.

3.9.4 In the meantime, particularly in respect of commercial / employment development creation, some challenges must be acknowledged in most local authority areas. In addition to seeking to ensure that the CIL approach does not further impede investment, the Council could consider the following types of areas and initiatives (outside the scope of this report, but put forward as practical indications):

- Consideration of market cycles – plan delivery is usually about longer term growth as well as short term promotion and management of growth opportunities that will contribute to the bigger picture;

- A choice of sites and opportunities – working with the development industry to facilitate appropriate development and employment / economic improvement generating activity when the timing and market conditions are right;

- Consideration of how location is likely to influence market attractiveness and therefore the values available to support development viability. Alignment of growth planning with existing transport links and infrastructure, together with planned improvements to those. Considering higher value locations for particular development use types;

- Specific sites / locations and opportunities – for example in relation to the plan proposals and what each are most suitable for;

- Mixed-use development with potential for cross-subsidy for example from residential / retail to help support the viability of employment (business) development;

- Scenarios for particular / specialist uses that are often non-viable as developments but are business-plan / activity led;

- As with residential, consideration of the planning obligations packages again including their timing as well as their extent.

- A likely acceptance that business development overall is unlikely to be a contributor to general community infrastructure provision in the short-term at least.

3.9.5 On CIL, in summary, from a viability point of view we recommend the following for consideration by Shepway District Council - taking account of its adopted affordable housing policy and avoiding the setting of CIL charging rates at the margins of viability (see Figure 14 below):

Figure 14: Recommendations Summary - CIL charging rates

CIL Charging rates Parameters & Rates for Consideration
1 <u>Residential</u>
Overall parameters - £0 to £125/sq. m. **Recommend a 4 zones approach based on figures within this overall range and responsive to the variation in values and area characteristics:** **A:** **Lower-Folkestone (based on ward areas of Foord and Harbour, together with much of Cheriton and Moorhill)** **>> Recommended rate for consideration at the current time: £0/sq. m** **B:** **Mid-Folkestone, New Romney/Romney Marsh and Hawkinge** **>> Recommended rate for consideration at the current time: £50/sq. m** **C:** **Upper-Folkestone & Hythe area (west)** **>> Recommended rate for consideration at the current time: £100/sq. m** **D:** **North (Kent) Downs rural area settlements** **>> Recommended rate for consideration at the current time: £125/sq. m**
2 <u>Retail</u>
Overall parameters – £0 – £100/sq. m. **Recommend larger format retail – retail warehousing and supermarkets – a charging rate of not more than £100/sq. m**. This rate would also be applicable to extensions of any size. **All other retail at £0/sq. m.** Any differentiation by type of retail should be linked to use rather than simply

based on size (see 3.6.12 and associated text).	
3	**<u>All other development uses</u>**
Nil CIL charge (£0/sq. m)	

(Source: DSP 2014)

3.9.6 Provisional version residential charging zones maps should be considered in response to this reporting and be made available as part of the consultation stages if the Council decides to proceed with a differential rates charging set-up (by geographical zones) for residential development as put forward in this report (with precise boundaries to be confirmed on further combination of SDC's local delivery experience with DSP's viability findings).

3.9.7 ***Additional recommendation*: To consider monitoring and review.** Although there is no fixed period or frequency for this we recommend that the Council begins to consider its more detailed implementation strategies around CIL, including how it will monitor and potentially review CIL collection and levels once adopted – i.e. informed by the experience of operating it once implemented at the levels fixed following the current review. Monitoring or equivalent processes should take place whilst also maintaining an overview of the market context and development plan policies alongside which CIL will have been operating. The DCLG guidance touches on the intended open and transparent nature of the levy and in doing so states that charging authorities should prepare short monitoring reports each year.

3.9.8 ***Additional recommendation:*** As has been the case with s.106 obligations, **to consider the scope (as far as permitted) to phase CIL payment timings** where needed as part of mitigation against scheme viability and / or delivery issues. Through all of our development viability work, particularly in relation to larger developments and especially longer running / phased residential schemes, we observe the impact that the particular timing of planning obligations have. The same will apply to the payments due under the CIL. Front loading of significant costs can impact development cash flows in a very detrimental way, as costs (negative balances) are carried in advance of sales income counteracting those. Considering the spreading of the cost burden to some extent - as far as may be permissible - even on some smaller schemes, may well provide a useful tool for supporting viability in the early stages.

3.9.9 ***Additional recommendation:*** Following the same principles and potentially of great importance to the larger sites / strategic locations delivery over time, the timing and phasing of infrastructure works and planning obligations in general will need balancing with funding availability and viability positions as updated through on-going review.

3.9.10 ***Additional recommendation:*** Given that CIL takes the form of a fixed, non-negotiable charge once implemented, the Council will need to continue to operate its wider planning objectives and policies sufficiently flexibly – approach to be carried in to any further delivery detail to be added to the adopted Local Plan Core Strategy policies already in operation. This should enable it to adapt where necessary to viability and other scheme constraints where developers can share their appraisals to demonstrate the need for flexibility on the overall planning obligations package. Abnormal development costs and other factors could also influence this process in particular instances. Prioritisation of objectives may be necessary, and such outcomes would be highly scheme specific – tailored to particular needs where proven to be necessary.

3.9.11 ***Additional recommendation:*** The Government's CIL guidance (DCLG consolidated latest version 2014) outlines the linkages between the relevant plan (currently emerging development plan), CIL, s.106 obligations and spending of the CIL on infrastructure. One key aspect, as has been the subject of discussion at previous CIL examinations in our experience, is that the Council will need to develop its strategy to clarify the relationship between CIL and s.106. It will need to be able to reassure developers that there will be no double-counting ("double-dipping", as it has been referred to) between the operation of the two regimes in terms of the infrastructure projects that each set of funds (or works provided in-lieu) contributes to. This includes the content of the Regulation 123 list for CIL (confirming the projects or types of infrastructure that CIL funds will be spent on, and therefore precluding the use of s.106 for those same items).

Main text of study report ends – Final Version.
July 2014.
Appendices follow.

APPENDIX 4

Folkestone & Hythe District Council – Whole Plan Viability Assessment (District Wide) and Community infrastructure Levy Charging Schedule Review

Folkestone and Hythe District Council's (FHDC) Planning service is undertaking a Whole Plan Viability Assessment and review of the existing Community Infrastructure Levy (CIL) that was adopted in 2016. The Council has commissioned Gerald Eve LLP to undertake this work to ensure that the cumulative impact of the Council's Core Strategy Review policies including the CIL, do not compromise its delivery. This assessment will help the Council determine whether the current CIL Charging Schedule remains reasonable and in line with development trends across the district.

Alongside this work, the Council is undertaking an initial Stakeholder Survey exercise to allow those who are currently or have undertaken property development within FHDC to be consulted on the issues and factors related to the setting of planning obligations in the district.

As a Stakeholder involved in development in the district, we invite you to participate in this process. Answers to the following Stakeholder Survey questions will be collated and considered as part of the CIL review. Please respond to any of the questions that are relevant.

1) How many developments have you undertaken in FHDC in the last 5 years?

2) What type (use class) and size (sq. m) of development have you undertaken?

3) What housing types or typologies have been delivered as part of your development programme in FHDC?

4) Have the above typologies differed according to area or location?

5) How has the level of CIL and FHDCs planning policy approach affected your ability to undertake certain types of development in FHDC?

6) Can you describe the financial challenges you face in developing in FHDC, e.g. land values, costs, sales and commercial values?

7) Are there any developments with planning permission that you have not implemented due to financial/viability reasons? If yes, please explain why and what types of developments?

8) What do you think are the core categories of abnormal cost associated with development in FHDC?

9) Are there any types of development that you are unable to make work financially in FHDC that you pursue elsewhere? If so, what are the reasons for this?

10) What are the key differences within the District that enable some development types to be delivered in some locations and not in others, e.g. transport nodes, values, demand?

11) Please briefly discuss any key housing trends that you think will impact the district moving forward.

How to Respond

Responses to these questions can be submitted to the following Gerald Eve contacts via email:

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Please contact the above Gerald Eve team members should you have any queries on the process.

APPENDIX 5

FOLKESTONE & HYTHE DISTRICT COUNCIL: COMMUNITY INFRASTRUCTURE LEVY REVIEW

14th July 2022

GERALDEVE

AGENDA

- INTRODUCTION
- CURRENT CIL RATES
- GEOGRAPHIC ZONES
- TYPOLOGIES
- METHODOLOGY
- INPUTS
- INITIAL CONCLUSIONS
- NEXT STEPS

INTRODUCTION

- Current CIL rates
- Market research
- Stakeholder consultation
- Initial modelling & conclusions

Folkestone & Hythe District Council

INTRODUCTION

- Adopted CIL evidence Dixon Searle (2014)
- Do they require amending?
- Consider: Geographical Zones / Typologies / Inputs
- Initial findings and sensitivity

CURRENT CIL RATES

CIL Charging Schedule	Original CIL Rate (£/sqm)	2022 CIL Rate (£/sqm)
Residential Zone A	£0.00	£0.00
Residential Zone B	£50.00	£58.86
Residential Zone C	£100.00	£117.73
Residential Zone D	£125.00	£147.16
Retail (supermarket) (A1-A5 uses)	£100.00	£117.73
Other Retail (A1-A5 uses)	£0.00	£0.00
Strategic & key development sites SS6 / SS7 / CSD8 / CSD9	£0.00	£0.00

CURRENT RESIDENTIAL CIL AND ZONES

Current CIL Charging Zones	Price (psm)
Residential Zone A	£0.00
Residential Zone B	£58.86
Residential Zone C	£117.73
Residential Zone D	£147.16

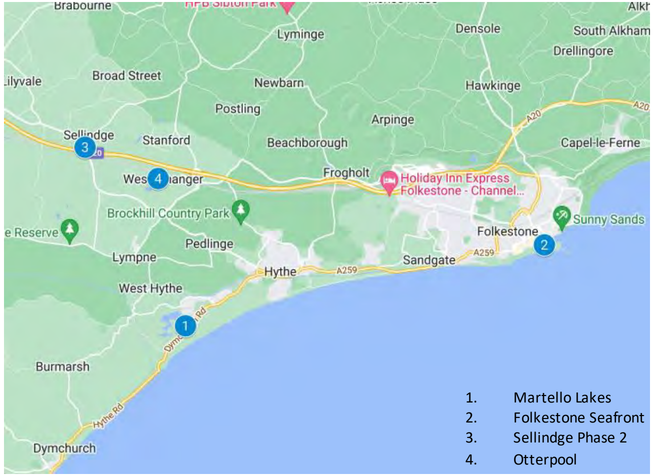
TYPOLOGIES

- Original Evidence encompassed 64 typologies:

    - 13 Residential x 4 CIL Zones (52 overall)
    - 12 Commercial across the district

- Condensed to 34 typologies:

    - 5 Residential x 4 CIL Zones (20 overall)
    - 10 Commercial across the district
    - 4 further 'Strategic Sites'



GERALDEVE

METHODOLOGY

- Original Methodology adopted
  - Modelling
  - Assess zone-wide viability per typology
  - Benchmark against BLV
  - Sensitivity testing

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
17	D	FALSE	972	3	12	16	1	£0.12m	£0.12m	£0.6m	17.9%

Zone D:
10 Houses

Development Value Summary	NIA	£/m^2	Capital Value
Private	758	£3,983	£3,018,047
Affordable	214	£2,425	£518,339
Senior Living			-
Commercial			-
GDV	972		**£3,536,385**
Land	21%	£613	**£595,348**
Construction		£1,757	£1,706,697
Fees etc			£137,084
Planning obligations			£186,321
Disposal costs			£141,455
Finance			£134,771
Total Costs			**£2,901,676**
PROFIT			**£634,710**
Profit on Cost			**21.9%**
Profit on Value			**17.9%**

INPUTS 10 units		Units	NSA m^2	NSA ft^2	Value £ psf	Capital Value £
Private	78%	8	758	8,157	370	3,018,047
Intermediate	7%	1	64	690	296	204,299
Affordable Rent	15%	2	150	1,610	195	314,040
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**10**	**972**			**3,536,385**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	3,018,047	16	1	50%	**3,018,047**
Intermediate	204,299	16	1		**204,299**
Affordable Rent	314,040	16	1		**314,040**
Senior Living	-	16	1		-
Commercial	-	16	1		-
Total					**3,536,385**

	Rate			Start	Duration	
Land costs						
Site value			(557,442)	1	1	**(557,442)**
Acquisition costs	6.80%		(37,906)	1	1	**(37,906)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,370,841)	4	12	**(1,370,841)**
Residential Contingency	10.0%		(137,084)	4	12	**(137,084)**
Residential Professional Fees	10.0%	of costs	(137,084)	4	12	**(137,084)**
Residential External Works			(137,084)	4	12	**(137,084)**
Residential Environmental Costs			(27,417)	4	12	**(27,417)**
Residential Site Preparation			(34,271)	4	12	**(34,271)**
				16	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	12	-
Commercial Contingency			-	4	12	-
Commercial Professional Fees			-	4	12	-
Commercial External Works			-	4	12	-
Commercial Environmental Costs			-	4	12	-
Commercial Site Preparation			-	4	12	-
				4	12	-
Planning obligations						
Borough CIL			(122,670)	4	1	**(122,670)**
Residential S106			(63,651)	4	1	**(63,651)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(141,455)	16	1	**(141,455)**
Total cost (exc finance)						**(2,171,557)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(134,771)**
Total Costs						
Closing Balance						
PROFIT						**634,710**

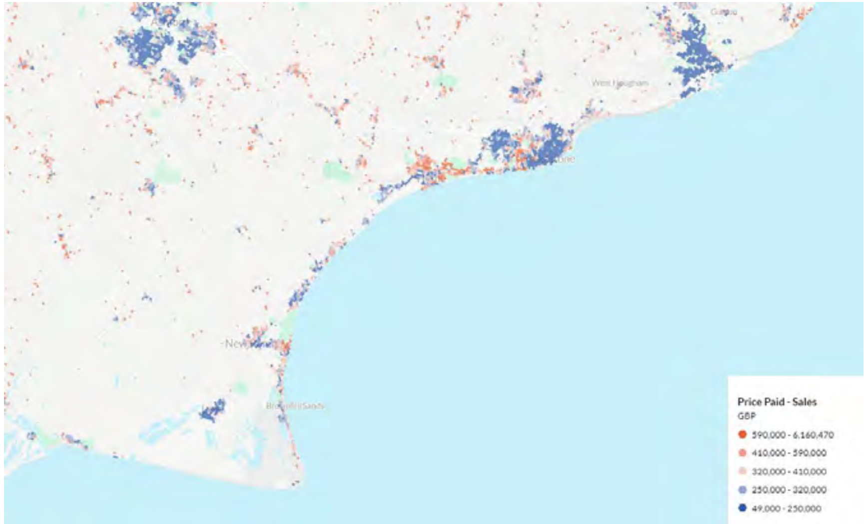
INPUTS

- Review Original assumptions

- Updated revenue & construction costs

- Evidenced source:
    - land registry services
    - BCIS
    - Indexation on Strategic sites

- Sensitivity – flexibility



INITIAL CONCLUSIONS

- Zones A, B, C & commercial to maintain current CIL rates
- Increase* residential CIL rate in Zone D
- New CIL rates* for seafront/senior living/care (C3/C2)

Site number	19	20	21	22	23	24
Typology	Zone D: 50 Mixed	Zone D: 100 Mixed	Zone S: 5 Houses	Zone S: 10 Houses	Zone S: 25 Mixed	Zone S: 50 Mixed
Description	Scenario Site (D50)	Scenario Site (D100)	Scenario Site (S5)	Scenario Site (S10)	Scenario Site (S25)	Scenario Site (S50)
Brownfield/Greenfield	G	G	G	G	G	B
Residential CIL Zone	D	D	S	S	S	S
Commercial Zone	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Current Use Class	G	G	G	G	G	B
Residential Units	50	100	5	10	25	50
EUV	£610,000	£755,000	£55,000	£85,000	£245,000	£2,125,000
Premium	0%	0%	0%	0%	0%	20%
BLV	£610,000	£755,000	£55,000	£85,000	£245,000	£2,550,000
Residual Land Value	**£1,179,091**	**£1,924,031**	**£162,317**	**£206,849**	**£448,789**	**£963,840**
Surplus / Deficit	£569,091	£1,169,031	£107,317	£121,849	£203,789	-£1,586,160
GDV	£13,724,338	£29,923,430	£1,210,723	£2,125,887	£5,404,229	£10,890,510
Construction Cost	£5,714,522	£12,280,355	£479,520	£923,400	£2,347,380	£4,730,400
Affordable Housing %	22%	22%	0%	22%	22%	22%
Residential S106	£318,256	£636,513	£31,826	£63,651	£159,128	£318,256
Commercial S106	£0	£0	£0	£0	£0	£0
Residential CIL (C3) Rate	£162	£162	£130	£130	£130	£130
Total Residential (C3) CIL	£497,225	£1,074,501	£38,333	£57,577	£146,367	£46,578
Commercial CIL Rate	£0	£0	£0	£0	£0	£0
Total Commercial CIL	£0	£0	£0	£0	£0	£0
Total CIL (all uses)	£497,225	£1,074,501	£38,333	£57,577	£146,367	£46,578

*Subject to additional testing

INITIAL CONCLUSIONS

Strategic Sites

- Viability appears to have improved
- Sensitivity indicates maintain current zero rating

Strategic Sites	Current CIL Rate (per sq m)	Potential to Support Additional CIL	
		Improved Viability	Viability Post Sensitivity
Folkestone Seafront	£0	✗	✗
Martello Lakes	£0	✓	✗
Otterpool	£0	✓	✗
Sellindge Phase 2	£0	✓	✗

NEXT STEPS

- Stakeholder feedback
- Further testing
- Final conclusions August 2022

CIL Zone	CIL Rate (per sq m)	Potential to Increase CIL
A	£0.00	✗
B	£58.86	✗
C	£117.73	✗
D	£147.16	✓
Commercial	£0	✗
Strategic	£0	✗
Seafront	Resi Zone	✓
Senior Living	Resi Zone	✓

Any Questions?

Appendices

INPUTS

Value Inputs : Residential

- Estimated private sales values based on comparable evidence and previous FVA work undertaken in the area
- Evidence taken from a range of land registry sources such as Land Insight and Realyse

Residential Type	Zone A	Zone B	Zone C	Zone D
Apartments (psm)	£3,014	£3,444	£3,660	£3,014
Apartments (psf)	£280	£320	£340	£280
Houses (psm)	£3,337	£3,660	£3,660	£3,983
Houses (psf)	£310	£340	£340	£370

INPUTS

Value Inputs : Commercial

Office Value Assumptions	Input	Primary	Secondary
Primary - Office (B1) (Town Centre)	Rent (psf)	£20.00	£14.00
	Yield (%)	5.80%	8.00%
	Rent Free (Months)	24	24
	Term (Years)	10	10
	Years to Break (Years)	5	5
Secondary Office (B1) (Out of Town)	Rent (psf)	£14.00	£10.00
	Yield (%)	5.80%	8.00%
	Rent Free (Months)	24	24
	Term (Years)	10	10
	Years to Break (Years)	5	5

Retail Value Assumptions	Input	Primary	Secondary
Retail - Larger format (A1) Convenience (Large Supermarket)	Rent (psf)	£25.00	£20.00
	Yield (%)	4.50%	4.50%
	Rent Free (Months)	24	24
	Term (Years)	15	15
	Years to Break (Years)	5	5
Retail - Larger format (A1) Comparison (Retail Warehousing)	Rent (psf)	£15.00	£15.00
	Yield (%)	5.50%	6.50%
	Rent Free (Months)	24	24
	Term (Years)	15	15
	Years to Break (Years)	5	5
Retail (A1-A5)	Rent (psf)	£35.00	£20.00
	Yield (%)	5.50%	6.50%
	Rent Free (Months)	24	24
	Term (Years)	10	10
	Years to Break (Years)	5	5

INPUTS

Value Inputs : Commercial

Hotel Value Assumptions	Input	
Hotel (60 Keys)	Value (£/key)	£100,000

Industrial Value Assumptions	Input	Primary	Secondary
Large Industrial (B1,B2,B8)	Rent (psf)	£17.50	£15.00
	Yield (%)	5.50%	7.00%
	Rent Free (Months)	12	12
	Term (Years)	10	10
	Years to Break (Years)	5	5
Small Industrial (B1,B2,B8)	Rent (psf)	£17.50	£15.00
	Yield (%)	5.50%	7.00%
	Rent Free (Months)	12	12
	Term (Years)	10	10
	Years to Break (Years)	5	5

INPUTS

Construction Cost Inputs

- Based on RICS Building Cost Information Service (BCIS)
- Publicly available information for all uses and in line with NPG guidance

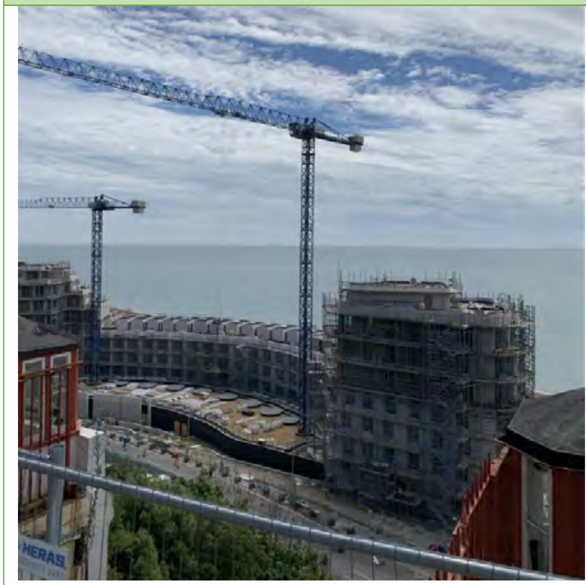
Use Class	£/sqm	Information Selection	Source
Houses (< 3)	£2,288	Median	'One-off' housing detached (3 units or less) (2-storey)'
Houses (> 3)	£1,411	Median	Estate Housing (General)
Flats (3-5 storeys)	£1,620	Median	Flats (apartments) (3-5 storeys)
Flats (6+ storeys)	£1,935	Median	Flats (apartments) (6+ storeys)
A1-A5 Retail	£1,432	Median	Shops (General)
C3/C4 - Extra Care (Senior Living)	£1,712	Median	Supported Housing (General)
B1 Offices	£2,098	Median	Offices (General)
B2-B8 Industrial	£854	Median	Industrial (General)
C1 Hotels	£2,358	Median	Hotels

APPENDIX 6

Appendix 6: Photographs from Area Wide Site Inspection

Martello Lakes (Nicholl's Quary)	
	
	
	

Appendix 6: Photographs from Area Wide Site Inspection

Folkestone Harbour & Seafront	
	
	
	

Appendix 6: Photographs from Area Wide Site Inspection

Appendix 6: Photographs from Area Wide Site Inspection

Sellindge Phase 2

Appendix 6: Photographs from Area Wide Site Inspection

Land Behind Varne Watersports

Appendix 6: Photographs from Area Wide Site Inspection

Shorncliffe Heights

Appendix 6: Photographs from Area Wide Site Inspection

St Mary's Bay – Seaside Development

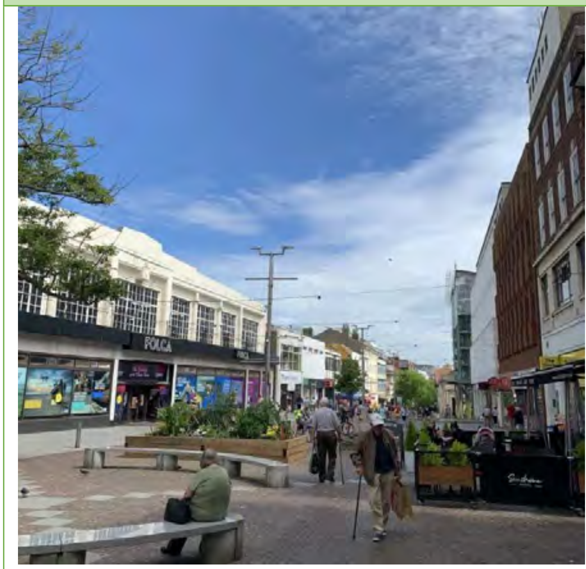
Appendix 6: Photographs from Area Wide Site Inspection


Princes Parade




Appendix 6: Photographs from Area Wide Site Inspection

Folkestone Town Centre



Appendix 6: Photographs from Area Wide Site Inspection

APPENDIX 7

Appendix 7 - Residential Comparable Evidence Analysis

New Build Development Analysis

Map	Zone	Location	Developer	Development	Sales Volumes – Bedrooms 2	3	4	5	Total	Sales Price (Mean £ PSF) – Bedrooms 2	3	4	5	Blended	Sales Price Variance (£) – Bedrooms 2 Min	2 Max	3 Min	3 Max	4 Min	4 Max	5 Min	5 Max
5	n/a	Ashford	Westerhill Homes	Conningbrook Lakes	4	6	9	10	19	£361	£339	£333	£330	**£337**	£299,995	£348,000	£350,000	£385,000	£417,250	£500,000	£475,000	£595,000
3	n/a	Dover	Abbey Developments	Fitzwarin Place	0	8	6	0	14	-	£323	£302	-	**£314**	£0	£0	£285,000	£335,000	£335,000	£392,500	£0	£0
6	B	New Romney	Pentland Homes	Mulberry Place	4	2	0	0	6	£340	£370	-	-	**£350**	£280,000	£317,000	£390,000	£425,000	£0	£0	£0	£0
2	C	Folkestone	Taylor Wimpey	Shorncliffe Heights	14	1	7	0	22	£330	£262	£240	-	**£298**	£218,000	£312,000	£310,500	£310,500	£300,745	£320,000	£0	£0
4	D	Ashford	Taylor Wimpey	The Lees	32	19	4	0	55	£333	£278	£261	-	**£309**	£223,245	£334,995	£285,945	£404,994	£416,995	£455,000	£0	£0
1	C	Folkestone	Taylor Wimpey	Valley View	12	2	0	0	14	£255	£272	-	-	**£258**	£285,725	£337,250	£345,000	£348,500	£0	£0	£0	£0
7	C	Hythe	Barratt Homes	Martello Lakes	1	1	1	0	3	£345	£329	£315	-	**£330**	£222,995	£222,995	£272,995	£272,995	£379,995	£379,995	£0	£0
					67	39	27	10	**143**	£321	£302	£291	£330	£311	£218,000	£348,000	£272,995	£425,000	£300,745	£500,000	£475,000	£595,000

Second Hand House Sales Per CIL Zone

CIL Zone	Sales Volumes – Bedrooms 1	2	3	4	5	Total	Sales Price (Mean £ PSF) – Bedrooms 1	2	3	4	5	Blended	Sales Price Variance (£) – Bedrooms 1 Min	1 Max	2 Min	2 Max	3 Min	3 Max	4 Min	4 Max	5 Min	5 Max
A	0	10	12	3	0	25	-	£366	£333	£254	-	**£337**	£0	£0	£180,000	£382,500	£198,500	£397,500	£347,500	£450,000	£0	£0
B	2	28	33	4	3	70	£419	£373	£347	£312	£286	**£355**	£178,000	£201,000	£150,000	£420,000	£155,000	£550,000	£315,000	£505,000	£425,000	£575,000
C	11	58	68	7	0	144	£457	£370	£295	£313	-	**£338**	£145,000	£431,000	£166,500	£684,000	£156,000	£640,000	£268,000	£625,000	£0	£0
D	1	39	35	7	1	83	£544	£433	£361	£343	£330	**£395**	£275,000	£275,000	£222,500	£460,000	£230,000	£635,000	£350,000	£675,000	£565,000	£565,000
	14	135	148	21	4	**322**	£458	£388	£325	£314	£297	£357	£145,000	£431,000	£150,000	£684,000	£155,000	£640,000	£268,000	£675,000	£425,000	£575,000

Second Hand Flat Sales Per CIL Zone

CIL Zone	Sales Volumes – Bedrooms 1	2	3	4	5	Total	Sales Price (Mean £ PSF) – Bedrooms 1	2	3	4	5	Blended	Sales Price Variance (£) – Bedrooms 1 Min	1 Max	2 Min	2 Max	3 Min	3 Max	4 Min	4 Max	5 Min	5 Max
A	0	2	0	0	0	2	-	£263	-	-	-	£263	£0	£0	£180,000	£185,000	£0	£0	£0	£0	£0	£0
B	5	12	1	0	0	18	£195	£248	£169	-	-	£229	£80,000	£105,000	£137,000	£235,000	£245,000	£245,000	£0	£0	£0	£0
C	36	89	26	5	0	156	£294	£266	£237	£223	-	£266	£65,000	£325,000	£56,000	£515,000	£130,000	£530,000	£165,000	£500,000	£0	£0
D	2	3	0	0	0	5	£298	£228	-	-	-	£256	£125,000	£132,000	£165,000	£177,000	£0	£0	£0	£0	£0	£0
	43	106	27	5	0	**181**	£282	£263	£234	£223	-	£251	£65,000	£325,000	£56,000	£515,000	£130,000	£530,000	£165,000	£500,000	£0	£0

Appendix 7 - Residential Comparable Evidence Analysis

Developer	Development	House/Flat Number	Road	District	County	Postcode	Date Sold	Sold Price	New Build	Property Type	Bedrooms (Assumed)	Floor area sq ft	Price per sq ft	Tenure
Talor Wimpey	Valley View	23	Cheriton Court Road	Folkestone	Kent	CT20 3JP	01/04/2021	£294,750	Y	Semi-detached	2	1,173	251	Freehold
Talor Wimpey	Valley View	1	Cheriton Court Road	Folkestone	Kent	CT20 3JP	30/06/2021	£337,250	Y	Detached	2	1,195	282	Freehold
Talor Wimpey	Valley View	1	Neptune Drive	Folkestone	Kent	CT20 3UN	30/06/2021	£348,500	Y	Detached	3	1,324	263	Freehold
Talor Wimpey	Valley View	9	Neptune Drive	Folkestone	Kent	CT20 3UN	25/06/2021	£345,000	Y	Detached	3	1,227	281	Freehold
Talor Wimpey	Valley View	17	Cheriton Court Road	Folkestone	Kent	CT20 3JP	31/03/2021	£295,500	Y	Semi-detached	2	1,173	252	Freehold
Talor Wimpey	Valley View	11	Cheriton Court Road	Folkestone	Kent	CT20 3JP	26/05/2021	£297,995	Y	Semi-detached	2	1,173	254	Freehold
Talor Wimpey	Valley View	21	Cheriton Court Road	Folkestone	Kent	CT20 3JP	01/04/2021	£294,750	Y	Semi-detached	2	1,173	251	Freehold
Talor Wimpey	Valley View	25	Cheriton Court Road	Folkestone	Kent	CT20 3JP	01/04/2021	£294,500	Y	Semi-detached	2	1,173	251	Freehold
Talor Wimpey	Valley View	19	Cheriton Court Road	Folkestone	Kent	CT20 3JP	01/04/2021	£285,725	Y	Semi-detached	2	1,173	244	Freehold
Talor Wimpey	Valley View	5	Cheriton Court Road	Folkestone	Kent	CT20 3JP	30/06/2021	£289,750	Y	Semi-detached	2	1,173	247	Freehold
Talor Wimpey	Valley View	13	Cheriton Court Road	Folkestone	Kent	CT20 3JP	25/05/2021	£319,995	Y	Semi-detached	2	1,173	273	Freehold
Talor Wimpey	Valley View	15	Cheriton Court Road	Folkestone	Kent	CT20 3JP	14/05/2021	£297,500	Y	Semi-detached	2	1,173	254	Freehold
Talor Wimpey	Valley View	9	Cheriton Court Road	Folkestone	Kent	CT20 3JP	04/06/2021	£297,995	Y	Semi-detached	2	1,173	254	Freehold
Talor Wimpey	Valley View	25a	Cheriton Court Road	Folkestone	Kent	CT20 3JP	21/05/2021	£295,000	Y	Semi-detached	2	1,173	251	Freehold
Talor Wimpey	Shorncliffe Heights	22	Blunden Drive	Folkestone	Kent	CT20 3TZ	01/03/2021	£310,500	Y	Terraced	3	1,184	262	Freehold
Talor Wimpey	Shorncliffe Heights	4	Owen Road	Folkestone	Kent	CT20 3UF	26/03/2021	£309,000	Y	Terraced	4	1,281	241	Freehold
Talor Wimpey	Shorncliffe Heights	44	Blunden Drive	Folkestone	Kent	CT20 3TZ	06/08/2021	£245,000	Y	Terraced	2	829	296	Freehold
Talor Wimpey	Shorncliffe Heights	40	Blunden Drive	Folkestone	Kent	CT20 3TZ	14/05/2021	£222,500	Y	Terraced	2	667	333	Freehold
Talor Wimpey	Shorncliffe Heights	10	Binyon Grove	Folkestone	Kent	CT20 3TY	11/06/2021	£227,500	Y	Terraced	2	678	335	Freehold
Talor Wimpey	Shorncliffe Heights	9	Blunden Drive	Folkestone	Kent	CT20 3UA	06/04/2021	£219,435	Y	Terraced	2	678	324	Freehold
Talor Wimpey	Shorncliffe Heights	38	Blunden Drive	Folkestone	Kent	CT20 3TZ	14/05/2021	£218,000	Y	Terraced	2	667	327	Freehold
Talor Wimpey	Shorncliffe Heights	9	Binyon Grove	Folkestone	Kent	CT20 3TY	14/06/2021	£221,295	Y	Terraced	2	678	326	Freehold
Talor Wimpey	Shorncliffe Heights	12	Binyon Grove	Folkestone	Kent	CT20 3TY	23/04/2021	£320,000	Y	Terraced	4	1,313	244	Freehold
Talor Wimpey	Shorncliffe Heights	8	Binyon Grove	Folkestone	Kent	CT20 3TY	11/06/2021	£229,300	Y	Terraced	2	678	338	Freehold
Talor Wimpey	Shorncliffe Heights	7	Binyon Grove	Folkestone	Kent	CT20 3TY	18/06/2021	£220,345	Y	Terraced	2	678	325	Freehold
Talor Wimpey	Shorncliffe Heights	2	Ledwidge Road	Folkestone	Kent	CT20 3UE	29/06/2021	£278,500	Y	Semi-detached	2	926	301	Freehold
Talor Wimpey	Shorncliffe Heights	11	Binyon Grove	Folkestone	Kent	CT20 3TY	28/05/2021	£243,675	Y	Terraced	2	818	298	Freehold
Talor Wimpey	Shorncliffe Heights	5	Owen Road	Folkestone	Kent	CT20 3UF	19/03/2021	£313,500	Y	Terraced	4	1,281	245	Freehold
Talor Wimpey	Shorncliffe Heights	3	Owen Road	Folkestone	Kent	CT20 3UF	31/03/2021	£301,445	Y	Terraced	4	1,281	235	Freehold
Talor Wimpey	Shorncliffe Heights	1	Owen Road	Folkestone	Kent	CT20 3UF	01/04/2021	£306,289	Y	Terraced	4	1,281	239	Freehold
Talor Wimpey	Shorncliffe Heights	6	Owen Road	Folkestone	Kent	CT20 3UF	31/03/2021	£309,995	Y	Terraced	4	1,281	242	Freehold
Talor Wimpey	Shorncliffe Heights	7	Blunden Drive	Folkestone	Kent	CT20 3UA	06/04/2021	£222,500	Y	Terraced	2	678	328	Freehold
Talor Wimpey	Shorncliffe Heights	3	Blunden Drive	Folkestone	Kent	CT20 3UA	01/04/2021	£312,000	Y	Terraced	2	700	446	Freehold
Talor Wimpey	Shorncliffe Heights	11	Blunden Drive	Folkestone	Kent	CT20 3UA	01/04/2021	£221,500	Y	Terraced	2	678	327	Freehold
Talor Wimpey	Shorncliffe Heights	2	Owen Road	Folkestone	Kent	CT20 3UF	01/04/2021	£300,745	Y	Terraced	4	1,281	235	Freehold
Talor Wimpey	Shorncliffe Heights	5	Blunden Drive	Folkestone	Kent	CT20 3UA	01/04/2021	£220,000	Y	Terraced	2	700	314	Freehold
Abbey Developments	Fitzwarin Place	6	Wheatsheaf Square	Dover	Kent	CT16 3GW	12/01/2021	£380,000	Y	Detached	4	1,216	312	Freehold
Abbey Developments	Fitzwarin Place	17	Wheatsheaf Square	Dover	Kent	CT16 3GU	05/03/2021	£320,000	Y	Detached	3	990	323	Freehold
Abbey Developments	Fitzwarin Place	1	Oats Drive	Dover	Kent	CT16 3GS	08/01/2021	£380,000	Y	Detached	4	1,367	278	Freehold
Abbey Developments	Fitzwarin Place	11	Wheatsheaf Square	Dover	Kent	CT16 3GU	24/06/2021	£330,000	Y	Detached	3	1,055	313	Freehold
Abbey Developments	Fitzwarin Place	61	Wheatsheaf Square	Dover	Kent	CT16 3GU	22/03/2021	£335,000	Y	Semi-detached	4	1,152	291	Freehold
Abbey Developments	Fitzwarin Place	19	Wheatsheaf Square	Dover	Kent	CT16 3GU	24/06/2021	£335,000	Y	Detached	3	990	338	Freehold
Abbey Developments	Fitzwarin Place	59	Wheatsheaf Square	Dover	Kent	CT16 3GU	28/01/2021	£285,000	Y	Semi-detached	3	904	315	Freehold
Abbey Developments	Fitzwarin Place	65	Wheatsheaf Square	Dover	Kent	CT16 3GU	12/02/2021	£320,000	Y	Detached	3	990	323	Freehold
Abbey Developments	Fitzwarin Place	4	Wheatsheaf Square	Dover	Kent	CT16 3GW	08/04/2021	£392,000	Y	Detached	4	1,216	322	Freehold
Abbey Developments	Fitzwarin Place	70	Wheatsheaf Square	Dover	Kent	CT16 3GW	28/01/2021	£290,000	Y	Semi-detached	3	904	321	Freehold
Abbey Developments	Fitzwarin Place	2	Wheatsheaf Square	Dover	Kent	CT16 3GW	12/04/2021	£392,500	Y	Detached	4	1,356	289	Freehold
Abbey Developments	Fitzwarin Place	15	Wheatsheaf Square	Dover	Kent	CT16 3GU	24/03/2021	£385,000	Y	Detached	4	1,216	317	Freehold
Abbey Developments	Fitzwarin Place	24	Wheatsheaf Square	Dover	Kent	CT16 3GW	29/06/2021	£290,000	Y	Semi-detached	3	904	321	Freehold
Abbey Developments	Fitzwarin Place	26	Wheatsheaf Square	Dover	Kent	CT16 3GW	09/07/2021	£295,000	Y	Semi-detached	3	904	326	Freehold
Talor Wimpey	The Lees	50	St Katherines Crescent	Ashford	Kent	TN25 6FW	30/07/2021	£334,995	Y	Detached	2	936	358	Freehold
Talor Wimpey	The Lees	39	St Katherines Crescent	Ashford	Kent	TN25 6FU	16/07/2021	£307,500	Y	Semi-detached	3	1,130	272	Freehold
Talor Wimpey	The Lees	48	St Katherines Crescent	Ashford	Kent	TN25 6FW	27/08/2021	£309,750	Y	Semi-detached	3	1,184	262	Freehold
Talor Wimpey	The Lees	54	St Katherines Crescent	Ashford	Kent	TN25 6FW	29/06/2021	£299,995	Y	Semi-detached	3	1,184	253	Freehold
Talor Wimpey	The Lees	6	Potten Close	Ashford	Kent	TN25 6FJ	25/06/2021	£277,395	Y	Semi-detached	2	861	322	Freehold
Talor Wimpey	The Lees	4	Herringe Farm Close	Ashford	Kent	TN25 6FL	18/05/2021	£386,175	Y	Detached	3	1,378	280	Freehold
Talor Wimpey	The Lees	4	Potten Close	Ashford	Kent	TN25 6FJ	24/06/2021	£242,500	Y	Terraced	2	689	352	Freehold
Talor Wimpey	The Lees	44	St Katherines Crescent	Ashford	Kent	TN25 6FW	07/09/2021	£319,995	Y	Semi-detached	3	1,130	283	Freehold
Talor Wimpey	The Lees	1	Belvedere Row	Ashford	Kent	TN25 6FD	26/02/2021	£455,000	Y	Detached	4	1,830	249	Freehold
Talor Wimpey	The Lees	2	Belvedere Row	Ashford	Kent	TN25 6FD	05/03/2021	£395,750	Y	Detached	3	1,378	287	Freehold
Talor Wimpey	The Lees	3	Tylle Place	Ashford	Kent	TN25 6FH	19/03/2021	£416,995	Y	Detached	4	1,593	262	Freehold
Talor Wimpey	The Lees	60	St Katherines Crescent	Ashford	Kent	TN25 6FW	31/03/2021	£234,995	Y	Terraced	2	689	341	Freehold
Talor Wimpey	The Lees	49	St Katherines Crescent	Ashford	Kent	TN25 6FU	03/06/2021	£285,945	Y	Semi-detached	3	1,184	242	Freehold
Talor Wimpey	The Lees	66	St Katherines Crescent	Ashford	Kent	TN25 6FW	23/03/2021	£353,500	Y	Detached	3	1,173	301	Freehold
Talor Wimpey	The Lees	3	Belvedere Row	Ashford	Kent	TN25 6FD	26/02/2021	£416,995	Y	Detached	4	1,593	262	Freehold
Talor Wimpey	The Lees	1	Tylle Place	Ashford	Kent	TN25 6FH	05/03/2021	£352,995	Y	Detached	3	1,173	301	Freehold
Talor Wimpey	The Lees	55	St Katherines Crescent	Ashford	Kent	TN25 6FU	01/04/2021	£279,995	Y	Semi-detached	2	861	325	Freehold
Talor Wimpey	The Lees	10	Herringe Farm Close	Ashford	Kent	TN25 6FL	19/03/2021	£306,845	Y	Detached	2	936	328	Freehold
Talor Wimpey	The Lees	57	St Katherines Crescent	Ashford	Kent	TN25 6FU	01/04/2021	£281,500	Y	Semi-detached	2	861	327	Freehold
Talor Wimpey	The Lees	5	Herringe Farm Close	Ashford	Kent	TN25 6FL	26/05/2021	£429,995	Y	Detached	4	1,593	270	Freehold
Talor Wimpey	The Lees	2	Potten Close	Ashford	Kent	TN25 6FJ	18/06/2021	£230,375	Y	Terraced	2	689	334	Freehold
Talor Wimpey	The Lees	2	Tylle Place	Ashford	Kent	TN25 6FH	11/03/2021	£349,995	Y	Detached	3	1,173	298	Freehold
Talor Wimpey	The Lees	59	St Katherines Crescent	Ashford	Kent	TN25 6FU	01/04/2021	£279,995	Y	Semi-detached	2	861	325	Freehold
Talor Wimpey	The Lees	4	Tylle Place	Ashford	Kent	TN25 6FH	12/03/2021	£289,995	Y	Semi-detached	2	936	310	Freehold
Talor Wimpey	The Lees	1	Potten Close	Ashford	Kent	TN25 6FJ	11/06/2021	£308,995	Y	Terraced	2	980	315	Freehold
Talor Wimpey	The Lees	10	Potten Close	Ashford	Kent	TN25 6FJ	18/06/2021	£229,075	Y	Terraced	2	689	333	Freehold
Talor Wimpey	The Lees	61	St Katherines Crescent	Ashford	Kent	TN25 6FU	19/03/2021	£348,500	Y	Detached	3	1,173	297	Freehold
Talor Wimpey	The Lees	56	St Katherines Crescent	Ashford	Kent	TN25 6FW	31/03/2021	£223,245	Y	Terraced	2	689	324	Freehold
Talor Wimpey	The Lees	62	St Katherines Crescent	Ashford	Kent	TN25 6FW	31/03/2021	£282,500	Y	Semi-detached	2	861	328	Freehold
Talor Wimpey	The Lees	1	Herringe Farm Close	Ashford	Kent	TN25 6FL	07/05/2021	£295,000	Y	Semi-detached	2	936	315	Freehold
Talor Wimpey	The Lees	2	Herringe Farm Close	Ashford	Kent	TN25 6FL	14/05/2021	£287,500	Y	Semi-detached	2	861	334	Freehold
Talor Wimpey	The Lees	3	Herringe Farm Close	Ashford	Kent	TN25 6FL	13/05/2021	£404,994	Y	Detached	3	1,378	294	Freehold
Talor Wimpey	The Lees	53	St Katherines Crescent	Ashford	Kent	TN25 6FU	06/04/2021	£278,500	Y	Semi-detached	2	861	323	Freehold
Talor Wimpey	The Lees	64	St Katherines Crescent	Ashford	Kent	TN25 6FW	11/03/2021	£348,995	Y	Detached	3	1,173	297	Freehold
Talor Wimpey	The Lees	8	Herringe Farm Close	Ashford	Kent	TN25 6FL	30/04/2021	£235,000	Y	Terraced	2	689	341	Freehold
Talor Wimpey	The Lees	51	St Katherines Crescent	Ashford	Kent	TN25 6FU	28/05/2021	£301,500	Y	Semi-detached	3	1,184	255	Freehold
Talor Wimpey	The Lees	5	Potten Close	Ashford	Kent	TN25 6FJ	25/06/2021	£272,175	Y	Semi-detached	2	861	316	Freehold
Talor Wimpey	The Lees	43	St Katherines Crescent	Ashford	Kent	TN25 6FU	11/06/2021	£238,500	Y	Terraced	2	689	346	Freehold
Talor Wimpey	The Lees	41	St Katherines Crescent	Ashford	Kent	TN25 6FU	11/06/2021	£299,995	Y	Terraced	2	980	306	Freehold
Talor Wimpey	The Lees	11	Potten Close	Ashford	Kent	TN25 6FJ	24/06/2021	£232,275	Y	Terraced	2	689	337	Freehold
Talor Wimpey	The Lees	47	St Katherines Crescent	Ashford	Kent	TN25 6FU	11/06/2021	£238,500	Y	Terraced	2	689	346	Freehold
Talor Wimpey	The Lees	2	Henry Cook Mews	Ashford	Kent	TN25 6FE	18/06/2021	£365,500	Y	Detached	3	1,227	298	Freehold
Talor Wimpey	The Lees	42	St Katherines Crescent	Ashford	Kent	TN25 6FW	02/09/2021	£312,750	Y	Semi-detached	3	1,130	277	Freehold
Talor Wimpey	The Lees	45	St Katherines Crescent	Ashford	Kent	TN25 6FU	14/06/2021	£238,500	Y	Terraced	2	689	346	Freehold
Talor Wimpey	The Lees	3	Potten Close	Ashford	Kent	TN25 6FJ	18/06/2021	£226,575	Y	Terraced	2	689	329	Freehold
Talor Wimpey	The Lees	52	St Katherines Crescent	Ashford	Kent	TN25 6FW	29/06/2021	£304,500	Y	Semi-detached	3	1,184	257	Freehold
Talor Wimpey	The Lees	7	Potten Close	Ashford	Kent	TN25 6FJ	25/06/2021	£277,395	Y	Semi-detached	2	861	322	Freehold
Talor Wimpey	The Lees	37	St Katherines Crescent	Ashford	Kent	TN25 6FU	23/07/2021	£307,750	Y	Semi-detached	3	1,130	272	Freehold
Talor Wimpey	The Lees	9	Herringe Farm Close	Ashford	Kent	TN25 6FL	16/04/2021	£238,500	Y	Terraced	2	689	346	Freehold
Talor Wimpey	The Lees	9	Potten Close	Ashford	Kent	TN25 6FJ	29/06/2021	£242,500	Y	Terraced	2	689	352	Freehold
Talor Wimpey	The Lees	46	St Katherines Crescent	Ashford	Kent	TN25 6FW	27/08/2021	£309,500	Y	Semi-detached	3	1,184	261	Freehold
Talor Wimpey	The Lees	1	Henry Cook Mews	Ashford	Kent	TN25 6FE	29/06/2021	£329,995	Y	Detached	2	936	352	Freehold

Talor Wimpey	The Lees	58	St Katherines Crescent	Ashford	Kent	TN25 6FW	31/03/2021	£238,500	Y	Terraced	2	689	346	Freehold
Talor Wimpey	The Lees	8	Potten Close	Ashford	Kent	TN25 6FJ	25/06/2021	£286,500	Y	Semi-detached	2	861	333	Freehold
Talor Wimpey	The Lees	6	Herringe Farm Close	Ashford	Kent	TN25 6FL	23/04/2021	£317,500	Y	Detached	2	936	339	Freehold
Westerhill Homes	Conningbrook Lakes	27	Gatekeeper Lane	Ashford	Kent	TN24 9FH	28/05/2021	£465,000	Y	Detached	4	1,410	330	Freehold
Westerhill Homes	Conningbrook Lakes	25	Leveret Lane	Ashford	Kent	TN24 9FD	01/03/2021	£575,000	Y	Detached	5	1,755	328	Freehold
Westerhill Homes	Conningbrook Lakes	1	Teasel View	Ashford	Kent	TN24 9FS	22/01/2021	£380,000	Y	Detached	3	1,119	339	Freehold
Westerhill Homes	Conningbrook Lakes	4	Grasshopper Drive	Ashford	Kent	TN24 9FR	12/03/2021	£480,000	Y	Detached	4	1,410	340	Freehold
Westerhill Homes	Conningbrook Lakes	3	Ringlet Close	Ashford	Kent	TN24 9FW	29/01/2021	£377,500	Y	Detached	3	1,119	337	Freehold
Westerhill Homes	Conningbrook Lakes	94	Conningbrook Avenue	Ashford	Kent	TN24 9FB	22/01/2021	£334,995	Y	Terraced	2	958	350	Freehold
Westerhill Homes	Conningbrook Lakes	4	Teasel View	Ashford	Kent	TN24 9FS	29/01/2021	£500,000	Y	Detached	5	1,475	339	Freehold
Westerhill Homes	Conningbrook Lakes	27	Leveret Lane	Ashford	Kent	TN24 9FD	16/02/2021	£595,000	Y	Detached	5	1,873	318	Freehold
Westerhill Homes	Conningbrook Lakes	3	Teasel View	Ashford	Kent	TN24 9FS	22/01/2021	£380,000	Y	Detached	3	1,119	339	Freehold
Westerhill Homes	Conningbrook Lakes	29	Leveret Lane	Ashford	Kent	TN24 9FD	25/01/2021	£595,000	Y	Detached	5	1,873	318	Freehold
Westerhill Homes	Conningbrook Lakes	92	Conningbrook Avenue	Ashford	Kent	TN24 9FB	16/03/2021	£334,995	Y	Terraced	2	958	350	Freehold
Westerhill Homes	Conningbrook Lakes	6	Teasel View	Ashford	Kent	TN24 9FS	22/01/2021	£515,000	Y	Detached	5	1,475	349	Freehold
Westerhill Homes	Conningbrook Lakes	89	Conningbrook Avenue	Ashford	Kent	TN24 9FA	15/01/2021	£350,000	Y	Detached	3	1,033	339	Freehold
Westerhill Homes	Conningbrook Lakes	86	Conningbrook Avenue	Ashford	Kent	TN24 9FB	29/01/2021	£500,000	Y	Detached	4	1,410	355	Freehold
Westerhill Homes	Conningbrook Lakes	95	Conningbrook Avenue	Ashford	Kent	TN24 9FA	12/02/2021	£299,995	Y	Semi-detached	2	786	382	Freehold
Westerhill Homes	Conningbrook Lakes	23	Leveret Lane	Ashford	Kent	TN24 9FD	24/02/2021	£585,000	Y	Detached	5	1,755	333	Freehold
Westerhill Homes	Conningbrook Lakes	2	Teasel View	Ashford	Kent	TN24 9FS	29/03/2021	£490,000	Y	Detached	5	1,475	332	Freehold
Westerhill Homes	Conningbrook Lakes	62	Conningbrook Avenue	Ashford	Kent	TN24 9FB	29/01/2021	£475,000	Y	Detached	5	1,475	322	Freehold
Westerhill Homes	Conningbrook Lakes	8	Grasshopper Drive	Ashford	Kent	TN24 9FR	31/03/2021	£475,000	Y	Detached	4	1,410	337	Freehold
Westerhill Homes	Conningbrook Lakes	58	Conningbrook Avenue	Ashford	Kent	TN24 9FB	31/03/2021	£465,000	Y	Detached	4	1,410	330	Freehold
Westerhill Homes	Conningbrook Lakes	1	Darter Row	Ashford	Kent	TN24 9FN	30/04/2021	£385,000	Y	Detached	3	1,119	344	Freehold
Westerhill Homes	Conningbrook Lakes	75	Conningbrook Avenue	Ashford	Kent	TN24 9FA	25/06/2021	£348,000	Y	Terraced	2	958	363	Freehold
Westerhill Homes	Conningbrook Lakes	59	Ringlet Close	Ashford	Kent	TN24 9FW	29/06/2021	£480,000	Y	Detached	4	1,410	340	Freehold
Westerhill Homes	Conningbrook Lakes	17	Leveret Lane	Ashford	Kent	TN24 9FD	18/01/2021	£530,000	Y	Detached	5	1,550	342	Freehold
Westerhill Homes	Conningbrook Lakes	6	Grasshopper Drive	Ashford	Kent	TN24 9FR	07/06/2021	£468,000	Y	Detached	4	1,410	332	Freehold
Westerhill Homes	Conningbrook Lakes	100	Conningbrook Avenue	Ashford	Kent	TN24 9FB	17/03/2021	£560,000	Y	Detached	5	1,755	319	Freehold
Westerhill Homes	Conningbrook Lakes	1	Lamprey Close	Ashford	Kent	TN24 9FT	03/02/2021	£417,250	Y	Detached	4	1,389	300	Freehold
Westerhill Homes	Conningbrook Lakes	90	Conningbrook Avenue	Ashford	Kent	TN24 9FB	12/04/2021	£470,000	Y	Detached	4	1,410	333	Freehold
Westerhill Homes	Conningbrook Lakes	3	Darter Row	Ashford	Kent	TN24 9FN	30/04/2021	£378,000	Y	Detached	3	1,119	338	Freehold
Barratt Homes	Martello Lakes	21	Woodpecker Way	Hythe	Kent	CT21 4BQ	25/02/2021	£379,995	Y	Detached	4	1,205	315	Freehold
Barratt Homes	Martello Lakes	7	Kestrel Drive	Hythe	Kent	CT21 4DB	28/01/2021	£222,995	Y	Terraced	2	645	345	Freehold
Barratt Homes	Martello Lakes	27	Nickolls Road	Hythe	Kent	CT21 4AA	29/10/2020	£272,995	Y	Semi-detached	3	828	329	Freehold
Pentland Homes	Mulberry Place	17	Pearmain Way	New Romney	Kent	TN28 8FX	26/02/2021	£317,000	Y	Semi-detached	2	926	342	Freehold
Pentland Homes	Mulberry Place	19	Pearmain Way	New Romney	Kent	TN28 8FX	29/01/2021	£280,000	Y	Semi-detached	2	829	338	Freehold
Pentland Homes	Mulberry Place	15	Pearmain Way	New Romney	Kent	TN28 8FX	26/02/2021	£317,000	Y	Semi-detached	2	926	342	Freehold
Pentland Homes	Mulberry Place	13	Pearmain Way	New Romney	Kent	TN28 8FX	10/03/2021	£425,000	Y	Detached	3	936	454	Freehold
Pentland Homes	Mulberry Place	1	Pixie Way	New Romney	Kent	TN28 8FS	28/01/2021	£390,000	Y	Detached	3	1,367	285	Freehold
Pentland Homes	Mulberry Place	21	Pearmain Way	New Romney	Kent	TN28 8FX	26/02/2021	£280,000	Y	Semi-detached	2	829	338	Freehold
Secondhand Houses	**Zone**	**House/Flat Number**	**Road**	**District**	**County**	**Postcode**	**Date Sold**	**Sold Price**	**New Build**	**Property Type**	**Bedrooms (Assumed)**	**Floor area sq ft**	**Price per sq ft**	**Tenure**
	C	12	Studfall Close	Hythe	Kent	CT21 6NN	21/01/2022	£365,000	N	Detached	4	1,464	£249	Freehold
	C	13	Alexandra Street	Folkestone	Kent	CT19 6EF	02/02/2022	£215,000	N	Terraced	2	786	£274	Freehold
	C	17	Stuart Road	Folkestone	Kent	CT19 6NL	03/02/2022	£310,000	N	Terraced	3	980	£316	Freehold
	C	60	Greenfield Road	Folkestone	Kent	CT19 6ER	28/01/2022	£261,550	N	Terraced	3	936	£279	Freehold
	C	7	Berkeley Close	Folkestone	Kent	CT19 5NA	22/02/2022	£300,000	N	Terraced	3	1,238	£242	Freehold
	C	12	Nightingale Avenue	Hythe	Kent	CT21 6QX	24/09/2021	£292,500	N	Semi-detached	2	635	£461	Freehold
	C	95	Morehall Avenue	Folkestone	Kent	CT19 4EE	28/01/2022	£329,000	N	Terraced	3	959	£343	Freehold
	C	42	High Ridge	Hythe	Kent	CT21 5TF	28/09/2021	£250,000	N	Semi-detached	1	452	£553	Freehold
	C	10	Theresa Road	Hythe	Kent	CT21 6HA	03/09/2021	£518,000	N	Detached	3	807	£642	Freehold
	C	9	Ettrick Terrace	Hythe	Kent	CT21 6LN	27/09/2021	£235,000	N	Terraced	2	603	£390	Freehold
	C	11	Old Saltwood Lane	Hythe	Kent	CT21 4AL	24/09/2021	£278,000	N	Terraced	2	743	£374	Freehold
	C	286	Dover Road	Folkestone	Kent	CT19 6NZ	31/01/2022	£421,000	N	Semi-detached	4	1,572	£268	Freehold
	C	57	Foord Road	Folkestone	Kent	CT19 5AD	30/09/2021	£188,000	N	Terraced	2	689	£273	Freehold
	C	87	Black Bull Road	Folkestone	Kent	CT19 5QU	23/11/2021	£254,000	N	Terraced	3	1,238	£205	Freehold
	C	6	Alma Road	Folkestone	Kent	CT20 3LU	01/10/2021	£238,000	N	Terraced	3	936	£254	Freehold
	C	172	Lynwood	Folkestone	Kent	CT19 5DE	27/01/2022	£282,100	N	Terraced	2	667	£423	Freehold
	C	18	Tyson Road	Folkestone	Kent	CT19 6JS	31/01/2022	£180,000	N	Terraced	3	850	£212	Freehold
	C	7	Chichester Road	Folkestone	Kent	CT20 3BN	23/09/2021	£395,000	N	Semi-detached	3	1,076	£367	Freehold
	C	61	Nursery Fields	Hythe	Kent	CT21 4DS	14/02/2022	£350,000	N	Semi-detached	3	1,023	£342	Freehold
	C	Stourside	Stone Street	Ashford	Kent	TN25 6DE	19/11/2021	£332,500	N	Detached	3	893	£372	Freehold
	C	13	Coastguard Cottages	Hythe	Kent	CT21 6HN	21/12/2021	£355,000	N	Terraced	3	840	£423	Freehold
	C	3	Chichester Road	Folkestone	Kent	CT20 3BN	09/12/2021	£320,000	N	Detached	2	689	£465	Freehold
	C	59	Weymouth Road	Folkestone	Kent	CT19 4LS	17/12/2021	£327,000	N	Terraced	3	1,130	£289	Freehold
	C	Hillview	Ashford Road	Hythe	Kent	CT21 4JB	27/09/2021	£625,000	N	Detached	4	1,604	£390	Freehold
	C	37	Linden Crescent	Folkestone	Kent	CT19 5SB	13/09/2021	£268,000	N	Terraced	4	1,238	£217	Freehold
	C	147	Church Road	Folkestone	Kent	CT20 3ER	22/09/2021	£340,000	N	Semi-detached	2	829	£410	Freehold
	C	33	Holywell Avenue	Folkestone	Kent	CT19 6JY	29/09/2021	£218,500	N	Terraced	2	807	£271	Freehold
	C	4	Ship Street	Folkestone	Kent	CT19 5BE	01/10/2021	£200,000	N	Terraced	2	840	£238	Freehold
	C	150	Shorncliffe Road	Folkestone	Kent	CT20 3PD	28/09/2021	£295,000	N	Terraced	3	951	£310	Freehold
	C	85	Church Road	Folkestone	Kent	CT20 3EW	15/12/2021	£245,000	N	Terraced	3	881	£278	Freehold
	C	2	Prospect Mews	Hythe	Kent	CT21 5NQ	28/01/2022	£250,000	N	Semi-detached	2	753	£332	Freehold
	C	33	Windmill Street	Hythe	Kent	CT21 6BH	18/01/2022	£425,000	N	Detached	2	786	£541	Freehold
	C	21	St Martins Road	Folkestone	Kent	CT20 3LA	20/09/2021	£230,000	N	Terraced	3	753	£305	Freehold
	C	6	New Road	Hythe	Kent	CT21 4QE	10/01/2022	£332,500	N	Terraced	2	850	£391	Freehold
	C	17	Findlay Court	Hythe	Kent	CT21 5BH	30/09/2021	£265,000	N	Terraced	2	840	£316	Freehold
	C	30	The Ridgeway	Hythe	Kent	CT21 4PW	31/01/2022	£470,000	N	Detached	3	1,270	£370	Freehold
	C	195	Dover Road	Folkestone	Kent	CT19 6NG	27/09/2021	£236,500	N	Terraced	2	904	£262	Freehold
	C	The Pines	Sandling Road	Hythe	Kent	CT21 4QJ	30/09/2021	£392,500	N	Semi-detached	3	850	£462	Freehold
	C	13	Boscombe Road	Folkestone	Kent	CT19 5BD	29/09/2021	£320,000	N	Terraced	3	1,152	£278	Freehold
	C	2	Paddock Mews	Folkestone	Kent	CT20 3HD	10/01/2022	£320,000	N	Terraced	2	947	£338	Freehold
	C	Cottesmore	Ashford Road	Hythe	Kent	CT21 4JB	28/09/2021	£492,500	N	Detached	4	1,464	£336	Freehold
	C	28	Cheriton Road	Folkestone	Kent	CT20 1BU	28/01/2022	£185,000	N	Terraced	3	1,313	£141	Freehold
	C	46	Frampton Road	Hythe	Kent	CT21 6JP	28/01/2022	£265,000	N	Terraced	3	980	£271	Freehold
	C	22	Old Saltwood Lane	Hythe	Kent	CT21 4AL	24/09/2021	£210,000	N	Terraced	2	603	£348	Freehold
	C	6	Ryland Place	Folkestone	Kent	CT20 1RE	17/09/2021	£156,000	N	Terraced	3	926	£169	Freehold
	C	26	Penfold Road	Folkestone	Kent	CT19 6DQ	17/09/2021	£200,000	N	Terraced	3	818	£244	Freehold
	C	11	Warren Road	Folkestone	Kent	CT19 6DE	28/09/2021	£244,000	N	Terraced	3	764	£319	Freehold
	C	12	Ingoldsby Road	Folkestone	Kent	CT19 6JJ	18/02/2022	£233,900	N	Terraced	3	1,130	£207	Freehold
	C	30	Greenfield Road	Folkestone	Kent	CT19 6EP	21/10/2021	£190,000	N	Semi-detached	3	926	£205	Freehold
	C	66	Romney Way	Hythe	Kent	CT21 6PN	27/09/2021	£315,000	N	Semi-detached	2	775	£406	Freehold
	C	27	Stuart Road	Folkestone	Kent	CT19 6NL	23/09/2021	£255,000	N	Terraced	3	893	£286	Freehold
	C	40	Shepherds Walk	Hythe	Kent	CT21 6PS	28/02/2022	£395,000	N	Detached	2	732	£540	Freehold
	C	Cade Cottage	Dymchurch Road	Hythe	Kent	CT21 4ND	28/02/2022	£640,000	N	Detached	3	1,464	£437	Freehold
	C	3	Dolphins Road	Folkestone	Kent	CT19 5PL	24/09/2021	£340,000	N	Semi-detached	3	958	£355	Freehold
	C	61	Radnor Cliff	Folkestone	Kent	CT20 2JL	03/03/2022	£595,000	N	Detached	3	1,604	£371	Freehold
	C	Pinnocchio	Cliff Road	Hythe	Kent	CT21 5XJ	30/09/2021	£615,000	N	Detached	2	936	£657	Freehold
	C	30	Garden Road	Folkestone	Kent	CT19 5RB	20/01/2022	£218,000	N	Terraced	2	721	£302	Freehold
	C	28	Risborough Lane	Folkestone	Kent	CT19 4JH	27/09/2021	£166,500	N	Terraced	2	684	£243	Freehold
	C	28	Denmark Street	Folkestone	Kent	CT19 6EJ	25/02/2022	£197,000	N	Terraced	3	876	£225	Freehold
	C	20	Grebe Crescent	Hythe	Kent	CT21 6QW	28/02/2022	£290,000	N	Semi-detached	2	614	£473	Freehold
	C	14	Finch Grove	Hythe	Kent	CT21 6QY	14/12/2021	£335,000	N	Semi-detached	2	743	£451	Freehold
	C	6	Tourney Close	Hythe	Kent	CT21 4LL	14/02/2022	£431,000	N	Detached	1	581	£742	Freehold

C	147	Lynwood	Folkestone	Kent	CT19 5DF	09/11/2021	£283,500	N	Terraced	3	947	£299	Freehold
C	73	Foord Road	Folkestone	Kent	CT19 5AD	07/01/2022	£180,000	N	Terraced	2	1,044	£172	Freehold
C	21	Fernbank Crescent	Folkestone	Kent	CT19 5SF	22/10/2021	£270,000	N	Terraced	3	1,227	£220	Freehold
C	41	Honeywood Close	Hythe	Kent	CT21 4JS	28/09/2021	£370,000	N	Semi-detached	3	1,141	£324	Freehold
C	4	Albion Road	Folkestone	Kent	CT19 5SE	17/12/2021	£245,000	N	Terraced	3	1,012	£242	Freehold
C	42	Mead Road	Folkestone	Kent	CT19 5QY	19/11/2021	£235,000	N	Terraced	2	721	£326	Freehold
C	16	South Road	Hythe	Kent	CT21 6AR	21/01/2022	£684,000	N	Semi-detached	2	753	£908	Freehold
C	51	Eastfields	Folkestone	Kent	CT19 5RU	06/10/2021	£182,500	N	Terraced	3	904	£202	Freehold
C	8	Turnpike Hill	Hythe	Kent	CT21 4SE	18/02/2022	£225,000	N	Semi-detached	1	581	£387	Freehold
C	60	Appledore Crescent	Folkestone	Kent	CT19 4NB	05/01/2022	£250,000	N	Terraced	3	969	£258	Freehold
C	28	Calgary Crescent	Folkestone	Kent	CT19 6JD	17/12/2021	£275,000	N	Semi-detached	3	1,033	£266	Freehold
C	47	Nursery Fields	Hythe	Kent	CT21 4DS	04/03/2022	£580,000	N	Detached	4	1,335	£435	Freehold
C	5	Marshall Street	Folkestone	Kent	CT19 6EN	25/02/2022	£210,000	N	Terraced	2	797	£264	Freehold
C	Ubique	Stone Street	Hythe	Kent	CT21 4JZ	11/02/2022	£495,000	N	Detached	2	581	£852	Freehold
C	53	Cromwell Park Place	Folkestone	Kent	CT20 3SD	07/02/2022	£321,000	N	Semi-detached	3	753	£426	Freehold
C	36	Fernbank Crescent	Folkestone	Kent	CT19 5SF	08/10/2021	£173,000	N	Terraced	2	861	£201	Freehold
C	2	Cromwell Park Place	Folkestone	Kent	CT20 3SD	29/10/2021	£215,000	N	Terraced	1	495	£434	Freehold
C	43	Peregrine Close	Hythe	Kent	CT21 6QZ	27/01/2022	£365,000	N	Semi-detached	2	893	£409	Freehold
C	26	Darnley Close	Folkestone	Kent	CT20 3NR	29/10/2021	£235,000	N	Terraced	2	797	£295	Freehold
C	23	Old Saltwood Lane	Hythe	Kent	CT21 4AL	29/10/2021	£260,000	N	Terraced	1	581	£447	Freehold
C	2	Margaret Street	Folkestone	Kent	CT20 1LJ	24/02/2022	£275,000	N	Terraced	3	1,124	£245	Freehold
C	23	Stoddart Road	Folkestone	Kent	CT19 4PP	24/09/2021	£320,000	N	Terraced	3	1,044	£306	Freehold
C	75	Enbrook Road	Folkestone	Kent	CT20 3NP	19/11/2021	£303,000	N	Terraced	3	1,044	£290	Freehold
C	7	Devon Road	Folkestone	Kent	CT19 5AH	28/02/2022	£160,000	N	Terraced	1	512	£312	Freehold
C	42	Hill Road	Folkestone	Kent	CT19 6JU	14/02/2022	£285,000	N	Semi-detached	3	980	£291	Freehold
C	1	Spring Terrace	Folkestone	Kent	CT20 1JH	22/10/2021	£188,000	N	Terraced	2	864	£218	Freehold
C	9	Belcaire Close	Hythe	Kent	CT21 4JT	18/02/2022	£320,000	N	Terraced	2	746	£429	Freehold
C	47	Peregrine Close	Hythe	Kent	CT21 6QZ	13/12/2021	£450,000	N	Detached	3	1,238	£364	Freehold
C	18	Hawkins Road	Folkestone	Kent	CT19 4JA	06/12/2021	£235,500	N	Terraced	2	786	£300	Freehold
C	2	James Street	Folkestone	Kent	CT19 5NP	14/02/2022	£222,250	N	Terraced	2	981	£227	Freehold
C	61	Sidney Street	Folkestone	Kent	CT19 6HG	15/02/2022	£205,000	N	Terraced	2	818	£251	Freehold
C	37	St Leonards Road	Hythe	Kent	CT21 6EN	05/11/2021	£415,000	N	Terraced	3	990	£419	Freehold
C	Cobbles	Church Road	Hythe	Kent	CT21 5DP	30/09/2021	£380,000	N	Semi-detached	2	1,152	£330	Freehold
C	2	Harvey Mews	Folkestone	Kent	CT20 1AQ	25/02/2022	£184,000	N	Terraced	1	431	£427	Freehold
C	76	Black Bull Road	Folkestone	Kent	CT19 5QU	18/10/2021	£220,000	N	Terraced	3	1,141	£193	Freehold
C	125	Dover Road	Folkestone	Kent	CT20 1NL	04/03/2022	£250,000	N	Terraced	3	1,023	£244	Freehold
C	6	Victoria Road	Folkestone	Kent	CT19 5AT	30/09/2021	£277,000	N	Terraced	3	1,378	£201	Freehold
C	11	Chichester Road	Folkestone	Kent	CT20 3BN	10/11/2021	£290,000	N	Semi-detached	3	946	£307	Freehold
C	30	Harman Avenue	Hythe	Kent	CT21 4LB	07/09/2021	£335,617	N	Detached	2	818	£410	Freehold
C	42	Fernbank Crescent	Folkestone	Kent	CT19 5SF	30/09/2021	£241,000	N	Terraced	3	1,066	£226	Freehold
C	90	Radnor Park Road	Folkestone	Kent	CT19 5BT	08/09/2021	£280,000	N	Semi-detached	3	1,055	£265	Freehold
C	9	St Pauls Way	Folkestone	Kent	CT20 3NT	02/09/2021	£230,000	N	Semi-detached	2	936	£246	Freehold
C	11	Weymouth Close	Folkestone	Kent	CT19 4LR	07/09/2021	£315,000	N	Semi-detached	2	700	£450	Freehold
C	6	Craythorne Close	Hythe	Kent	CT21 5SP	30/09/2021	£310,000	N	Semi-detached	3	1,227	£253	Freehold
C	77	Holywell Avenue	Folkestone	Kent	CT19 6LB	25/10/2021	£145,000	N	Terraced	1	596	£243	Leasehold
C	11	Military Road	Hythe	Kent	CT21 5DD	28/09/2021	£265,000	N	Terraced	1	560	£473	Freehold
C	12	Cobden Road	Hythe	Kent	CT21 6EY	24/09/2021	£310,000	N	Terraced	2	700	£443	Freehold
C	29d	Albert Road	Hythe	Kent	CT21 6BT	27/09/2021	£399,950	N	Semi-detached	3	915	£437	Freehold
C	10	George Gurr Crescent	Folkestone	Kent	CT19 6LQ	09/09/2021	£207,500	N	Terraced	2	786	£264	Freehold
C	52	North Road	Hythe	Kent	CT21 5DU	29/09/2021	£346,000	N	Semi-detached	2	592	£584	Freehold
C	29	Mount Pleasant Road	Folkestone	Kent	CT20 1HU	30/09/2021	£217,500	N	Terraced	2	642	£339	Freehold
C	13	Naseby Avenue	Folkestone	Kent	CT20 3SJ	25/11/2021	£320,000	N	Detached	3	829	£386	Freehold
C	33	St Leonards Road	Hythe	Kent	CT21 6EN	30/09/2021	£340,000	N	Terraced	2	947	£359	Freehold
C	12	Battery Point	Hythe	Kent	CT21 5RR	28/09/2021	£400,000	N	Semi-detached	3	1,399	£286	Freehold
C	34	Darnley Close	Folkestone	Kent	CT20 3NR	30/09/2021	£243,000	N	Terraced	3	915	£266	Freehold
C	6	Buttermere Close	Folkestone	Kent	CT19 5JH	29/10/2021	£322,000	N	Semi-detached	2	786	£410	Freehold
C	59	Seabrook Court	Hythe	Kent	CT21 5RY	10/09/2021	£325,000	N	Detached	3	980	£332	Freehold
C	174	Enbrook Valley	Folkestone	Kent	CT20 3NA	27/09/2021	£305,000	N	Terraced	3	990	£308	Freehold
C	28	Heritage Road	Folkestone	Kent	CT20 3JU	06/09/2021	£218,500	N	Semi-detached	2	915	£239	Freehold
C	10	Twiss Road	Hythe	Kent	CT21 5NY	13/10/2021	£299,950	N	Terraced	2	775	£387	Freehold
C	16	St Francis Road	Folkestone	Kent	CT19 4BJ	17/09/2021	£265,000	N	Terraced	3	1,152	£230	Freehold
C	99	Dolphins Road	Folkestone	Kent	CT19 5QD	25/11/2021	£400,000	N	Semi-detached	3	1,442	£277	Freehold
C	1	Old Post Office Mews	Hythe	Kent	CT21 5AY	09/09/2021	£425,000	N	Semi-detached	4	1,442	£295	Freehold
C	41	Linden Crescent	Folkestone	Kent	CT19 5SB	01/11/2021	£290,000	N	Terraced	3	1,270	£228	Freehold
C	2	Thirlestane	Hythe	Kent	CT21 6LB	08/11/2021	£213,000	N	Terraced	2	608	£351	Freehold
C	55	Dymchurch Road	Hythe	Kent	CT21 6JE	04/02/2022	£263,000	N	Terraced	2	689	£382	Freehold
C	12	Allendale Street	Folkestone	Kent	CT19 5RE	18/02/2022	£168,000	N	Terraced	2	732	£230	Freehold
C	16	Laidlaw	Hythe	Kent	CT21 6JZ	27/01/2022	£232,500	N	Terraced	2	797	£292	Freehold
C	81	Stanley Road	Folkestone	Kent	CT19 4LG	20/01/2022	£308,000	N	Terraced	3	936	£329	Freehold
C	28	Fernbank Crescent	Folkestone	Kent	CT19 5SF	27/01/2022	£220,000	N	Terraced	2	850	£259	Freehold
C	11	Leaside Cottages	Hythe	Kent	CT21 4BP	28/01/2022	£212,500	N	Terraced	1	431	£494	Freehold
C	2	Railway Cottage	Ashford	Kent	TN25 6DE	16/02/2022	£160,000	N	Terraced	1	314	£510	Freehold
C	199	Downs Road	Folkestone	Kent	CT19 5PX	06/09/2021	£302,000	N	Semi-detached	3	1,216	£248	Freehold
C	6	Perries Mead	Folkestone	Kent	CT19 5UD	17/09/2021	£260,000	N	Semi-detached	3	1,539	£169	Freehold
C	88	Lynwood	Folkestone	Kent	CT19 5DD	30/09/2021	£267,500	N	Terraced	2	689	£388	Freehold
C	15	Bournemouth Road	Folkestone	Kent	CT19 5BA	13/09/2021	£363,500	N	Terraced	3	1,195	£304	Freehold
C	126	Wear Bay Road	Folkestone	Kent	CT19 6PL	29/09/2021	£395,000	N	Semi-detached	3	1,119	£353	Freehold
C	102	Wood Avenue	Folkestone	Kent	CT19 6JN	29/09/2021	£197,000	N	Terraced	3	786	£251	Freehold
C	2	Calgary Crescent	Folkestone	Kent	CT19 6JA	30/09/2021	£251,000	N	Semi-detached	2	893	£281	Freehold
C	21	Belcaire Close	Hythe	Kent	CT21 4JT	24/09/2021	£350,000	N	Semi-detached	2	893	£392	Freehold
C	30	Pine Way	Folkestone	Kent	CT19 4QL	17/09/2021	£215,000	N	Semi-detached	2	560	£384	Freehold
C	6	Naseby Avenue	Folkestone	Kent	CT20 3SJ	30/09/2021	£425,000	N	Semi-detached	3	1,453	£292	Freehold
B	2	Woodland Way	Romney Marsh	Kent	TN29 0UB	13/09/2021	£270,000	N	Semi-detached	2	614	£440	Freehold
B	15	Orgarswick Avenue	Romney Marsh	Kent	TN29 0NX	21/09/2021	£387,500	N	Detached	3	1,044	£371	Freehold
B	76	Roberts Road	New Romney	Kent	TN28 8RG	09/09/2021	£277,000	N	Semi-detached	2	732	£378	Freehold
B	10	Victoria Road	New Romney	Kent	TN28 8NL	02/12/2021	£450,000	N	Detached	4	1,507	£299	Freehold
B	20	Victoria Road West	New Romney	Kent	TN28 8NW	07/09/2021	£340,000	N	Terraced	3	1,001	£340	Freehold
B	56	Lower Sands	Romney Marsh	Kent	TN29 0NF	15/09/2021	£399,995	N	Semi-detached	4	1,345	£297	Freehold
B	27	Links Crescent	Romney Marsh	Kent	TN29 0RS	24/09/2021	£267,000	N	Detached	2	764	£349	Freehold
B	5	Carey Close	New Romney	Kent	TN28 8XN	23/09/2021	£181,000	N	Terraced	2	624	£290	Freehold
B	5	St Marys Road	New Romney	Kent	TN28 8JB	10/12/2021	£353,000	N	Semi-detached	3	1,001	£353	Freehold
B	13	Raymoor Avenue	Romney Marsh	Kent	TN29 0RD	20/01/2022	£335,000	N	Detached	3	1,119	£299	Freehold
B	12	Station Road	New Romney	Kent	TN28 8LG	21/01/2022	£350,000	N	Semi-detached	3	980	£357	Freehold
B	26	Broadlands Crescent	New Romney	Kent	TN28 8JF	24/09/2021	£375,000	N	Semi-detached	3	1,378	£272	Freehold
B	7	Stanley Close	Romney Marsh	Kent	TN29 0TY	27/01/2022	£250,000	N	Semi-detached	2	603	£415	Freehold
B	38	The Fairway	Romney Marsh	Kent	TN29 0QG	31/01/2022	£300,000	N	Semi-detached	2	710	£422	Freehold
B	79	Dunes Road	New Romney	Kent	TN28 8SW	30/09/2021	£318,000	N	Detached	3	958	£332	Freehold
B	19	Mill Road	Romney Marsh	Kent	TN29 0NY	17/09/2021	£150,000	N	Detached	2	723	£208	Freehold
B	1	Victoria Street	New Romney	Kent	TN28 8DE	24/09/2021	£245,000	N	Terraced	2	710	£345	Freehold
B	57	Laurel Avenue	Romney Marsh	Kent	TN29 0SN	17/09/2021	£255,000	N	Semi-detached	2	624	£408	Freehold
B	90	St Nicholas Road	New Romney	Kent	TN28 8QA	26/01/2022	£382,000	N	Detached	2	721	£530	Freehold
B	6	Adie Road	New Romney	Kent	TN28 8SR	14/01/2022	£405,000	N	Detached	3	1,023	£396	Freehold
B	7	Carey Close	New Romney	Kent	TN28 8XN	30/09/2021	£186,000	N	Terraced	2	624	£298	Freehold
B	91	Queens Road	New Romney	Kent	TN28 8LS	16/02/2022	£265,000	N	Terraced	3	840	£316	Freehold
B	33	Kingsway	Romney Marsh	Kent	TN29 0LZ	22/11/2021	£452,000	N	Detached	3	1,432	£316	Freehold

B	14	Victoria Road	New Romney	Kent	TN28 8NL	22/10/2021	£285,000	N	Semi-detached	2	807	£353	Freehold
B	60	Meehan Road	New Romney	Kent	TN28 8NZ	27/09/2021	£375,000	N	Detached	3	1,335	£281	Freehold
B	Montrose	Spitalfield Lane	New Romney	Kent	TN28 8HQ	04/02/2022	£550,000	N	Detached	3	1,152	£478	Freehold
B	erry Tree Cott	Church Road	New Romney	Kent	TN28 8EY	01/11/2021	£341,500	N	Semi-detached	2	753	£453	Freehold
B	28	The Fairway	Romney Marsh	Kent	TN29 0QG	31/01/2022	£285,000	N	Semi-detached	2	624	£457	Freehold
B	4	The Fairway	Romney Marsh	Kent	TN29 0QE	29/10/2021	£280,000	N	Detached	2	818	£342	Freehold
B	21	Marine Avenue	Romney Marsh	Kent	TN29 0TR	15/02/2022	£360,000	N	Detached	3	915	£393	Freehold
B	51	Blenheim Road	New Romney	Kent	TN28 8PR	30/09/2021	£425,000	N	Detached	5	1,619	£263	Freehold
B	21	Orchard Road	Romney Marsh	Kent	TN29 0RA	21/02/2022	£420,000	N	Detached	2	743	£566	Freehold
B	18	Marsh Crescent	New Romney	Kent	TN28 8JU	30/09/2021	£245,000	N	Terraced	2	732	£335	Freehold
B	2	Pembroke Mews	New Romney	Kent	TN28 8UN	10/12/2021	£365,000	N	Detached	3	753	£484	Freehold
B	3	The Golfs	New Romney	Kent	TN28 8BE	30/09/2021	£220,000	N	Terraced	3	861	£255	Freehold
B	2	Mountfield Road	New Romney	Kent	TN28 8LH	21/02/2022	£201,000	N	Terraced	1	452	£445	Freehold
B	119	Meehan Road	New Romney	Kent	TN28 8NY	28/01/2022	£535,000	N	Detached	3	1,378	£388	Freehold
B	93	Hythe Road	Romney Marsh	Kent	TN29 0TL	04/01/2022	£200,000	N	Detached	2	667	£300	Freehold
B	127	Jefferstone Lane	Romney Marsh	Kent	TN29 0SQ	30/09/2021	£333,250	N	Detached	3	947	£352	Freehold
B	8	St Martins Road	New Romney	Kent	TN28 8JZ	22/03/2022	£230,000	N	Terraced	3	926	£248	Freehold
B	129	The Fairway	Romney Marsh	Kent	TN29 0QP	03/09/2021	£308,000	N	Semi-detached	3	635	£485	Freehold
B	139	The Fairway	Romney Marsh	Kent	TN29 0QP	03/09/2021	£270,000	N	Semi-detached	2	624	£432	Freehold
B	9	Mountfield Road	New Romney	Kent	TN28 8LH	07/12/2021	£259,000	N	Terraced	3	1,023	£253	Freehold
B	Tilldene	Sussex Road	New Romney	Kent	TN28 8EQ	20/10/2021	£285,000	N	Terraced	2	850	£335	Freehold
B	14	Wells Close	New Romney	Kent	TN28 8XS	03/09/2021	£195,000	N	Terraced	2	689	£283	Freehold
B	1	Walner Gardens	New Romney	Kent	TN28 8HZ	23/09/2021	£460,000	N	Detached	3	1,130	£407	Freehold
B	121	Littlestone Road	New Romney	Kent	TN28 8NH	21/09/2021	£575,000	N	Detached	5	1,701	£338	Freehold
B	63	The Parade	New Romney	Kent	TN28 8RE	28/09/2021	£450,000	N	Detached	3	1,152	£391	Freehold
B	26	Carey Close	New Romney	Kent	TN28 8XN	20/09/2021	£195,000	N	Terraced	2	667	£292	Freehold
B	3	Imbert Close	New Romney	Kent	TN28 8XP	06/12/2021	£185,000	N	Terraced	2	570	£324	Freehold
B	35	Beechwood Close	Romney Marsh	Kent	TN29 0XF	27/09/2021	£250,000	N	Semi-detached	2	624	£400	Freehold
B	7	Holly Road	Romney Marsh	Kent	TN29 0XB	28/01/2022	£325,000	N	Semi-detached	3	1,109	£293	Freehold
B	31	Eastbridge Road	Romney Marsh	Kent	TN29 0PG	14/01/2022	£395,000	N	Detached	3	915	£432	Freehold
B	Thurne House	Fairfield Road	New Romney	Kent	TN28 8HN	11/10/2021	£365,000	N	Detached	3	969	£377	Freehold
B	1	Lyndhurst Road	Romney Marsh	Kent	TN29 0TF	12/11/2021	£300,000	N	Detached	2	829	£362	Freehold
B	21	Roberts Road	New Romney	Kent	TN28 8RL	29/10/2021	£420,000	N	Detached	3	1,184	£355	Freehold
B	24	Carey Close	New Romney	Kent	TN28 8XN	06/10/2021	£178,000	N	Terraced	1	452	£394	Freehold
B	38	Dymchurch Road	Romney Marsh	Kent	TN29 0HF	09/11/2021	£320,000	N	Detached	3	1,163	£275	Freehold
B	Swallows	Station Approach	New Romney	Kent	TN28 8LU	04/11/2021	£270,000	N	Semi-detached	3	958	£282	Freehold
B	53	Rolfe Lane	New Romney	Kent	TN28 8JP	11/10/2021	£480,000	N	Detached	5	1,862	£258	Freehold
B	8	Broadlands Crescent	New Romney	Kent	TN28 8JF	19/11/2021	£490,000	N	Detached	3	1,044	£469	Freehold
B	42	Dunes Road	New Romney	Kent	TN28 8SN	29/09/2021	£370,000	N	Detached	3	1,023	£362	Freehold
B	3	High Knocke	Romney Marsh	Kent	TN29 0QD	19/11/2021	£286,500	N	Semi-detached	3	861	£333	Freehold
B	33	Station Road	New Romney	Kent	TN28 8LQ	18/11/2021	£360,000	N	Detached	2	775	£465	Freehold
B	140	Jefferstone Lane	Romney Marsh	Kent	TN29 0SG	13/09/2021	£155,000	N	Detached	3	829	£187	Freehold
B	1	Blue House Cottages	New Romney	Kent	TN28 8EN	18/11/2021	£315,000	N	Terraced	4	1,238	£254	Freehold
B	14	Wraightsfield Avenue	Romney Marsh	Kent	TN29 0JZ	03/12/2021	£505,000	N	Terraced	4	1,270	£398	Freehold
B	25	Rolfe Lane	New Romney	Kent	TN28 8JP	20/10/2021	£258,000	N	Terraced	2	893	£289	Freehold
B	9	Marsh Crescent	New Romney	Kent	TN28 8JU	29/10/2021	£255,000	N	Terraced	2	678	£376	Freehold
B	2	Cornmill Mews	Romney Marsh	Kent	TN29 0PR	10/09/2021	£315,000	N	Semi-detached	3	1,023	£308	Freehold
A	20a	New Street	Romney Marsh	Kent	TN29 9DJ	13/09/2021	£217,500	N	Semi-detached	2	797	£273	Freehold
A	neysuckle Ho	Romney Road	Romney Marsh	Kent	TN29 9LN	05/11/2021	£325,000	N	Semi-detached	3	947	£343	Freehold
A	104	Coast Drive	Romney Marsh	Kent	TN29 9NW	10/12/2021	£340,000	N	Terraced	3	786	£433	Freehold
A	3	Wivelsfield Cottages	Romney Marsh	Kent	TN29 9EH	01/11/2021	£198,500	N	Terraced	3	721	£275	Freehold
A	14	Mill Road	Romney Marsh	Kent	TN29 9EP	12/10/2021	£225,000	N	Terraced	3	732	£307	Freehold
A	5	Skinner Road	Romney Marsh	Kent	TN29 9DD	06/10/2021	£248,000	N	Semi-detached	2	710	£349	Freehold
A	51	Megan Close	Romney Marsh	Kent	TN29 9LB	21/09/2021	£305,000	N	Detached	3	1,066	£286	Freehold
A	48	Williamson Road	Romney Marsh	Kent	TN29 9NT	23/09/2021	£320,000	N	Detached	3	872	£367	Freehold
A	1	Leonard Road	New Romney	Kent	TN28 8UJ	28/01/2022	£285,000	N	Semi-detached	2	667	£427	Freehold
A	5	Colemans Close	Romney Marsh	Kent	TN29 9UR	07/01/2022	£252,500	N	Terraced	3	872	£290	Freehold
A	Shemma	Taylor Road	Romney Marsh	Kent	TN29 9PA	30/09/2021	£302,000	N	Detached	3	883	£342	Freehold
A	28	Pleasance Road North	Romney Marsh	Kent	TN29 9NU	30/09/2021	£320,000	N	Detached	3	1,313	£244	Freehold
A	19	Vinelands	Romney Marsh	Kent	TN29 9BH	24/02/2022	£265,000	N	Semi-detached	3	861	£308	Freehold
A	15	Oakham Drive	Romney Marsh	Kent	TN29 9DL	10/09/2021	£222,000	N	Terraced	2	678	£327	Freehold
A	2	South Street	Romney Marsh	Kent	TN29 9DQ	09/12/2021	£270,000	N	Detached	2	710	£380	Freehold
A	3	Samuel Mews	Romney Marsh	Kent	TN29 9LD	21/09/2021	£250,000	N	Semi-detached	2	758	£330	Freehold
A	6	Williamson Road	Romney Marsh	Kent	TN29 9NT	12/10/2021	£295,000	N	Detached	3	700	£422	Freehold
A	117	Coast Drive	Romney Marsh	Kent	TN29 9NS	15/10/2021	£382,500	N	Detached	2	797	£480	Freehold
A	15	Pleasance Road North	Romney Marsh	Kent	TN29 9NU	29/10/2021	£390,000	N	Semi-detached	4	1,572	£248	Freehold
A	132	High Street	Romney Marsh	Kent	TN29 9BA	03/12/2021	£397,500	N	Semi-detached	3	1,055	£377	Freehold
A	arden Cottag	Queens Road	Romney Marsh	Kent	TN29 9DN	12/11/2021	£347,500	N	Semi-detached	4	1,561	£223	Freehold
A	39	Coast Drive	Romney Marsh	Kent	TN29 9NL	08/11/2021	£450,000	N	Detached	4	1,539	£292	Freehold
A	84	The Green	Romney Marsh	Kent	TN29 9HB	30/09/2021	£180,000	N	Semi-detached	2	581	£310	Freehold
A	3	Fort Close	Romney Marsh	Kent	TN29 9YE	11/11/2021	£336,000	N	Detached	2	861	£390	Freehold
A	15	Lade Fort Crescent	Romney Marsh	Kent	TN29 9YG	15/10/2021	£293,000	N	Semi-detached	2	743	£395	Freehold
D	5	Manse Field	Ashford	Kent	TN25 6QH	08/09/2021	£354,000	N	Semi-detached	2	818	£433	Freehold
D	33	Calland	Ashford	Kent	TN25 6QD	21/12/2021	£267,500	N	Terraced	3	1,087	£246	Freehold
D	3	Caroland Close	Ashford	Kent	TN25 6RY	29/09/2021	£315,000	N	Terraced	3	1,087	£290	Freehold
D	1	Bramley Close	Ashford	Kent	TN25 6TD	22/09/2021	£290,000	N	Semi-detached	2	635	£457	Freehold
D	2	Westfield Cottages	Canterbury	Kent	CT4 6EA	03/12/2021	£375,000	N	Terraced	2	840	£447	Freehold
D	8	The Terrace	Canterbury	Kent	CT4 6DX	15/09/2021	£330,000	N	Terraced	3	915	£361	Freehold
D	8	The Grove	Canterbury	Kent	CT4 6PP	20/09/2021	£415,000	N	Semi-detached	3	1,152	£360	Freehold
D	2	Capel Street	Folkestone	Kent	CT18 7JP	02/09/2021	£310,000	N	Terraced	3	1,023	£303	Freehold
D	21	Tolsford Close	Folkestone	Kent	CT18 8BU	09/09/2021	£415,000	N	Detached	3	980	£424	Freehold
D	15	Downs Way	Ashford	Kent	TN25 6EZ	05/01/2022	£370,000	N	Detached	2	861	£430	Freehold
D	19	Downs Way	Ashford	Kent	TN25 6EZ	13/09/2021	£315,000	N	Semi-detached	2	809	£389	Freehold
D	45	Swan Lane	Ashford	Kent	TN25 6HB	07/09/2021	£350,000	N	Semi-detached	3	980	£357	Freehold
D	North Cottage	Canterbury Road	Folkestone	Kent	CT18 8JW	21/09/2021	£399,900	N	Semi-detached	3	980	£408	Freehold
D	34	Cricketers Close	Folkestone	Kent	CT18 7NH	10/12/2021	£308,000	N	Semi-detached	2	775	£397	Freehold
D	5	Grice Close	Folkestone	Kent	CT18 7QN	13/01/2022	£275,000	N	Semi-detached	2	721	£381	Freehold
D	4	Page Road	Folkestone	Kent	CT18 7SF	17/12/2021	£300,000	N	Semi-detached	3	1,206	£249	Freehold
D	Corner Cottag	Cock Lane	Canterbury	Kent	CT4 6TL	03/12/2021	£350,000	N	Semi-detached	2	602	£582	Freehold
D	Raylands	Canterbury Road	Folkestone	Kent	CT18 8DB	03/02/2022	£592,000	N	Detached	4	1,507	£393	Freehold
D	3	Stelling Church Cottages	Canterbury	Kent	CT4 5PT	04/02/2022	£357,500	N	Terraced	2	655	£546	Freehold
D	23	Pay Street	Folkestone	Kent	CT18 7DN	16/11/2021	£365,000	N	Detached	4	1,249	£292	Freehold
D	28	Aerodrome Road	Folkestone	Kent	CT18 7BT	11/10/2021	£275,000	N	Semi-detached	1	506	£544	Freehold
D	58	Station Road	Folkestone	Kent	CT18 8HP	20/09/2021	£387,500	N	Semi-detached	2	1,109	£350	Freehold
D	11	Hogben Close	Folkestone	Kent	CT18 8ND	29/09/2021	£355,000	N	Detached	2	732	£485	Freehold
D	lm Tree Cotta	The Street	Folkestone	Kent	CT18 7DD	10/09/2021	£370,000	N	Detached	2	904	£409	Freehold
D	Tudor Cottage	Stone Street	Ashford	Kent	TN25 6DH	27/09/2021	£383,400	N	Detached	3	1,076	£356	Freehold
D	20	Cricketers Close	Folkestone	Kent	CT18 7NH	18/01/2022	£300,000	N	Semi-detached	3	827	£363	Freehold
D	5	Waddington Drive	Folkestone	Kent	CT18 7NU	24/01/2022	£251,000	N	Terraced	2	635	£395	Freehold
D	8	Grice Close	Folkestone	Kent	CT18 7QN	04/02/2022	£300,000	N	Semi-detached	2	720	£417	Freehold
D	17	Rose Walk	Folkestone	Kent	CT18 7NW	31/01/2022	£275,000	N	Terraced	2	646	£426	Freehold
D	6	Vickers Close	Folkestone	Kent	CT18 7FH	21/09/2021	£222,500	N	Terraced	2	560	£398	Freehold
D	7	Apple Close	Folkestone	Kent	CT18 7QB	02/02/2022	£530,000	N	Detached	3	1,110	£478	Freehold
D	15	Mitchell Avenue	Folkestone	Kent	CT18 7QY	29/09/2021	£225,000	N	Terraced	2	635	£354	Freehold
D	6	The Chestnuts	Ashford	Kent	TN25 6LG	21/01/2022	£230,000	N	Terraced	2	657	£350	Freehold

	D	29	Campbell Road	Folkestone	Kent	CT18 7TL	27/09/2021	£305,000	N	Terraced	3	969	£315	Freehold
	D	3	Marre Lane	Folkestone	Kent	CT18 7RZ	02/12/2021	£350,000	N	Semi-detached	4	1,324	£264	Freehold
	D	29	Densole Way	Folkestone	Kent	CT18 7BQ	18/10/2021	£315,000	N	Semi-detached	3	1,119	£281	Freehold
	D	23	Dragonfly Way	Folkestone	Kent	CT18 7FY	17/09/2021	£290,000	N	Semi-detached	2	732	£396	Freehold
	D	328	Canterbury Road	Folkestone	Kent	CT18 7BB	21/10/2021	£340,000	N	Detached	2	700	£486	Freehold
	D	342	Canterbury Road	Folkestone	Kent	CT18 7BE	07/10/2021	£545,000	N	Detached	4	1,410	£387	Freehold
	D	4	Fairfield	Canterbury	Kent	CT4 6UT	05/11/2021	£385,000	N	Detached	2	732	£526	Freehold
	D	10	Palm Tree Way	Folkestone	Kent	CT18 8JL	15/12/2021	£410,000	N	Semi-detached	3	1,187	£345	Freehold
	D	Ridgewood	North Lyminge Lane	Folkestone	Kent	CT18 8EE	22/11/2021	£335,000	N	Semi-detached	2	732	£458	Freehold
	D	Cloverland	Loughborough Lane	Folkestone	Kent	CT18 8DG	21/10/2021	£635,000	N	Detached	3	1,378	£461	Freehold
	D	62	The Street	Folkestone	Kent	CT18 7DE	21/10/2021	£385,000	N	Detached	2	667	£577	Freehold
	D	Orchard Hous	Stone Street	Ashford	Kent	TN25 6DF	11/01/2022	£565,000	N	Detached	5	1,711	£330	Freehold
	D	3	Mount Pleasant Close	Folkestone	Kent	CT18 8HF	21/10/2021	£380,000	N	Detached	2	678	£560	Freehold
	D	3	Winter Drive	Folkestone	Kent	CT18 7QX	30/09/2021	£305,000	N	Terraced	3	913	£334	Freehold
	D	3	Grice Close	Folkestone	Kent	CT18 7QN	16/03/2022	£260,000	N	Terraced	2	624	£416	Freehold
	D	6	Grice Close	Folkestone	Kent	CT18 7QN	17/03/2022	£257,500	N	Terraced	2	611	£421	Freehold
	D	13	Kettle Drive	Folkestone	Kent	CT18 7PF	02/09/2021	£282,000	N	Terraced	2	721	£391	Freehold
	D	4	Pannell Drive	Folkestone	Kent	CT18 7QZ	10/09/2021	£240,000	N	Semi-detached	2	657	£366	Freehold
	D	93	The Street	Folkestone	Kent	CT18 7DE	17/09/2021	£375,000	N	Detached	4	1,475	£254	Freehold
	D	Krakatoa	Woodland Road	Folkestone	Kent	CT18 8ET	07/09/2021	£320,000	N	Semi-detached	2	635	£504	Freehold
	D	20	Swan Green	Ashford	Kent	TN25 6EX	15/10/2021	£333,750	N	Detached	2	818	£408	Freehold
	D	ychling Cotta	Farthing Common	Folkestone	Kent	CT18 8DH	21/09/2021	£470,000	N	Detached	3	958	£491	Freehold
	D	avender Hous	High Street	Canterbury	Kent	CT4 6TB	03/12/2021	£463,000	N	Terraced	3	1,130	£410	Freehold
	D	23	Proctor Walk	Folkestone	Kent	CT18 7QS	22/10/2021	£430,000	N	Detached	3	1,152	£373	Freehold
	D	athfield Cotta	Old Road	Canterbury	Kent	CT4 6UH	22/10/2021	£675,000	N	Detached	4	1,636	£413	Freehold
	D	7	Grice Close	Folkestone	Kent	CT18 7QN	17/12/2021	£280,000	N	Terraced	2	721	£388	Freehold
	D	35	Woodcock Gardens	Folkestone	Kent	CT18 7NE	06/10/2021	£427,500	N	Detached	3	1,278	£335	Freehold
	D	2	Beveridge Lodge	Canterbury	Kent	CT4 6AL	25/10/2021	£443,000	N	Semi-detached	2	775	£572	Freehold
	D	2	Mill Cottage	Ashford	Kent	TN25 6EW	14/01/2022	£345,000	N	Semi-detached	3	1,098	£314	Freehold
	D	he White Hou	Bossingham Road	Canterbury	Kent	CT4 6AY	09/09/2021	£643,000	N	Detached	4	1,618	£398	Freehold
	D	37	Tolsford Close	Folkestone	Kent	CT18 8BU	02/09/2021	£502,500	N	Detached	3	1,249	£402	Freehold
	D	3	Kimberley Terrace	Folkestone	Kent	CT18 8JB	16/09/2021	£315,000	N	Terraced	3	915	£344	Freehold
	D	24	Waddington Drive	Folkestone	Kent	CT18 7NU	27/09/2021	£345,000	N	Detached	3	947	£364	Freehold
	D	2	Orr Close	Folkestone	Kent	CT18 7QT	14/09/2021	£235,000	N	Semi-detached	2	700	£336	Freehold
	D	24	Ingram Close	Folkestone	Kent	CT18 7QQ	30/09/2021	£265,000	N	Terraced	2	721	£367	Freehold
	D	25	Ingram Close	Folkestone	Kent	CT18 7QQ	30/09/2021	£267,500	N	Terraced	2	743	£360	Freehold
	D	Haslemere	Loughborough Lane	Folkestone	Kent	CT18 8DG	05/11/2021	£460,000	N	Detached	2	1,076	£427	Freehold
	D	11	Greenbanks	Folkestone	Kent	CT18 8HG	27/09/2021	£354,000	N	Detached	2	743	£477	Freehold
	D	14	Densole Way	Folkestone	Kent	CT18 7BQ	30/09/2021	£410,000	N	Detached	3	1,582	£259	Freehold
	D	2	Hunt Close	Folkestone	Kent	CT18 7FJ	24/09/2021	£348,000	N	Detached	3	1,012	£344	Freehold
	D	17	Waddington Drive	Folkestone	Kent	CT18 7NU	10/09/2021	£300,000	N	Semi-detached	3	807	£372	Freehold
	D	11	The Street	Folkestone	Kent	CT18 7DD	11/10/2021	£299,995	N	Semi-detached	3	947	£317	Freehold
	D	320	Canterbury Road	Folkestone	Kent	CT18 7BB	26/11/2021	£485,000	N	Detached	3	917	£529	Freehold
	D	24	Ethelburga Drive	Folkestone	Kent	CT18 8JJ	21/09/2021	£268,000	N	Semi-detached	2	614	£437	Freehold
	D	12	Gillman Close	Folkestone	Kent	CT18 7NR	01/12/2021	£250,000	N	Terraced	2	614	£407	Freehold
	D	16	Palm Tree Way	Folkestone	Kent	CT18 8JL	28/10/2021	£389,000	N	Semi-detached	3	911	£427	Freehold
	D	4	Park Lane	Canterbury	Kent	CT4 6UU	08/11/2021	£375,000	N	Terraced	3	893	£420	Freehold
	D	6	Mitchell Avenue	Folkestone	Kent	CT18 7PU	22/11/2021	£230,000	N	Semi-detached	2	570	£403	Freehold
	D	25	St Lukes Walk	Folkestone	Kent	CT18 7EF	13/10/2021	£230,000	N	Terraced	3	990	£232	Freehold
	D	12	Storey Crescent	Folkestone	Kent	CT18 7TT	27/10/2021	£270,000	N	Terraced	3	840	£322	Freehold
Secondhand Flats	**CIL Zone**	**House/Flat Number**	**Road**	**District**	**County**	**Postcode**	**Date Sold**	**Sold Price**	**New Build**	**Property Type**	**Bedrooms (Assumed)**	**Floor area sq ft**	**Price per sq ft**	**Tenure**
	A	104	Greenway	Romney Marsh	Kent	TN29 9HE	30/09/2021	£185,000	N	Flat	2	635	£291	Leasehold
	A	6	Romney Court	Greatstone	Kent	TN28 8RL	17/09/2021	£180,000	N	Flat	2	764	£236	Leasehold
	B	5	Fishers	Littlestone	Kent	TN28 8QH	14/01/2021	£235,000	N	Flat	2	732	£321	Leasehold
	B	5	Littlestone Court	Littlestone	Kent	TN28 8NF	05/02/2021	£245,000	N	Flat	3	1,453	£169	Leasehold
	B	Flat 22	Springwood Court	New Romney	Kent	TN28 8TY	22/03/2021	£150,000	N	Flat	2	700	£214	Leasehold
	B	1	Grand Court	Littlestone	Kent	TN28 8NT	22/03/2021	£180,000	N	Flat	2	689	£261	Leasehold
	B	Flat 10	The Saltings Apartments	Littlestone	Kent	TN28 8EL	24/03/2021	£200,000	N	Flat	2	904	£221	Leasehold
	B	Flat 2	Bank House	New Romney	Kent	TN28 8LH	29/03/2021	£90,000	N	Flat	1	452	£199	Leasehold
	B	3	Pembroke House	Littlestone	Kent	TN28 8NN	23/04/2021	£80,000	N	Flat	1	398	£201	Leasehold
	B	Flat 7	Fulmer House	St Marys Bay	Kent	TN29 0XL	23/04/2021	£137,000	N	Flat	2	700	£196	Leasehold
	B	Flat 1	The Elms	New Romney	Kent	TN28 8BA	01/06/2021	£180,000	N	Flat	2	743	£242	Leasehold
	B	Flat 3	Bank House	New Romney	Kent	TN28 8LH	18/06/2021	£105,000	N	Flat	1	474	£222	Leasehold
	B	5	Pembroke House	Littlestone	Kent	TN28 8NN	14/07/2021	£96,000	N	Flat	1	474	£203	Leasehold
	B	Flat 5	Fulmer House	St Marys Bay	Kent	TN29 0XL	23/07/2021	£170,000	N	Flat	2	764	£222	Leasehold
	B	Flat 11	The Elms	New Romney	Kent	TN28 8BA	02/09/2021	£145,000	N	Flat	2	861	£168	Leasehold
	B	21	Grand Court	Littlestone	Kent	TN28 8NT	17/09/2021	£180,000	N	Flat	2	463	£389	Leasehold
	B	5	Mulberry Court	Littlestone	Kent	TN28 8LZ	23/09/2021	£185,000	N	Flat	2	667	£277	Leasehold
	B	4	Grand Court	Littlestone	Kent	TN28 8NT	28/09/2021	£175,000	N	Flat	2	689	£254	Leasehold
	B	Flat 2	50a	New Romney	Kent	TN28 8AT	20/10/2021	£89,000	N	Flat	1	592	£150	Leasehold
	B	Flat 7	The Elms	New Romney	Kent	TN28 8BA	26/11/2021	£165,000	N	Flat	2	807	£204	Leasehold
	C	Flat 2	Shorncliffe Road	Folkestone	Kent	CT20 2PD	12/11/2021	£250,000	N	Flat	2	707	£354	Leasehold
	C	Flat 2	24 - 26	Earls Avenue	Folkestone	CT20 2UF	08/01/2021	£225,000	Y	Flat	2	700	£322	Leasehold
	C	Flat 1	Marine Parade	Folkestone	Kent	CT20 1PX	11/06/2021	£170,000	N	Flat	2	812	£209	Leasehold
	C	Basement &	Cheriton Road	Folkestone	Kent	CT19 5HD	25/11/2021	£285,000	N	Flat	2	1,066	£267	Leasehold
	C	Flat 3	Westbourne Gardens	Folkestone	Kent	CT20 2HY	15/01/2021	£145,000	N	Flat	1	667	£217	Leasehold
	C	Flat 5	16 - 18	Castle Hill Aven	Folkestone	CT20 2QT	10/09/2021	£167,000	N	Flat	2	667	£250	Leasehold
	C	Flat 16	Dixwell Road	Folkestone	Kent	CT20 2LG	27/09/2021	£240,000	N	Flat	2	797	£301	Leasehold
	C	Flat 6	Cheriton Place	Folkestone	Kent	CT20 2AZ	26/08/2021	£95,000	N	Flat	1	441	£215	Leasehold
	C	4	Tram Road	Folkestone	Kent	CT20 1QR	05/11/2021	£130,000	N	Flat	3	969	£134	Leasehold
	C	Flat 10	Clifton Gardens	Folkestone	Kent	CT20 2EF	14/01/2021	£212,500	N	Flat	3	1,098	£194	Leasehold
	C	Flat 4	Cannongate Road	Hythe	Kent	CT21 5PX	07/01/2021	£255,000	N	Flat	3	1,152	£221	Leasehold
	C	Flat 3	Kingsnorth Gardens	Folkestone	Kent	CT20 2QP	07/01/2021	£160,000	N	Flat	2	764	£209	Leasehold
	C	Flat 6	London Road	Hythe	Kent	CT21 4JH	18/03/2021	£300,000	N	Flat	4	1,432	£210	Leasehold
	C	Flat 3	21	Grimston Aven	Folkestone	CT20 2PS	29/01/2021	£147,500	N	Flat	1	474	£311	Leasehold
	C	Flat 31	24	Stanley Road	Folkestone	CT19 4RL	04/01/2021	£80,000	N	Flat	1	506	£158	Leasehold
	C	Flat 9	London Road	Hythe	Kent	CT21 4JH	11/01/2021	£315,000	N	Flat	3	1,302	£242	Leasehold
	C	Flat 7	16 - 18	Castle Hill Aven	Folkestone	CT20 2QT	15/01/2021	£165,000	N	Flat	1	441	£374	Leasehold
	C	Flat 2	157	Sandgate Road	Folkestone	CT20 2DA	25/01/2021	£180,000	N	Flat	2	646	£279	Leasehold
	C	Flat 3	Douglas Avenue	Hythe	Kent	CT21 5JT	21/01/2021	£200,000	N	Flat	1	334	£599	Leasehold
	C	Flat 16	Sir John Moore Avenue	Hythe	Kent	CT21 5DA	25/01/2021	£95,000	N	Flat	2	667	£142	Leasehold
	C	Dorchester S	The Leas	Folkestone	Kent	CT20 2LR	29/01/2021	£104,277	N	Flat	2	893	£117	Leasehold
	C	Flat 4	Trinity Gardens	Folkestone	Kent	CT20 2RP	12/02/2021	£252,000	N	Flat	3	1,249	£202	Leasehold
	C	Flat 5	89	Seabrook Road	Hythe	CT21 5QR	12/02/2021	£175,000	N	Flat	2	818	£214	Leasehold
	C	C	Clifton Crescent	Folkestone	Kent	CT20 2EL	12/02/2021	£325,000	N	Flat	1	495	£656	Leasehold
	C	30	Folkestone	Kent	CT19 4HJ	CT19 4HJ	15/01/2021	£135,000	N	Flat	3	1,001	£135	Leasehold
	C	7	Collingwood Rise	Folkestone	Kent	CT20 3PX	08/01/2021	£170,000	N	Flat	2	624	£272	Leasehold
	C	Flat 10	85	Seabrook Road	Hythe	CT21 5QP	08/02/2021	£185,000	N	Flat	2	829	£223	Leasehold
	C	Flat 1	London Road	Hythe	Kent	CT21 4JH	22/03/2021	£290,000	N	Flat	2	829	£350	Leasehold
	C	Flat 2	Bouverie Road West	Folkestone	Kent	CT20 2PW	30/03/2021	£207,000	N	Flat	2	1,023	£202	Leasehold
	C	Flat 4	Broomfield Road	Folkestone	Kent	CT19 4DU	11/01/2021	£138,000	N	Flat	2	678	£204	Leasehold
	C	Flat 53	The Leas	Folkestone	Kent	CT20 2DT	02/02/2021	£410,000	N	Flat	3	1,959	£209	Leasehold
	C	Flat 107	The Leas	Folkestone	Kent	CT20 2LU	22/01/2021	£500,000	N	Flat	4	1,216	£411	Leasehold
	C	Flat 1	Trinity Road	Folkestone	Kent	CT20 2RQ	08/02/2021	£328,000	N	Flat	3	958	£342	Leasehold

C	Flat 2	Bouverie Road West	Folkestone	Kent	CT20 2PW	20/01/2021	£175,000	N	Flat	3	980	£179	Leasehold
C	Flat 3	Bouverie Road West	Folkestone	Kent	CT20 2PR	12/02/2021	£160,000	N	Flat	2	850	£188	Leasehold
C	Flat C	Bournemouth Road	Folkestone	Kent	CT19 5AZ	12/01/2021	£145,000	N	Flat	2	797	£182	Leasehold
C	Flat 1	Marine Parade	Folkestone	Kent	CT20 1PX	24/02/2021	£150,000	N	Flat	2	792	£190	Leasehold
C	Upper Maiso	Mount Pleasant Road	Folkestone	Kent	CT20 1HU	16/02/2021	£165,000	N	Flat	3	958	£172	Leasehold
C	Flat B	Grimston Avenue	Folkestone	Kent	CT20 2QD	30/06/2021	£220,000	N	Flat	2	1,044	£211	Leasehold
C	Flat 14	89	Seabrook Road	Hythe	CT21 5QR	14/12/2021	£240,000	N	Flat	2	710	£338	Leasehold
C	1	West Cliff Gardens	Folkestone	Kent	CT20 1SZ	09/08/2021	£150,000	N	Flat	2	1,066	£141	Leasehold
C	Flat	Sandgate Road	Folkestone	Kent	CT20 2LQ	18/02/2021	£205,000	N	Flat	2	1,152	£178	Leasehold
C	Flat 4	Manor Road	Folkestone	Kent	CT20 2SE	23/09/2021	£234,000	N	Flat	2	893	£262	Leasehold
C	Flat 1	Albion Villas	Folkestone	Kent	CT20 1RP	02/02/2021	£425,000	N	Flat	3	1,755	£242	Leasehold
C	Flat 8	21 - 23	Castle Hill Aven	Folkeston	CT20 2QU	17/12/2021	£250,000	N	Flat	1	420	£596	Leasehold
C	9	Dixwell Road	Folkestone	Kent	CT20 2LP	24/06/2021	£195,000	N	Flat	2	926	£211	Leasehold
C	Flat 6	21	Grimston Aven	Folkeston	CT20 2PS	29/06/2021	£130,000	N	Flat	1	476	£273	Leasehold
C	6	Clifton Gardens	Folkestone	Kent	CT20 2ED	26/08/2021	£211,155	N	Flat	3	861	£245	Leasehold
C	Flat 9	3	Marine Crescer	Folkeston	CT20 1PS	30/07/2021	£154,000	N	Flat	1	549	£281	Leasehold
C	Flat 14	Rendezvous Street	Folkestone	Kent	CT20 1ET	26/02/2021	£165,000	N	Flat	2	773	£213	Leasehold
C	Flat 3	Grimston Avenue	Folkestone	Kent	CT20 2QE	09/03/2021	£300,000	N	Flat	3	1,464	£205	Leasehold
C	First And Sec	Cheriton Road	Folkestone	Kent	CT19 5HD	12/01/2021	£240,000	N	Flat	4	1,604	£150	Leasehold
C	Flat 1	Victoria Grove	Folkestone	Kent	CT20 1BX	22/12/2021	£125,000	N	Flat	1	398	£314	Leasehold
C	9	Enbrook Road	Sandgate	Folkeston	CT20 3NU	20/09/2021	£182,500	N	Flat	2	786	£232	Leasehold
C	Flat 4	East Cliff Gardens	Folkestone	Kent	CT19 6AR	10/08/2021	£115,000	N	Flat	1	377	£305	Leasehold
C	Flat 4	Clifton Crescent	Folkestone	Kent	CT20 2EP	01/04/2021	£258,000	N	Flat	2	1,130	£228	Leasehold
C	1	Earls Avenue	Folkestone	Kent	CT20 2EU	26/02/2021	£220,000	N	Flat	2	764	£288	Leasehold
C	Flat B	Castle Hill Avenue	Folkestone	Kent	CT20 2QR	19/04/2021	£187,000	N	Flat	2	732	£255	Leasehold
C	Flat 12	89	Seabrook Road	Hythe	CT21 5QR	26/02/2021	£210,000	N	Flat	2	743	£283	Leasehold
C	Flat 21	The Bayle	Folkestone	Kent	CT20 1SH	10/03/2021	£70,000	N	Flat	1	527	£133	Leasehold
C	Flat 4	Clifton Crescent	Folkestone	Kent	CT20 2EN	04/02/2021	£275,000	N	Flat	3	1,087	£253	Leasehold
C	Flat 27	The Riviera	Sandgate	Folkeston	CT20 3AE	26/02/2021	£250,000	N	Flat	2	603	£415	Leasehold
C	Flat 53	24	Stanley Road	Folkeston	CT19 4RL	12/05/2021	£56,000	N	Flat	2	667	£84	Leasehold
C	Flat 1	13	Marine Crescer	Folkeston	CT20 1PS	10/03/2021	£195,000	N	Flat	2	603	£324	Leasehold
C	Flat 2	Trinity Gardens	Folkestone	Kent	CT20 2RP	07/04/2021	£210,000	N	Flat	2	764	£275	Leasehold
C	Flat 2	Earls Avenue	Folkestone	Kent	CT20 2HW	22/04/2021	£300,000	N	Flat	3	1,119	£268	Leasehold
C	Flat F	Sandgate Road	Folkestone	Kent	CT20 2HT	07/09/2021	£280,000	N	Flat	2	1,055	£265	Leasehold
C	Flat 2	146	Sandgate Road	Folkeston	CT20 2HS	17/08/2021	£162,000	N	Flat	2	495	£327	Leasehold
C	Basement Fla	Westbourne Gardens	Folkestone	Kent	CT20 2HY	15/06/2021	£148,950	N	Flat	1	667	£223	Leasehold
C	Flat 1	Granville Parade	Sandgate	Folkeston	CT20 3AL	24/02/2021	£325,000	N	Flat	2	1,001	£325	Leasehold
C	Flat 3	Bouverie Road West	Folkestone	Kent	CT20 2RN	08/01/2021	£194,000	N	Flat	2	814	£238	Leasehold
C	Flat 4	Limes Road	Folkestone	Kent	CT19 4AU	26/02/2021	£155,000	N	Flat	2	732	£212	Leasehold
C	Lower Groun	Cheriton Road	Folkestone	Kent	CT20 2QH	15/04/2021	£157,500	N	Flat	2	624	£252	Leasehold
C	Flat C	Sandgate High Street	Sandgate	Folkeston	CT20 3BY	07/05/2021	£116,250	N	Flat	1	506	£230	Leasehold
C	Flat 7	Bouverie Road West	Folkestone	Kent	CT20 2PR	29/01/2021	£190,000	N	Flat	2	958	£198	Leasehold
C	Flat 13	Rendezvous Street	Folkestone	Kent	CT20 1ET	02/02/2021	£172,000	N	Flat	2	689	£250	Leasehold
C	Flat 24	Romney Avenue	Folkestone	Kent	CT20 3QX	12/02/2021	£130,000	N	Flat	1	441	£295	Leasehold
C	12	Earls Avenue	Folkestone	Kent	CT20 2HP	26/02/2021	£194,000	N	Flat	2	678	£286	Leasehold
C	Flat 3	Godwyn Road	Folkestone	Kent	CT20 2LA	31/03/2021	£425,000	N	Flat	2	710	£598	Leasehold
C	1	Bathurst Road	Folkestone	Kent	CT20 2NL	16/03/2021	£225,000	N	Flat	2	818	£275	Leasehold
C	Flat 7	87 - 89	Bouverie Road	Folkeston	CT20 2PP	01/04/2021	£229,000	N	Flat	3	947	£242	Leasehold
C	Flat D	38	Manor Road	Folkeston	CT20 2SE	30/03/2021	£215,000	N	Flat	2	753	£285	Leasehold
C	Flat 4	101 - 103	Sandgate High	Sandgate	CT20 3BY	25/03/2021	£530,000	N	Flat	3	1,378	£385	Leasehold
C	Marlow Suite	The Leas	Folkestone	Kent	CT20 2LR	19/03/2021	£90,000	N	Flat	1	484	£186	Leasehold
C	58	Sandgate Road	Folkestone	Kent	CT20 2XB	06/04/2021	£95,000	N	Flat	2	538	£177	Leasehold
C	30	Bartholomew Street	Hythe	Kent	CT21 5BB	25/03/2021	£65,000	N	Flat	1	427	£152	Leasehold
C	8	Sandgate Road	Folkestone	Kent	CT20 2HH	28/05/2021	£289,995	N	Flat	3	1,259	£230	Leasehold
C	Flat 4	Earls Avenue	Folkestone	Kent	CT20 2HG	20/10/2021	£162,000	N	Flat	2	883	£184	Leasehold
C	60	Folkestone	Kent	CT19 5AY	CT19 5AY	18/03/2021	£150,000	N	Flat	2	893	£168	Leasehold
C	Flat 1	Kingsnorth Gardens	Folkestone	Kent	CT20 2QP	25/03/2021	£382,500	N	Flat	2	818	£468	Leasehold
C	Flat 1	West Cliff Gardens	Folkestone	Kent	CT20 1SP	15/03/2021	£108,000	N	Flat	1	409	£264	Leasehold
C	Flat 2	Castle Hill Avenue	Folkestone	Kent	CT20 2RE	15/03/2021	£152,500	N	Flat	2	797	£191	Leasehold
C	Flat 1	Bouverie Road West	Folkestone	Kent	CT20 2RU	31/03/2021	£170,000	N	Flat	2	807	£211	Leasehold
C	Flat 6	148 - 150	Sandgate Road	Folkeston	CT20 2HS	30/04/2021	£201,500	N	Flat	2	980	£206	Leasehold
C	Flat 1	Kingsnorth Gardens	Folkestone	Kent	CT20 2QP	09/04/2021	£217,000	N	Flat	2	819	£265	Leasehold
C	Upper Maiso	Dover Road	Folkestone	Kent	CT20 1JZ	10/08/2021	£165,000	N	Flat	4	1,302	£127	Leasehold
C	Flat 1	Sandgate Road	Folkestone	Kent	CT20 2BW	29/10/2021	£210,000	N	Flat	3	958	£219	Leasehold
C	Flat 2	The Old High Street	Folkestone	Kent	CT20 1RN	31/03/2021	£130,000	N	Flat	1	463	£281	Leasehold
C	Flat 6	Julian Road	Folkestone	Kent	CT19 5HP	21/01/2021	£143,000	N	Flat	2	732	£195	Leasehold
C	6	Dixwell Road	Folkestone	Kent	CT20 2JB	02/07/2021	£225,500	N	Flat	2	883	£255	Leasehold
C	Flat E	38	Manor Road	Folkeston	CT20 2SE	05/07/2021	£192,000	N	Flat	2	624	£308	Leasehold
C	Flat 33	Sandgate High Street	Sandgate	Folkeston	CT20 3RP	24/06/2021	£175,000	N	Flat	2	538	£325	Leasehold
C	Ground Floor	Albion Villas	Folkestone	Kent	CT20 1RP	16/07/2021	£229,000	N	Flat	2	743	£308	Leasehold
C	Top Flat	Cliff Road	Hythe	Kent	CT21 5XW	01/04/2021	£325,000	N	Flat	3	829	£392	Leasehold
C	6	Portland Road	Hythe	Kent	CT21 6EF	07/04/2021	£335,000	N	Flat	2	818	£410	Freehold
C	Flat 1	Wellington Terrace	Sandgate	Folkeston	CT20 3DY	23/06/2021	£227,000	N	Flat	2	710	£320	Leasehold
C	8	92	Seabrook Road	Hythe	CT21 5QA	23/04/2021	£335,000	N	Flat	2	926	£362	Leasehold
C	75	Sandgate Road	Folkestone	Kent	CT20 2XB	08/07/2021	£105,000	N	Flat	1	441	£238	Leasehold
C	Flat 3	Shorncliffe Road	Folkestone	Kent	CT20 2PF	13/04/2021	£167,500	N	Flat	2	689	£243	Leasehold
C	Flat A	Bradstone Avenue	Folkestone	Kent	CT19 5AQ	18/03/2021	£107,500	N	Flat	1	484	£222	Leasehold
C	Flat E	Sandgate Road	Folkestone	Kent	CT20 2HT	18/03/2021	£320,000	N	Flat	3	1,055	£303	Leasehold
C	Flat 5	12 - 14	Wiltie Gardens	Folkeston	CT19 5AX	02/07/2021	£155,000	N	Flat	1	517	£300	Leasehold
C	Flat 3	Risborough Lane	Folkestone	Kent	CT19 4JH	03/06/2021	£70,500	N	Flat	2	452	£156	Leasehold
C	Flat 5	Douglas Avenue	Hythe	Kent	CT21 5JT	08/04/2021	£163,000	N	Flat	1	420	£388	Leasehold
C	Flat 3	11	Trinity Crescent	Folkeston	CT20 2ES	01/04/2021	£172,500	N	Flat	1	463	£373	Leasehold
C	First Floor Fla	Albion Villas	Folkestone	Kent	CT20 1RP	01/04/2021	£275,000	N	Flat	2	980	£281	Leasehold
C	Flat C	Julian Road	Folkestone	Kent	CT19 5HP	01/04/2021	£155,500	N	Flat	2	463	£336	Leasehold
C	Flat 32	Sandgate High Street	Sandgate	Folkeston	CT20 3RP	08/07/2021	£219,000	N	Flat	2	624	£351	Leasehold
C	26	Bartholomew Street	Hythe	Kent	CT21 5BB	28/05/2021	£70,000	N	Flat	1	463	£151	Leasehold
C	127	Sandgate Road	Folkestone	Kent	CT20 2XD	28/05/2021	£97,000	N	Flat	1	398	£244	Leasehold
C	Flat 25	Pleydell Gardens	Folkestone	Kent	CT20 2DB	30/07/2021	£70,000	N	Flat	2	517	£135	Leasehold
C	Flat 4	Cheriton Gardens	Folkestone	Kent	CT20 2AP	09/07/2021	£145,000	N	Flat	2	1,023	£142	Leasehold
C	Flat 3	Clifton Crescent	Folkestone	Kent	CT20 2EN	21/07/2021	£400,000	N	Flat	3	1,044	£383	Leasehold
C	84	Sandgate Road	Folkestone	Kent	CT20 2XB	16/07/2021	£115,000	N	Flat	1	441	£261	Leasehold
C	Flat 5	126	Stade Street	Hythe	CT21 6DY	27/04/2021	£193,000	N	Flat	1	495	£390	Leasehold
C	Flat 4	Radnor Bridge Road	Folkestone	Kent	CT20 1RS	25/06/2021	£91,000	N	Flat	2	592	£154	Leasehold
C	Flat 4	Marine Parade	Folkestone	Kent	CT20 1SU	24/06/2021	£165,000	N	Flat	2	743	£222	Leasehold
C	Flat 10	126	Stade Street	Hythe	CT21 6DY	30/06/2021	£230,000	N	Flat	2	678	£339	Leasehold
C	Flat 1	Kingsnorth Gardens	Folkestone	Kent	CT20 2QP	12/04/2021	£210,000	N	Flat	2	850	£247	Leasehold
C	Garden Flat	Broadmead Road	Folkestone	Kent	CT19 5AP	17/03/2021	£153,667	N	Flat	3	1,066	£144	Leasehold
C	Flat 1	Trinity Gardens	Folkestone	Kent	CT20 2RP	01/06/2021	£145,000	N	Flat	3	1,335	£109	Leasehold
C	Flat 1	Manor Road	Folkestone	Kent	CT20 2SA	26/05/2021	£173,000	N	Flat	2	786	£220	Leasehold
C	Flat 8	Sandgate Road	Folkestone	Kent	CT20 2HT	27/01/2022	£177,000	N	Flat	2	452	£392	Freehold
C	38	Bartholomew Street	Hythe	Kent	CT21 5BB	20/09/2021	£76,000	N	Flat	1	431	£177	Leasehold
C	Flat 3	7	Turketel Road	Folkeston	CT20 2PA	17/09/2021	£270,000	N	Flat	3	980	£276	Leasehold
C	12	Sandgate Road	Folkestone	Kent	CT20 2XA	07/06/2021	£70,000	N	Flat	1	409	£171	Leasehold
C	42	Sandgate Road	Folkestone	Kent	CT20 2XA	11/02/2022	£93,000	N	Flat	1	400	£233	Leasehold
C	Flat 13	The Stade	Folkestone	Kent	CT19 6RB	30/09/2021	£219,000	N	Flat	1	517	£424	Leasehold

C	Flat 19	Stade Street	Hythe	Kent	CT21 6ED	03/12/2021	£250,000	N	Flat	2	635	£394	Leasehold
C	Flat 26	Stade Street	Hythe	Kent	CT21 6ED	14/01/2022	£170,000	N	Flat	1	664	£256	Leasehold
C	Flat 4	Stade Street	Hythe	Kent	CT21 6ED	21/09/2021	£155,000	N	Flat	1	441	£351	Leasehold
C	13	Collingwood Rise	Folkestone	Kent	CT20 3PX	28/09/2021	£165,000	N	Flat	2	635	£260	Leasehold
C	Flat A	Julian Road	Folkestone	Kent	CT19 5HP	14/02/2022	£515,000	N	Flat	2	463	£1,113	Leasehold
C	2	West Cliff Gardens	Folkestone	Kent	CT20 1SZ	28/09/2021	£192,500	N	Flat	2	990	£194	Leasehold
C	13	Bartholomew Street	Hythe	Kent	CT21 5BB	25/02/2021	£137,500	N	Flat	2	678	£203	Leasehold
C	16	2	East Street	Hythe	CT21 5NG	30/03/2021	£257,000	N	Flat	2	732	£351	Leasehold
C	Flat 1	Castle Hill Avenue	Folkestone	Kent	CT20 2RE	25/11/2021	£263,000	N	Flat	3	1,141	£231	Leasehold
C	5	Harbour Way	Folkestone	Kent	CT20 1LT	10/06/2021	£125,000	N	Flat	2	775	£161	Leasehold
C	Flat 1	Castle Hill Avenue	Folkestone	Kent	CT20 2TD	13/07/2021	£138,500	N	Flat	2	915	£151	Leasehold
C	Flat 3	Vicarage Road	Sandgate	Folkeston	CT20 3AA	08/04/2021	£289,000	N	Flat	2	936	£309	Leasehold
C	Flat 7	11	Trinity Crescen	Folkeston	CT20 2ES	16/04/2021	£166,000	N	Flat	1	506	£328	Leasehold
C	Upper Maiso	Canterbury Road	Folkestone	Kent	CT19 5NW	04/02/2022	£187,500	N	Flat	2	829	£226	Leasehold
C	Flat 1	Granville Parade	Sandgate	Folkeston	CT20 3AL	28/01/2022	£460,000	N	Flat	4	2,088	£220	Leasehold
C	14	Enbrook Road	Sandgate	Folkeston	CT20 3NU	27/09/2021	£186,000	N	Flat	2	807	£230	Leasehold
C	Flat 5	Westbourne Gardens	Folkestone	Kent	CT20 2JA	20/01/2022	£157,500	N	Flat	2	657	£240	Leasehold
C	Flat 5	Wellington Terrace	Sandgate	Folkeston	CT20 3DY	30/09/2021	£200,000	N	Flat	2	618	£323	Leasehold
D	Flat 11	Memorial Mews	Hawkinge	Kent	CT18 7RQ	17/12/2021	£132,000	N	Flat	1	441	£299	Leasehold
D	Flat 5	Memorial Mews	Hawkinge	Kent	CT18 7RQ	24/06/2021	£125,000	N	Flat	1	420	£298	Leasehold
D	Flat 1	Stocker Court	Hawkinge	Kent	CT18 7SH	04/05/2021	£177,000	N	Flat	2	764	£232	Leasehold
D	Flat 2	Stocker Court	Hawkinge	Kent	CT18 7SH	24/06/2021	£165,000	N	Flat	2	667	£247	Leasehold
D	Flat 5	Stocker Court	Hawkinge	Kent	CT18 7SH	16/04/2021	£175,000	N	Flat	2	850	£206	Leasehold

APPENDIX 8

Appendix 8 - Commercial Rental Evidence

Address	General Typology	Size	Tenant	Start Date	Rent (p.a.)	Rent psf	Rent Type	Lease Legnth
Block B, Woolcomber Street, CT16 1SZ	Retail	4,446	Taco Bell	May-22	£88,000	£19.79	Effective	15 years
92 London Road, CT17 0SH	Retail	692	Unknown	Apr-22	£7,200	£10.40	Headline	Unknown
44-46 High Street, Dover, CT16 1EE	Retail	3,079	Unknown	Mar-22	£12,000	£3.90	Effective	10 years
Unit 1, 141 High Street, Kent, CT21 5JL	Retail	343	Private	Jan-22	£5,250	£15.31	Headline	10 years
12 High Street, CT16 1SR	Retail	732	Café Friends	Jan-22	£15,000	£20.49	Headline	15 years
40 Sandgate Road, CT20 1DW	Retail		Costa	Nov-21	£31,000	£30 (ZA)	Headline	5 years
18 High Street, Dover, CT16 1DR	Retail	252	Dover Insurance Services	Nov-21	£5,400	£21.43	Headline	5 years
6 High Street, TN31 7JE	Retail	Unknown	Private	Nov-21	£25,000		Headline	Unknown
Bouverie Place	Retail	19,312	TK Maxx	Jul-21	£55,000	£2.85	Lease Renewal (Headline)	Unknown
86 Sandgate Road, CT20 2AA	Retail	3,488	Savers Health and Beauty	Jun-21	£30,000	£8.60	Headline	5 years
106 Cheriton Road, Folkestone CT20 2QN	Retail	1,726	Private	May-21	£16,500	£9.56	Headline	20 years
137 High Street, Kent	Retail	717	Private	Apr-21	£8,500	£11.85	Headline	6 years
82 Sandgate Road, CT20 2AA	Retail		British Heart Foundation	Mar-21	£18,000	£28.50 (ZA)	Headline	5 years
42/44 Sandgate Road, CT20 1DW	Retail		Superdrug	Aug-19	£59,375	34.85 (ZA)	Headline	5 years
Truchstop Offices, Ashford, TN24 0LH	Office	1,830	Unknown	Dec-21	£33,000	£18.03	Headline	5 years
Unit 10, The Oak Trees Business Park, Ashford, TN24 0SY	Office	1,020	Country Cosmetics	Nov-21	£12,250	£12.01	Headline	6 years
Hanover Mill, Church Road, TN25 6NU	Office	828	Imago	May-21	£7,200	£8.70	Headline	5 years
134 High Street Hythe, CT21 5LB	Office	Unknown	PG Lemon	Feb-21	£10,000		Headline	7 years
Edmonton House, Park Farm Close, CT19 5DU	Office	962	Shepway Spectrym Arts CIC	Nov-20	£16,354	£17.00	Headline	3 years
Dyna House, Shepway, CT21 4LR	Office	3,275	FFX	Jan-20	£23,613	£7.21	Lease Renewal (Headline)	Unknown
127 Sandgate Road, CT20 2BH	Town Centre Offices	627	Unknown	Jul-21	£8,947	£14.27	Headline	3 years
Courier House, 80-84 Calverley Road, Tunbridge Wells, TN1 2UN	Town Centre Offices	8,805	Unknown	Jun-21	£220,125	£25.00	Headline	Unknown
West Cliff House, East Kent College	Town Centre Offices	2,252	East Kent College	Feb-21	£24,772	£11.00	Headline	5 years
11a Theatre Street, Hythe, CT21 5LD	Town Centre Offices	763	Unknown	Aug-20	£10,682	£14.00	Headline	Unknown
Units 101c, 103, 104,105,106 Station Road, Ashford, TN23 1PP	Town Centre Offices	8,400	NHS	Mar-20	£134,000	£15.95	Headline	10 years
One Priory Square, Hastings, TN34 1Ea	Town Centre Offices	6,950	Secretary of State for Transport	Jan-20	£112,472	£16.18	Headline	10 years
Mount Pleasant House, 4-6, Lonsdale Gardens, Tunbridge Wells, TN1 1NY	Town Centre Offices	5,000	FIS Global Trading	Oct-19	£180,000	£36.00	Headline	1 year
One Priory Square, Hastings, TN34 1Ea	Town Centre Offices	7,025	Medica Reporting	Mar-19	£119,088	£16.95	Headline	10 years
95-97 Mount Pleasant Road, Tunbridge Wells TN1 1QG	Large Retail	13,161	Cotsworld	Mar-22	£100,000	£7.60	Headline	5 years
41 High Street, Deal, CT14 6EL	Large Retail	17,240	Pound Land	Dec-21	£89,500	£5.19	Headline	Unknown
Bouverie Place, Folkestone, CT20 1AU	Large Reatail	19,000	TK Maxx	Jul-21	£55,000	£2.89	Lease Renewal (Effective)	5 years
Bensons for Beds, Honeywood retail park, Whitfield, CT16 3FF	Large Retail	5,027	Benson for Beds	Nov-20	£77,500	£15.42	Headline	10 years
21 Guildhall Street, Kent, CT20 1EB	Large Retail	6,080	Pilgrims Hospices	Dec-19	£25,000	£4.11	Headline	Unknown
Unit 21, North Ridge Park, TN35 4PP	Industrial	2,495	Unknown	Feb-22	£24,950	£10.00	Effective	5 years
Unit 6, Westgate Industrial Park	Industrial	4,887	EOD Distribution	Nov-21	£23,500	£4.81	Headline	6 years
Unit 14, Stanley Court Shearway Business Park, CT19 4FJ	Industrial	936	Gareth Wyte	Sep-21	£10,500	£11.22	Headline	6 years

Unit 3, Westgate Industrial Park	Industrial	5,880	Alsell 24	Jul-21	£25,000	£4.25	Headline	6 years
Shorncliffe Industrial Estate, Folkestone, CT20 3UH	Industrial	1,673	JP Autos	Apr-21	£13,500	£8.07	Headline	6 years
Unit 3, Churchfields Industrial Estate, TN38 4PP	Industrial	1,871	R&R Kitchens	Feb-21	£13,003	£6.95	Effective	7 years
Mountfield Industrial Estate, Adams Court, TN28 8LH	Industrial	1,113	Unknown	Feb-21	£7,000	£6.29	Headline	1 year
Units 1&2 Westgate Industrial Estate, TN29 0DZ	Industrial	9,532	Ilnhaus	Nov-20	£40,000	£4.20	Headline	6 years
Westbourne House, Folkestone, CT20 3FD	Industrial	21,013	Benham	Apr-20	£100,000	£4.76	Headline	10 years
Unit 11, Northridge Business Park, TN25 4PP	Industrial	2,727	Mobile Windscreens	Aug-19	£20,998	£7.70	Headline	10 years
Unit 1 Stonestile Business Park, Ashford TN27 9PG	Rural Industrial	7,891	Unknown	Nov-21	£38,000	£4.82	Headline	Unknown
Unit 5 Channel View Road, Dover, CT17 9TW	Rural Industrial	11,197	Unknown	Oct-21	£63,500	£5.67	Headline	Unknown
The Foundry, 37 London Road, TN19 7QP	Rural Industrial	5,800	Caravan Tech	Jul-20	£43,558	£7.51	Effective	10 years
Unit 1 Whiteknight Business Park, Eastbourne, BN23 6PW	Rural Industrial	10,500	South Central Ambulance Service	Nov-18	£69,034	£6.57	Headline	Unknown
The Old Vine, Cousley Wood Road, TN5 6ER	Hotels	5,005	Individual B&B	May-21	£45,000	£8.99	Headline	Unknown
Black Horse Inn, The Street, Pluckley, TN27 0QS	Hotels	5,188	Individual B&B	Mar-21	£60,000	£11.57	Headline	Unknown
The Farm, 15 Friday Street, Eastbourne, BN23 8AP	Hotels	11,173	Individual B&B	Feb-21	£70,000	£6.27	Headline	Unknown

Commercial Transactional Evidence

Address	General Typology	Price	NIY	Size	Price psf	Transaction Date	Purchaser	Vendor
11 Hunter Road, Ashford, TN24 0RY	Retail	£400,000		1,860	£215	Nov-21	Private	Private
1-9 Eastwell Parade, Kent, TN30 6AH	Retail	£2,255,000	7.55%	6080	£371	Sep-21	Unknown	Flathost Limited
19 Military Road, CT21 5AS	Retail	£37,250,000	£645.76	57,684	£646	Jul-21	RI SB Military Road	Unknown
95-97 High Street, CT21 5JH	Retail	£492,000	5.49%	4,939	£100	Jun-21	Unknown	HPUT Trustee
44-66 Sandgate Road CT20 1DW	Retail	£2,050,000		79,997	£26	May-20	Folkestone and Hythe District Council	CBRE Receiver
9-17 Sandgate Road, CT20 1SB	Retail	£2,620,000	9%	33,547	£78	Nov-19	Unknown	Unknown
Queens House, Guildhall Street, CT20 1DX	Offices	£1,475,000		27,851	£53	Mar-22	Russell & Broadway	CEPF II Meteor Investments
Folly Road, Folkestone, CT20 1PW	Offices	£325,000		2,470	£132	Feb-22	Unknown	Unknown
Dacliffe Industrial Estate	Offices	£245,000		1,273	£192	Feb-21	Exact Group	Unknown
Glendale House, Ashford, TN25 7HH	Offices	£425,000		Unknown	Unknown	Sep-20	Redec ltd	Unknown
Ashdown House, Hastings TN37 7GA	Offices	£6,750,000		34,832	£194	Apr-20	Bridges Fund Management	Telereal Trillium
Heathervale House, Tunbridge Wells, TN1 1DJ	Town Centre Offices	£12,520,000	5.57%	25,000	£500.80	Oct-20	McAleer & Rushe	F.C. Stark
The Panarama, Park Street, Ashford, TN24 8LS	Town Centre Offices	£14,000,000	8.37%	17,572	£796.72	Jun-20	Unknown	A2 Dominion
Highpoint Business Village, Ashford, TN24 8DH	Town Centre Offices	£200,000		861	£232.29	Feb-21	Nipson Technology	Unknown
1B Buckhurst Road, Bexhill, TN40 1QF	Rural Offices	£278,500		1,587	£175.49	Jun-20	Smart Property Partnership	Unknown
Dacliffe Industrial Estate, Kenardington, TN26 3TG	Rural Offices	£245,000		1,273	£192.46	Feb-21	Exact Group ltd	Unknown
Fieldworks Marketing, Wadhurst, TN5 6DF	Rural Offices	£444,500		Unknown	Unknown	Apr-21	Dalkey Properties	Unknown
North Industrial Estate, Newhaven, BN9 0HE	Industrial	£200,000		1,319	£151.63	Jan-21	Quayside	Unknown
Watling Tyre Service, Dover, CT16 2NL	Industrial	£500,000		7,309	£68.41	Aug-21	Watling Holdings	Unknown
Arc House, Folkestone, CT20 1AN	Industrial	£250,000		2,244	£111.41	Feb-21	Red-Queen Television	Unknown

The Raglan, 104 Dover Road, Folkestone, CT20 1LA	Hotel	£195,000		Unknown	Unknown	Jun-20	H Pubs Ltd	Unknown
19 The Bayle, Folkestone, CT20 1SQ	Hotel	£362,000		Unknown	Unknown	Sep-21	Unknown	Unknown
Rye Club, Rye, TN31 7JA	Hotel	£418,000		1,794	£233.00	May-21	Milner Investments Heckmondwike	Unknown

APPENDIX 9

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£/m2 study

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

Last updated: 18-Jun-2022 05:44

› Rebased to Shepway (105; sample 18)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	Sample
New build							
284. Warehouses/stores							
Generally (15)	1,069	422	641	854	1,227	4,952	46
Up to 500m2 GFA (15)	1,960	701	1,081	1,370	2,324	4,952	8
500 to 2000m2 GFA (15)	982	506	717	880	1,119	1,710	17
Over 2000m2 GFA (15)	799	422	604	643	922	1,686	21
284.1 Advance warehouses/stores (15)	860	436	636	878	1,081	1,418	10
284.2 Purpose built warehouses/stores							
Generally (15)	1,130	422	651	854	1,282	4,952	34
Up to 500m2 GFA (15)	2,261	701	1,329	1,755	2,850	4,952	6
500 to 2000m2 GFA (15)	939	506	685	854	1,070	1,710	14
Over 2000m2 GFA (15)	837	422	624	741	993	1,686	14
284.5 Cold stores/refrigerated stores (25)	1,357	1,001	-	1,072	-	1,998	3
320. Offices							
Generally (15)	2,225	1,111	1,600	2,098	2,604	5,440	72
Air-conditioned							
Generally (15)	2,233	1,304	1,780	2,209	2,562	3,862	23
1-2 storey (15)	2,236	1,304	1,901	2,092	2,310	3,862	8
3-5 storey (15)	2,096	1,492	1,658	2,092	2,562	3,031	11
6 storey or above (20)	2,784	1,924	2,282	2,490	2,793	4,929	9
Not air-conditioned							
Generally (15)	2,206	1,111	1,553	2,086	2,681	3,721	33
1-2 storey (15)	2,275	1,274	1,595	2,114	2,803	3,518	16
3-5 storey (15)	2,124	1,111	1,550	1,809	2,510	3,721	15
6 storey or above (20)	2,631	2,040	-	2,726	-	3,033	4
320.1 Offices with shops, banks, flats, etc							
Generally (15)	2,269	1,529	2,085	2,224	2,581	2,788	11
1-2 storey (20)	1,603	1,365	-	1,431	-	2,186	4
3-5 storey (15)	2,118	1,529	-	2,076	-	2,788	4
6 storey or above (15)	2,384	1,984	2,202	2,350	2,634	2,739	6

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Building function (Maximum age of projects)	£/m² gross internal floor area Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	Sample
341.1 Retail warehouses							
Generally (25)	1,035	520	792	931	1,084	3,076	48
Up to 1000m2 (25)	1,196	827	910	987	1,107	3,076	10
1000 to 7000m2 GFA (25)	1,022	520	773	931	1,141	2,195	34
7000 to 15000m2 (25)	793	771	-	-	-	816	2
Over 15000m2 GFA (30)	885	777	-	-	-	992	2
345. Shops							
Generally (30)	1,777	667	970	1,432	2,296	4,681	20
1-2 storey (30)	1,794	667	970	1,398	2,319	4,681	19
3-5 storey (30)	1,467	-	-	-	-	-	1
532. Community Centres							
Generally (25)	2,460	994	1,978	2,338	2,832	7,384	114
Up to 500m2 GFA							
Generally (25)	2,578	994	1,731	2,331	3,058	7,384	49
Steel framed (25)	2,869	1,371	1,831	2,453	3,336	7,384	23
Concrete framed (50)	1,561	-	-	-	-	-	1
Brick construction (25)	1,853	994	1,469	1,811	2,098	3,058	17
Timber framed (25)	3,215	2,331	2,836	3,092	3,625	4,179	8
500 to 2000m2 GFA							
Generally (25)	2,380	1,287	2,033	2,353	2,643	3,795	61
Steel framed (25)	2,390	1,447	2,031	2,385	2,709	3,786	39
Concrete framed (30)	2,330	-	-	-	-	-	1
Brick construction (25)	2,208	1,287	2,004	2,128	2,491	3,795	14
Timber framed (25)	2,676	2,033	2,445	2,492	2,993	3,331	7
Over 2000m2 GFA							
Generally (25)	2,234	1,826	-	2,332	-	2,448	4
Steel framed (30)	2,195	1,598	-	2,332	-	2,518	4
Concrete framed (50)	1,659	-	-	-	-	-	1
Brick construction (50)	1,228	-	-	-	-	-	1
Timber framed (15)	2,448	-	-	-	-	-	1
710. Schools							
Generally (15)	2,647	971	2,205	2,611	3,014	5,913	556
Public (15)	2,664	1,001	2,212	2,640	3,027	5,913	503
Private (15)	2,468	971	2,061	2,482	2,747	4,624	52
711. Nursery schools/creches							
Generally (15)	2,864	971	2,322	2,814	3,319	5,200	104
Up to 500m2 GFA (15)	2,848	1,324	2,278	2,795	3,309	5,200	86
500 to 2000m2 GFA (15)	2,901	971	2,483	2,824	3,235	4,624	17
Over 2000m2 GFA (25)	3,139	2,653	-	-	-	3,624	2
712. Primary schools							

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Building function (Maximum age of projects)	£/m² gross internal floor area Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	Sample
Generally (15)	2,733	1,623	2,280	2,701	3,104	4,688	189
Up to 500m2 GFA (15)	2,897	1,639	2,412	2,791	3,475	4,005	28
500 to 2000m2 GFA (15)	2,786	1,633	2,341	2,703	3,161	4,144	71
Over 2000m2 GFA (15)	2,640	1,623	2,253	2,604	3,014	4,688	90
712.1 Middle schools (20)	2,622	2,316	-	2,358	-	3,191	3
712.12 Primary/middle schools - specialised teaching blocks (15)	1,457	1,048	-	1,484	-	1,811	4
712.8 Primary Schools - mixed facilities (15)	2,429	1,160	2,038	2,425	2,849	3,587	66
713. Secondary schools (high schools) (15)	2,494	1,254	2,140	2,471	2,708	5,913	46
713.1 Secondary schools - specialised teaching blocks (15)	2,602	1,001	2,218	2,606	2,899	4,838	39
713.8 Secondary Schools - mixed facilities (15)	2,246	1,419	1,916	2,356	2,586	3,014	33
714. Sixth form/tertiary colleges (15)	2,697	1,479	2,310	2,585	3,311	3,640	17
714.1 Sixth form specialised teaching blocks (15)	2,564	1,720	2,068	2,482	3,007	3,513	14
714.8 Sixth form - mixed facilities (15)	2,407	1,740	1,896	2,263	3,074	3,133	9
715.8 All Through Schools - mixed facilities (10)	2,642	2,259	-	-	-	3,024	2
717. Special schools (15)	2,779	1,839	2,297	2,656	3,092	4,928	28
717.2 Schools for those with learning disabilities (15)	2,769	1,839	2,460	2,680	3,027	4,039	18
717.3 Schools for the physically disabled (25)	2,285	2,051	-	2,344	-	2,402	4
717.8 Boarding schools - mixed teaching/residential buildings only (30)	2,488	-	-	-	-	-	1
719.1 Playcare centres, out of school clubs (15)	2,523	2,503	-	-	-	2,543	2
810. Housing, mixed developments (15)	1,463	802	1,283	1,424	1,594	3,303	1218
810.1 Estate housing							
Generally (15)	1,465	714	1,249	1,411	1,601	5,069	1464
Single storey (15)	1,648	935	1,402	1,593	1,826	5,069	238
2-storey (15)	1,416	714	1,230	1,379	1,545	3,073	1130
3-storey (15)	1,512	913	1,211	1,449	1,700	3,006	91
4-storey or above (15)	3,083	1,498	2,478	2,766	4,118	4,557	5
810.11 Estate housing detached (15)	1,886	1,082	1,485	1,634	1,898	5,069	22

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Building function (Maximum age of projects)	£/m² gross internal floor area Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	Sample
810.12 Estate housing semi detached							
Generally (15)	1,463	865	1,255	1,432	1,601	2,698	352
Single storey (15)	1,626	1,072	1,412	1,601	1,794	2,698	73
2-storey (15)	1,422	865	1,254	1,395	1,558	2,513	266
3-storey (15)	1,393	1,037	1,107	1,370	1,487	2,103	13
810.13 Estate housing terraced							
Generally (15)	1,511	913	1,227	1,421	1,665	4,557	260
Single storey (15)	1,743	1,111	1,457	1,788	2,025	2,396	19
2-storey (15)	1,452	919	1,219	1,396	1,595	3,073	197
3-storey (15)	1,542	913	1,204	1,427	1,761	3,006	42
4-storey or above (10)	4,337	4,118	-	-	-	4,557	2
816. Flats (apartments)							
Generally (15)	1,724	852	1,435	1,633	1,947	5,923	851
1-2 storey (15)	1,636	1,001	1,382	1,562	1,832	3,020	189
3-5 storey (15)	1,698	852	1,432	1,620	1,923	3,596	563
6 storey or above (15)	2,050	1,248	1,667	1,935	2,185	5,923	96
820.1 'One-off' housing detached (3 units or less)							
Generally (15)	2,676	1,086	1,846	2,419	3,267	7,084	127
Single storey (15)	2,154	1,316	1,594	1,975	2,460	4,112	28
2-storey (15)	2,545	1,086	1,829	2,288	3,026	6,709	64
3-storey (15)	3,077	1,462	2,319	3,106	3,476	5,644	28
4-storey or above (15)	5,118	2,731	3,510	6,038	6,228	7,084	5
843. Supported housing							
Generally (15)	1,851	945	1,551	1,712	2,041	3,769	134
Single storey (15)	2,139	1,340	1,713	1,848	2,271	3,769	17
2-storey (15)	1,841	945	1,542	1,675	2,041	3,281	42
3-storey (15)	1,703	957	1,543	1,634	1,879	2,554	47
4-storey or above (15)	1,933	1,175	1,537	1,774	1,978	3,645	25
843.1 Supported housing with shops, restaurants or the like (15)	1,751	1,120	1,488	1,648	1,862	2,974	32
852. Hotels (15)	2,438	1,340	1,957	2,358	3,017	3,514	16

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APPENDIX 10

Development Finance Rates

July 2022

1. FINANCE COSTS

1.1. The finance rate applied in the appraisals represents a total cost of capital in financing the Scheme. The rate adopted represents the combined cost of both debt and equity financing. When broken down, the debt element of the cost of finance includes a margin and risk premium above a 5-year swap rate. The equity element should in theory reflect an equity return which when combined with the debt element sums to the weighted average cost of capital (WACC). The equity element of the finance cost is also considered in view of the development return, which is the amount of profit a scheme is producing. It follows that to avoid double-counting, the finance cost should broadly consist of debt finance plus a margin to reflect the more costly equity whilst the developer return is reflected in the development profit.

1.2. Bayes Business School (formerly Cass) Commercial Real Estate (CRE) Lending Report Year End 2021 collates a sample of the conditions under which lenders offer development finance.

1.3. The survey which has been running for over twenty years comments on the changes in the commercial real estate lending cycle over the period since 1999 as follows:

- Throughout the history of the survey there has been a strong correlation of 2:1 between real estate transactions and loan origination. In other words, for every £1 in real estate transactions 50p is generated in loan origination.
- The survey notes that there appears to be no enduring connection between transaction volumes and the "health" of the market, measured in terms of movements in capital values.
- The exception to this norm is seen in the years leading up to and even through the start of the market crisis during which loan origination significantly exceeded the level that could be expected from market activity and continued even whilst capital values fell.
- The result of the extreme lending market was a wave of loan defaults which peaked in 2012 and only returned to normal levels by 2016 approximately ten years after capital values reached their highest levels.
- In 2020, property transactions fell by 16% while loan originations fell by 23%. 2020 was the second consecutive year of decline in both investment and debt transactions.
- The Year-End 2021 survey reports that in 2021 property transactions and debt origination have recovered, with year-on-year growth of c. 45%.

1.4. Judged by the number of lenders providing information to the Bayes Report, there was a decline in lender willingness to contemplate development finance during the first of 2021 however activity picked up significantly during the second half of the year.

1.5. Development finance even for pre-let commercial schemes, the "least risky" of scheme has loan margins of 385bps which is 142bps higher than prime office investment loan margins.

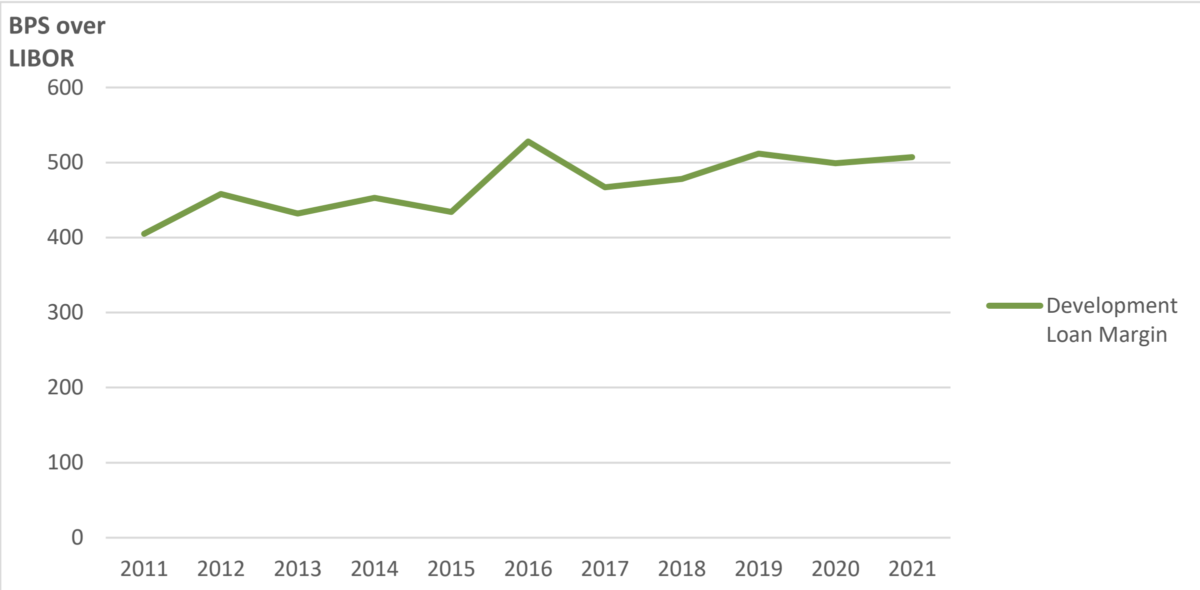
1.6. Fewer lenders provide development finance on speculative development even when 50% pre-let.

Average senior lending terms for development loans, December 2021

	2021 YE Lending margin bps	2021 H1 Lending margin bps	Arrangement Fee bps	Loan to Cost Ratio %	Lenders quoting Dec 2021	Lenders quoting 2021 H1
Commercial pre-let	371	385	110	60%	31	22
Commercial 50% Pre-let	396	431	113	59%	13	13
Commercial Speculative	433	447	127	58%	12	12
Residential	507	514	118	62%	26	23

Source: Bayes Business School (formerly Cass) Commercial Real Estate (CRE) Lending Report YE2021

Chart 1: All Lenders Residential Development Lending Margin



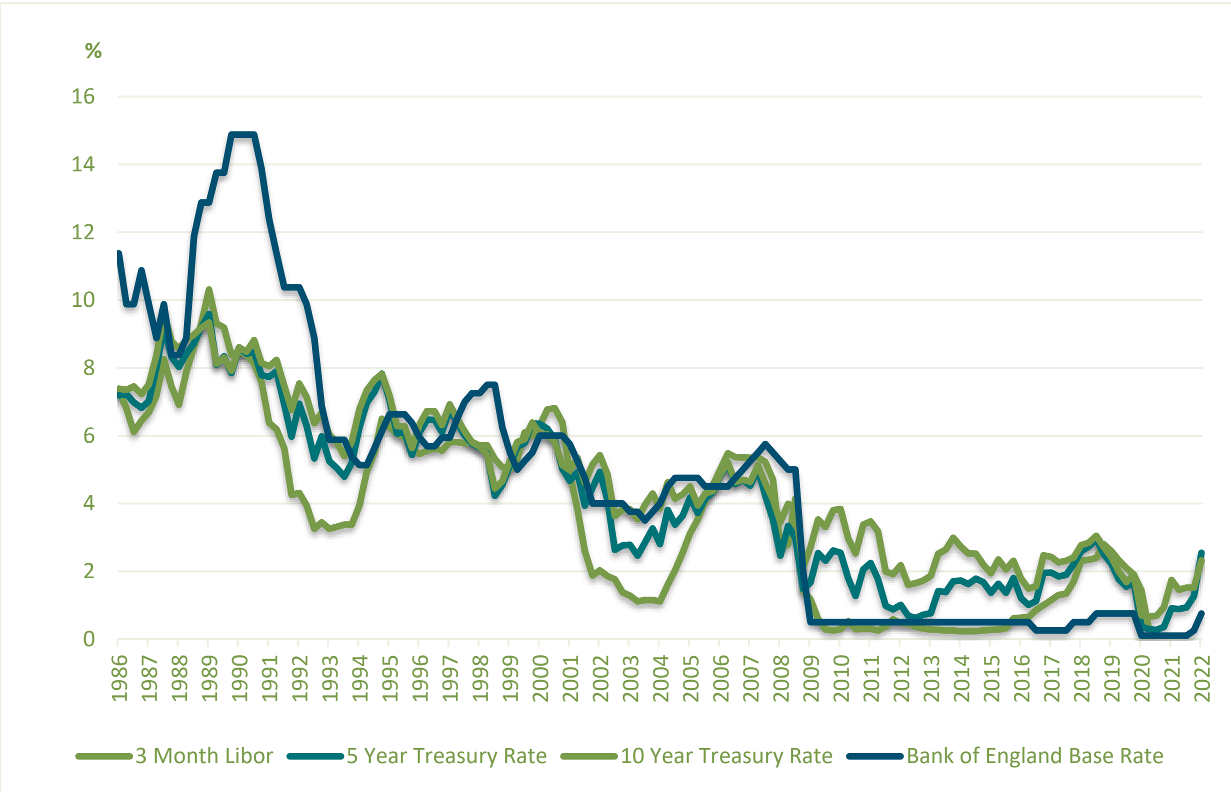
1.7. According to Bayes Business School, pre-let development margins can start from 250 bps for LTC levels of 40 – 90% and from 300 bps for speculative schemes. For residential schemes margins can start from 275 bps.

1.8. The UK CRE lending market has seen a rising number and range of lenders. These include new small debt funds launched by asset management firms and less conventional lending channels such as peer-to-peer lending by pension funds and to a limited extent crowdfunding platform for both investment and development loans.

1.9. Given that senior debt is generally offered at 50% to 90% of cost of development projects, the remainder of project financing will, in most cases, be comprised of equity and in some cases varying levels of junior debt, mezzanine debt.

	1.10.	Junior debt and particularly mezzanine debt are typically provided by specialist platforms, and a lack of available research exists as to average lending criteria. The IPF, for example, states that "mezzanine finance is not a product that many banks provide" and "this type of finance is typically associated with projects funded on a profit share basis".
	1.11.	Given the lack of available research and idiosyncratic nature of subordinate debt arrangements for real estate development funding, we have omitted this from our assessment of the market rate for development finance. The remaining project cost not provided by senior debt is therefore assumed to be equity financed.
	1.12.	The Bank of England raised interest rates in 2017 and 2018 from the historic low of 0.25% to 0.75%. In response to the COVID-19 pandemic, the Bank of England cut interest rates to 0.1%. Since December 2021, in response to rising inflation, the bank has raised interest rate five times, most recently setting the rate in June 2022 at 1.25%. The Bank of England has also signalled that further rate rises are likely.

Chart 2: Historic Rates



1.13. Following recent developments in Ukraine and the impact that the outbreak of war is having on world markets we have adopted a cautious approach to the cost of finance, and we advise that there is a higher than usual degree of risk around this item.

1.14. Considering the market uncertainty, the total cost of capital for financing the scheme would be in the order of 7.0% to 7.5%. This figure also takes into account arrangement, monitoring and related fees.

1.15. This finance rate we have adopted is subject to a higher degree of uncertainty than usual and therefore we recommend that this is kept under review. We also reserve the right to revise this figure should more evidence come to light.

Table 2: Finance rate adopted

Description	Allowance
Finance Rate	7.0%

Source: Gerald Eve

APPENDIX 11

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
1	A	FALSE	465	3	9	13	1	£0.06m	£0.06m	-£0.3m	21.8%

Zone A:
5 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	465	£3,337	£1,551,616
Affordable	-	£0	-
Senior Living			-
Commercial			-
GDV	465		**£1,551,616**
Land	-28%	-£724	**(£336,856)**
Construction		£2,849	£1,324,580
Fees etc			£106,392
Planning obligations			£31,826
Disposal costs			£62,065
Finance			£26,057
Total Costs			**£1,214,063**
PROFIT			**£337,553**
Profit on Cost			**27.8%**
Profit on Value			**21.8%**

INPUTS 5 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	100%	5	465	5,005	310	1,551,616
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**5**	**465**			**1,551,616**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	1,551,616	13	1	50%	**1,551,616**
Intermediate	-	13	1		**-**
Affordable Rent	-	13	1		**-**
Senior Living	-	13	1		**-**
Commercial	-	13	1		**-**
Total					**1,551,616**

	Rate			Start	Duration	Total
Land costs						
Site value			316,484	1	1	**316,484**
Acquisition costs	6.80%		21,521	1	1	**21,521**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,063,920)	4	9	**(1,063,920)**
Residential Contingency	10.0%		(106,392)	4	9	**(106,392)**
Residential Professional Fees	10.0%	of costs	(106,392)	4	9	**(106,392)**
Residential External Works			(106,392)	4	9	**(106,392)**
Residential Environmental Costs			(21,278)	4	9	**(21,278)**
Residential Site Preparation			(26,598)	4	9	**(26,598)**
				13	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	9	-
Commercial Contingency			-	4	9	-
Commercial Professional Fees			-	4	9	-
Commercial External Works			-	4	9	-
Commercial Environmental Costs			-	4	9	-
Commercial Site Preparation			-	4	9	-
				4	9	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			(31,826)	4	1	**(31,826)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(62,065)	13	1	**(62,065)**
Total cost (exc finance)						**(1,524,863)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(26,057)**
Total Costs						
Closing Balance						
PROFIT						**337,553**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
2	A	FALSE	1,150	3	12	16	1	£0.09m	£0.09m	£0.4m	17.7%

Zone A:
10 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	897	£3,337	£2,993,118
Affordable	253	£2,270	£574,337
Senior Living			-
Commercial			-
GDV	1,150		**£3,567,455**
Land	14%	£367	**£421,966**
Construction		£1,757	£2,020,199
Fees etc			£162,265
Planning obligations			£63,651
Disposal costs			£142,698
Finance			£123,592
Total Costs			**£2,934,371**
PROFIT			**£633,084**
Profit on Cost			**21.6%**
Profit on Value			**17.7%**

INPUTS 10 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	8	897	9,655	310	2,993,118
Intermediate	7%	1	76	817	248	202,611
Affordable Rent	15%	2	177	1,906	195	371,726
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**10**	**1,150**			**3,567,455**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	2,993,118	16	1	50%	**2,993,118**
Intermediate	202,611	16	1		**202,611**
Affordable Rent	371,726	16	1		**371,726**
Senior Living	-	16	1		**-**
Commercial	-	16	1		**-**
Total					**3,567,455**

	Rate			Start	Duration	Total
Land costs						
Site value			(395,099)	1	1	**(395,099)**
Acquisition costs	6.80%		(26,867)	1	1	**(26,867)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,622,650)	4	12	**(1,622,650)**
Residential Contingency	10.0%		(162,265)	4	12	**(162,265)**
Residential Professional Fees	10.0%	of costs	(162,265)	4	12	**(162,265)**
Residential External Works			(162,265)	4	12	**(162,265)**
Residential Environmental Costs			(32,453)	4	12	**(32,453)**
Residential Site Preparation			(40,566)	4	12	**(40,566)**
				16	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	12	-
Commercial Contingency			-	4	12	-
Commercial Professional Fees			-	4	12	-
Commercial External Works			-	4	12	-
Commercial Environmental Costs			-	4	12	-
Commercial Site Preparation			-	4	12	-
				4	12	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			(63,651)	4	1	**(63,651)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(142,698)	16	1	**(142,698)**
Total cost (exc finance)						**(2,388,814)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(123,592)**
Total Costs						
Closing Balance						

PROFIT	633,084

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
3	A	FALSE	1,969	3	18	22	4	£0.75m	£0.90m	£0.4m	17.7%

Zone A:
25 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	1,536	£3,275	£5,029,529
Affordable	433	£2,255	£976,920
Senior Living			-
Commercial			-
GDV	1,969		**£6,006,449**
Land	8%	£208	**£409,527**
Construction		£1,807	£3,557,290
Fees etc			£285,726
Planning obligations			£159,128
Disposal costs			£240,258
Finance			£289,196
Total Costs			**£4,941,125**
PROFIT			**£1,065,324**
Profit on Cost			**21.6%**
Profit on Value			**17.7%**

INPUTS 25 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	20	1,536	16,532	304	5,029,529
Intermediate	7%	2	130	1,399	243	340,460
Affordable Rent	15%	4	303	3,264	195	636,459
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**25**	**1,969**			**6,006,449**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	5,029,529	1.00	22	4	40%	**5,029,529**
Intermediate	340,460	1.00	22	1		**340,460**
Affordable Rent	636,459	1.00	22	1		**636,459**
Senior Living	-	1.00	22	1		**-**
Commercial	-	1.00	22	1		**-**
Total						**6,006,449**

	Rate			Start	Duration	
Land costs	**Rate**					
Site value			(383,452)	1	1	**(383,452)**
Acquisition costs	6.80%		(26,075)	1	1	**(26,075)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(2,857,261)	4	18	**(2,857,261)**
Residential Contingency	10.0%		(285,726)	4	18	**(285,726)**
Residential Professional Fees	10.0%	of costs	(285,726)	4	18	**(285,726)**
Residential External Works			(285,726)	4	18	**(285,726)**
Residential Environmental Costs			(57,145)	4	18	**(57,145)**
Residential Site Preparation			(71,432)	4	18	**(71,432)**
				22	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	18	**-**
Commercial Contingency			-	4	18	**-**
Commercial Professional Fees			-	4	18	**-**
Commercial External Works			-	4	18	**-**
Commercial Environmental Costs			-	4	18	**-**
Commercial Site Preparation			-	4	18	**-**
				4	18	**-**
Planning obligations						
Borough CIL			-	4	1	**-**
Residential S106			(159,128)	4	1	**(159,128)**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			(240,258)	22	4	**(240,258)**
Total cost (exc finance)						**(4,242,402)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(289,196)**
Total Costs						
Closing Balance						
PROFIT						**1,065,324**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
4	A	FALSE	3,938	6	24	31	5	£0.61m	£0.61m	£0.6m	17.7%

Zone A:
50 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	3,072	£3,275	£10,059,058
Affordable	866	£2,255	£1,953,840
Senior Living			-
Commercial			-
GDV	3,938		**£12,012,898**
Land	6%	£162	**£636,252**
Construction		£1,807	£7,114,580
Fees etc			£571,452
Planning obligations			£318,256
Disposal costs			£480,516
Finance			£761,267
Total Costs			**£9,882,323**
PROFIT			**£2,130,575**
Profit on Cost			**21.6%**
Profit on Value			**17.7%**

INPUTS 50 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	39	3,072	33,063	304	10,059,058
Intermediate	7%	3	260	2,798	243	680,921
Affordable Rent	15%	8	606	6,528	195	1,272,919
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**50**	**3,938**			**12,012,898**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	10,059,058	1.00	31	5	30%	**10,059,058**
Intermediate	680,921	1.00	31	1		**680,921**
Affordable Rent	1,272,919	1.00	31	1		**1,272,919**
Senior Living	-	1.00	31	1		**-**
Commercial	-	1.00	31	1		**-**
Total						**12,012,898**

	Rate			Start	Duration	
Land costs	**Rate**					
Site value			(595,741)	1	1	**(595,741)**
Acquisition costs	6.80%		(40,510)	1	1	**(40,510)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(5,714,522)	7	24	**(5,714,522)**
Residential Contingency	10.0%		(571,452)	7	24	**(571,452)**
Residential Professional Fees	10.0%	of costs	(571,452)	7	24	**(571,452)**
Residential External Works			(571,452)	7	24	**(571,452)**
Residential Environmental Costs			(114,290)	7	24	**(114,290)**
Residential Site Preparation			(142,863)	7	24	**(142,863)**
				31	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	7	24	**-**
Commercial Contingency			-	7	24	**-**
Commercial Professional Fees			-	7	24	**-**
Commercial External Works			-	7	24	**-**
Commercial Environmental Costs			-	7	24	**-**
Commercial Site Preparation			-	7	24	**-**
				7	24	**-**
Planning obligations						
Borough CIL			-	7	1	**-**
Residential S106			(318,256)	7	1	**(318,256)**
Commercial S106			-	7	1	**-**
Disposal Costs						
Marketing and disposal cost			(480,516)	31	5	**(480,516)**
Total cost (exc finance)						**(8,484,804)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						

Interest	7.0%	debit		**(761,267)**
Total Costs				
Closing Balance				
PROFIT				**2,130,575**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
5	A	FALSE	8,510	6	36	43	12	£0.76m	£0.76m	£0.7m	17.9%

Zone A:
100 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	6,638	£3,287	£21,820,374
Affordable	1,872	£2,258	£4,227,843
Senior Living			-
Commercial			-
GDV	8,510		**£26,048,217**
Land	3%	£88	**£746,138**
Construction		£1,797	£15,289,042
Fees etc			£1,228,036
Planning obligations			£636,513
Disposal costs			£1,041,929
Finance			£2,438,336
Total Costs			**£21,379,992**
PROFIT			**£4,668,224**
Profit on Cost			**21.8%**
Profit on Value			**17.9%**

INPUTS 100 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	78	6,638	71,449	305	21,820,374
Intermediate	7%	7	562	6,046	244	1,477,071
Affordable Rent	15%	15	1,311	14,107	195	2,750,772
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**100**	**8,510**			**26,048,217**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	21,820,374	1.00	43	12	20%	**21,820,374**
Intermediate	1,477,071	1.00	43	1		**1,477,071**
Affordable Rent	2,750,772	1.00	43	1		**2,750,772**
Senior Living	-	1.00	43	1		**-**
Commercial	-	1.00	43	1		**-**
Total						**26,048,217**

Land costs	Rate					
Site value			(698,631)	1	1	**(698,631)**
Acquisition costs	6.80%		(47,507)	1	1	**(47,507)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(12,280,355)	7	36	**(12,280,355)**
Residential Contingency	10.0%		(1,228,036)	7	36	**(1,228,036)**
Residential Professional Fees	10.0%	of costs	(1,228,036)	7	36	**(1,228,036)**
Residential External Works			(1,228,036)	7	36	**(1,228,036)**
Residential Environmental Costs			(245,607)	7	36	**(245,607)**
Residential Site Preparation			(307,009)	7	36	**(307,009)**
				43	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	7	36	-
Commercial Contingency			-	7	36	-
Commercial Professional Fees			-	7	36	-
Commercial External Works			-	7	36	-
Commercial Environmental Costs			-	7	36	-
Commercial Site Preparation			-	7	36	-
				7	36	-
Planning obligations						
Borough CIL			-	7	1	**-**
Residential S106			(636,513)	7	1	**(636,513)**
Commercial S106			-	7	1	**-**
Disposal Costs						
Marketing and disposal cost			(1,041,929)	43	12	**(1,041,929)**
Total cost (exc finance)						**(18,195,519)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest	7.0%	debit		50,479		**(2,438,336)**
Total Costs						
Closing Balance						
PROFIT						**4,668,224**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
6	B	FALSE	465	3	9	13	1	£0.06m	£0.06m	-£0.2m	20.7%

Zone B:
5 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	465	£3,660	£1,701,773
Affordable	-	£0	-
Senior Living			-
Commercial			-
GDV	465		**£1,701,773**
Land	-18%	-£524	**(£243,852)**
Construction		£2,849	£1,324,580
Fees etc			£106,392
Planning obligations			£61,933
Disposal costs			£68,071
Finance			£31,737
Total Costs			**£1,348,860**
PROFIT			**£352,912**
Profit on Cost			**26.2%**
Profit on Value			**20.7%**

INPUTS 5 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	100%	5	465	5,005	340	1,701,773
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**5**	**465**			**1,701,773**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	1,701,773	1.00	13	1	50%	**1,701,773**
Intermediate	-	1.00	13	1		**-**
Affordable Rent	-	1.00	13	1		**-**
Senior Living	-	1.00	13	1		**-**
Commercial	-	1.00	13	1		**-**
Total						**1,701,773**

Land costs	Rate					
Site value			229,134	1	1	**229,134**
Acquisition costs	6.80%		15,581	1	1	**15,581**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,063,920)	4	9	**(1,063,920)**
Residential Contingency	10.0%		(106,392)	4	9	**(106,392)**
Residential Professional Fees	10.0%	of costs	(106,392)	4	9	**(106,392)**
Residential External Works			(106,392)	4	9	**(106,392)**
Residential Environmental Costs			(21,278)	4	9	**(21,278)**
Residential Site Preparation			(26,598)	4	9	**(26,598)**
				13	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	9	-
Commercial Contingency			-	4	9	-
Commercial Professional Fees			-	4	9	-
Commercial External Works			-	4	9	-
Commercial Environmental Costs			-	4	9	-
Commercial Site Preparation			-	4	9	-
				4	9	-
Planning obligations						
Borough CIL			(30,107)	4	1	**(30,107)**
Residential S106			(31,826)	4	1	**(31,826)**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			(68,071)	13	1	**(68,071)**

Total cost (exc finance)			**(1,560,976)**
Overall net cashflow			
Opening Balance			
Development Costs for Period			
Interest	7.0% debit		**(31,737)**
Total Costs			
Closing Balance			
PROFIT			**352,912**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
7	B	FALSE	1,150	3	12	16	1	£0.30m	£0.36m	£0.6m	17.9%

Zone B:
10 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	897	£3,660	£3,282,774
Affordable	253	£2,348	£593,944
Senior Living			-
Commercial			-
GDV	1,150		**£3,876,719**
Land	19%	£537	**£617,775**
Construction		£1,757	£2,020,199
Fees etc			£162,265
Planning obligations			£86,731
Disposal costs			£155,069
Finance			£142,488
Total Costs			**£3,184,527**
PROFIT			**£692,192**
Profit on Cost			**21.7%**
Profit on Value			**17.9%**

INPUTS 10 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	8	897	9,655	340	3,282,774
Intermediate	7%	1	76	817	272	222,219
Affordable Rent	15%	2	177	1,906	195	371,726
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**10**	**1,150**			**3,876,719**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	3,282,774	16	1	50%	**3,282,774**
Intermediate	222,219	16	1		**222,219**
Affordable Rent	371,726	16	1		**371,726**
Senior Living	-	16	1		**-**
Commercial	-	16	1		**-**
Total					**3,876,719**

Land costs	Rate			Start	Duration	Total
Site value			(578,441)	1	1	**(578,441)**
Acquisition costs	6.80%		(39,334)	1	1	**(39,334)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,622,650)	4	12	**(1,622,650)**
Residential Contingency	10.0%		(162,265)	4	12	**(162,265)**
Residential Professional Fees	10.0%	of costs	(162,265)	4	12	**(162,265)**
Residential External Works			(162,265)	4	12	**(162,265)**
Residential Environmental Costs			(32,453)	4	12	**(32,453)**
Residential Site Preparation			(40,566)	4	12	**(40,566)**
				16	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	12	**-**
Commercial Contingency			-	4	12	**-**
Commercial Professional Fees			-	4	12	**-**
Commercial External Works			-	4	12	**-**
Commercial Environmental Costs			-	4	12	**-**
Commercial Site Preparation			-	4	12	**-**
				4	12	**-**
Planning obligations						
Borough CIL			(23,080)	4	1	**(23,080)**
Residential S106			(63,651)	4	1	**(63,651)**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			(155,069)	16	1	**(155,069)**
Total cost (exc finance)						**(2,424,264)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest	7.0% debit					**(142,488)**
Total Costs						
Closing Balance						
PROFIT						**692,192**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
8	B	FALSE	1,969	3	18	22	4	£0.51m	£0.61m	£0.7m	17.9%

Zone B:
25 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	1,536	£3,618	£5,557,208
Affordable	433	£2,338	£1,012,640
Senior Living			-
Commercial			-
GDV	1,969		**£6,569,847**
Land	14%	£378	**£744,891**
Construction		£1,807	£3,557,290
Fees etc			£285,726
Planning obligations			£208,021
Disposal costs			£262,794
Finance			£337,419
Total Costs			**£5,396,141**
PROFIT			**£1,173,706**
Profit on Cost			**21.8%**
Profit on Value			**17.9%**

INPUTS 25 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	20	1,536	16,532	336	5,557,208
Intermediate	7%	2	130	1,399	269	376,180
Affordable Rent	15%	4	303	3,264	195	636,459
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**25**	**1,969**			**6,569,847**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	5,557,208	22	4	40%	**5,557,208**
Intermediate	376,180	22	1		**376,180**
Affordable Rent	636,459	22	1		**636,459**
Senior Living	-	22	1		**-**
Commercial	-	22	1		**-**
Total					**6,569,847**

Land costs	Rate			Start	Duration	Total
Site value			(697,463)	1	1	**(697,463)**
Acquisition costs	6.80%		(47,427)	1	1	**(47,427)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(2,857,261)	4	18	**(2,857,261)**
Residential Contingency	10.0%		(285,726)	4	18	**(285,726)**
Residential Professional Fees	10.0%	of costs	(285,726)	4	18	**(285,726)**
Residential External Works			(285,726)	4	18	**(285,726)**
Residential Environmental Costs			(57,145)	4	18	**(57,145)**
Residential Site Preparation			(71,432)	4	18	**(71,432)**
				22	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	18	**-**
Commercial Contingency			-	4	18	**-**
Commercial Professional Fees			-	4	18	**-**
Commercial External Works			-	4	18	**-**
Commercial Environmental Costs			-	4	18	**-**
Commercial Site Preparation			-	4	18	**-**
				4	18	**-**
Planning obligations						
Borough CIL			(48,893)	4	1	**(48,893)**
Residential S106			(159,128)	4	1	**(159,128)**

Commercial S106		-	4	1	-
Disposal Costs					
Marketing and disposal cost		(262,794)	22	4	**(262,794)**
Total cost (exc finance)					**(4,313,831)**
Overall net cashflow					
Opening Balance					
Development Costs for Period					
Interest	7.0% debit				**(337,419)**
Total Costs					
Closing Balance					
PROFIT					**1,173,706**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
9	B	FALSE	3,938	6	24	31	5	£3.50m	£4.20m	£1.2m	17.9%

Zone B:
50 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	3,072	£3,618	£11,114,416
Affordable	866	£2,338	£2,025,279
Senior Living			-
Commercial			-
GDV	3,938		**£13,139,695**
Land	12%	£328	**£1,291,708**
Construction		£1,807	£7,114,580
Fees etc			£571,452
Planning obligations			£392,954
Disposal costs			£525,588
Finance			£896,244
Total Costs			**£10,792,526**
PROFIT			**£2,347,169**
Profit on Cost			**21.7%**
Profit on Value			**17.9%**

INPUTS 50 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	39	3,072	33,063	336	11,114,416
Intermediate	7%	3	260	2,798	269	752,360
Affordable Rent	15%	8	606	6,528	195	1,272,919
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**50**	**3,938**			**13,139,695**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	11,114,416	31	5	30%	**11,114,416**
Intermediate	752,360	31	1		**752,360**
Affordable Rent	1,272,919	31	1		**1,272,919**
Senior Living	-	31	1		-
Commercial	-	31	1		-
Total					**13,139,695**

	Rate			Start	Duration	
Land costs						
Site value			(1,209,464)	1	1	**(1,209,464)**
Acquisition costs	6.80%		(82,244)	1	1	**(82,244)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(5,714,522)	7	24	**(5,714,522)**
Residential Contingency	10.0%		(571,452)	7	24	**(571,452)**
Residential Professional Fees	10.0%	of costs	(571,452)	7	24	**(571,452)**
Residential External Works			(571,452)	7	24	**(571,452)**
Residential Environmental Costs			(114,290)	7	24	**(114,290)**
Residential Site Preparation			(142,863)	7	24	**(142,863)**
				31	1	-
Commercial Development Costs						
Commercial Construction Cost			-	7	24	-
Commercial Contingency			-	7	24	-
Commercial Professional Fees			-	7	24	-
Commercial External Works			-	7	24	-
Commercial Environmental Costs			-	7	24	-
Commercial Site Preparation			-	7	24	-
				7	24	-
Planning obligations						
Borough CIL			(74,698)	7	1	**(74,698)**
Residential S106			(318,256)	7	1	**(318,256)**
Commercial S106			-	7	1	-
Disposal Costs						
Marketing and disposal cost			(525,588)	31	5	**(525,588)**
Total cost (exc finance)						**(8,604,574)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest		7.0% debit				**(896,244)**
Total Costs						
Closing Balance						
PROFIT						**2,347,169**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
10	B	FALSE	8,510	6	36	43	12	£0.72m	£0.72m	£1.7m	17.9%

Zone B:
100 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	6,638	£3,627	£24,073,398
Affordable	1,872	£2,340	£4,380,356
Senior Living			-
Commercial			-
GDV	8,510		**£28,453,753**
Land	8%	£212	**£1,801,590**
Construction		£1,797	£15,289,042
Fees etc			£1,228,036
Planning obligations			£1,066,283
Disposal costs			£1,138,150
Finance			£2,845,910
Total Costs			**£23,369,012**
PROFIT			**£5,084,741**
Profit on Cost			**21.8%**
Profit on Value			**17.9%**

INPUTS 100 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	78	6,638	71,449	337	24,073,398
Intermediate	7%	7	562	6,046	270	1,629,584
Affordable Rent	15%	15	1,311	14,107	195	2,750,772
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**100**	**8,510**			**28,453,753**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	24,073,398	43	12	20%	**24,073,398**
Intermediate	1,629,584	43	1		**1,629,584**
Affordable Rent	2,750,772	43	1		**2,750,772**
Senior Living	-	43	1		-
Commercial	-	43	1		-
Total					**28,453,753**

	Rate			Start	Duration	
Land costs						
Site value			(1,686,882)	1	1	**(1,686,882)**
Acquisition costs	6.80%		(114,708)	1	1	**(114,708)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(12,280,355)	7	36	**(12,280,355)**
Residential Contingency	10.0%		(1,228,036)	7	36	**(1,228,036)**
Residential Professional Fees	10.0%	of costs	(1,228,036)	7	36	**(1,228,036)**
Residential External Works			(1,228,036)	7	36	**(1,228,036)**
Residential Environmental Costs			(245,607)	7	36	**(245,607)**
Residential Site Preparation			(307,009)	7	36	**(307,009)**
				43	1	-
Commercial Development Costs						
Commercial Construction Cost			-	7	36	-
Commercial Contingency			-	7	36	-
Commercial Professional Fees			-	7	36	-
Commercial External Works			-	7	36	-
Commercial Environmental Costs			-	7	36	-
Commercial Site Preparation			-	7	36	-

				Start	Duration	Total
				7	36	-
Planning obligations						
Borough CIL			(429,771)	7	1	**(429,771)**
Residential S106			(636,513)	7	1	**(636,513)**
Commercial S106			-	7	1	-
Disposal Costs						
Marketing and disposal cost			(1,138,150)	43	12	**(1,138,150)**
Total cost (exc finance)						**(18,721,511)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest		7.0% debit				**(2,845,910)**
Total Costs						
Closing Balance						
PROFIT						**5,084,741**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
11	C	FALSE	465	3	9	13	1	£0.20m	£0.24m	-£0.2m	20.6%

Zone C:
5 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	465	£3,660	£1,701,773
Affordable	-	£0	-
Senior Living			-
Commercial			-
GDV	465		**£1,701,773**
Land	-16%	-£458	**(£212,861)**
Construction		£2,849	£1,324,580
Fees etc			£106,392
Planning obligations			£32,474
Disposal costs			£68,071
Finance			£31,807
Total Costs			**£1,350,464**
PROFIT			**£351,308**
Profit on Cost			**26.0%**
Profit on Value			**20.6%**

INPUTS 5 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	100%	5	465	5,005	340	1,701,773
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**5**	**465**			**1,701,773**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	1,701,773	13	1	50%	**1,701,773**
Intermediate	-	13	1		-
Affordable Rent	-	13	1		-
Senior Living	-	13	1		-
Commercial	-	13	1		-
Total					**1,701,773**

Land costs	Rate					
Site value			200,013	1	1	**200,013**
Acquisition costs	6.80%		13,601	1	1	**13,601**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,063,920)	4	9	**(1,063,920)**
Residential Contingency	10.0%		(106,392)	4	9	**(106,392)**
Residential Professional Fees	10.0%	of costs	(106,392)	4	9	**(106,392)**
Residential External Works			(106,392)	4	9	**(106,392)**
Residential Environmental Costs			(21,278)	4	9	**(21,278)**
Residential Site Preparation			(26,598)	4	9	**(26,598)**
				13	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	9	-
Commercial Contingency			-	4	9	-
Commercial Professional Fees			-	4	9	-
Commercial External Works			-	4	9	-
Commercial Environmental Costs			-	4	9	-
Commercial Site Preparation			-	4	9	-
				4	9	-
Planning obligations						
Borough CIL			(649)	4	1	**(649)**
Residential S106			(31,826)	4	1	**(31,826)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(68,071)	13	1	**(68,071)**
Total cost (exc finance)						**(1,531,518)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest		7.0% debit				**(31,807)**
Total Costs						
Closing Balance						
PROFIT						**351,308**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
12	C	FALSE	936	3	12	16	1	£0.20m	£0.24m	£0.5m	17.9%

Zone C:
10 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	730	£3,660	£2,671,077
Affordable	206	£2,348	£483,272
Senior Living			-
Commercial			-
GDV	936		**£3,154,349**
Land	19%	£521	**£487,067**
Construction		£1,780	£1,665,510
Fees etc			£133,776
Planning obligations			£63,651
Disposal costs			£126,174
Finance			£114,958
Total Costs			**£2,591,137**
PROFIT			**£563,212**
Profit on Cost			**21.7%**
Profit on Value			**17.9%**

INPUTS 10 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	8	730	7,856	340	2,671,077
Intermediate	7%	1	62	665	272	180,811
Affordable Rent	15%	2	144	1,551	195	302,460
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**10**	**936**			**3,154,349**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	2,671,077	16	1	50%	**2,671,077**
Intermediate	180,811	16	1		**180,811**
Affordable Rent	302,460	16	1		**302,460**
Senior Living	-	16	1		-
Commercial	-	16	1		-
Total					**3,154,349**

Land costs	Rate					
Site value			(456,055)	1	1	**(456,055)**
Acquisition costs	6.80%		(31,012)	1	1	**(31,012)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,337,759)	4	12	**(1,337,759)**
Residential Contingency	10.0%		(133,776)	4	12	**(133,776)**
Residential Professional Fees	10.0%	of costs	(133,776)	4	12	**(133,776)**
Residential External Works			(133,776)	4	12	**(133,776)**
Residential Environmental Costs			(26,755)	4	12	**(26,755)**
Residential Site Preparation			(33,444)	4	12	**(33,444)**
				16	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	12	-
Commercial Contingency			-	4	12	-

Commercial Professional Fees			-	4	12	-
Commercial External Works			-	4	12	-
Commercial Environmental Costs			-	4	12	-
Commercial Site Preparation			-	4	12	-
				4	12	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			(63,651)	4	1	**(63,651)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(126,174)	16	1	**(126,174)**
Total cost (exc finance)						**(1,989,111)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(114,958)**
Total Costs						
Closing Balance						
PROFIT						**563,212**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
13	C	FALSE	1,969	3	18	22	4	£0.39m	£0.46m	£0.8m	17.9%

Zone C:
25 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	1,536	£3,660	£5,620,680
Affordable	433	£2,348	£1,016,936
Senior Living			-
Commercial			-
GDV	1,969		**£6,637,617**
Land	15%	£419	**£825,167**
Construction		£1,807	£3,557,290
Fees etc			£285,726
Planning obligations			£173,674
Disposal costs			£265,505
Finance			£343,948
Total Costs			**£5,451,309**
PROFIT			**£1,186,307**
Profit on Cost			**21.8%**
Profit on Value			**17.9%**

INPUTS 25 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	20	1,536	16,532	340	5,620,680
Intermediate	7%	2	130	1,399	272	380,477
Affordable Rent	15%	4	303	3,264	195	636,459
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**25**	**1,969**			**6,637,617**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	5,620,680	22	4	40%	**5,620,680**
Intermediate	380,477	22	1		**380,477**
Affordable Rent	636,459	22	1		**636,459**
Senior Living	-	22	1		-
Commercial	-	22	1		-
Total					**6,637,617**

	Rate					
Land costs						
Site value			(772,628)	1	1	**(772,628)**
Acquisition costs	6.80%		(52,539)	1	1	**(52,539)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(2,857,261)	4	18	**(2,857,261)**
Residential Contingency	10.0%		(285,726)	4	18	**(285,726)**
Residential Professional Fees	10.0%	of costs	(285,726)	4	18	**(285,726)**
Residential External Works			(285,726)	4	18	**(285,726)**
Residential Environmental Costs			(57,145)	4	18	**(57,145)**
Residential Site Preparation			(71,432)	4	18	**(71,432)**
				22	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	18	-
Commercial Contingency			-	4	18	-
Commercial Professional Fees			-	4	18	-
Commercial External Works			-	4	18	-
Commercial Environmental Costs			-	4	18	-
Commercial Site Preparation			-	4	18	-
				4	18	-
Planning obligations						
Borough CIL			(14,546)	4	1	**(14,546)**
Residential S106			(159,128)	4	1	**(159,128)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(265,505)	22	4	**(265,505)**
Total cost (exc finance)						**(4,282,195)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(343,948)**
Total Costs						
Closing Balance						
PROFIT						**1,186,307**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
14	C	FALSE	4,007	6	24	31	5	£0.20m	£0.20m	£1.0m	17.9%

Zone C:
50 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	3,126	£3,660	£11,438,735
Affordable	882	£2,348	£2,069,583
Senior Living			-
Commercial			-
GDV	4,007		**£13,508,318**
Land	10%	£280	**£1,120,891**
Construction		£1,799	£7,209,390
Fees etc			£579,068
Planning obligations			£723,027
Disposal costs			£540,333
Finance			£921,165
Total Costs			**£11,093,873**
PROFIT			**£2,414,445**
Profit on Cost			**21.8%**
Profit on Value			**17.9%**

INPUTS 50 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	39	3,126	33,644	340	11,438,735
Intermediate	7%	3	264	2,847	272	774,314
Affordable Rent	15%	8	617	6,642	195	1,295,269
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**50**	**4,007**			**13,508,318**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	11,438,735	31	5	30%	**11,438,735**
Intermediate	774,314	31	1		**774,314**
Affordable Rent	1,295,269	31	1		**1,295,269**
Senior Living	-	31	1		-
Commercial	-	31	1		-
Total					**13,508,318**

	Rate					
Land costs						
Site value			(1,049,523)	1	1	**(1,049,523)**
Acquisition costs	6.80%		(71,368)	1	1	**(71,368)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(5,790,675)	7	24	**(5,790,675)**
Residential Contingency	10.0%		(579,068)	7	24	**(579,068)**
Residential Professional Fees	10.0%	of costs	(579,068)	7	24	**(579,068)**
Residential External Works			(579,068)	7	24	**(579,068)**
Residential Environmental Costs			(115,814)	7	24	**(115,814)**
Residential Site Preparation			(144,767)	7	24	**(144,767)**

			31	1	-
Commercial Development Costs					
Commercial Construction Cost		-	7	24	-
Commercial Contingency		-	7	24	-
Commercial Professional Fees		-	7	24	-
Commercial External Works		-	7	24	-
Commercial Environmental Costs		-	7	24	-
Commercial Site Preparation		-	7	24	-
			7	24	-
Planning obligations					
Borough CIL		(404,771)	7	1	**(404,771)**
Residential S106		(318,256)	7	1	**(318,256)**
Commercial S106		-	7	1	-
Disposal Costs					
Marketing and disposal cost		(540,333)	31	5	**(540,333)**
Total cost (exc finance)					**(9,051,818)**
Overall net cashflow					
Opening Balance					
Development Costs for Period					
Interest	7.0% debit				**(921,165)**
Total Costs					
Closing Balance					
PROFIT					**2,414,445**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
15	C	FALSE	8,156	6	36	43	12	£2.77m	£3.33m	£1.8m	17.9%

Zone C:
100 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	6,361	£3,660	£23,281,064
Affordable	1,794	£2,348	£4,212,187
Senior Living			-
Commercial			-
GDV	8,156		**£27,493,251**
Land	9%	£236	**£1,926,489**
Construction		£1,772	£14,452,567
Fees etc			£1,160,849
Planning obligations			£1,152,255
Disposal costs			£1,099,730
Finance			£2,788,669
Total Costs			**£22,580,558**
PROFIT			**£4,912,693**
Profit on Cost			**21.8%**
Profit on Value			**17.9%**

INPUTS 100 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	78	6,361	68,474	340	23,281,064
Intermediate	7%	7	538	5,794	272	1,575,949
Affordable Rent	15%	15	1,256	13,519	195	2,636,238
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		100	8,156			27,493,251

Development Proceeds	Sales value	Start month	Duration month		Total
Private	23,281,064	43	12	20%	**23,281,064**
Intermediate	1,575,949	43	1		**1,575,949**
Affordable Rent	2,636,238	43	1		**2,636,238**
Senior Living	-	43	1		-
Commercial	-	43	1		-
Total					**27,493,251**

Land costs	Rate					
Site value			(1,803,829)	1	1	**(1,803,829)**
Acquisition costs	6.80%		(122,660)	1	1	**(122,660)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(11,608,488)	7	36	**(11,608,488)**
Residential Contingency	10.0%		(1,160,849)	7	36	**(1,160,849)**
Residential Professional Fees	10.0%	of costs	(1,160,849)	7	36	**(1,160,849)**
Residential External Works			(1,160,849)	7	36	**(1,160,849)**
Residential Environmental Costs			(232,170)	7	36	**(232,170)**
Residential Site Preparation			(290,212)	7	36	**(290,212)**
				43	1	-
Commercial Development Costs						
Commercial Construction Cost			-	7	36	-
Commercial Contingency			-	7	36	-
Commercial Professional Fees			-	7	36	-
Commercial External Works			-	7	36	-
Commercial Environmental Costs			-	7	36	-
Commercial Site Preparation			-	7	36	-
				7	36	-
Planning obligations						
Borough CIL			(515,742)	7	1	**(515,742)**
Residential S106			(636,513)	7	1	**(636,513)**
Commercial S106			-	7	1	-
Disposal Costs						
Marketing and disposal cost			(1,099,730)	43	12	**(1,099,730)**
Total cost (exc finance)						**(17,865,401)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(2,788,669)**
Total Costs						
Closing Balance						
PROFIT						**4,912,693**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
16	D	FALSE	465	3	9	13	1	£0.20m	£0.24m	-£0.2m	20.5%

Zone D:
5 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	465	£3,983	£1,851,929
Affordable	-	£0	-
Senior Living			-
Commercial			-
GDV	465		**£1,851,929**
Land	-12%	-£381	**(£177,250)**
Construction		£2,849	£1,324,580
Fees etc			£106,392
Planning obligations			£107,098
Disposal costs			£74,077
Finance			£37,419
Total Costs			**£1,472,317**
PROFIT			**£379,612**
Profit on Cost			**25.8%**
Profit on Value			**20.5%**

INPUTS 5 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	100%	5	465	5,005	370	1,851,929
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		5	465			1,851,929

Development Proceeds	Sales value	Start month	Duration month		Total
Private	1,851,929	13	1	50%	**1,851,929**
Intermediate	-	13	1		-
Affordable Rent	-	13	1		-
Senior Living	-	13	1		-
Commercial	-	13	1		-
Total					**1,851,929**

Land costs	Rate				
Site value		166,552	1	1	**166,552**
Acquisition costs	6.80%	11,326	1	1	**11,326**
Residential Development Costs			Start	Duration	
Residential Construction Cost		(1,063,920)	4	9	**(1,063,920)**
Residential Contingency	10.0%	(106,392)	4	9	**(106,392)**

Residential Professional Fees	10.0%	of costs	(106,392)	4	9	**(106,392)**
Residential External Works			(106,392)	4	9	**(106,392)**
Residential Environmental Costs			(21,278)	4	9	**(21,278)**
Residential Site Preparation			(26,598)	4	9	**(26,598)**
				13	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	9	**-**
Commercial Contingency			-	4	9	**-**
Commercial Professional Fees			-	4	9	**-**
Commercial External Works			-	4	9	**-**
Commercial Environmental Costs			-	4	9	**-**
Commercial Site Preparation			-	4	9	**-**
				4	9	**-**
Planning obligations						
Borough CIL			(75,272)	4	1	**(75,272)**
Residential S106			(31,826)	4	1	**(31,826)**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			(74,077)	13	1	**(74,077)**
Total cost (exc finance)						**(1,612,148)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(37,419)**
Total Costs						
Closing Balance						
PROFIT						**379,612**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
17	D	FALSE	972	3	12	16	1	£0.12m	£0.12m	£0.6m	17.9%

Zone D:
10 Houses

Development Value Summary	NIA	£/m²	Capital Value
Private	758	£3,983	£3,018,047
Affordable	214	£2,425	£518,339
Senior Living			-
Commercial			-
GDV	972		**£3,536,385**
Land	21%	£613	**£595,348**
Construction		£1,757	£1,706,697
Fees etc			£137,084
Planning obligations			£186,321
Disposal costs			£141,455
Finance			£134,771
Total Costs			**£2,901,676**
PROFIT			**£634,710**
Profit on Cost			**21.9%**
Profit on Value			**17.9%**

INPUTS 10 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	8	758	8,157	370	3,018,047
Intermediate	7%	1	64	690	296	204,299
Affordable Rent	15%	2	150	1,610	195	314,040
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**10**	**972**			**3,536,385**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	3,018,047	16	1	50%	**3,018,047**
Intermediate	204,299	16	1		**204,299**
Affordable Rent	314,040	16	1		**314,040**
Senior Living	-	16	1		**-**
Commercial	-	16	1		**-**
Total					**3,536,385**

Land costs	Rate					
Site value			(557,442)	1	1	**(557,442)**
Acquisition costs	6.80%		(37,906)	1	1	**(37,906)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(1,370,841)	4	12	**(1,370,841)**
Residential Contingency	10.0%		(137,084)	4	12	**(137,084)**
Residential Professional Fees	10.0%	of costs	(137,084)	4	12	**(137,084)**
Residential External Works			(137,084)	4	12	**(137,084)**
Residential Environmental Costs			(27,417)	4	12	**(27,417)**
Residential Site Preparation			(34,271)	4	12	**(34,271)**
				16	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	12	**-**
Commercial Contingency			-	4	12	**-**
Commercial Professional Fees			-	4	12	**-**
Commercial External Works			-	4	12	**-**
Commercial Environmental Costs			-	4	12	**-**
Commercial Site Preparation			-	4	12	**-**
				4	12	**-**
Planning obligations						
Borough CIL			(122,670)	4	1	**(122,670)**
Residential S106			(63,651)	4	1	**(63,651)**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			(141,455)	16	1	**(141,455)**
Total cost (exc finance)						**(2,171,557)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(134,771)**
Total Costs						
Closing Balance						
PROFIT						**634,710**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
18	D	FALSE	2,220	3	18	22	4	£0.52m	£0.52m	£1.0m	18.0%

Zone D:
25 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	1,732	£3,926	£6,798,113
Affordable	488	£2,411	£1,177,773
Senior Living			-
Commercial			-
GDV	2,220		**£7,975,886**
Land	17%	£497	**£1,104,063**
Construction		£1,772	£3,933,690
Fees etc			£315,959
Planning obligations			£439,433
Disposal costs			£319,035
Finance			£431,774
Total Costs			**£6,543,953**
PROFIT			**£1,431,933**
Profit on Cost			**21.9%**
Profit on Value			**18.0%**

INPUTS 25 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	20	1,732	18,639	365	6,798,113
Intermediate	7%	2	147	1,577	292	460,180
Affordable Rent	15%	4	342	3,680	195	717,593
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**25**	**2,220**			**7,975,886**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	6,798,113	22	4	40%	**6,798,113**
Intermediate	460,180	22	1		**460,180**
Affordable Rent	717,593	22	1		**717,593**
Senior Living	-	22	1		**-**
Commercial	-	22	1		**-**
Total					**7,975,886**

Land costs	Rate				
Site value		(1,033,767)	1	1	**(1,033,767)**
Acquisition costs	6.80%	(70,296)	1	1	**(70,296)**

				Start	Duration	
Residential Development Costs						
Residential Construction Cost			(3,159,590)	4	18	**(3,159,590)**
Residential Contingency	10.0%		(315,959)	4	18	**(315,959)**
Residential Professional Fees	10.0%	of costs	(315,959)	4	18	**(315,959)**
Residential External Works			(315,959)	4	18	**(315,959)**
Residential Environmental Costs			(63,192)	4	18	**(63,192)**
Residential Site Preparation			(78,990)	4	18	**(78,990)**
				22	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	18	-
Commercial Contingency			-	4	18	-
Commercial Professional Fees			-	4	18	-
Commercial External Works			-	4	18	-
Commercial Environmental Costs			-	4	18	-
Commercial Site Preparation			-	4	18	-
				4	18	-
Planning obligations						
Borough CIL			(280,304)	4	1	**(280,304)**
Residential S106			(159,128)	4	1	**(159,128)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(319,035)	22	4	**(319,035)**
Total cost (exc finance)						**(5,008,117)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(431,774)**
Total Costs						
Closing Balance						
PROFIT						**1,431,933**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
19	D	FALSE	3,938	6	24	31	5	£0.61m	£0.61m	£1.2m	17.9%

Zone D:
50 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	3,072	£3,797	£11,661,992
Affordable	866	£2,380	£2,062,346
Senior Living			-
Commercial			-
GDV	3,938		**£13,724,338**
Land	11%	£320	**£1,259,269**
Construction		£1,807	£7,114,580
Fees etc			£571,452
Planning obligations			£815,481
Disposal costs			£548,974
Finance			£953,201
Total Costs			**£11,262,957**
PROFIT			**£2,461,382**
Profit on Cost			**21.9%**
Profit on Value			**17.9%**

INPUTS 50 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	39	3,072	33,063	353	11,661,992
Intermediate	7%	3	260	2,798	282	789,427
Affordable Rent	15%	8	606	6,528	195	1,272,919
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**50**	**3,938**			**13,724,338**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	11,661,992	31	5	30%	**11,661,992**
Intermediate	789,427	31	1		**789,427**
Affordable Rent	1,272,919	31	1		**1,272,919**
Senior Living	-	31	1		-
Commercial	-	31	1		-
Total					**13,724,338**

Land costs	Rate					
Site value			(1,179,091)	1	1	**(1,179,091)**
Acquisition costs	6.80%		(80,178)	1	1	**(80,178)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(5,714,522)	7	24	**(5,714,522)**
Residential Contingency	10.0%		(571,452)	7	24	**(571,452)**
Residential Professional Fees	10.0%	of costs	(571,452)	7	24	**(571,452)**
Residential External Works			(571,452)	7	24	**(571,452)**
Residential Environmental Costs			(114,290)	7	24	**(114,290)**
Residential Site Preparation			(142,863)	7	24	**(142,863)**
				31	1	-
Commercial Development Costs						
Commercial Construction Cost			-	7	24	-
Commercial Contingency			-	7	24	-
Commercial Professional Fees			-	7	24	-
Commercial External Works			-	7	24	-
Commercial Environmental Costs			-	7	24	-
Commercial Site Preparation			-	7	24	-
				7	24	-
Planning obligations						
Borough CIL			(497,225)	7	1	**(497,225)**
Residential S106			(318,256)	7	1	**(318,256)**
Commercial S106			-	7	1	-
Disposal Costs						
Marketing and disposal cost			(548,974)	31	5	**(548,974)**
Total cost (exc finance)						**(9,050,487)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(953,201)**
Total Costs						
Closing Balance						
PROFIT						**2,461,382**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
20	D	FALSE	8,510	6	36	43	12	£0.76m	£0.76m	£1.9m	17.9%

Zone D:
100 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	6,638	£3,834	£25,449,896
Affordable	1,872	£2,389	£4,473,534
Senior Living			-
Commercial			-
GDV	8,510		**£29,923,430**
Land	8%	£241	**£2,054,865**
Construction		£1,797	£15,289,042
Fees etc			£1,228,036
Planning obligations			£1,711,013
Disposal costs			£1,196,937
Finance			£3,075,007
Total Costs			**£24,554,900**
PROFIT			**£5,368,530**
Profit on Cost			**21.9%**
Profit on Value			**17.9%**

INPUTS 100 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	78	6,638	71,449	356	25,449,896
Intermediate	7%	7	562	6,046	285	1,722,762
Affordable Rent	15%	15	1,311	14,107	195	2,750,772
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**100**	**8,510**			**29,923,430**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	25,449,896	43	12	20%	**25,449,896**
Intermediate	1,722,762	43	1		**1,722,762**
Affordable Rent	2,750,772	43	1		**2,750,772**
Senior Living	-	43	1		-
Commercial	-	43	1		-

			Total			29,923,430
Land costs	Rate					
Site value			(1,924,031)	1	1	**(1,924,031)**
Acquisition costs	6.80%		(130,834)	1	1	**(130,834)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(12,280,355)	7	36	**(12,280,355)**
Residential Contingency	10.0%		(1,228,036)	7	36	**(1,228,036)**
Residential Professional Fees	10.0%	of costs	(1,228,036)	7	36	**(1,228,036)**
Residential External Works			(1,228,036)	7	36	**(1,228,036)**
Residential Environmental Costs			(245,607)	7	36	**(245,607)**
Residential Site Preparation			(307,009)	7	36	**(307,009)**
				43	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	7	36	**-**
Commercial Contingency			-	7	36	**-**
Commercial Professional Fees			-	7	36	**-**
Commercial External Works			-	7	36	**-**
Commercial Environmental Costs			-	7	36	**-**
Commercial Site Preparation			-	7	36	**-**
				7	36	**-**
Planning obligations						
Borough CIL			(1,074,501)	7	1	**(1,074,501)**
Residential S106			(636,513)	7	1	**(636,513)**
Commercial S106			-	7	1	**-**
Disposal Costs						
Marketing and disposal cost			(1,196,937)	43	12	**(1,196,937)**
Total cost (exc finance)						**(19,425,028)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(3,075,007)**
Total Costs						
Closing Balance						
PROFIT						**5,368,530**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
21	S	FALSE	296	3	9	13	1	£0.06m	£0.06m	£0.2m	19.8%
Zone S: 5 Houses											

Development Value Summary	NIA	£/m²	Capital Value
Private	296	£4,090	£1,210,723
Affordable	-	£0	-
Senior Living			-
Commercial			-
GDV	296		**£1,210,723**
Land	18%	£586	**£173,355**
Construction		£2,017	£597,002
Fees etc			£47,952
Planning obligations			£70,159
Disposal costs			£48,429
Finance			£34,298
Total Costs			**£971,194**
PROFIT			**£239,529**
Profit on Cost			**24.7%**
Profit on Value			**19.8%**

INPUTS 5 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	100%	5	296	3,186	380	1,210,723
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**5**	**296**			**1,210,723**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	1,210,723	13	1	100%	**1,210,723**
Intermediate	-	13	1		**-**
Affordable Rent	-	13	1		**-**
Senior Living	-	13	1		**-**
Commercial	-	13	1		**-**
Total					**1,210,723**

Land costs	Rate					
Site value			(162,317)	1	1	**(162,317)**
Acquisition costs	6.80%		(11,038)	1	1	**(11,038)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(479,520)	4	9	**(479,520)**
Residential Contingency	10.0%		(47,952)	4	9	**(47,952)**
Residential Professional Fees	10.0%	of costs	(47,952)	4	9	**(47,952)**
Residential External Works			(47,952)	4	9	**(47,952)**
Residential Environmental Costs			(9,590)	4	9	**(9,590)**
Residential Site Preparation			(11,988)	4	9	**(11,988)**
				13	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	9	**-**
Commercial Contingency			-	4	9	**-**
Commercial Professional Fees			-	4	9	**-**
Commercial External Works			-	4	9	**-**
Commercial Environmental Costs			-	4	9	**-**
Commercial Site Preparation			-	4	9	**-**
				4	9	**-**
Planning obligations						
Borough CIL			(38,333)	4	1	**(38,333)**
Residential S106			(31,826)	4	1	**(31,826)**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			(48,429)	13	1	**(48,429)**
Total cost (exc finance)						**(763,542)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(34,298)**
Total Costs						
Closing Balance						
PROFIT						**239,529**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
22	S	FALSE	570	3	12	16	1	£0.09m	£0.09m	£0.2m	18.0%
Zone S: 10 Houses											

Development Value Summary	NIA	£/m²	Capital Value
Private	445	£4,090	£1,818,539
Affordable	125	£2,451	£307,348
Senior Living			-
Commercial			-
GDV	570		**£2,125,887**
Land	13%	£388	**£220,915**
Construction		£2,017	£1,149,633
Fees etc			£92,340
Planning obligations			£121,228
Disposal costs			£85,035
Finance			£74,587
Total Costs			**£1,743,739**

INPUTS 10 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	8	445	4,786	380	1,818,539
Intermediate	7%	1	38	405	304	123,101
Affordable Rent	15%	2	88	945	195	184,247
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		**10**	**570**			**2,125,887**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	1,818,539	16	1	60%	**1,818,539**
Intermediate	123,101	16	1		**123,101**
Affordable Rent	184,247	16	1		**184,247**

Senior Living	-		16	1		-
Commercial	-		16	1		-
Total						2,125,887

PROFIT	**£382,149**
Profit on Cost	**21.9%**
Profit on Value	**18.0%**

	Rate			Start / Duration		Total
Land costs	Rate					
Site value			(206,849)	1	1	**(206,849)**
Acquisition costs	6.80%		(14,066)	1	1	**(14,066)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(923,400)	4	12	**(923,400)**
Residential Contingency	10.0%		(92,340)	4	12	**(92,340)**
Residential Professional Fees	10.0%	of costs	(92,340)	4	12	**(92,340)**
Residential External Works			(92,340)	4	12	**(92,340)**
Residential Environmental Costs			(18,468)	4	12	**(18,468)**
Residential Site Preparation			(23,085)	4	12	**(23,085)**
				16	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	12	-
Commercial Contingency			-	4	12	-
Commercial Professional Fees			-	4	12	-
Commercial External Works			-	4	12	-
Commercial Environmental Costs			-	4	12	-
Commercial Site Preparation			-	4	12	-
				4	12	-
Planning obligations						
Borough CIL			(57,577)	4	1	**(57,577)**
Residential S106			(63,651)	4	1	**(63,651)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(85,035)	16	1	**(85,035)**
Total cost (exc finance)						**(1,448,237)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(74,587)**
Total Costs						
Closing Balance						
PROFIT						**382,149**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
23	S	FALSE	1,449	3	18	22	3	£0.13m	£0.13m	£0.5m	18.0%

Zone S:
25 Mixed

Development Value Summary

	NIA	£/m²	Capital Value
Private	1,130	£4,090	£4,622,919
Affordable	319	£2,451	£781,311
Senior Living			-
Commercial			-
GDV	1,449		**£5,404,229**
Land	11%	£332	**£481,303**
Construction		£2,017	£2,922,488
Fees etc			£234,738
Planning obligations			£305,495
Disposal costs			£216,169
Finance			£268,916
Total Costs			**£4,429,109**
PROFIT			**£975,120**
Profit on Cost			**22.0%**
Profit on Value			**18.0%**

INPUTS

25 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	20	1,130	12,166	380	4,622,919
Intermediate	7%	2	96	1,029	304	312,936
Affordable Rent	15%	4	223	2,402	195	468,375
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		25	1,449			5,404,229

Development Proceeds	Sales value	Start month	Duration month		Total
Private	4,622,919	22	3	60%	**4,622,919**
Intermediate	312,936	22	1		**312,936**
Affordable Rent	468,375	22	1		**468,375**
Senior Living	-	22	1		-
Commercial	-	22	1		-
Total					5,404,229

	Rate			Start / Duration		Total
Land costs	Rate					
Site value			(450,658)	1	1	**(450,658)**
Acquisition costs	6.80%		(30,645)	1	1	**(30,645)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(2,347,380)	4	18	**(2,347,380)**
Residential Contingency	10.0%		(234,738)	4	18	**(234,738)**
Residential Professional Fees	10.0%	of costs	(234,738)	4	18	**(234,738)**
Residential External Works			(234,738)	4	18	**(234,738)**
Residential Environmental Costs			(46,948)	4	18	**(46,948)**
Residential Site Preparation			(58,685)	4	18	**(58,685)**
				22	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	18	-
Commercial Contingency			-	4	18	-
Commercial Professional Fees			-	4	18	-
Commercial External Works			-	4	18	-
Commercial Environmental Costs			-	4	18	-
Commercial Site Preparation			-	4	18	-
				4	18	-
Planning obligations						
Borough CIL			(146,367)	4	1	**(146,367)**
Residential S106			(159,128)	4	1	**(159,128)**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			(216,169)	22	3	**(216,169)**
Total cost (exc finance)						**(3,678,890)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(268,916)**
Total Costs						
Closing Balance						
PROFIT						**975,120**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
24	S	FALSE	2,920	6	24	31	4	£1.07m	£1.28m	£1.0m	18.1%

Zone S:
50 Mixed

Development Value Summary

	NIA	£/m²	Capital Value
Private	2,278	£4,090	£9,316,026
Affordable	642	£2,451	£1,574,484
Senior Living			-
Commercial			-
GDV	2,920		**£10,890,510**
Land	12%	£356	**£1,039,365**
Construction		£2,017	£5,889,348
Fees etc			£473,040
Planning obligations			£364,834

INPUTS

50 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	39	2,278	24,516	380	9,316,026
Intermediate	7%	3	193	2,074	304	630,623
Affordable Rent	15%	8	450	4,840	195	943,861
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		50	2,920			10,890,510

Development Proceeds	Start	Duration	Total

Disposal costs			£435,620
Finance			£721,757
Total Costs			**£8,923,964**
PROFIT			**£1,966,546**
Profit on Cost			**22.0%**
Profit on Value			**18.1%**

	Sales value	month	month		
Private	9,316,026	31	4	50%	**9,316,026**
Intermediate	630,623	31	1		**630,623**
Affordable Rent	943,861	31	1		**943,861**
Senior Living	-	31	1		**-**
Commercial	-	31	1		**-**
Total					**10,890,510**

	Rate					
Land costs	**Rate**					
Site value			(973,188)	1	1	**(973,188)**
Acquisition costs	6.80%		(66,177)	1	1	**(66,177)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(4,730,400)	7	24	**(4,730,400)**
Residential Contingency	10.0%		(473,040)	7	24	**(473,040)**
Residential Professional Fees	10.0%	of costs	(473,040)	7	24	**(473,040)**
Residential External Works			(473,040)	7	24	**(473,040)**
Residential Environmental Costs			(94,608)	7	24	**(94,608)**
Residential Site Preparation			(118,260)	7	24	**(118,260)**
				31	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	7	24	**-**
Commercial Contingency			-	7	24	**-**
Commercial Professional Fees			-	7	24	**-**
Commercial External Works			-	7	24	**-**
Commercial Environmental Costs			-	7	24	**-**
Commercial Site Preparation			-	7	24	**-**
				7	24	**-**
Planning obligations						
Borough CIL			(46,578)	7	1	**(46,578)**
Residential S106			(318,256)	7	1	**(318,256)**
Commercial S106			-	7	1	**-**
Disposal Costs						
Marketing and disposal cost			(435,620)	31	4	**(435,620)**
Total cost (exc finance)						**(7,162,842)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(721,757)**
Total Costs						
Closing Balance						
PROFIT						**1,966,546**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
25	S	FALSE	5,875	6	36	43	8	£1.32m	£1.59m	£1.2m	18.2%

Zone S:
100 Mixed

Development Value Summary	NIA	£/m²	Capital Value
Private	4,583	£4,090	£18,743,717
Affordable	1,293	£2,451	£3,167,840
Senior Living			-
Commercial			-
GDV	5,875		**£21,911,557**
Land	7%	£222	**£1,303,306**
Construction		£2,017	£11,849,288
Fees etc			£951,750
Planning obligations			£921,879
Disposal costs			£876,462
Finance			£2,029,109
Total Costs			**£17,931,793**
PROFIT			**£3,979,764**
Profit on Cost			**22.2%**
Profit on Value			**18.2%**

INPUTS 100 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	78%	78	4,583	49,326	380	18,743,717
Intermediate	7%	7	388	4,174	304	1,268,805
Affordable Rent	15%	15	905	9,739	195	1,899,035
Senior Living		-	-	-	-	-
Commercial			-	-	-	-
Total		100	5,875			21,911,557

Development Proceeds	Sales value	Start month	Duration month		Total
Private	18,743,717	43	8	50%	**18,743,717**
Intermediate	1,268,805	43	1		**1,268,805**
Affordable Rent	1,899,035	43	1		**1,899,035**
Senior Living	-	43	1		**-**
Commercial	-	43	1		**-**
Total					**21,911,557**

	Rate					
Land costs	**Rate**					
Site value			(1,220,324)	1	1	**(1,220,324)**
Acquisition costs	6.80%		(82,982)	1	1	**(82,982)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			(9,517,500)	7	36	**(9,517,500)**
Residential Contingency	10.0%		(951,750)	7	36	**(951,750)**
Residential Professional Fees	10.0%	of costs	(951,750)	7	36	**(951,750)**
Residential External Works			(951,750)	7	36	**(951,750)**
Residential Environmental Costs			(190,350)	7	36	**(190,350)**
Residential Site Preparation			(237,938)	7	36	**(237,938)**
				43	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	7	36	**-**
Commercial Contingency			-	7	36	**-**
Commercial Professional Fees			-	7	36	**-**
Commercial External Works			-	7	36	**-**
Commercial Environmental Costs			-	7	36	**-**
Commercial Site Preparation			-	7	36	**-**
				7	36	**-**
Planning obligations						
Borough CIL			(285,366)	7	1	**(285,366)**
Residential S106			(636,513)	7	1	**(636,513)**
Commercial S106			-	7	1	**-**
Disposal Costs						
Marketing and disposal cost			(876,462)	43	8	**(876,462)**
Total cost (exc finance)						**(14,599,379)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(2,029,109)**
Total Costs						
Closing Balance						
PROFIT						**3,979,764**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
26	FALSE	P	0	3	12	16	1	£0.16m	£0.16m	£2.9m	15.0%

Retail - Larger format (A1) Convenience (Large Supermarket)

Development Value Summary	NIA	£/m²	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£10,200,889
GDV	0		**£10,200,889**

INPUTS 0 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			2,500	26,910	379	10,200,889

Land	35%	#DIV/0!	**£3,058,618**
Construction		#DIV/0!	£4,457,100
Fees etc			£358,000
Planning obligations			£323,758
Disposal costs			-
Finance			£473,280
Total Costs			**£8,670,755**
PROFIT			**£1,530,133**
Profit on Cost			**17.6%**
Profit on Value			**15.0%**

Total	-	**2,500**		**10,200,889**

Development Proceeds	**Sales value**	Growth	**Start month**	**Duration month**		**Total**
Private	-	1.00	16	1	50%	**-**
Intermediate	-	1.00	16	1		**-**
Affordable Rent	-	1.00	16	1		**-**
Senior Living	-	1.00	16	1		**-**
Commercial	10,200,889	1.00	16	1		**10,200,889**
Total						**10,200,889**

Land costs	**Rate**					
Site value			(2,863,875)	1	1	**(2,863,875)**
Acquisition costs	6.80%		(194,743)	1	1	**(194,743)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	12	**-**
Residential Contingency	10.0%		-	4	12	**-**
Residential Professional Fees	10.0%	of costs	-	4	12	**-**
Residential External Works			-	4	12	**-**
Residential Environmental Costs			-	4	12	**-**
Residential Site Preparation			-	4	12	**-**
				16	1	**-**
Commercial Development Costs						
Commercial Construction Cost			(3,580,000)	4	12	**(3,580,000)**
Commercial Contingency			(358,000)	4	12	**(358,000)**
Commercial Professional Fees			(358,000)	4	12	**(358,000)**
Commercial External Works			(358,000)	4	12	**(358,000)**
Commercial Environmental Costs			(71,600)	4	12	**(71,600)**
Commercial Site Preparation			(89,500)	4	12	**(89,500)**
				4	12	**-**
Planning obligations						
Borough CIL			(323,758)	4	1	**(323,758)**
Residential S106			-	4	1	**-**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			-	16	1	**-**
Total cost (exc finance)						**(5,138,858)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(473,280)**
Total Costs						
Closing Balance						
PROFIT						**1,530,133**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
27	FALSE	P	0	3	7	11	1	£0.15m	£0.15m	-£0.2m	15.2%

Retail - Larger format (A1) Comparison (Retail Warehousing)

Development Value Summary	**NIA**	**£/m²**	**Capital Value**
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£3,502,350
GDV	0		**£3,502,350**
Land	-6%	#DIV/0!	**(£180,222)**
Construction		#DIV/0!	£2,674,260
Fees etc			£214,800
Planning obligations			£194,255
Disposal costs			-
Finance			£66,650
Total Costs			**£2,969,742**
PROFIT			**£532,608**
Profit on Cost			**17.9%**
Profit on Value			**15.2%**

INPUTS **0 units**		**Units**	**NSA m²**	**NSA ft²**	**Value £ psf**	**Capital Value £**
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			1,500	16,146	217	3,502,350
Total		-	**1,500**			**3,502,350**

Development Proceeds	**Sales value**	Growth	**Start month**	**Duration month**		**Total**
Private	-	1.00	11	1	50%	**-**
Intermediate	-	1.00	11	1		**-**
Affordable Rent	-	1.00	11	1		**-**
Senior Living	-	1.00	11	1		**-**
Commercial	3,502,350	1.00	11	1		**3,502,350**
Total						**3,502,350**

Land costs	**Rate**					
Site value			169,376	1	1	**169,376**
Acquisition costs	6.80%		11,518	1	1	**11,518**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	7	**-**
Residential Contingency	10.0%		-	4	7	**-**
Residential Professional Fees	10.0%	of costs	-	4	7	**-**
Residential External Works			-	4	7	**-**
Residential Environmental Costs			-	4	7	**-**
Residential Site Preparation			-	4	7	**-**
				11	1	**-**
Commercial Development Costs						
Commercial Construction Cost			(2,148,000)	4	7	**(2,148,000)**
Commercial Contingency			(214,800)	4	7	**(214,800)**
Commercial Professional Fees			(214,800)	4	7	**(214,800)**
Commercial External Works			(214,800)	4	7	**(214,800)**
Commercial Environmental Costs			(42,960)	4	7	**(42,960)**
Commercial Site Preparation			(53,700)	4	7	**(53,700)**
				4	7	**-**
Planning obligations						
Borough CIL			(194,255)	4	1	**(194,255)**
Residential S106			-	4	1	**-**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			-	11	1	**-**
Total cost (exc finance)						**(3,083,315)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(66,650)**
Total Costs						
Closing Balance						
PROFIT						**532,608**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
28	FALSE	P	0	3	6	10	1	£0.10m	£0.10m	£0.3m	15.0%

Primary:
Retail (A1-A5)

Development Value Summary	**NIA**	**£/m²**	**Capital Value**
Private	-	£0	-
Affordable	-	£0	-

INPUTS **0 units**		**Units**	**NSA m²**	**NSA ft²**	**Value £ psf**	**Capital Value £**
Private	0%	-	-	-	-	-

Senior Living			-
Commercial			£1,079,508
GDV	0		**£1,079,508**
Land	34%	#DIV/0!	**£311,987**
Construction		#DIV/0!	£534,852
Fees etc			£42,960
Planning obligations			-
Disposal costs			-
Finance			£27,783
Total Costs			**£917,582**
PROFIT			**£161,926**
Profit on Cost			**17.6%**
Profit on Value			**15.0%**

Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			300	3,229	334	1,079,508
Total		-	**300**			**1,079,508**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	-		10	1	50%	-
Intermediate	-		10	1		-
Affordable Rent	-		10	1		-
Senior Living	-		10	1		-
Commercial	1,079,508		10	1		**1,079,508**
Total						**1,079,508**

Land costs	Rate			Start	Duration	
Site value			(292,123)	1	1	**(292,123)**
Acquisition costs	6.80%		(19,864)	1	1	**(19,864)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	6	-
Residential Contingency	10.0%		-	4	6	-
Residential Professional Fees	10.0%	of costs	-	4	6	-
Residential External Works			-	4	6	-
Residential Environmental Costs			-	4	6	-
Residential Site Preparation			-	4	6	-
				10	1	-
Commercial Development Costs						
Commercial Construction Cost			(429,600)	4	6	**(429,600)**
Commercial Contingency			(42,960)	4	6	**(42,960)**
Commercial Professional Fees			(42,960)	4	6	**(42,960)**
Commercial External Works			(42,960)	4	6	**(42,960)**
Commercial Environmental Costs			(8,592)	4	6	**(8,592)**
Commercial Site Preparation			(10,740)	4	6	**(10,740)**
				4	6	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			-	4	1	-
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-	10	1	-
Total cost (exc finance)						**(577,812)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(27,783)**
Total Costs						
Closing Balance						
PROFIT						**161,926**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
29	FALSE	S	0	3	6	10	1	£0.13m	£0.13m	-£0.3m	38.8%

Secondary:
Retail (A1-A5)

Development Value Summary	NIA	£/m²	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£447,576
GDV	0		**£447,576**
Land	-112%	#DIV/0!	**(£306,653)**
Construction		#DIV/0!	£534,852
Fees etc			£42,960
Planning obligations			-
Disposal costs			-
Finance			£2,977
Total Costs			**£274,135**
PROFIT			**£173,441**
Profit on Cost			**63.3%**
Profit on Value			**38.8%**

INPUTS 0 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			300	3,229	139	447,576
Total		-	**300**			**447,576**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	-		10	1	50%	-
Intermediate	-		10	1		-
Affordable Rent	-		10	1		-
Senior Living	-		10	1		-
Commercial	447,576		10	1		**447,576**
Total						**447,576**

Land costs	Rate			Start	Duration	
Site value			293,674	1	1	**293,674**
Acquisition costs	6.80%		19,970	1	1	**19,970**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	6	-
Residential Contingency	10.0%		-	4	6	-
Residential Professional Fees	10.0%	of costs	-	4	6	-
Residential External Works			-	4	6	-
Residential Environmental Costs			-	4	6	-
Residential Site Preparation			-	4	6	-
				10	1	-
Commercial Development Costs						
Commercial Construction Cost			(429,600)	4	6	**(429,600)**
Commercial Contingency			(42,960)	4	6	**(42,960)**
Commercial Professional Fees			(42,960)	4	6	**(42,960)**
Commercial External Works			(42,960)	4	6	**(42,960)**
Commercial Environmental Costs			(8,592)	4	6	**(8,592)**
Commercial Site Preparation			(10,740)	4	6	**(10,740)**
				4	6	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			-	4	1	-
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-	10	1	-
Total cost (exc finance)						**(577,812)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(2,977)**
Total Costs						
Closing Balance						
PROFIT						**173,441**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
30	FALSE	P	0	3	6	10	1	£0.07m	£0.09m	-£0.7m	40.0%

Primary:
Office (B1)
(Town Centre)

Development Value Summary	NIA	£/m²	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£1,079,134
GDV	0		**£1,079,134**
Land	-119%	#DIV/0!	**(£769,970)**
Construction		#DIV/0!	£1,306,005
Fees etc			£104,900
Planning obligations			-
Disposal costs			-
Finance			£6,907
Total Costs			**£647,842**
PROFIT			**£431,292**
Profit on Cost			**66.6%**
Profit on Value			**40.0%**

INPUTS 0 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			500	5,382	201	1,079,134
Total		-	**500**			**1,079,134**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	-	10	1	50%	-
Intermediate	-	10	1		-
Affordable Rent	-	10	1		-
Senior Living	-	10	1		-
Commercial	1,079,134	10	1		**1,079,134**
Total					**1,079,134**

Land costs	Rate			Start	Duration	Total
Site value			737,587	1	1	**737,587**
Acquisition costs	6.80%		50,156	1	1	**50,156**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	6	-
Residential Contingency	10.0%		-	4	6	-
Residential Professional Fees	10.0%	of costs	-	4	6	-
Residential External Works			-	4	6	-
Residential Environmental Costs			-	4	6	-
Residential Site Preparation			-	4	6	-
				10	1	-
Commercial Development Costs						
Commercial Construction Cost			(1,049,000)	4	6	**(1,049,000)**
Commercial Contingency			(104,900)	4	6	**(104,900)**
Commercial Professional Fees			(104,900)	4	6	**(104,900)**
Commercial External Works			(104,900)	4	6	**(104,900)**
Commercial Environmental Costs			(20,980)	4	6	**(20,980)**
Commercial Site Preparation			(26,225)	4	6	**(26,225)**
				4	6	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			-	4	1	-
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-	10	1	-
Total cost (exc finance)						**(1,410,905)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(6,907)**
Total Costs						
Closing Balance						
PROFIT						**431,292**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
31	FALSE	S	0	3	12	16	1	£0.16m	£0.16m	-£7.7m	134.9%

Secondary:
Office (B1)
(Out of Town)

Development Value Summary	NIA	£/m²	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£2,673,321
GDV	0		**£2,673,321**
Land	855%	#DIV/0!	**(£7,988,598)**
Construction		#DIV/0!	£6,530,025
Fees etc			£524,500
Planning obligations			-
Disposal costs			-
Finance			-
Total Costs			**(£934,073)**
PROFIT			**£3,607,394**
Profit on Cost			**-386.2%**
Profit on Value			**134.9%**

INPUTS 0 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			2,500	26,910	99	2,673,321
Total		-	**2,500**			**2,673,321**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	-	16	1	50%	-
Intermediate	-	16	1		-
Affordable Rent	-	16	1		-
Senior Living	-	16	1		-
Commercial	2,673,321	16	1		**2,673,321**
Total					**2,673,321**

Land costs	Rate			Start	Duration	Total
Site value			7,685,663	1	1	**7,685,663**
Acquisition costs	6.80%		522,625	1	1	**522,625**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	12	-
Residential Contingency	10.0%		-	4	12	-
Residential Professional Fees	10.0%	of costs	-	4	12	-
Residential External Works			-	4	12	-
Residential Environmental Costs			-	4	12	-
Residential Site Preparation			-	4	12	-
				16	1	-
Commercial Development Costs						
Commercial Construction Cost			(5,245,000)	4	12	**(5,245,000)**
Commercial Contingency			(524,500)	4	12	**(524,500)**
Commercial Professional Fees			(524,500)	4	12	**(524,500)**
Commercial External Works			(524,500)	4	12	**(524,500)**
Commercial Environmental Costs			(104,900)	4	12	**(104,900)**
Commercial Site Preparation			(131,125)	4	12	**(131,125)**
				4	12	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			-	4	1	-
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-	16	1	-
Total cost (exc finance)						**(7,054,525)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			-
Total Costs						
Closing Balance						
PROFIT						**3,607,394**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value

32	FALSE	P	0	3	9	13	1	£0.13m	£0.13m	-£0.2m	15.3%

Large Industrial (B1,B2,B8)

Development Value Summary	NIA	£/m²	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£2,589,255
GDV	0		**£2,589,255**
Land	-7%	#DIV/0!	**(£162,328)**
Construction		#DIV/0!	£2,126,460
Fees etc			£170,800
Planning obligations			-
Disposal costs			-
Finance			£57,484
Total Costs			**£2,192,417**
PROFIT			**£396,838**
Profit on Cost			**18.1%**
Profit on Value			**15.3%**

INPUTS 0 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			2,000	21,528	120	2,589,255
Total		-	**2,000**			**2,589,255**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	-	13	1	50%	-
Intermediate	-	13	1		-
Affordable Rent	-	13	1		-
Senior Living	-	13	1		-
Commercial	2,589,255	13	1		**2,589,255**
Total					**2,589,255**

	Rate			Start	Duration	
Land costs						
Site value			152,530	1	1	**152,530**
Acquisition costs	6.80%		10,372	1	1	**10,372**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	9	-
Residential Contingency	10.0%		-	4	9	-
Residential Professional Fees	10.0%	of costs	-	4	9	-
Residential External Works			-	4	9	-
Residential Environmental Costs			-	4	9	-
Residential Site Preparation			-	4	9	-
				13	1	-
Commercial Development Costs						
Commercial Construction Cost			(1,708,000)	4	9	**(1,708,000)**
Commercial Contingency			(170,800)	4	9	**(170,800)**
Commercial Professional Fees			(170,800)	4	9	**(170,800)**
Commercial External Works			(170,800)	4	9	**(170,800)**
Commercial Environmental Costs			(34,160)	4	9	**(34,160)**
Commercial Site Preparation			(42,700)	4	9	**(42,700)**
				4	9	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			-	4	1	-
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-	13	1	-
Total cost (exc finance)						**(2,297,260)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(57,484)**
Total Costs						
Closing Balance						
PROFIT						**396,838**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
33	FALSE	P	0	3	6	10	1	£0.03m	£0.03m	£0.2m	15.0%

Small Industrial (B1,B2,B8)

Development Value Summary	NIA	£/m²	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£913,092
GDV	0		**£913,092**
Land	23%	#DIV/0!	**£180,922**
Construction		#DIV/0!	£531,615
Fees etc			£42,700
Planning obligations			-
Disposal costs			-
Finance			£20,891
Total Costs			**£776,128**
PROFIT			**£136,964**
Profit on Cost			**17.6%**
Profit on Value			**15.0%**

INPUTS 0 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			500	5,382	170	913,092
Total		-	**500**			**913,092**

Development Proceeds	Sales value	Start month	Duration month		Total
Private	-	10	1	50%	-
Intermediate	-	10	1		-
Affordable Rent	-	10	1		-
Senior Living	-	10	1		-
Commercial	913,092	10	1		**913,092**
Total					**913,092**

	Rate			Start	Duration	
Land costs						
Site value			(169,403)	1	1	**(169,403)**
Acquisition costs	6.80%		(11,519)	1	1	**(11,519)**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	6	-
Residential Contingency	10.0%		-	4	6	-
Residential Professional Fees	10.0%	of costs	-	4	6	-
Residential External Works			-	4	6	-
Residential Environmental Costs			-	4	6	-
Residential Site Preparation			-	4	6	-
				10	1	-
Commercial Development Costs						
Commercial Construction Cost			(427,000)	4	6	**(427,000)**
Commercial Contingency			(42,700)	4	6	**(42,700)**
Commercial Professional Fees			(42,700)	4	6	**(42,700)**
Commercial External Works			(42,700)	4	6	**(42,700)**
Commercial Environmental Costs			(8,540)	4	6	**(8,540)**
Commercial Site Preparation			(10,675)	4	6	**(10,675)**
				4	6	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			-	4	1	-
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-	10	1	-
Total cost (exc finance)						**(574,315)**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.0% debit			**(20,891)**
Total Costs						
Closing Balance						
PROFIT						**136,964**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
34	FALSE	P	0	3	14	18	1	£0.09m	£0.09m	-£5.9m	54.2%

Hotel

Development Value Summary	NIA	£/m²	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			-
Commercial			£6,000,000
GDV	0		**£6,000,000**
Land	-225%	#DIV/0!	**(£6,174,440)**
Construction		#DIV/0!	£8,219,988
Fees etc			£660,240
Planning obligations			-
Disposal costs			-
Finance			£40,888
Total Costs			**£2,746,676**
PROFIT			**£3,253,324**
Profit on Cost			**118.4%**
Profit on Value			**54.2%**

INPUTS 0 units		Units	NSA m²	NSA ft²	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		-	-	-	-	-
Commercial			2,800	30,139	199	6,000,000
Total		**-**	**2,800**			**6,000,000**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	-	1.00	18	1	50%	**-**
Intermediate	-	1.00	18	1		**-**
Affordable Rent	-	1.00	18	1		**-**
Senior Living	-	1.00	18	1		**-**
Commercial	6,000,000	1.00	18	1		**6,000,000**
Total						**6,000,000**

Land costs	**Rate**					
Site value			5,929,612	1	1	**5,929,612**
Acquisition costs	6.80%		403,214	1	1	**403,214**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-	4	14	**-**
Residential Contingency	10.0%		-	4	14	**-**
Residential Professional Fees	10.0%	of costs	-	4	14	**-**
Residential External Works			-	4	14	**-**
Residential Environmental Costs			-	4	14	**-**
Residential Site Preparation			-	4	14	**-**
				18	1	**-**
Commercial Development Costs						
Commercial Construction Cost			(6,602,400)	4	14	**(6,602,400)**
Commercial Contingency			(660,240)	4	14	**(660,240)**
Commercial Professional Fees			(660,240)	4	14	**(660,240)**
Commercial External Works			(660,240)	4	14	**(660,240)**
Commercial Environmental Costs			(132,048)	4	14	**(132,048)**
Commercial Site Preparation			(165,060)	4	14	**(165,060)**
				4	14	**-**
Planning obligations						
Borough CIL			-	4	1	**-**
Residential S106			-	4	1	**-**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			-	18	1	**-**
Total cost (exc finance)						**(8,880,228)**

Overall net cashflow			
Opening Balance			
Development Costs for Period			
Interest	7.0% debit	24,128	**(40,888)**
Total Costs			
Closing Balance			
PROFIT			**3,253,324**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
35	A	P	3,000	3	16	20	1	£0.06m	£0.06m	£0.7m	20.00%

Senior Living / Extra Care - Zone A

Development Value Summary			
	NIA	**£/m^2**	**Capital Value**
Private	-	£0	-
Affordable	-	£0	-
Senior Living			£11,011,470
Commercial			-
GDV	0		**£11,011,470**
Land	9%	#DIV/0!	**£767,143**
Construction		#DIV/0!	£6,394,320
Fees etc			£513,600
Planning obligations			£242,450
Disposal costs			£440,459
Finance			£451,204
Total Costs			**£8,809,176**
PROFIT			**£2,202,294**
Profit on Cost			**25.00%**
Profit on Value			**20.00%**

INPUTS						
38 units		**Units**	**NSA m^2**	**NSA ft^2**	**Value £ psf**	**Capital Value £**
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		38	3,000	32,292	341	11,011,470
Commercial			-	-	-	-
Total		**38**	**3,000**			**11,011,470**

Development Proceeds						
	Sales value	Growth	**Start month**	**Duration month**		**Total**
Private	-	1	20	1	50%	-
Intermediate	-	1	20	1		-
Affordable Rent	-	1	20	1		-
Senior Living	11,011,470	1	20	1		**11,011,470**
Commercial	-	1	20	1		-
Total						**11,011,470**

Land costs	**Rate**					
Site value			-718,299	1	1	**-718,299**
Acquisition costs	6.80%		-48,844	1	1	**-48,844**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-5,136,000	4	16	**-5,136,000**
Residential Contingency	10.00%		-513,600	4	16	**-513,600**
Residential Professional Fees	10.00%	of costs	-513,600	4	16	**-513,600**
Residential External Works			-513,600	4	16	**-513,600**
Residential Environmental Costs			-102,720	4	16	**-102,720**
Residential Site Preparation			-128,400	4	16	**-128,400**
				20	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	16	-
Commercial Contingency			-	4	16	-
Commercial Professional Fees			-	4	16	-
Commercial External Works			-	4	16	-
Commercial Environmental Costs			-	4	16	-
Commercial Site Preparation			-	4	16	-
				4	16	-
Planning obligations						
Borough CIL			-	4	1	-
Residential S106			-242,450	4	1	**-242,450**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-440,459	20	1	**-440,459**
Total cost (exc finance)						**-7,590,829**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest			7.00% debit	0		**-451,204**
Total Costs						
Closing Balance						
PROFIT						**2,202,294**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
35	B	P	3,000	3	16	20	1	£0.06m	£0.06m	£1.2m	20.00%

Senior Living / Extra Care - Zone B

Development Value Summary			
	NIA	**£/m^2**	**Capital Value**
Private	-	£0	-

INPUTS						
38 units		**Units**	**NSA m^2**	**NSA ft^2**	**Value £ psf**	**Capital Value £**

Affordable	-	£0	-
Senior Living			£12,077,096
Commercial			-
GDV	0		**£12,077,096**
Land	13%	#DIV/0!	**£1,303,765**
Construction		#DIV/0!	£6,394,320
Fees etc			£513,600
Planning obligations			£436,688
Disposal costs			£483,084
Finance			£530,219
Total Costs			**£9,661,677**
PROFIT			**£2,415,419**
Profit on Cost			**25.00%**
Profit on Value			**20.00%**

Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		38	3,000	32,292	374	12,077,096
Commercial			-	-	-	-
Total		**38**	**3,000**			**12,077,096**

Development Proceeds	**Sales value**	Growth	**Start month**	**Duration month**		**Total**
Private	-	1	20	1	50%	-
Intermediate	-	1	20	1		-
Affordable Rent	-	1	20	1		-
Senior Living	12,077,096	1	20	1		**12,077,096**
Commercial	-	1	20	1		-
Total						**12,077,096**

Land costs	**Rate**					
Site value			-1,220,754	1	1	**-1,220,754**
Acquisition costs	6.80%		-83,011	1	1	**-83,011**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-5,136,000	4	16	**-5,136,000**
Residential Contingency	10.00%		-513,600	4	16	**-513,600**
Residential Professional Fees	10.00%	of costs	-513,600	4	16	**-513,600**
Residential External Works			-513,600	4	16	**-513,600**
Residential Environmental Costs			-102,720	4	16	**-102,720**
Residential Site Preparation			-128,400	4	16	**-128,400**
				20	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	16	-
Commercial Contingency			-	4	16	-
Commercial Professional Fees			-	4	16	-
Commercial External Works			-	4	16	-
Commercial Environmental Costs			-	4	16	-
Commercial Site Preparation			-	4	16	-
				4	16	-
Planning obligations						
Borough CIL			-194,238	4	1	**-194,238**
Residential S106			-242,450	4	1	**-242,450**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-483,084	20	1	**-483,084**
Total cost (exc finance)						**-7,827,692**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest		7.00% debit		0		**-530,219**
Total Costs						
Closing Balance						
PROFIT						**2,415,419**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
35	C	P	3,000	3	16	20	1	£0.06m	£0.06m	£1.0m	20.00%

Senior Living / Extra Care - Zone C

Development Value Summary			
	NIA	**£/m^2**	**Capital Value**
Private	-	£0	-
Affordable	-	£0	-
Senior Living			£12,077,096
Commercial			-
GDV	0		**£12,077,096**
Land	12%	#DIV/0!	**£1,112,753**
Construction		#DIV/0!	£6,394,320
Fees etc			£513,600
Planning obligations			£630,959

INPUTS						
38 units		**Units**	**NSA m^2**	**NSA ft^2**	**Value £ psf**	**Capital Value £**
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		38	3,000	32,292	374	12,077,096
Commercial			-	-	-	-
Total		**38**	**3,000**			**12,077,096**
Development Proceeds			**Start**	**Duration**		**Total**

Disposal costs	£483,084
Finance	£526,961
Total Costs	**£9,661,677**
PROFIT	**£2,415,419**
Profit on Cost	**25.00%**
Profit on Value	**20.00%**

	Sales value	Growth	month	month		
Private	-	1	20	1	50%	-
Intermediate	-	1	20	1		-
Affordable Rent	-	1	20	1		-
Senior Living	12,077,096	1	20	1		**12,077,096**
Commercial	-	1	20	1		-
Total						**12,077,096**

	Rate					
Land costs	**Rate**					
Site value			-1,041,903	1	1	**-1,041,903**
Acquisition costs	6.80%		-70,849	1	1	**-70,849**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-5,136,000	4	16	**-5,136,000**
Residential Contingency	10.00%		-513,600	4	16	**-513,600**
Residential Professional Fees	10.00%	of costs	-513,600	4	16	**-513,600**
Residential External Works			-513,600	4	16	**-513,600**
Residential Environmental Costs			-102,720	4	16	**-102,720**
Residential Site Preparation			-128,400	4	16	**-128,400**
				20	1	-
Commercial Development Costs						
Commercial Construction Cost			-	4	16	-
Commercial Contingency			-	4	16	-
Commercial Professional Fees			-	4	16	-
Commercial External Works			-	4	16	-
Commercial Environmental Costs			-	4	16	-
Commercial Site Preparation			-	4	16	-
				4	16	-
Planning obligations						
Borough CIL			-388,509	4	1	**-388,509**
Residential S106			-242,450	4	1	**-242,450**
Commercial S106			-	4	1	-
Disposal Costs						
Marketing and disposal cost			-483,084	20	1	**-483,084**
Total cost (exc finance)						**-8,021,963**

Overall net cashflow				
Opening Balance				
Development Costs for Period				
Interest	7.00%	debit	0	**-526,961**
Total Costs				
Closing Balance				
PROFIT				**2,415,419**

Property Ref	Resi Zone	Comm Zone	Residential GIA	Pre construction	Construction month	Sale Start	Sale Period	EUV	BLV	Net RLV	Profit on value
35	D	P	3,000	3	16	20	1	£0.06m	£0.06m	£1.6m	20.00%
Senior Living / Extra Care - Zone D											

Development Value Summary

	NIA	£/m^2	Capital Value
Private	-	£0	-
Affordable	-	£0	-
Senior Living			£13,142,722
Commercial			-
GDV	0		**£13,142,722**
Land	17%	#DIV/0!	**£1,744,865**
Construction		#DIV/0!	£6,394,320
Fees etc			£513,600
Planning obligations			£728,078
Disposal costs			£525,709
Finance			£607,605
Total Costs			**£10,514,178**
PROFIT			**£2,628,544**
Profit on Cost			**25.00%**
Profit on Value			**20.00%**

INPUTS

38 units		Units	NSA m^2	NSA ft^2	Value £ psf	Capital Value £
Private	0%	-	-	-	-	-
Intermediate	0%	-	-	-	-	-
Affordable Rent	0%	-	-	-	-	-
Senior Living		38	3,000	32,292	407	13,142,722
Commercial			-	-	-	-
Total		**38**	**3,000**			**13,142,722**

Development Proceeds	Sales value	Growth	Start month	Duration month		Total
Private	-	1	20	1	50%	-
Intermediate	-	1	20	1		-
Affordable Rent	-	1	20	1		-
Senior Living	13,142,722	1	20	1		**13,142,722**
Commercial	-	1	20	1		-
Total						**13,142,722**

Land costs	**Rate**					
Site value			-1,633,769	1	1	**-1,633,769**
Acquisition costs	6.80%		-111,096	1	1	**-111,096**
Residential Development Costs				Start	Duration	
Residential Construction Cost			-5,136,000	4	16	**-5,136,000**
Residential Contingency	10.00%		-513,600	4	16	**-513,600**
Residential Professional Fees	10.00%	of costs	-513,600	4	16	**-513,600**
Residential External Works			-513,600	4	16	**-513,600**
Residential Environmental Costs			-102,720	4	16	**-102,720**
Residential Site Preparation			-128,400	4	16	**-128,400**
				20	1	**-**
Commercial Development Costs						
Commercial Construction Cost			-	4	16	**-**
Commercial Contingency			-	4	16	**-**
Commercial Professional Fees			-	4	16	**-**
Commercial External Works			-	4	16	**-**
Commercial Environmental Costs			-	4	16	**-**
Commercial Site Preparation			-	4	16	**-**
				4	16	**-**
Planning obligations						
Borough CIL			-485,628	4	1	**-485,628**
Residential S106			-242,450	4	1	**-242,450**
Commercial S106			-	4	1	**-**
Disposal Costs						
Marketing and disposal cost			-525,709	20	1	**-525,709**
Total cost (exc finance)						**-8,161,707**
Overall net cashflow						
Opening Balance						
Development Costs for Period						
Interest		7.00% debit		0		**-607,605**
Total Costs						
Closing Balance						
PROFIT						**2,628,544**

Folkestone Seafront
Y12/0897/SH

Development Appraisal
Gerald Eve
29 July 2022

APPRAISAL SUMMARY **GERALD EVE**

Folkestone Seafront
Y12/0897/SH

Appraisal Summary for Merged Phases 1 2 3

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Phase 1 Private Flats	42	37,674	442.00	396,474	16,651,908
Phase 1 Rented Flats	11	9,867	187.00	167,739	1,845,129
Phase 1 Private Houses	17	34,310	407.00	821,422	13,964,170
Phase 1 Rented Houses	4	8,073	187.00	377,419	1,509,678
Phase 1 Intermediate Flats	7	6,279	265.00	237,705	1,663,935
Phase 1 Intermediate Houses	3	6,055	265.00	534,846	1,604,537
Remaining Priv Flats	468	421,326	442.00	397,919	186,226,092
Remaining Rented Flats	121	108,933	187.00	168,350	20,370,379
Remaining Priv Houses	173	224,684	407.00	528,592	91,446,388
Remaining Rented Houses	44	57,145	187.00	242,865	10,686,059
Remaining Int. Flats	80	72,021	265.00	238,571	19,085,696
Remaining Int. Houses	30	38,962	265.00	344,167	10,325,009
Totals	**1,000**	**1,025,329**			**375,378,979**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Café/Restaurant	20	32,292	27.50	44,402	888,030	888,030
Leisure	4	32,292	17.50	141,278	565,110	565,110
Shops	20	32,292	25.00	40,365	807,300	807,300
Schools	1	5,382	15.00	80,729	80,729	80,729
Offices	1	5,382	20.00	107,639	107,639	107,639
Totals	**46**	**107,640**			**2,448,808**	**2,448,808**

Investment Valuation

Café/Restaurant					
Market Rent	888,030	YP @	6.0000%	16.6667	
		PV 11yrs 1mth @	6.0000%	0.5242	7,758,952
Leisure					
Market Rent	565,110	YP @	6.0000%	16.6667	
		PV 11yrs 1mth @	6.0000%	0.5242	4,937,515
Shops					
Market Rent	807,300	YP @	5.5000%	18.1818	
		PV 11yrs 1mth @	5.5000%	0.5524	8,108,817
Schools					
Market Rent	80,729	YP @	5.5000%	18.1818	
		PV 11yrs 1mth @	5.5000%	0.5524	810,874
Offices					
Market Rent	107,639	YP @	6.0000%	16.6667	
		PV 11yrs 1mth @	6.0000%	0.5242	940,470
Total Investment Valuation					**22,556,628**

GROSS DEVELOPMENT VALUE				**397,935,607**
Purchaser's Costs			(1,533,851)	
Effective Purchaser's Costs Rate		6.80%		
				(1,533,851)
NET DEVELOPMENT VALUE				**396,401,757**
NET REALISATION				**396,401,757**

Folkestone Seafront
Y12/0897/SH

OUTLAY

ACQUISITION COSTS

Residualised Price			10,200,276	
				10,200,276
Stamp Duty		5.00%	510,014	
Agent Fee		1.00%	102,003	
Legal Fee		0.25%	25,501	
				637,517

CONSTRUCTION COSTS

Construction	**ft²**	**Build Rate ft²**	**Cost**	
Café/Restaurant	40,365	109.00	4,399,785	
Leisure	40,365	172.00	6,942,780	
Shops	40,365	109.00	4,399,785	
Schools	6,727	227.00	1,527,128	
Offices	6,727	182.00	1,224,394	
Phase 1 Private Flats	44,322	168.00	7,446,155	
Phase 1 Rented Flats	11,608	168.00	1,950,184	
Phase 1 Private Houses	34,310	145.00	4,974,950	
Phase 1 Rented Houses	8,073	145.00	1,170,606	
Phase 1 Intermediate Flats	7,387	168.00	1,241,026	
Phase 1 Intermediate Houses	6,055	145.00	877,954	
Remaining Priv Flats	495,678	168.00	83,273,845	
Remaining Rented Flats	128,156	168.00	21,530,190	
Remaining Priv Houses	224,684	145.00	32,579,180	
Remaining Rented Houses	57,145	145.00	8,285,982	
Remaining Int. Flats	84,731	168.00	14,234,836	
Remaining Int. Houses	38,962	145.00	5,649,533	
Totals	**1,275,661 ft²**		**201,708,312**	
Contingency		10.00%	20,170,831	
Externals Houses		8.00%	4,283,056	
Externals Flats		15.00%	19,451,435	
Water Efficiency (inc 10% OHP)	1,275,661 ft²	0.51	650,587	
				246,264,222

Other Construction Costs

Abnormals (Harbour and Seafront)			19,710,559	
				19,710,559

Section 106 Costs

Libraries	84 un	67.03 /un	5,631	
Access Management Contribution			200,000	
Adult learning contribution	84 un	21.34 /un	1,793	
Footpath contribution			100,000	
Facilities and social care	84 un	106.74 /un	8,966	
Playspace contribution	84 un	302.00 /un	25,368	
Primary Education	84 un	2,987.50 /un	250,950	
Tontine street			150,000	
Youth and community	84 un	70.60 /un	5,930	
VMS contribution			30,000	
Travel plan monitoring			10,000	
Junction 5 contribution			50,000	
Monitoring fee			7,000	
Community Facilities Contribution			3,500,000	
Libraries	916 un	67.03 /un	61,399	
Adult learning contribution	916 un	21.34 /un	19,547	
Facilities and social care	916 un	106.74 /un	97,774	
Playspace contribution	916 un	302.00 /un	276,632	
Primary Education	916 un	2,987.50 /un	2,736,550	
Youth and community	916 un	70.60 /un	64,670	
				7,602,210

PROFESSIONAL FEES

Folkestone Seafront
Y12/0897/SH

Prof Fees	10.00%	22,141,887	
			22,141,887
MARKETING & LETTING			
Marketing	1.00%	166,519	
			166,519
DISPOSAL FEES			
Sales Agent Fee	1.50%	5,946,026	
Sales Legal Fee	0.50%	1,982,009	
			7,928,035
TOTAL COSTS BEFORE FINANCE			**314,651,226**
FINANCE			
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			12,668,909
TOTAL COSTS			**327,320,135**
PROFIT			
			69,081,621

Performance Measures

Profit on Cost%	21.11%
Profit on GDV%	17.36%
Profit on NDV%	17.43%
Development Yield% (on Rent)	0.75%
Equivalent Yield% (Nominal)	5.81%
Equivalent Yield% (True)	6.03%
IRR% (without Interest)	17.46%
Rent Cover	28 yrs 3 mths
Profit Erosion (finance rate 7.000)	2 yrs 9 mths

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Development Appraisal
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Appraisal Summary for Merged Phases 1 2 3 4 5

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Private - 1BF	7	2,800	372.00	148,800	1,041,600
Private - 2BH	40	28,200	366.00	258,030	10,321,200
Private - 3BH	55	50,050	366.00	333,060	18,318,300
Private - 4BH	39	52,260	349.00	467,660	18,238,740
SO - 1BF	21	8,400	236.00	94,400	1,982,400
SO- 3BH	7	6,370	236.00	214,760	1,503,320
SO - 4BH	14	18,760	236.00	316,240	4,427,360
SR - 1BF	9	3,600	187.00	74,800	673,200
SR - 3BH	3	2,730	187.00	170,170	510,510
SR - 4BH	6	8,040	187.00	250,580	1,503,480
Private - 1BF	7	2,800	372.00	148,800	1,041,600
Private - 2BH	42	29,610	366.00	258,030	10,837,260
Private - 3BH	57	51,870	366.00	333,060	18,984,420
Private - 4BH	40	53,600	349.00	467,660	18,706,400
SO - 1BF	22	8,800	236.00	94,400	2,076,800
SO- 3BH	8	7,280	236.00	214,760	1,718,080
SO - 4BH	14	18,760	236.00	316,240	4,427,360
SR - 1BF	10	4,000	187.00	74,800	748,000
SR - 3BH	3	2,730	187.00	170,170	510,510
SR - 4BH	6	8,040	187.00	250,580	1,503,480
Private - 1BF	7	2,800	372.00	148,800	1,041,600
Private - 2BH	42	29,610	366.00	258,030	10,837,260
Private - 3BH	57	51,870	366.00	333,060	18,984,420
Private - 4BH	40	53,600	349.00	467,660	18,706,400
SO - 1BF	22	8,800	236.00	94,400	2,076,800
SO- 3BH	8	7,280	236.00	214,760	1,718,080
SO - 4BH	14	18,760	236.00	316,240	4,427,360
SR - 1BF	10	4,000	187.00	74,800	748,000
SR - 3BH	3	2,730	187.00	170,170	510,510
SR - 4BH	6	8,040	187.00	250,580	1,503,480
Extra Care Flats	101	40,400	374.00	149,600	15,109,600
Private - 1BF	10	4,000	372.00	148,800	1,488,000
Private - 2BH	58	40,890	366.00	258,030	14,965,740
Private - 3BH	79	71,890	366.00	333,060	26,311,740
Private - 4BH	56	75,040	349.00	467,660	26,188,960
SO - 1BF	31	12,400	236.00	94,400	2,926,400
SO- 3BH	11	10,010	236.00	214,760	2,362,360
SO - 4BH	20	26,800	236.00	316,240	6,324,800
SR - 1BF	13	5,200	187.00	74,800	972,400
SR - 3BH	5	4,550	187.00	170,170	850,850
SR - 4BH	8	10,720	187.00	250,580	2,004,640
Private - 1BF	5	2,000	372.00	148,800	744,000
Private - 2BH	28	19,740	366.00	258,030	7,224,840
Private - 3BH	38	34,580	366.00	333,060	12,656,280
Private - 4BH	27	36,180	349.00	467,660	12,626,820
SO - 1BF	15	6,000	236.00	94,400	1,416,000
SO- 3BH	5	3,525	236.00	166,380	831,900
SO - 4BH	9	12,060	236.00	316,240	2,846,160
SR - 1BF	6	2,400	187.00	74,800	448,800
SR - 3BH	2	1,820	187.00	170,170	340,340
SR - 4BH	4	5,360	187.00	250,580	1,002,320
Totals	**1,150**	**981,755**			**319,270,880**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**

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Commercial - A1/A2/A3	1	11,160	15.00	167,400	167,400	167,400
Commercial - B1	1	64,800	20.00	1,296,000	1,296,000	1,296,000
Totals	**2**	**75,960**			**1,463,400**	**1,463,400**

Investment Valuation

Commercial - A1/A2/A3					
Market Rent	167,400	YP @	10.0000%	10.0000	
(1mth Unexpired Rent Free)		PV 1mth @	10.0000%	0.9921	1,660,757
Commercial - B1					
Market Rent	1,296,000	YP @	7.0000%	14.2857	
(7mths Unexpired Rent Free)		PV 7mths @	7.0000%	0.9613	17,797,804
Total Investment Valuation					**19,458,561**

GROSS DEVELOPMENT VALUE	**338,729,441**
NET REALISATION	**338,729,441**

OUTLAY

ACQUISITION COSTS

Residualised Price		19,191,257	
			19,191,257
Stamp Duty	5.00%	959,563	
Agent Fee	1.00%	191,913	
Legal Fee	0.25%	47,978	
			1,199,454

CONSTRUCTION COSTS

Construction	**ft²**	**Build Rate ft²**	**Cost**
Commercial - A1/A2/A3	12,400	108.00	1,339,200
Commercial - B1	81,000	180.00	14,580,000
Private - 1BF	3,500	168.00	588,000
Private - 2BH	28,200	145.00	4,089,000
Private - 3BH	50,050	145.00	7,257,250
Private - 4BH	52,260	145.00	7,577,700
SO - 1BF	10,500	168.00	1,764,000
SO- 3BH	6,370	145.00	923,650
SO - 4BH	18,760	145.00	2,720,200
SR - 1BF	4,500	168.00	756,000
SR - 3BH	2,730	145.00	395,850
SR - 4BH	8,040	145.00	1,165,800
Private - 1BF	3,500	168.00	588,000
Private - 2BH	29,610	145.00	4,293,450
Private - 3BH	51,870	145.00	7,521,150
Private - 4BH	53,600	145.00	7,772,000
SO - 1BF	11,000	168.00	1,848,000
SO- 3BH	7,280	145.00	1,055,600
SO - 4BH	18,760	145.00	2,720,200
SR - 1BF	5,000	168.00	840,000
SR - 3BH	2,730	145.00	395,850
SR - 4BH	8,040	145.00	1,165,800
Private - 1BF	3,500	168.00	588,000
Private - 2BH	29,610	145.00	4,293,450
Private - 3BH	51,870	145.00	7,521,150
Private - 4BH	53,600	145.00	7,772,000
SO - 1BF	11,000	168.00	1,848,000
SO- 3BH	7,280	145.00	1,055,600
SO - 4BH	18,760	145.00	2,720,200
SR - 1BF	5,000	168.00	840,000

Martello Lakes / Nickoll's Quarry
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SR - 3BH	2,730	145.00	395,850	
SR - 4BH	8,040	145.00	1,165,800	
Extra Care Flats	50,500	159.00	8,029,500	
Private - 1BF	5,000	168.00	840,000	
Private - 2BH	40,890	145.00	5,929,050	
Private - 3BH	71,890	145.00	10,424,050	
Private - 4BH	75,040	145.00	10,880,800	
SO - 1BF	15,500	168.00	2,604,000	
SO- 3BH	10,010	145.00	1,451,450	
SO - 4BH	26,800	145.00	3,886,000	
SR - 1BF	6,500	168.00	1,092,000	
SR - 3BH	4,550	145.00	659,750	
SR - 4BH	10,720	145.00	1,554,400	
Private - 1BF	2,500	168.00	420,000	
Private - 2BH	19,740	145.00	2,862,300	
Private - 3BH	34,580	145.00	5,014,100	
Private - 4BH	36,180	145.00	5,246,100	
SO - 1BF	7,500	168.00	1,260,000	
SO- 3BH	3,525	145.00	511,125	
SO - 4BH	12,060	145.00	1,748,700	
SR - 1BF	3,000	168.00	504,000	
SR - 3BH	1,820	145.00	263,900	
SR - 4BH	5,360	145.00	777,200	
Totals	**1,104,755 ft²**		**165,515,175**	
Contingency		10.00%	16,551,518	
4 Bed Home CIL	162 un	12,400.00 /un	2,008,800	
3 Bed Home CIL	286 un	10,200.00 /un	2,917,200	
2 Bed Home CIL	210 un	7,900.00 /un	1,659,000	
1 Bed Flat CIL	36 un	5,000.00 /un	180,000	
4 Bed HomeCIL	40 un	12,400.00 /un	496,000	
				189,327,692
Other Construction Costs				
Water Efficiency	184,910 ft²	0.51	94,304	
House Externals		8.00%	1,930,356	
Flat Externals		15.00%	466,200	
Flat Externals		15.00%	491,400	
House Externals		8.00%	1,993,924	
Water Efficiency	191,390 ft²	0.51	97,609	
Flat Externals		15.00%	491,400	
House Externals		8.00%	1,993,924	
Water Efficiency	241,890 ft²	0.51	123,364	
Flat Externals		15.00%	680,400	
House Externals		8.00%	2,782,840	
Water Efficiency	266,900 ft²	0.51	136,119	
Water Efficiency	126,265 ft²	0.51	64,395	
House Externals		8.00%	1,313,874	
Flat Externals		15.00%	327,600	
				12,987,709
Section 106 Costs				
New Section 106 Costs			5,472,000	
Already Paid S106 Costs			943,925	
Extant - Bus			625,000	
Extant - Education			600,000	
Extant - Sports Leisure Community			3,200,000	
				10,840,925
Section 278 Costs				
Infrastructure Cost Estimate	201 un	19,000.00 /un	3,819,000	
Infrastructure Cost Estimate	209 un	19,000.00 /un	3,971,000	
Infrastructure Cost Estimate	209 un	19,000.00 /un	3,971,000	
Infrastructure Cost Estimate	291 un	19,000.00 /un	5,529,000	
Infrastructure Cost Estimate	139 un	19,000.00 /un	2,641,000	
				19,931,000

Martello Lakes / Nickoll's Quarry
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Gerald Eve

PROFESSIONAL FEES			
Architect	10.00%	16,797,218	
			16,797,218
MARKETING & LETTING			
Marketing	1.00%	1,014,775	
Letting Agent Fee	10.00%	146,340	
Letting Legal Fee	5.00%	73,170	
			1,234,285
DISPOSAL FEES			
Sales Agent Fee	1.50%	3,738,984	
Sales Legal Fee	0.50%	1,246,328	
			4,985,312
TOTAL COSTS BEFORE FINANCE			**276,494,852**
FINANCE			
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			14,951
TOTAL COSTS			**276,509,802**
PROFIT			
			62,219,639
Performance Measures			
Profit on Cost%	22.50%		
Profit on GDV%	18.37%		
Profit on NDV%	18.37%		
Development Yield% (on Rent)	0.53%		
Equivalent Yield% (Nominal)	7.25%		
Equivalent Yield% (True)	7.59%		
IRR% (without Interest)	714.60%		
Rent Cover	42 yrs 6 mths		
Profit Erosion (finance rate 7.000)	2 yrs 11 mths		

Otterpool Park - Master Developer Appraisal
Gerald Eve

Development Appraisal
Gerald Eve
29 July 2022

Otterpool Park - Master Developer Appraisal
Gerald Eve

Appraisal Summary for Merged Phases 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

Currency in £

REVENUE

Sales Valuation	**Units**	**Unit Price**	**Gross Sales**	
1A Plot Sales	15	5,448,045	81,720,675	
1B Plot Sales	13	5,448,045	70,824,585	
1C Plot Sales	4	5,448,045	21,792,180	
2B Plot Sales	6	5,448,045	32,688,270	
2C Plot Sales	1	5,448,045	5,448,045	
2C Plot Sales - Premium	5	6,960,943	34,804,715	
3A Plot Sales	5	5,448,045	27,240,225	
3B Plot Sales	4	5,448,045	21,792,180	
3B Plot Sales - Premium	7	6,960,943	48,726,601	
3C Plot Sales - Premium	4	7,981,443	31,925,772	
4 Plot Sales - Premium	13	7,981,443	103,758,759	
5 Plot Sales - Premium	2	7,981,443	15,962,886	
6 Plot Sales - Premium	11	7,981,443	87,795,873	
7 Plot Sales - Premium	19	7,981,443	151,647,417	
8 Plot Sales - Premium	5	7,981,443	39,907,215	
Totals	**114**		**776,035,398**	
NET REALISATION				**776,035,398**
OUTLAY				
ACQUISITION COSTS				
Fixed Price		95,000,000		
Fixed Price			95,000,000	
				95,000,000
Stamp Duty			4,737,500	
Effective Stamp Duty Rate		4.99%		
Agent Fee		1.00%	950,000	
Legal Fee		0.50%	475,000	
				6,162,500

CONSTRUCTION COSTS

Construction	**Units**	**Unit Amount**	**Cost**
M20 Junction 12-13	1 un	8,226,490	8,226,490
M20 Junction 12-13 Local Junction Upgrades	1 un	55,010	55,010
Junction 11 Option A Phase 1	1 un	2,499,373	2,499,373
Junction 11 Option A Phase 2	1 un	2,775,615	2,775,615
Junction 11 Option A Phase 3	1 un	3,553,607	3,553,607
Junction 11 Option A Phase 4	1 un	2,263,932	2,263,932
A20/A260 Interchange Junction 1	1 un	1,598,929	1,598,929
A20/A260 Interchange Junction 1	1 un	29,499	29,499
A20/A260 Interchange Junction 1	1 un	241,947	241,947
Totals			**21,244,402**
1A - Direct Works			28,241,689
1B - Direct Works			30,205,989
1C - Direct Works			17,745,514
2A - Direct Works			3,906,530
2B - Direct Works			10,946,152
2C - Direct Works			9,814,490
3A - Direct Works			20,437,949
3B - Direct Works			17,625,169
3C - Direct Works			9,935,132
4 - Direct Works			23,340,929
5 - Direct Works			5,380,870
6 - Direct Works			14,398,078
7 - Direct Works			18,169,856

Otterpool Park - Master Developer Appraisal
Gerald Eve

8 - Direct Works	7,323,484	
1A - General Overheads/Prelims	229,238	
1B - General Overheads/Prelims	227,087	
1C - General Overheads/Prelims	108,844	
2A - General Overheads/Prelims	22,248	
2B - General Overheads/Prelims	89,580	
2C - General Overheads/Prelims	80,030	
3A - General Overheads/Prelims	136,180	
3B - General Overheads/Prelims	149,095	
3C - General Overheads/Prelims	73,009	
4 - General Overheads/Prelims	190,198	
5 - General Overheads/Prelims	40,336	
6 - General Overheads/Prelims	128,662	
7- General Overheads/Prelims	185,592	
8 - General Overheads/Prelims	64,494	
Professional fees	5,376,011	
1B - Professional / LA Fees	5,718,116	
1C - Professional / LA Fees	4,039,591	
2A - Professional / LA Fees	648,766	
2B - Professional / LA Fees	1,880,866	
2C - Professional / LA Fees	2,346,306	
3A - Professional / LA Fees	4,213,400	
3B - Professional / LA Fees	4,010,486	
3C - Professional / LA Fees	2,469,277	
4 - Professional / LA Fees	5,008,303	
5 - Professional / LA Fees	1,181,612	
6 - Professional / LA Fees	3,683,105	
7 - Professional / LA Fees	4,547,331	
8 - Professional / LA Fees	1,443,739	
		287,007,735
Other Construction Costs		
Infrastructure Risk	3,541,922	
1B - Infra Risk	3,673,911	
1C - Infra Risk	2,073,477	
2A - Infra Risk	468,861	
2B - Infra Risk	1,366,000	
2C - Infra Risk	1,251,507	
3A - Infra Risk	2,555,107	
3B - Infra Risk	2,269,146	
3C - Infra Risk	1,275,145	
4 - Infra Risk	2,955,885	
5 - Infra Risk	677,142	
6 - Infra Risk	1,871,540	
7 - Infra Risk	2,412,053	
8 - Infra Risk	940,549	
		27,332,245
Section 106 Costs		
1A - Section 106 Costs	16,890,000	
Onsite waste water scenario	1,052,632	
1B - Section 106 Costs	14,760,000	
Onsite waste water scenario	912,281	
1C - Section 106 Costs	4,230,000	
Onsite waste water scenario	280,702	
2B - Section 106 Costs	6,510,000	
Onsite waste water scenario	421,053	
2C - Section 106 Costs	6,375,000	
Onsite waste water scenario	421,053	
3A - Section 106 Costs	5,100,000	
Onsite waste water scenario	350,877	
3B - Section 106 Costs	12,570,000	
Onsite waste water scenario	771,930	
3C - Section 106 Costs	4,350,000	
Onsite waste water scenario	280,702	

4 -Section 106 Costs		14,925,000	
Onsite waste water scenario		912,282	
5 - Section 106 Costs		2,550,000	
Onsite waste water scenario		140,351	
6 - Section 106 Costs		12,345,000	
Onsite waste water scenario		771,930	
7 - Section 106 Costs		21,150,000	
Onsite waste water scenario		1,333,333	
8 - Section 106 Costs		5,745,000	
Onsite waste water scenario		350,877	
			135,500,003
PROFESSIONAL FEES			
Development Management Fee	6.00%	15,602,713	
Unrecovered Estate Costs		6,750,002	
			22,352,715
MARKETING & LETTING			
Marketing	1.00%	6,471,488	
			6,471,488
DISPOSAL FEES			
Sales Agent Fee	1.00%	7,357,826	
			7,357,826
TOTAL COSTS BEFORE FINANCE			**587,184,513**
FINANCE			
Debit Rate 4.250%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			17,862,564
TOTAL COSTS			**605,047,077**
PROFIT			
			170,988,321
Performance Measures			
Profit on Cost%	28.26%		
Profit on GDV%	22.03%		
Profit on NDV%	22.03%		
IRR% (without Interest)	14.08%		
Profit Erosion (finance rate 4.250)	5 yrs 11 mths		

Sellindge Phase 2: Site A - Land to the West

Development Appraisal
Gerald Eve
29 July 2022

Sellindge Phase 2: Site A - Land to the West

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Private - Houses	147	138,580	349.00	329,010	48,364,420
Intermediate - Houses	12	11,185	236.00	219,972	2,639,660
Social - Houses	29	26,870	187.00	173,265	5,024,690
Totals	**188**	**176,635**			**56,028,770**

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Offices	1	9,149	12.00	109,793	109,793	109,793

Investment Valuation

Offices					
Market Rent	109,793	YP @	7.0000%	14.2857	
		PV 1mth @	7.0000%	0.9944	1,559,650

GROSS DEVELOPMENT VALUE	**57,588,420**
NET REALISATION	**57,588,420**

OUTLAY

ACQUISITION COSTS			
Residualised Price		4,472,243	
			4,472,243
Stamp Duty		207,374	
Effective Stamp Duty Rate	4.64%		
Agent Fee	1.00%	44,722	
Legal Fee	0.25%	11,181	
			263,277

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Offices	10,764	193.00	2,077,452	
Private - Houses	138,580	145.00	20,094,100	
Intermediate - Houses	11,185	145.00	1,621,825	
Social - Houses	26,870	145.00	3,896,150	
Totals	**187,399 ft²**		**27,689,527**	
Contingency		10.00%	2,768,953	
				30,458,480
Other Construction Costs				
Private Externals		8.00%	1,607,528	
Private Water Efficiency	149,344 ft²	0.51	76,165	
Affordable Externals		8.00%	441,438	
Affordable Water Efficiency	38,055 ft²	0.51	19,408	
				2,144,539
Section 106 Costs				
Section 106 and CIL			907,806	
Nursery			1,260,000	
CIL			1,740,737	
				3,908,543

PROFESSIONAL FEES			
Professional Fees	10.00%	2,973,849	
			2,973,849
MARKETING & LETTING			
Marketing	1.00%	483,644	
			483,644

Sellindge Phase 2: Site A - Land to the West

DISPOSAL FEES			
Sales Agent Fee	1.50%	748,861	
Sales Legal Fee	0.50%	249,620	
			998,481
TOTAL COSTS BEFORE FINANCE			**45,703,057**
FINANCE			
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			1,283,573
TOTAL COSTS			**46,986,630**
PROFIT			
			10,601,790
Performance Measures			
Profit on Cost%	22.56%		
Profit on GDV%	18.41%		
Profit on NDV%	18.41%		
Development Yield% (on Rent)	0.23%		
Equivalent Yield% (Nominal)	7.00%		
Equivalent Yield% (True)	7.32%		
IRR% (without Interest)	38.91%		
Rent Cover	96 yrs 7 mths		
Profit Erosion (finance rate 7.000)	2 yrs 11 mths		

Sellindge Phase 2: Site B - Rhodes House

Development Appraisal
Gerald Eve
29 July 2022

Sellindge Phase 2: Site B - Rhodes House

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Sales Rate ft²**	**Unit Price**	**Gross Sales**
Private - Houses	116	110,095	349.00	331,234	38,423,155
Intermediate - Houses	14	13,320	236.00	224,537	3,143,520
Social - Houses	32	30,325	187.00	177,212	5,670,775
Totals	**162**	**153,740**			**47,237,450**

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Offices	1	4,250	12.00	51,000	51,000	51,000

Investment Valuation

Offices					
Market Rent	51,000	YP @	7.0000%	14.2857	
		PV 7mths @	7.0000%	0.9613	700,377

GROSS DEVELOPMENT VALUE	**47,937,827**
NET REALISATION	**47,937,827**

OUTLAY

ACQUISITION COSTS

Residualised Price		4,970,509	
			4,970,509
Stamp Duty		232,765	
Effective Stamp Duty Rate	4.68%		
Agent Fee	1.00%	49,705	
Legal Fee	0.25%	12,426	
			294,896

CONSTRUCTION COSTS

Construction	**ft²**	**Build Rate ft²**	**Cost**	
Offices	5,000	193.00	965,000	
Private - Houses	110,095	145.00	15,963,775	
Intermediate - Houses	13,320	145.00	1,931,400	
Social - Houses	30,325	145.00	4,397,125	
Totals	**158,740 ft²**		**23,257,300**	
Contingency		10.00%	2,325,730	
				25,583,030

Other Construction Costs

Private Externals		8.00%	1,277,102	
Private Water Efficiency	115,095 ft²	0.51	58,698	
Affordable Externals		8.00%	506,282	
Affordable Water Efficiency	43,645 ft²	0.51	22,259	
				1,864,341

Section 106 Costs

Section 106 and CIL	184,537	
Section 106 and CIL	280,464	
Section 106 and CIL	280,463	
Section 106 and CIL	34,536	
CIL	1,500,000	
		2,280,000

PROFESSIONAL FEES

Professional Fees	10.00%	2,504,068	
			2,504,068

MARKETING & LETTING

Sellindge Phase 2: Site B - Rhodes House

Marketing	1.00%	384,232	
			384,232
DISPOSAL FEES			
Sales Agent Fee	1.50%	586,853	
Sales Legal Fee	0.50%	195,618	
			782,471
TOTAL COSTS BEFORE FINANCE			**38,663,548**
FINANCE			
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			714,571
TOTAL COSTS			**39,378,119**
PROFIT			
			8,559,708

Performance Measures

Profit on Cost%	21.74%
Profit on GDV%	17.86%
Profit on NDV%	17.86%
Development Yield% (on Rent)	0.13%
Equivalent Yield% (Nominal)	7.00%
Equivalent Yield% (True)	7.32%
IRR% (without Interest)	47.96%
Rent Cover	167 yrs 10 mths
Profit Erosion (finance rate 7.000)	2 yrs 10 mths

APPENDIX 12

Appendix 12(i) - Revenue Sensitivity

Sensitivity Analysis	Revenue Sensitivity Variance	Zone A: 5 Houses Greenfield	Zone A: 10 Houses Greenfield	Zone A: 25 Mixed Brownfield	Zone A: 50 Mixed Greenfield	Zone A: 100 Mixed Greenfield	Zone B: 5 Houses Greenfield	Zone B: 10 Houses Brownfield	Zone B: 25 Mixed Brownfield	Zone B: 50 Mixed Brownfield	Zone B: 100 Mixed Greenfield	Zone C: 5 Houses Brownfield	Zone C: 10 Houses Brownfield	Zone C: 25 Mixed Brownfield	Zone C: 50 Mixed Greenfield	Zone C: 100 Mixed Brownfield
	BLV	£55,000	£85,000	£900,000	£610,000	£755,000	£55,000	£360,000	£610,000	£4,200,000	£715,000	£240,000	£235,000	£460,000	£195,000	£3,325,000
Surplus / Deficit (Against BLV)	Sales +5%	-£306,168	£407,959	-£358,728	£285,091	£514,762	-£223,370	£325,772	£262,094	-£2,659,171	£1,630,877	-£379,249	£308,387	£489,386	£1,195,398	-£882,847
	Sales +2.5%	-£333,866	£359,029	-£437,638	£135,416	£229,196	-£253,752	£272,106	£174,778	-£2,824,853	£1,301,549	-£409,631	£264,721	£401,007	£1,024,961	-£1,202,009
	Base Scenario	-£371,484	£310,099	-£516,548	-£14,259	-£56,369	-£284,134	£218,441	£87,463	-£2,990,536	£971,882	-£440,013	£221,055	£312,628	£854,523	-£1,521,171
	Sales -2.5%	-£422,310	£261,169	-£595,458	-£163,933	-£342,735	-£314,516	£164,776	£148	-£3,156,218	£640,973	-£470,395	£177,390	£224,250	£684,086	-£1,841,248
	Sales -5%	-£473,135	£212,239	-£674,506	-£313,968	-£629,805	-£344,899	£111,110	-£87,167	-£3,321,901	£310,064	-£500,778	£133,724	£135,871	£513,649	-£2,161,942

Sensitivity Analysis	Revenue Sensitivity Variance	Zone D: 5 Houses Brownfield	Zone D: 10 Houses Greenfield	Zone D: 25 Mixed Greenfield	Zone D: 50 Mixed Greenfield	Zone D: 100 Mixed Greenfield	Retail - Larger format (A1) Convenience (Large Greenfield	Retail - Larger format (A1) Comparison (Retail Greenfield	Primary: Greenfield	Secondary: Greenfield	Primary: Office (B1) (Town Centre) Brownfield	Secondary: Office (B1) (Out of Town) Greenfield	Large Industrial (B2,B8) Greenfield	Small Industrial (B2,B8) Greenfield	Hotel Greenfield
	BLV	£240,000	£115,000	£520,000	£610,000	£755,000	£155,000	£150,000	£100,000	£125,000	£85,000	£155,000	£125,000	£30,000	£85,000
Surplus / Deficit (Against BLV)	Sales +5%	-£340,426	£541,117	£727,349	£916,142	£1,865,110	£3,081,890	-£179,484	£232,955	-£385,683	-£743,021	-£7,649,931	-£174,129	£173,941	-£5,592,579
	Sales +2.5%	-£373,489	£491,779	£620,672	£742,617	£1,517,070	£2,895,382	-£249,430	£212,539	-£402,179	-£782,804	-£7,745,297	-£225,829	£156,672	-£5,803,596
	Base Scenario	-£406,552	£442,442	£513,767	£569,091	£1,169,031	£2,708,875	-£319,376	£192,123	-£418,674	-£822,587	-£7,840,663	-£277,530	£139,403	-£6,014,612
	Sales -2.5%	-£439,615	£393,104	£406,862	£395,565	£819,711	£2,522,368	-£389,322	£171,707	-£435,170	-£862,370	-£7,936,029	-£329,231	£122,134	-£6,225,628
	Sales -5%	-£472,678	£343,766	£299,957	£222,040	£470,000	£2,335,860	-£459,268	£151,290	-£451,665	-£902,153	-£8,031,395	-£380,932	£104,865	-£6,436,645

Appendix 12(ii) - Cost Sensitivity

Sensitivity Analysis	Construction Costs Sensitivity Variance	Zone A: 5 Houses Greenfield	Zone A: 10 Houses Greenfield	Zone A: 25 Mixed Brownfield	Zone A: 50 Mixed Greenfield	Zone A: 100 Mixed Greenfield	Zone B: 5 Houses Greenfield	Zone B: 10 Houses Brownfield	Zone B: 25 Mixed Brownfield	Zone B: 50 Mixed Brownfield	Zone B: 100 Mixed Greenfield	Zone C: 5 Houses Brownfield	Zone C: 10 Houses Brownfield	Zone C: 25 Mixed Brownfield	Zone C: 50 Mixed Greenfield	Zone C: 100 Mixed Brownfield
	BLV	£55,000	£85,000	£900,000	£610,000	£755,000	£55,000	£360,000	£610,000	£4,200,000	£715,000	£240,000	£235,000	£460,000	£195,000	£3,325,000
Surplus / Deficit (Against BLV)	Costs +5%	-£486,346	£212,686	-£684,580	-£339,340	-£701,846	-£353,294	£121,028	-£80,524	-£3,315,571	£296,992	-£509,173	£140,746	£144,515	£525,311	-£2,159,869
	Costs +2.5%	-£428,915	£261,393	-£600,420	-£176,478	-£378,756	-£318,714	£169,735	£3,469	-£3,153,054	£634,437	-£474,593	£180,901	£228,571	£689,917	-£1,840,211
	Base Scenario	-£371,484	£310,099	-£516,548	-£14,259	-£56,369	-£284,134	£218,441	£87,463	-£2,990,536	£971,882	-£440,013	£221,055	£312,628	£854,523	-£1,521,171
	Costs -2.5%	-£326,988	£358,805	-£432,675	£147,960	£264,905	-£249,554	£267,147	£171,457	-£2,828,018	£1,307,769	-£405,433	£261,210	£396,685	£1,019,130	-£1,203,310
	Costs -5%	-£292,413	£407,511	-£348,803	£310,179	£586,178	-£214,974	£315,853	£255,451	-£2,665,500	£1,643,317	-£370,853	£301,365	£480,742	£1,183,736	-£885,450

Sensitivity Analysis	Construction Costs Sensitivity Variance	Zone D: 5 Houses Brownfield	Zone D: 10 Houses Greenfield	Zone D: 25 Mixed Greenfield	Zone D: 50 Mixed Greenfield	Zone D: 100 Mixed Greenfield	Retail - Larger format (A1) Convenience (Large Greenfield	Retail - Larger format (A1) Comparison (Retail Greenfield	Primary: Greenfield	Secondary: Greenfield	Primary: Office (B1) (Town Centre) Brownfield	Secondary: Office (B1) (Out of Town) Greenfield	Large Industrial (B2,B8) Greenfield	Small Industrial (B2,B8) Greenfield	Hotel Greenfield
	BLV	£240,000	£115,000	£520,000	£610,000	£755,000	£155,000	£150,000	£100,000	£125,000	£85,000	£155,000	£125,000	£30,000	£85,000
Surplus / Deficit (Against BLV)	Costs +5%	-£475,712	£360,146	£327,843	£244,653	£494,762	£2,493,957	-£458,242	£165,896	-£466,349	-£939,033	-£8,415,678	-£388,558	£113,335	-£6,733,126
	Costs +2.5%	-£441,132	£401,294	£420,805	£406,872	£832,092	£2,601,416	-£388,809	£179,010	-£442,512	-£880,810	-£8,128,170	-£333,044	£126,369	-£6,373,869
	Base Scenario	-£406,552	£442,442	£513,767	£569,091	£1,169,031	£2,708,875	-£319,376	£192,123	-£418,674	-£822,587	-£7,840,663	-£277,530	£139,403	-£6,014,612
	Costs -2.5%	-£371,972	£483,589	£606,729	£731,310	£1,504,464	£2,816,334	-£249,944	£205,236	-£394,837	-£764,365	-£7,553,155	-£222,016	£152,437	-£5,655,355
	Costs -5%	-£337,392	£524,737	£699,273	£893,529	£1,839,897	£2,923,793	-£180,511	£218,349	-£370,999	-£706,142	-£7,265,647	-£166,502	£165,471	-£5,296,099

Appendix 12(iii) - Revenue & Cost Sensitivity

Sensitivity Analysis	Construction Costs & Revenue Sensitivity Variance	Zone A: 5 Houses Greenfield	Zone A: 10 Houses Greenfield	Zone A: 25 Mixed Brownfield	Zone A: 50 Mixed Greenfield	Zone A: 100 Mixed Greenfield	Zone B: 5 Houses Greenfield	Zone B: 10 Houses Brownfield	Zone B: 25 Mixed Brownfield	Zone B: 50 Mixed Brownfield	Zone B: 100 Mixed Greenfield	Zone C: 5 Houses Brownfield	Zone C: 10 Houses Brownfield	Zone C: 25 Mixed Brownfield	Zone C: 50 Mixed Greenfield	Zone C: 100 Mixed Brownfield
	BLV	£55,000	£85,000	£900,000	£610,000	£755,000	£55,000	£360,000	£610,000	£4,200,000	£715,000	£240,000	£235,000	£460,000	£195,000	£3,325,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	-£237,017	£505,372	-£190,983	£609,529	£1,155,441	-£154,210	£423,184	£429,756	-£2,335,355	£2,301,692	-£310,089	£388,696	£656,810	£1,524,485	-£248,256
	Sales +2.5% & Cost -2.5%	-£299,290	£407,735	-£353,765	£297,635	£550,470	-£219,172	£320,813	£258,772	-£2,662,336	£1,637,097	-£375,051	£304,876	£485,064	£1,189,567	-£884,148
	Base Scenario	-£371,484	£310,099	-£516,548	-£14,259	-£56,369	-£284,134	£218,441	£87,463	-£2,990,536	£971,882	-£440,013	£221,055	£312,628	£854,523	-£1,521,171
	Sales -2.5% & Cost +2.5%	-£479,741	£212,462	-£679,543	-£326,654	-£665,825	-£349,096	£116,069	-£83,846	-£3,318,736	£303,528	-£504,975	£137,235	£140,193	£519,480	-£2,160,905
	Sales -5% & Cost +5%	-£587,997	£114,826	-£843,199	-£646,844	-£1,495,513	-£450,572	£13,698	-£255,155	-£3,646,936	-£366,436	-£587,201	£53,415	-£32,243	£184,213	-£2,801,782

Sensitivity Analysis	Construction Costs & Revenue Sensitivity Variance	Zone D: 5 Houses Brownfield	Zone D: 10 Houses Greenfield	Zone D: 25 Mixed Greenfield	Zone D: 50 Mixed Greenfield	Zone D: 100 Mixed Greenfield	Retail - Larger format (A1) Convenience (Large Greenfield	Retail - Larger format (A1) Comparison (Retail Greenfield	Primary: Retail (A1-A5) Greenfield	Secondary: Retail (A1-A5) Greenfield	Primary: Office (B1) (Town Centre) Brownfield	Secondary: Office (B1) (Out of Town) Greenfield	Large Industrial (B2,B8) Greenfield	Small Industrial (B2,B8) Greenfield	Hotel Greenfield
	BLV	£240,000	£115,000	£520,000	£610,000	£755,000	£155,000	£150,000	£100,000	£125,000	£85,000	£155,000	£125,000	£30,000	£85,000
Surplus / Deficit (Against BLV)	Sales +5% & Cost -5%	-£271,266	£623,413	£912,228	£1,239,908	£2,535,154	£3,296,808	-£47,000	£259,182	-£338,008	-£626,576	-£7,074,915	-£66,530	£200,008	-£4,874,066
	Sales +2.5% & Cost -2.5%	-£338,909	£532,927	£713,311	£904,836	£1,852,504	£3,002,841	-£179,998	£225,652	-£378,341	-£724,582	-£7,457,789	-£170,315	£169,706	-£5,444,339
	Base Scenario	-£406,552	£442,442	£513,767	£569,091	£1,169,031	£2,708,875	-£319,376	£192,123	-£418,674	-£822,587	-£7,840,663	-£277,530	£139,403	-£6,014,612
	Sales -2.5% & Cost +2.5%	-£474,195	£351,956	£313,900	£233,346	£482,381	£2,414,909	-£458,755	£158,593	-£459,007	-£920,593	-£8,223,536	-£384,745	£109,100	-£6,584,885
	Sales -5% & Cost +5%	-£541,837	£261,471	£114,033	-£102,398	-£205,388	£2,120,942	-£598,134	£125,064	-£499,340	-£1,018,599	-£8,606,410	-£505,353	£78,797	-£7,155,158

Appendix 12(iv) - Strategic Sites Revenue & Cost Sensitivity

Input	Folkestone Seafront		Martello Lakes		Otterpool		Sellindge Phase 2 (Combined)	
	Previous Appraisal	2022 CIL Review	Previous Appraisal	2022 CIL Review	Previous Appraisal	2022 CIL Review	Previous Appraisal	2022 CIL Review
GDV	£354,714,949	£396,401,757	£303,004,711	£338,729,441	£69,286,150	£776,035,398	£93,341,172	£104,825,870
Total Costs	£291,637,958	£327,320,135	£248,195,658	£276,509,802	£611,668,096	£605,047,077	£76,839,312	£86,364,749
Finance Rate	7%	7%	7%	7%	4.25%	4.25%	7%	7%
Profit on GDV / IRR (Otterpool)	17.35%	17.36%	17.11%	17.44%	**9.31%**	**14.08%**	17.65%	18.14%
BLV	£14,700,000	£14,700,000	£11,750,000	£11,750,000	£95,000,000	£95,000,000	£5,800,000	£5,800,000
RLV	**£9,220,232**	**£10,200,276**	**£17,421,673**	**£19,191,257**			**£9,049,328**	**£9,442,752**
Surplus / Deficit	-£5,479,768	-£4,499,724	£5,671,673	£7,441,257	-£95,000,000	-£95,000,000	£3,249,328	£3,642,752
RLV Variance		£980,044		£1,769,584		£0		£393,424
(From previously reported figures)		22%		24%		0%		11%

Sensitivity Testing

			IRR	
RLV Sensitivity (+5% Costs / -5% Sales)	-£6,422,460	£657,860	11.80%	£3,773,478
BLV	£10,200,276	£19,191,257	£95,000,000	£5,800,000
Surplus / Deficit	-£16,622,736	-£18,533,397	-£95,000,000	-£2,026,522
RLV Sensitivity (+2.5% Costs / -2.5% Sales)	£2,310,770	£10,085,254	12.96%	£6,611,072
BLV	£10,200,276	£19,191,257	£95,000,000	£5,800,000
Surplus / Deficit	-£7,889,506	-£9,106,003	-£95,000,000	£811,072
Base Scenario	£10,200,276	£19,191,257	14.08%	£9,442,752
BLV	£10,200,276	£19,191,257	£95,000,000	£5,800,000
Surplus / Deficit	£0	£0	-£95,000,000	£3,642,752
RLV Sensitivity (-2.5% Costs / +2.5% Sales)	£17,982,936	£27,923,819	15.16%	£12,264,880
BLV	£10,200,276	£19,191,257	£95,000,000	£5,800,000
Surplus / Deficit	£7,782,660	£8,732,562	-£95,000,000	£6,464,880
RLV Sensitivity (-5% Costs / +5% Sales)	£25,668,852	£36,571,512	16.21%	£15,087,022
BLV	£10,200,276	£19,191,257	£95,000,000	£5,800,000
Surplus / Deficit	£15,468,576	£17,380,255	-£95,000,000	£9,287,022

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