



Fawley Waterside Viability Appraisal

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1.Introduction

1.1 The report will provide a high-level assessment of the viability of the Fawley Waterside redevelopment project utilising five alternative development scenarios. The Fawley Waterside Project involves the clearance and regeneration of a former power station site to create a mixed use development of up to 1500 dwellings, a significant element of employment uses with ancillary mixed commercial and leisure uses around a new Marina. The project will also create new civic and community buildings, public open space and provide a new Primary School.

1.2 The purpose of the assessment is to determine the level of residential development required to viably support the core regeneration cost of the site. The assessment will inform the decision as to whether land within the adjacent New Forest National Park is necessary to support the viability of the wider Power Station redevelopment and the level of Affordable Housing and infrastructure contribution the development can viably sustain.

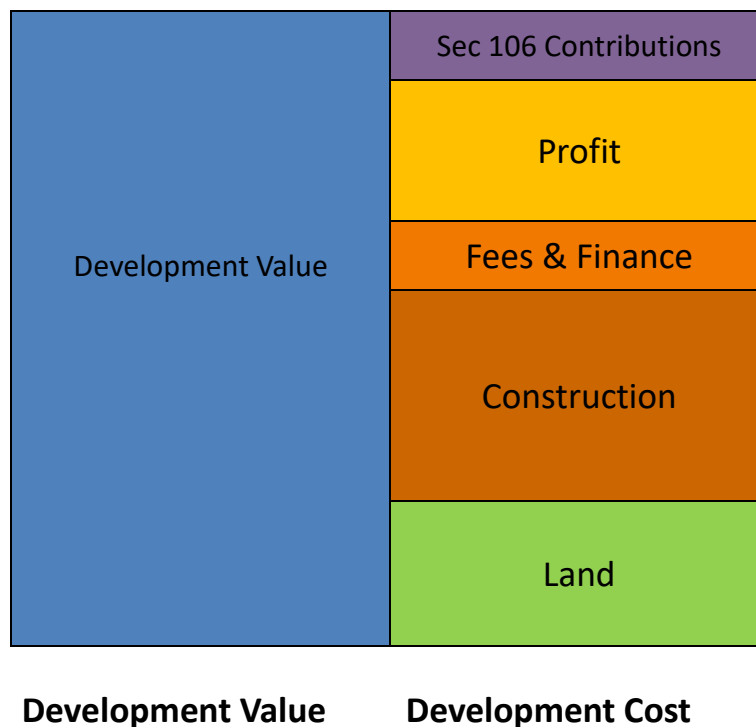
1.3 The viability assessment will be undertaken in the context of the requirements of the NPPF in respect of the imposition of planning obligations in a manner which maintains the economic viability of development. The assessment will also draw on best practice advice contained in the Local Housing Delivery Group's 'Viability Testing Local Plans' June 2012 and the RICS guide 'Financial Viability in Planning' August 2012. The overall value of the completed development will be assessed and compared with the total costs. The appraisal will make an allowance for a reasonable return to the Landowner and a reasonable return to the Developer as required by the NPPF.

2 Viability Appraisal Methodology

2.1 The NPPF has introduced a new obligation on Local Planning Authorities to consider the impact of planning policies, affordable housing requirements and infrastructure contributions on the economic viability of development

2.2 The use of viability models to assess the impact of developer contributions and affordable housing is widely established and well understood. However it is the approach to the allowance for a 'competitive return to a willing landowner' that will determine how robust the assessment is.

The Development Equation



2.3 The appraisal model is illustrated by the above diagram and summarises the 'Development Equation'. On one side of the equation is the development value ie the sales value which will be determined by the market at any particular time. The variable element of the value in residential development appraisal will be determined by the proportion and mix of affordable housing applied to the scheme.

2 Viability Appraisal Methodology

2.4 On the other side of the equation - the development cost - includes the 'fixed elements' ie construction, fees, finance and developers profit. Developers profit is usually fixed as a minimum % return on gross development value generally set by the lending institution at the time. The flexible elements are the cost of land and the amount of developer contribution (CIL and Planning Obligations) sought by the Local Authority.

2.5 Economic viability is assessed using an industry standard Residual Model approach. The model subtracts the Land Value and the Fixed Development Costs from the Development Value to determine the margin available for Developer Contributions.

Viability Assessment Model

| | |
|--|-------------------|
| Development Value (Based on Floor Area) Eg 1000sqm Residential Developmentt x £2,200 sqm | £2,200,000 |
| | |
| Development Costs | |
| Land Value | £400,000 |
| Construction Costs | £900,000 |
| Abnormal Construction Costs (Optional) | £0 |
| Professional Fees (% Costs) | £90,000 |
| Legal Fees (% Value) | £30,000 |
| Statutory Fees (% Costs) | £30,000 |
| Sales & Marketing Fees (% Value) | £40,000 |
| Contingencies (% Costs) | £50,000 |
| | |
| Finance Costs (% Costs) | £100,000 |
| Developers Profit (% Return on GDV) | £350,000 |
| Total Costs | £1,990,000 |
| | |
| Output | |
| Gross Additional Margin for Contributions | £210,000 |
| | |

An example of a typical viability assessment model

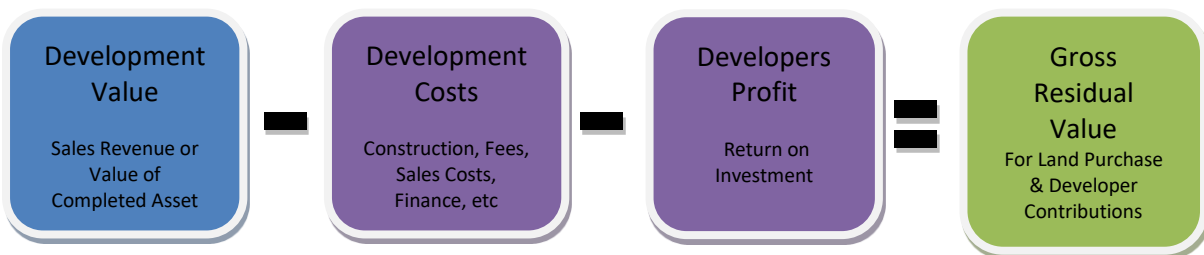
2.6 The model will calculate the gross margin available for developer contributions by considering the following elements of the development equation

2 Viability Appraisal Methodology

Land Value Assumptions

2.7 It is generally accepted that developer contributions will be extracted from the uplift in land value resulting from the grant of planning permission. The residual land value (ie the margin between development value and development cost including a reasonable allowance for developers profit) will include a base land value (ie the minimum amount a landowner will accept to release a site) and a remaining margin for contributions.

Stage 1 – Residual Valuation



2.8 The approach to assessing the land element of the gross residual value is therefore the key to the robustness of any viability appraisal. There is no single method of establishing threshold land values for the purpose of viability assessment in planning but the NPPF and emerging best practice guidance does provide a clear steer on the appropriate approach.

Stage 2 – Establishing Base Land Value



2.9 The NPPF has introduced a more stringent focus on viability in planning considerations. In particular para 173 states:-

“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.”

2 Viability Appraisal Methodology

2.10 The NPPF recognises that, in assessing viability, unless a realistic return is allowed to a landowner to incentivise release of land, development sites are not going to come forward and growth will be stifled. The most recent practical advice in establishing benchmark thresholds at which landowners will release land was produced by the Local Housing Delivery Group (comprising, inter alia, the Local Government Association, the Homes and Communities Agency and the House Builders Federation) in June 2012 in response to the NPPF. 'Viability Testing Local Plans' states :-

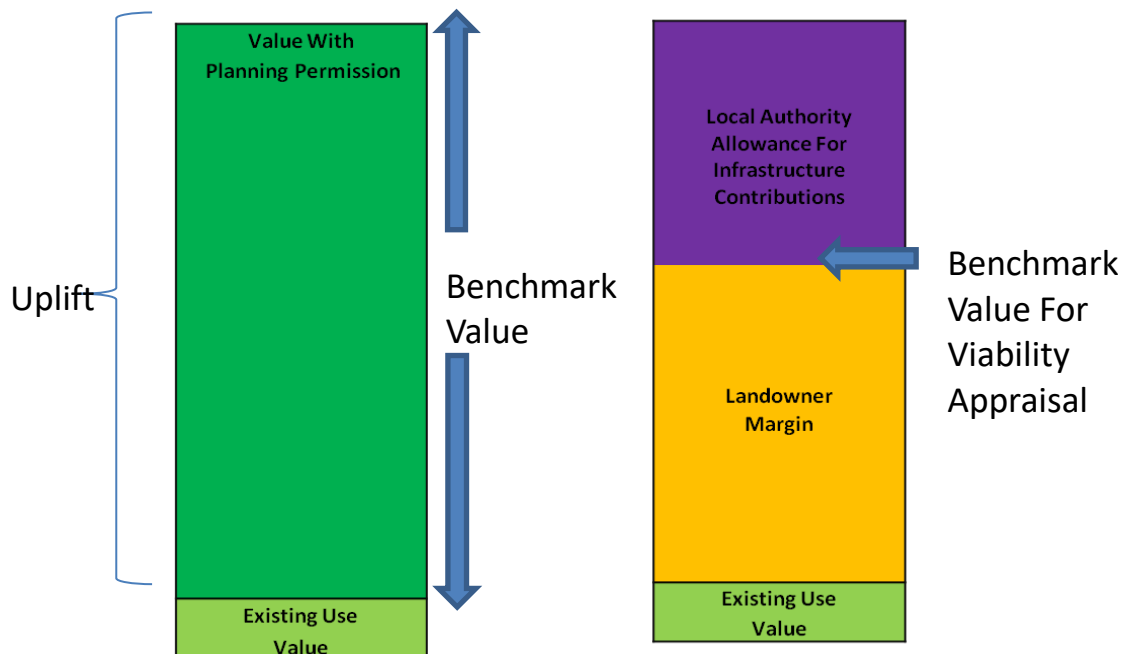
"Another key feature of a model and its assumptions that requires early discussion will be the Threshold Land Value that is used to determine the viability of a type of site. This Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development, before payment of taxes (such as capital gains tax)".

Different approaches to Threshold Land Value are currently used within models, including consideration of:

- Current use value with or without a premium.
- Apportioned percentages of uplift from current use value to residual value.
- Proportion of the development value.
- Comparison with other similar sites (market value).

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values. The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell".

Land Value Benchmarking (Threshold Land Values)



2 Viability Appraisal Methodology

2.11 The above diagram illustrates the principles involved in establishing a robust benchmark for land value. Land will have an existing use value (EUV) based on its market value. This is generally established by comparable evidence of the type of land being assessed (eg agricultural value for greenfield sites or perhaps industrial value for brownfield sites may be regarded as reasonable existing use value starting points and may be easily established from comparable market evidence)

2.12 The Alternative Use Value is established by assessing the gross residual value between development value and development cost after a reasonable allowance for development profit, assuming planning permission has been granted. The gross residual value does not make allowance for the impact of development plan policies on development cost and therefore represents the maximum potential value of land that landowners may aspire to.

2.13 In order to establish a benchmark land value for the purpose of viability appraisal, it must be recognised that Local Authorities will have a reasonable expectation that, in granting planning permission, the resultant development will yield contributions towards infrastructure and affordable housing. The cost of these contributions will increase the development cost and therefore reduce the residual value available to pay for the land.

2.14 The appropriate benchmark value will therefore lie somewhere between existing use value and gross residual value based on alternative planning permission. This will of course vary significantly dependent on the category of development being assessed

2.15 The key part of this process is establishing the point on this scale that balances a reasonable return to the landowner beyond existing use value and a reasonable margin to allow for infrastructure and affordable housing contributions to the Local Authority.

2.16 We have given careful consideration to how the Threshold Land Value (ie the premium over existing use value) should be established.

2.17 We have concluded that adopting a fixed % over existing value is inappropriate because the premium is tied solely to existing value – which will often be very low - rather than balancing the reasonable return aspirations of the landowner to pursue a return based on alternative use as required by the NPPF. Landowners are generally aware of what their land is worth with the benefit of planning permission. Therefore a fixed % uplift over existing use value will not generally be reflective of market conditions and may not be a realistic method of establishing threshold land value.

2.18 We believe that the uplift in value resulting from planning permission should effectively be shared between the landowner (as a reasonable return to incentivise the release of land) and the Local Authority (as a margin to enable infrastructure and affordable housing contributions). The % share of the uplift will vary dependent on the particular approach of each Authority but based on our experience the landowner will expect a minimum of 50% of the uplift in order for sites to be released. Generally, if a landowner believes the Local Authority is gaining greater benefit than he is, he is unlikely to release the site and will wait for a change in planning policy. We therefore consider that a 50:50 split is a reasonable benchmark and will generate base land values that are fair to both landowners and the Local Authority.

2 Viability Appraisal Methodology

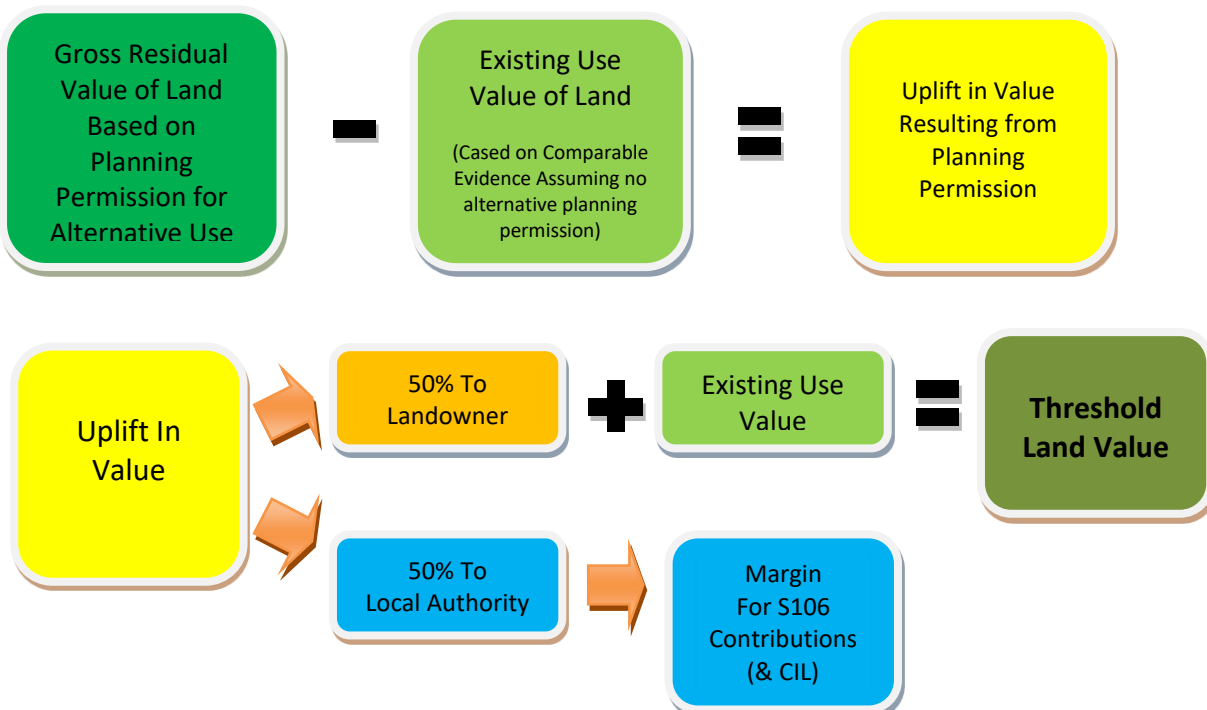
The Shinfield Appeal Decision in Wokingham (APP/X0360/A/12/2179141) in January 2013 has provided clear support for this approach to establishing a 'reasonable return the landowner' under the requirements of the NPPF. The case revolved around the level of affordable housing and developer contributions that could be reasonably required and in turn the decision hinged on the land value allowed to the applicant as a 'reasonable return' to incentivise release of the site. The Inspector held that the appropriate approach to establishing the benchmark or threshold land value would be to split the uplift in value resulting from planning permission for the Alternative Use - 50:50 between landowner and the community.

The Threshold Land Value is established as follows :-

Existing Use Value + % Share Of Uplift from Planning Permission = Threshold Land Value

2.19 The resultant threshold values are then checked against market comparable evidence of land transactions in the Authority's area by our valuation team to ensure they are realistic. We believe this is a robust approach which is demonstrably fair to landowners and more importantly an approach which has been accepted in viability studies we have presented at CIL and Local Plan Examinations.

Benchmarking Based on % Share of Uplift in Land Value



3 Viability Appraisal Assumptions

Development Scenarios

3.1 A series of development scenarios have been tested to cover both low and high density residential redevelopment of the Power Station Site and potential low density residential development extending into the National Park on land known as 'Tom Tiddlers'. For each scenario, a level of supporting commercial development was also assessed and the overall viability calculated.

3.2 The Scenarios range from the Fawley Waterside main proposal, which includes residential development within the National Park to a high density residential solution within the Power Station boundary to determine how much high rise apartment development would be necessary to avoid the need to build houses in the National Park. The Scenarios are set out below.

Scenario 1 – The Fawley Waterside Proposal

Residential – 1500 Dwellings

| | |
|------|--|
| 200 | 2-3 Storey Houses (120 within the National Park) |
| 1069 | Low Rise Apartments |
| 231 | High Rise Apartments |

Commercial

| | |
|------------|-----------|
| Industrial | 30375sqm |
| Offices | 16000sqm |
| Retail | 8500sqm |
| Marina | 75 Berths |

Scenario 2 – The Fawley Waterside Proposal. Supporting Open Space and Infrastructure but no Housing in the National Park.

Residential - 1380 Dwellings

| | |
|------|----------------------|
| 80 | 2-3 Storey Houses |
| 1069 | Low Rise Apartments |
| 231 | High Rise Apartments |

Commercial

| | |
|------------|-----------|
| Industrial | 30375sqm |
| Offices | 16000sqm |
| Retail | 8500sqm |
| Marina | 75 Berths |

3 Viability Appraisal Assumptions

Scenario 3 – Minimum Power Station Redevelopment. All Development including supporting Open Space and Infrastructure within NFDC , No Development in the National Park.

Residential – 657 Dwellings

| | |
|-----|----------------------|
| 110 | 2-3 Storey Houses |
| 450 | Low Rise Apartments |
| 97 | High Rise Apartments |

Commercial

| | |
|---------|-----------|
| Offices | 8464sqm |
| Retail | 8500sqm |
| Marina | 40 Berths |

Scenario 4 – Development Replacing Offices with Apartments, No Housing in National Park)

Residential – 1522 Dwellings

| | |
|------|----------------------|
| 80 | 2-3 Storey Houses |
| 1211 | Low Rise Apartments |
| 231 | High Rise Apartments |

Commercial

| | |
|------------|-----------|
| Industrial | 30375sqm |
| Retail | 8500sqm |
| Marina | 75 Berths |

Scenario 5 – High Density Apartments within NFDC, No Housing in the National Park)

Residential – 3930 Dwellings

| | |
|------|----------------------|
| 550 | Low Rise Apartments |
| 3380 | High Rise Apartments |

Commercial

| | |
|------------|-----------|
| Industrial | 30375sqm |
| Offices | 16000sqm |
| Retail | 8500sqm |
| Marina | 75 Berths |

These scenarios are all set out in the viability appraisals at Appendix I

3 Viability Appraisal Assumptions

Property Sales Value

3.3 The applicant has proposed a series of residential and commercial sales values for the project. These values have been considered by HEB Chartered Surveyors and all values exceed those adopted in the recent Whole Plan Viability Study. As such the proposed values set out below are considered to represent reasonable assumptions for the viability assessment.

| | |
|-------------|----------------------|
| Residential | £4304 sqm (£400sqft) |
| Industrial | £1153sqm |
| Office | £3075sqm |
| Retail | £3075sqm |
| Marina | £100,000 per berth |

Land Value Allowance

3.4 The NPPF requires that, for the purpose of ensuring economically viable development, the land value in any viability appraisal should reflect a competitive return to the landowner. Best practice guidance recommends that this should represent either a significant premium over existing use value, the alternative use value or market value taking account of planning policy impacts.

3.5 In this case a residual land value and benchmark approach is considered inappropriate due to the highly complex nature of the project and potential deficit resulting from the abnormal construction and infrastructure costs. In the recent Whole Plan Viability Study undertaken for the Council by NCS, existing land use values of £1.2 Million per Ha for brownfield land and £20,000 per Ha for greenfield land were adopted. If these figures were applied to the 134Ha mixed brownfield and greenfield Power Station site an unrealistically high land value of £60.5 Million would result which does not make a proper allowance for the abnormal costs of bringing the site back into productive use. Therefore the purchase price paid by Fawley Waterside of £25 Million has been deemed to be a reasonable allowance for the purpose of the appraisals.

Construction Costs

3.6 The construction rates adopted in the appraisals are based on the Construction Cost Study undertaken by Gleeds in November 2016 to support the Council's Whole Plan Viability Study have been adopted.

3.7 The projected construction rates reflect allowances for external works, drainage, servicing preliminaries and contractor's overhead and profit. An additional Gross:Net floorspace allowance of approximately 15% has been made for the non-revenue earning areas of the apartment blocks (stairwells, corridors, lifts etc).The viability assessment includes an industry standard 5% allowance for new build construction contingencies.

3 Viability Appraisal Assumptions

3.8 The construction cost calculations for the residential development scenarios are set out below.

| Scenario 1 | | 1500 Units | | | |
|----------------------|-----------|--------------------|------------------|---------------|--------------|
| Type | No. Units | Net Floorspace Sqm | Gross Floorspace | Cost Rate Sqm | Total |
| 2-3 Storey Houses | 200 | 56393 | 56393 | £1,030 | £58,084,790 |
| Low Rise apartments | 1069 | 103414 | 121664 | £1,511 | £183,834,304 |
| High Rise Apartments | 231 | 22394 | 26346 | £1,740 | £45,842,040 |
| | | 1500 | 182201 | 204403 | £287,761,134 |

| Scenario 2 | | 1380 Units | | | |
|----------------------|-----------|--------------------|------------------|---------------|--------------|
| Type | No. Units | Net Floorspace Sqm | Gross Floorspace | Cost Rate Sqm | Total |
| 2-3 Storey Houses | 80 | 22566 | 22566 | £1,030 | £23,242,980 |
| Low Rise apartments | 1069 | 103414 | 121664 | £1,511 | £183,834,304 |
| High Rise Apartments | 231 | 22394 | 26346 | £1,740 | £45,842,040 |
| | | 1380 | 148374 | 170576 | £252,919,324 |

| Scenario 3 | | 657 Units | | | |
|----------------------|-----------|--------------------|------------------|---------------|--------------|
| Type | No. Units | Net Floorspace Sqm | Gross Floorspace | Cost Rate Sqm | Total |
| 2-3 Storey Houses | 110 | 31020 | 31020 | £1,030 | £31,950,600 |
| Low Rise apartments | 450 | 43514 | 51192 | £1,511 | £77,351,112 |
| High Rise Apartments | 97 | 9423 | 11085 | £1,740 | £19,287,900 |
| | | 657 | 83957 | 93297 | £128,589,612 |

| Scenario 4 | | 1522 Units | | | |
|----------------------|-----------|--------------------|------------------|---------------|--------------|
| Type | No. Units | Net Floorspace Sqm | Gross Floorspace | Cost Rate Sqm | Total |
| 2-3 Storey Houses | 80 | 22566 | 22566 | £1,030 | £23,242,980 |
| Low Rise apartments | 1211 | 117014 | 137664 | £1,511 | £208,010,304 |
| High Rise Apartments | 231 | 22394 | 26346 | £1,740 | £45,842,040 |
| | | 1522 | 161974 | 186576 | £277,095,324 |

| Scenario 5 | | 3930 Units | | | |
|----------------------|-----------|--------------------|------------------|---------------|--------------|
| Type | No. Units | Net Floorspace Sqm | Gross Floorspace | Cost Rate Sqm | Total |
| 2-3 Storey Houses | 0 | 0 | 0 | £1,030 | £0 |
| Low Rise apartments | 550 | 52800 | 60720 | £1,511 | £91,747,920 |
| High Rise Apartments | 3380 | 324480 | 373152 | £1,740 | £649,284,480 |
| | | 3930 | 377280 | 433872 | £741,032,400 |

3 Viability Appraisal Assumptions

3.9 The adopted commercial construction rates are as follows

| Commercial Construction Rates | | Cost Rate per Sqm |
|-------------------------------|--|-------------------|
| Gleeds Rates at Nov 2016 | | |
| Industrial | | £774 |
| Offices | | £1608 |
| General Retail | | £1017 |

Abnormal Construction Costs

3.10 The build cost rates outlined above are for standard construction. There are a number of abnormal construction and infrastructure costs associated with the development of this site, itemised as follows, with a total estimated cost of £134,808,000. The principal cost of £65 Million is related to the conversion works required to the existing power station and its associated structures to create underground car parking and to raise the ground level of the site for flood resilience. These are the cost estimates prepared by Fawley Waterside and their consultants and are considered reasonable for a highly complex remediation and regeneration project of this nature.

| Abnormal Development Costs | |
|---|---------------------|
| Demolition | £1,645,840 |
| Remediation and Below Ground Works | £12,769,084 |
| General Earthworks | £11,253,470 |
| Marina Dock Construction | £19,129,903 |
| On Site Infrastructure | £26,250,000 |
| Off-site Infrastructure | £12,904,525 |
| NW Highway Connection | £4,000,000 |
| Basements | £65,000,000 |
| Garages | £800,000 |
| Town Square Pavilion | £1,000,000 |
| Market Building | £2,000,000 |
| Town Hall and Public Services Buildings | £4,305,600 |
| Total | £161,058,000 |

3.11 These abnormal costs are significantly reduced to in Scenario 3 to £88 Million (the minimum development test) to reflect the reduction in infrastructure and facilities provision.

3 Viability Appraisal Assumptions

Fees & Ancillary Costs

3.12 Fee and other cost calculations are based on the following allowances for professional fees, legal fees, planning fees, Building Regulation fees, Warranties and Sales and Marketing costs.

| | | |
|-----------------------|------|--------------|
| Professional Fees @ | 8.0% | Build Cost |
| Legal Fees | 0.5% | Market Value |
| Statutory Fees | 1.1% | Build Cost |
| Sales/Marketing Costs | 3.0% | Market Value |

Finance Costs

3.13 An allowance of 5% fixed interest costs over the construction period has been made to reflect current lending rates for speculative development.

3.14 It is estimated that the scheme will take around 15 years to complete if market conditions remain stable. The Viability model calculates finance payments based on an assumption that residential and abnormal costs be carried for an average of 24 months with an additional sales allowance of 6 months and commercial development carried for 12 months with a 3 month sale period.

Developers Profit

3.15 Developers profit is generally fixed as a % return on gross development value or return on the cost of development to reflect the developer's risk. In current market conditions, and based on the prevailing lending conditions of the financial institutions, a 20% return on GDV is generally used as a minimum industry standard in residential viability appraisals to reflect speculative risk. A reduced 'contractor only' profit allowance of 6% is applied to any affordable housing element (where applicable) to reflect the reduced sales risk for property that is effectively 'pre-sold'.

3.16 Commercial Development profit allowance has been reduced to 17.5% on the basis that much of the space is likely to be pre-sold or pre-let and therefore carries less risk

Affordable Housing & Planning Obligation Contributions

3.17 The following assumptions have been made in respect of Affordable Housing delivery on all of the development scenarios. The overall target of 35% is made up of 26% Intermediate Tenure and 74% Affordable Rent tenure.

3 Viability Appraisal Assumptions

| Affordable Housing | | | | |
|--------------------|-----|--------------|--------------|-----------------|
| | | Proportion % | Tenure Mix % | |
| | | | Intermediate | Affordable Rent |
| | | | Social Rent | |
| Affordable Housing | 35% | 26% | | 74% |
| Transfer Values | | 70% | | 50% |

3.18 The appraisal makes allowance for £39,250,000 of on-site infrastructure and off-site S106 contributions based on the following assumptions.

| S106 Infrastructure Contributions | |
|-----------------------------------|--------------------|
| On Site Infrastructure | £26,250,000 |
| Primary School | £6,000,000 |
| Saline Lagoon | £4,000,000 |
| SANGs | £3,000,000 |
| Total | £13,000,000 |

3.19 It is assumed that no Community Infrastructure Levy charges will be applied to the scheme.

4 Results & Conclusions

4.1 The individual Stage One residential and commercial viability assessments are set out in Appendices I and II. The results of the 5 scenario tests are set out in the table below.

| Fawley Waterside Stage One Viability Assessment Results | | | | | | |
|---|-------------------|-----------------------|---------------------------------|-----------------------|----------------------|---------------------|
| Scenario | Residential Units | Commercial Floorspace | Abnormal Costs & Infrastructure | Residential Viability | Commercial Viability | Net Viability |
| Scenario 1 | 1500 | 54875sqm | £137,208,242 | -£46,855,095 | £30,445,666 | -£16,409,429 |
| Scenario 2 | 1380 | 54875sqm | £134,808,242 | -£101,414,257 | £30,445,666 | -£70,968,591 |
| Scenario 3 | 657 | 16964sqm | £88,074,902 | -£82,547,689 | £15,655,221 | -£66,892,468 |
| Scenario 4 | 1522 | 38875sqm | £134,808,242 | -£91,139,340 | £21,849,780 | -£69,289,560 |
| Scenario 5 | 3930 | 54875sqm | £137,208,242 | -£30,452,098 | £30,455,666 | £3,568 |

4.2 The residential assessments all demonstrated negative viability to different extents, reflecting the high level of abnormal construction and infrastructure costs accounted for in the tests. The commercial tests effectively determined the profit bonus attributable to the commercial elements of the scheme (these tests did not include any land cost, abnormal cost allowances or S106 contributions).

4.3 Scenario 5 (Appendix I page 24) was undertaken as a largely academic exercise to determine the amount of high density residential development within the Power Station site that would be required to make the project viable without any development encroaching into the National Park. High rise apartment construction incurs disproportionately high construction costs compared with low rise development. The results indicated that 3930 apartments would be needed to reach a viability balance. At this level of density apartment blocks would be in excess of 20 storeys and this scenario may therefore be regarded as unrealistic.

4.4 Of the remaining scenarios it is considered that only Scenario 1 (Appendix I, page 20) based on the proposals currently being put forward by Fawley Waterside for 1500 dwellings including 120 units in the National park, is deliverable. Scenario 1 indicates overall negative viability of -£16 Million. However viewed in context with the overall project value of £786 Million, this represents only 2% of the overall value to the extent that Fawley Waterside should be able to take a view of development profit, construction costs and contingencies and value forecasts to enable the project to proceed.

4 Results & Conclusions

4.5 The remaining scenarios 2, 3 and 4 (Appendix 1 Pages 21-23) all demonstrate significant negative viability of between 11- 19% of project value to the point where they may be considered undeliverable.

Stage II Viability Appraisals

4.6 In light of the negative viability results demonstrated by the 5 Stage One development scenarios tested above some additional tests were undertaken as follows :-

Scenario 1A – Amended Fawley Waterside Proposal

In order to improve the overall viability position the proposals put forward by Fawley Waterside were varied so that £6.3 Million of abnormal costs were removed for ‘civic buildings’. These were added into the commercial development element as community buildings with both cost and value ascribed to them. The scenario was then re-tested based on the following assumptions and is set out at Appendix III.

Residential – 1500 Dwellings

| | |
|------|--|
| 200 | 2-3 Storey Houses (120 within the National Park) |
| 1069 | Low Rise Apartments |
| 231 | High Rise Apartments |

Commercial

| | |
|------------|-----------|
| Industrial | 30375sqm |
| Offices | 16000sqm |
| Retail | 8500sqm |
| Community | 2000sqm |
| Marina | 75 Berths |

Scenario 1B – The Fawley Waterside Proposal (with Policy Compliant Development in the National Park)

In order to test the impact of making any housing development in the National Park policy compliant, the Fawley waterside Scenario 1 proposal was re-tested, restricting housing units within the National park area to 100sqm and applying a 50% Affordable Housing requirement.

Residential – 1500 Dwellings

| | |
|------|---|
| 120 | Policy Compliant 2 Storey Houses (100sqm at 50% Affordable Provision) |
| 80 | 2-3 Storey Houses in Power Station Area |
| 1069 | Low Rise Apartments |
| 231 | High Rise Apartments |

4 Results & Conclusions

Commercial

| | |
|------------|-----------|
| Industrial | 30375sqm |
| Offices | 16000sqm |
| Retail | 8500sqm |
| Marina | 75 Berths |

Scenario 1C – Policy Compliant Development in the National Park required to make overall scheme viable.

This scenario tested the amount of 100sqm houses required at 50% Affordable provision to bring the overall development into positive viability (ie to reduce the £16.4 Million deficit identified in the Stage 1 Scenario 1 Test)

Residential – 1685 Dwellings

| | |
|------|---|
| 305 | Policy Compliant 2 Storey Houses (100sqm at 50% Affordable Provision) |
| 80 | 2-3 Storey Houses |
| 1069 | Low Rise Apartments |
| 231 | High Rise Apartments |

Commercial

| | |
|------------|-----------|
| Industrial | 30375sqm |
| Offices | 16000sqm |
| Retail | 8500sqm |
| Marina | 75 Berths |

4.7 The results of the Stage 2 Scenario Tests are set out below.

| Fawley Waterside Stage 2 Viability Assessment Results | | | | | | |
|---|-------------------|-----------------------|---------------------------------|-----------------------|----------------------|---------------------|
| Scenario | Residential Units | Commercial Floorspace | Abnormal Costs & Infrastructure | Residential Viability | Commercial Viability | Net Viability |
| Scenario 1A | 1500 | 56875sqm | £130,642,902 | -£39,293,147 | £31,399,711 | -£7,893,436 |
| Scenario 1B | 1500 | 54875sqm | £134,808,242 | -£82,945,081 | £30,445,666 | -£52,489,415 |
| Scenario 1C | 1685 | 54875sqm | £134,808,242 | -£30,342,060 | £30,455,666 | £113,606 |

5 Conclusions

5.1 The very significant level of abnormal development cost (£161 Million) connected with the regeneration of Fawley Waterside renders most of the development scenario options considered by the study, economically unviable.

5.2 Within the Stage One tests, only Scenario 1 (Appendix I, page 20) based on the proposals currently being put forward by Fawley Waterside for 1500 dwellings including 120 large housing units in the National Park at 35% Affordable Housing delivery, was deemed to be deliverable.

5.3 The Stage Two tests were undertaken to look at variations to the Fawley waterside proposal for 1500 dwellings and to determine the impact of policy compliance for any housing permitted in the National Park. The reduction of the abnormal costs in Scenario 1A in tandem with the addition of revenue allowance for the community building element reduced overall negative viability to -£7.8 Million which represents less than 1% of the overall project value and may be regarded as acceptable in context of overall development viability and delivery.

5.4 The introduction of Policy Compliant housing not exceeding 100sqm in size in tandem with 50% Affordable Housing provision for the 120 units proposed in the National Park increased negative viability by £36 Million from -£16.4 Million to -£52.4 Million.

5.5 Scenario 1C indicated that 305 Policy Compliant (100sqm houses at 50% Affordable Provision) would be required within the National Park to make the overall project positively viable.

5.6 The final conclusion remains that some development within the National Park is required to achieve a viable scheme. This could be in the form of 120 larger market houses or an increased number of smaller homes of which 50% are affordable.

Stage One Residential Viability Appraisals

Scenario 1 – 1500 Dwellings inc National Park

Scenario 2 – 1380 Dwellings NFDC Only

Scenario 3 – 657 Dwellings NFDC Only

Scenario 4 – 1522 Dwellings NFDC Only

Scenario 5 – 3930 High Density Apartments, NFDC Only


Appendix I

| <div> <div>Vi.ab²</div> <div>Residential Viability Appraisal</div> </div> | | | | | | | | | |
|--|--|-----------------------------|--|--------------------------------------|--|------------------------------|--|---|--|
| SITE LOCATION | | Fawley Waterside Scenario 1 | | | | | | | |
| NET DEVELOPABLE SITE AREA | | 134.1 | | Ha | | | | | |
| DEVELOPMENT SCENARIO | | Residual | | (Greenfield, Brownfield or Residual) | | | | | |
| UNIT NUMBERS | | 1500 | | Total Units | | | | | |
| Affordable Proportion % | | 35% | | 525 | | Affordable Units | | | |
| Affordable Mix | | 26% | | Intermediate | | 0% Social Rent | | 74% Affordable Rent | |
| Development Floorspace | | 118430 | | SqM GIA Market Housing | | 63,771 | | SqM GIA Affordable Housing | |
| DEVELOPMENT VALUE | | | | | | | | | |
| Total Housing Sales Area (ie Net Floorspace) | | Apartments | | 125808 | | sqm | | | |
| | | Houses | | 56393 | | sqm | | | |
| MARKET HOUSES | | | | | | | | | |
| | | Area | | Sales Value | | | | | |
| Apartments | | 81775 | | sqm | | 4304 | | £ per sqm | |
| Houses | | 36653 | | sqm | | 4304 | | £ per sqm | |
| | | | | | | | | £0 | |
| | | | | | | | | £0 | |
| | | | | | | | | Total Market Housing Value | |
| | | | | | | | | £509,722,720 | |
| AFFORDABLE HOUSING | | | | | | | | | |
| Intermediate Houses | | 70% | | of Open Market Value | | | | | |
| Apartments | | 11449 | | sqm | | 3012.8 | | £ per sqm | |
| Houses | | 5132 | | sqm | | 3012.8 | | £ per sqm | |
| | | | | | | | | £34,493,547 | |
| | | | | | | | | £15,461,690 | |
| | | | | | | | | Total Intermediate Affordable Housing Value | |
| | | | | | | | | £49,955,237 | |
| Social Rent Houses | | 40% | | of Open Market Value | | | | | |
| Apartments | | 0 | | sqm | | 1721.6 | | £ per sqm | |
| Houses | | 0 | | sqm | | 1721.6 | | £ per sqm | |
| | | | | | | | | £0 | |
| | | | | | | | | £0 | |
| | | | | | | | | Total Social Rent Affordable Housing Value | |
| | | | | | | | | £0 | |
| Affordable Rent Houses | | 30% | | of Open Market Value | | | | | |
| Apartments | | 32584 | | sqm | | 2152 | | £ per sqm | |
| Houses | | 14606 | | sqm | | 2152 | | £ per sqm | |
| | | | | | | | | £70,120,768 | |
| | | | | | | | | £31,432,112 | |
| | | | | | | | | Total Affordable Rent Housing Value | |
| | | | | | | | | £101,552,880 | |
| | | | | | | | | Total Development Value | |
| | | | | | | | | £661,230,837 | |
| DEVELOPMENT COSTS | | | | | | | | | |
| LAND COSTS | | Net Site Area | | Market Housing Land Area | | Affordable Housing Land Area | | | |
| | | 134.10 | | 87.17 | | 46.94 | | Ha | |
| Market Hsg Land Value | | £0 | | per Ha | | Total Market Land Value | | £0 | |
| Affordable Hsg Land Value | | £0 | | per Ha | | Total Aff Hsg Land Value | | £0 | |
| | | | | | | | | 3.0% Purchasers Costs | |
| | | | | | | | | Purchasers Costs | |
| | | | | | | | | £1,250,000 | |
| | | | | | | | | Total Land Cost | |
| | | | | | | | | £25,000,000 | |
| CONSTRUCTION COSTS | | | | | | | | | |
| | | Apartments | | 148010 | | sqm | | 0 | |
| | | Houses | | 56393 | | sqm | | 0 | |
| | | | | | | | | £ per sqm | |
| | | | | | | | | £0 | |
| | | | | | | | | £0 | |
| | | | | | | | | Total Construction Cost | |
| | | | | | | | | £287,761,134 | |
| FEES, FINANCE & ANCILLARY COSTS | | | | | | | | | |
| Abnormal Costs | | | | 0 | | £ | | £137,208,242 | |
| Professional Fees | | | | 8.0% | | of Construction Cost | | £23,020,891 | |
| Legal Fees | | | | 0.5% | | of Gross Development Value | | £3,306,154 | |
| Statutory Fees | | | | 1.1% | | of Construction Cost | | £3,165,372 | |
| Sales/Marketing Costs | | | | 2.0% | | of Market Units Value | | £10,194,454 | |
| Contingencies | | | | 5.0% | | of Construction Cost | | £22,399,513 | |
| Planning Obligations | | | | 0 | | £ per unit | | £39,250,000 | |
| CIL | | | | 0 | | £ per sqm Market Housing | | £0 | |
| Interest | | 5.0% | | 24 | | Month Construction | | 6 | |
| | | | | | | | | Mth Sale Void | |
| | | | | | | | | £38,448,393 | |
| Arrangement Fee | | 1.0% | | of Total Costs | | | | £4,909,062 | |
| Development Profit | | Market Hsg | | 20.0% | | of GDV | | Aff Housing | |
| | | | | | | | | 5.0% Build Costs | |
| | | | | | | | | £112,172,715 | |
| | | | | | | | | Total Costs | |
| | | | | | | | | £708,085,932 | |
| VIABILITY MARGIN | | | | | | | | -£46,855,095 | |

Appendix I

| <div> <div> <div>Vi.ab²</div> <div>Residential Viability Appraisal</div> </div> </div> | | | | | |
|---|------------|---|----------------------------|------------------------------|---|
| SITE LOCATION | | Fawley Waterside Scenario 2 | | | |
| NET DEVELOPABLE SITE AREA | | 121.2 Ha | | | |
| DEVELOPMENT SCENARIO | | Residual (Greenfield, Brownfield or Residual) | | | |
| UNIT NUMBERS | | 1380 Total Units | | | |
| Affordable Proportion % | 35% | 483 | Affordable Units | | |
| Affordable Mix | 26% | Intermediate | 0% | Social Rent | 74% Affordable Rent |
| Development Floorspace | | 96443 | SqM GIA Market Housing | | 51,931 SqM GIA Affordable Housing |
| DEVELOPMENT VALUE | | | | | |
| Total Housing Sales Area (ie Net Floorspace) | | Apartments | 123808 | sqm | |
| | | Houses | 22566 | sqm | |
| MARKET HOUSES | | | | | |
| | | Area | Sales Value | | |
| Apartments | 81775 | sqm | 4304 | £ per sqm | £0 |
| Houses | 14668 | sqm | 4304 | £ per sqm | £0 |
| | | | | | Total Market Housing Value |
| | | | | | £415,090,672 |
| AFFORDABLE HOUSING | | | | | |
| Intermediate Houses | | 70% of Open Market Value | | | |
| Apartments | 11449 | sqm | 3012.8 | £ per sqm | £34,493,347 |
| Houses | 2053 | sqm | 3012.8 | £ per sqm | £6,185,278 |
| | | | | | Total Intermediate Affordable Housing Value |
| | | | | | £40,678,626 |
| Social Rent Houses | | 40% of Open Market Value | | | |
| Apartments | 0 | sqm | 1721.6 | £ per sqm | £0 |
| Houses | 0 | sqm | 1721.6 | £ per sqm | £0 |
| | | | | | Total Social Rent Affordable Housing Value |
| | | | | | £0 |
| Affordable Rent Houses | | 30% of Open Market Value | | | |
| Apartments | 32584 | sqm | 2152 | £ per sqm | £70,120,768 |
| Houses | 5845 | sqm | 2152 | £ per sqm | £12,578,440 |
| | | | | | Total Affordable Rent Housing Value |
| | | | | | £82,699,208 |
| Total Development Value | | | | | £538,468,706 |
| DEVELOPMENT COSTS | | | | | |
| LAND COSTS | | Net Site Area | Market Housing Land Area | Affordable Housing Land Area | |
| | | 121.20 | 78.78 | 42.42 | |
| | | Ha | Ha | Ha | |
| Market Hsg Land Value | £0 | per Ha | Total Market Land Value | | £0 |
| Affordable Hsg Land Value | £0 | per Ha | Total Aff Hsg Land Value | | £0 |
| 3.0% Purchasers Costs | | | | | Purchasers Costs |
| | | | | | £1,250,000 |
| CONSTRUCTION COSTS | | | | | Total Land Cost |
| | | | | | £25,000,000 |
| | | Area | Cost | | |
| Apartments | 148010 | sqm | 0 | £ per sqm | £0 |
| Houses | 22566 | sqm | 0 | £ per sqm | £0 |
| Total Construction Cost | | | | | £252,919,324 |
| FEES, FINANCE & ANCILLARY COSTS | | | | | |
| Abnormal Costs | | 0 | £ | £134,808,422 | |
| Professional Fees | | 8.0% | of Construction Cost | £20,233,546 | |
| Legal Fees | | 0.5% | of Gross Development Value | £2,692,344 | |
| Statutory Fees | | 1.1% | of Construction Cost | £2,782,113 | |
| Sales/Marketing Costs | | 2.0% | of Market Units Value | £8,301,813 | |
| Contingencies | | 5.0% | of Construction Cost | £20,398,065 | |
| Planning Obligations | | 0 | £ per unit | £39,250,000 | |
| CIL | | 0 | £ per sqm Market Housing | £0 | |
| Interest | 5.0% | 24 | Month Construction | 6 | Mth Sale Void |
| Arrangement Fee | 1.0% | of Total Costs | £4,479,876 | | |
| Development Profit | Market Hsg | 20.0% | of GDV | Aff Housing | 6.0% Build Costs |
| | | | | | £92,302,983 |
| Total Costs | | | | | £639,882,963 |
| VIABILITY MARGIN | | | | | -£101,414,257 |

Appendix I

| <div>  <h2>Residential Viability Appraisal</h2> </div> | | | | | |
|---|-------------------------|---|--------------------------|------------------------------|--|
| SITE LOCATION | | Fawley Waterside Scenario 3 | | | |
| NET DEVELOPABLE SITE AREA | | 121.2 Ha | | | |
| DEVELOPMENT SCENARIO | | Residual (Greenfield, Brownfield or Residual) | | | |
| UNIT NUMBERS | | 637 Total Units | | | |
| Affordable Proportion % | 35% | 230 | Affordable Units | | |
| Affordable Mix | 26% | Intermediate | 0% | Social Rent | 74% Affordable Rent |
| Development Floorspace | | 34213 | SqM GIA Market Housing | | 29,192 SqM GIA Affordable Housing |
| DEVELOPMENT VALUE | | | | | |
| Total Housing Sales Area (ie Net Floorspace) | | Apartments 52837 sqm | | | |
| | | Houses 31020 sqm | | | |
| MARKET HOUSES | | | | | |
| | | Area | Sales Value | | |
| Apartments | 34052 sqm | 4304 £ per sqm | | | £0 |
| Houses | 20163 sqm | 4304 £ per sqm | | | £0 |
| | | | | | Total Market Housing Value |
| | | | | | £233,341,360 |
| AFFORDABLE HOUSING | | | | | |
| Intermediate Houses | | 70% of Open Market Value | | | |
| Apartments | 4434 sqm | 3012.8 £ per sqm | | | £13,358,755 |
| Houses | 2823 sqm | 3012.8 £ per sqm | | | £8,505,134 |
| | | | | | Total Intermediate Affordable Housing Value |
| | | | | | £21,863,890 |
| Social Rent Houses | | | | | |
| | | 40% of Open Market Value | | | |
| Apartments | 0 sqm | 1721.6 £ per sqm | | | £0 |
| Houses | 0 sqm | 1721.6 £ per sqm | | | £0 |
| | | | | | Total Social Rent Affordable Housing Value |
| | | | | | £0 |
| Affordable Rent Houses | | | | | |
| | | 30% of Open Market Value | | | |
| Apartments | 13901 sqm | 2152 £ per sqm | | | £29,914,952 |
| Houses | 8034 sqm | 2152 £ per sqm | | | £17,289,168 |
| | | | | | Total Affordable Rent Housing Value |
| | | | | | £47,204,120 |
| Total Development Value | | | | | £302,409,370 |
| DEVELOPMENT COSTS | | | | | |
| LAND COSTS | | Net Site Area | Market Housing Land Area | Affordable Housing Land Area | |
| | | 121.20 Ha | 78.78 Ha | 42.42 Ha | |
| Market Hsg Land Value | £0 per Ha | | | Total Market Land Value | £0 |
| Affordable Hsg Land Value | £0 per Ha | | | Total Aff Hsg Land Value | £0 |
| | | 5.0% Purchasers Costs | | Purchasers Costs | £1,250,000 |
| CONSTRUCTION COSTS | | | | | Total Land Cost |
| | | | | | £25,000,000 |
| Apartments | 62277 sqm | 0 £ per sqm | | | £0 |
| Houses | 31020 sqm | 0 £ per sqm | | | £0 |
| Total Construction Cost | | | | | £128,589,612 |
| FEES, FINANCE & ANCILLARY COSTS | | | | | |
| Abnormal Costs | | 0 £ | | | £88,074,902 |
| Professional Fees | | 8.0% of Construction Cost | | | £10,287,169 |
| Legal Fees | | 0.5% of Gross Development Value | | | £1,512,047 |
| Statutory Fees | | 1.1% of Construction Cost | | | £1,414,486 |
| Sales/Marketing Costs | | 2.0% of Market Units Value | | | £4,666,827 |
| Contingencies | | 5.0% of Construction Cost | | | £11,347,584 |
| Planning Obligations | | 0 £ per unit | | | £36,151,655 |
| CIL | | 0 £ per sqm Market Housing | | | £0 |
| Interest | 5.0% | 24 Month Construction | 6 Mth Sale Void | £22,222,809 | |
| Arrangement Fee | 1.0% of Total Costs | | | £2,607,950 | |
| Development Profit | Market Hsg 20.0% of GDV | Aff Housing 6.0% Build Costs | | | £51,832,017 |
| Total Costs | | | | | £384,957,059 |
| VIABILITY MARGIN | | | | | -£82,547,689 |

Appendix I

| <div style="display: flex; align-items: center;"> <div style="font-size: 2em; font-weight: bold; margin-right: 10px;">Vi.ab²</div> <div>Residential Viability Appraisal</div> </div> | | | | | | | | | |
|---|--|-----------------------------|--|--------------------------------------|--|------------------------------|--|----------------------------|--|
| SITE LOCATION | | Fawley Waterside Scenario 4 | | | | | | | |
| NET DEVELOPABLE SITE AREA | | 121.2 | | Ha | | | | | |
| DEVELOPMENT SCENARIO | | Residual | | (Greenfield, Brownfield or Residual) | | | | | |
| UNIT NUMBERS | | 1522 | | Total Units | | | | | |
| Affordable Proportion % | | 35% | | 533 | | Affordable Units | | | |
| Affordable Mix | | 26% | | Intermediate | | 0% | | Social Rent | |
| | | | | | | 74% | | Affordable Rent | |
| Development Floorspace | | 103283 | | SqM GIA Market Housing | | 36,691 | | SqM GIA Affordable Housing | |
| DEVELOPMENT VALUE | | | | | | | | | |
| Total Housing Sales Area (ie Net Floorspace) | | Apartments | | 139408 | | sqm | | | |
| | | Houses | | 22566 | | sqm | | | |
| MARKET HOUSES | | | | | | | | | |
| | | Area | | Sales Value | | | | | |
| Apartments | | 90615 sqm | | 4304 | | £ per sqm | | £0 | |
| Houses | | 14668 sqm | | 4304 | | £ per sqm | | £0 | |
| AFFORDABLE HOUSING | | | | | | | | Total Market Housing Value | |
| | | | | | | | | £453,138,032 | |
| Intermediate Houses | | 70% of Open Market Value | | | | | | | |
| Apartments | | 12686 sqm | | 3012.8 | | £ per sqm | | £38,220,381 | |
| Houses | | 2053 sqm | | 3012.8 | | £ per sqm | | £6,183,278 | |
| Total Intermediate Affordable Housing Value | | | | | | | | £44,405,659 | |
| Social Rent Houses | | 40% of Open Market Value | | | | | | | |
| Apartments | | 0 sqm | | 1721.6 | | £ per sqm | | £0 | |
| Houses | | 0 sqm | | 1721.6 | | £ per sqm | | £0 | |
| Total Social Rent Affordable Housing Value | | | | | | | | £0 | |
| Affordable Rent Houses | | 30% of Open Market Value | | | | | | | |
| Apartments | | 36107 sqm | | 2152 | | £ per sqm | | £77,702,264 | |
| Houses | | 3845 sqm | | 2152 | | £ per sqm | | £12,578,440 | |
| Total Affordable Rent Housing Value | | | | | | | | £90,280,704 | |
| Total Development Value | | | | | | | | £587,824,395 | |
| DEVELOPMENT COSTS | | | | | | | | | |
| LAND COSTS | | Net Site Area | | Market Housing Land Area | | Affordable Housing Land Area | | | |
| | | 121.20 | | 78.78 | | 42.42 | | | |
| | | Ha | | Ha | | Ha | | | |
| Market Hsg Land Value | | £0 per Ha | | Total Market Land Value | | £0 | | | |
| Affordable Hsg Land Value | | £0 per Ha | | Total Aff Hsg Land Value | | £0 | | | |
| 3.0% Purchasers Costs | | | | | | | | Purchasers Costs | |
| | | | | | | | | £1,250,000 | |
| CONSTRUCTION COSTS | | | | | | | | Total Land Cost | |
| | | | | | | | | £25,000,000 | |
| Apartments | | 164010 sqm | | 0 | | £ per sqm | | £0 | |
| Houses | | 22566 sqm | | 0 | | £ per sqm | | £0 | |
| Total Construction Cost | | | | | | | | £277,095,324 | |
| FEES, FINANCE & ANCILLARY COSTS | | | | | | | | | |
| Abnormal Costs | | 0 | | £ | | £134,808,422 | | | |
| Professional Fees | | 8.0% | | of Construction Cost | | £22,167,626 | | | |
| Legal Fees | | 0.5% | | of Gross Development Value | | £2,939,122 | | | |
| Statutory Fees | | 1.1% | | of Construction Cost | | £3,048,049 | | | |
| Sales/Marketing Costs | | 2.0% | | of Market Units Value | | £9,062,761 | | | |
| Contingencies | | 5.0% | | of Construction Cost | | £21,703,569 | | | |
| Planning Obligations | | 0 | | £ per unit | | £39,250,000 | | | |
| CIL | | 0 | | £ per sqm Market Housing | | £0 | | | |
| Interest | | 5.0% | | 24 Month Construction | | 6 | | Mth Sale Void | |
| Arrangement Fee | | 1.0% | | of Total Costs | | £4,753,713 | | | |
| Development Profit | | Market Hsg | | 20.0% | | of GOV | | Aff Housing | |
| | | | | | | 6.0% | | Build Costs | |
| Total Costs | | | | | | | | £678,963,736 | |
| VIABILITY MARGIN | | | | | | | | -£91,139,340 | |

Appendix I

| <div> <div>Vi-ab²</div> <div>Residential Viability Appraisal</div> </div> | | | | | |
|--|------------------|---|----------------------------|------------------------------|------------------------------------|
| SITE LOCATION | | Fawley Waterside Scenario 3 | | | |
| NET DEVELOPABLE SITE AREA | | 121.2 Ha | | | |
| DEVELOPMENT SCENARIO | | Residual (Greenfield, Brownfield or Residual) | | | |
| UNIT NUMBERS | | 3930 Total Units | | | |
| Affordable Proportion % | 33% | 1376 | Affordable Units | | |
| Affordable Mix | 26% | Intermediate | 0% | Social Rent | 74% Affordable Rent |
| Development Floorspace | | 245232 | SqM GIA Market Housing | | 132,048 SqM GIA Affordable Housing |
| DEVELOPMENT VALUE | | | | | Totals |
| Total Housing Sales Area (ie Net Floorspace) | Apartment Houses | 377280 | sqm | | |
| | Houses | 0 | sqm | | |
| MARKET HOUSING | | | | | |
| | Area | Sales Value | | | |
| Apartment Houses | 245232 sqm | 4304 | £ per sqm | £0 | |
| | 0 sqm | 4304 | £ per sqm | £0 | |
| AFFORDABLE HOUSING | | | | | |
| Intermediate Houses | 70% | of Open Market Value | | | |
| Apartment Houses | 34332 sqm | 3012.8 | £ per sqm | £103,436,896 | |
| | 0 sqm | 3012.8 | £ per sqm | £0 | |
| Total Intermediate Affordable Housing Value | | | | | £103,436,896 |
| Social Rent Houses | 40% | of Open Market Value | | | |
| Apartment Houses | 0 sqm | 1721.6 | £ per sqm | £0 | |
| | 0 sqm | 1721.6 | £ per sqm | £0 | |
| Total Social Rent Affordable Housing Value | | | | | £0 |
| Affordable Rent Houses | 30% | of Open Market Value | | | |
| Apartment Houses | 97716 sqm | 2152 | £ per sqm | £210,283,799 | |
| | 0 sqm | 2152 | £ per sqm | £0 | |
| Total Affordable Rent Housing Value | | | | | £210,283,799 |
| Total Development Value | | | | | £1,369,199,223 |
| DEVELOPMENT COSTS | | | | | |
| LAND COSTS | | Net Site Area | Market Housing Land Area | Affordable Housing Land Area | |
| | | 121.20 Ha | 78.78 Ha | 42.42 Ha | |
| Market Hsg Land Value | £0 per Ha | | Total Market Land Value | £0 | |
| Affordable Hsg Land Value | £0 per Ha | | Total Aff Hsg Land Value | £0 | |
| 5.0% Purchasers Costs | | | Purchasers Costs | £1,250,000 | |
| CONSTRUCTION COSTS | | | | | Total Land Cost |
| | | | | | £25,000,000 |
| Apartment Houses | 164010 sqm | 0 | £ per sqm | £0 | |
| Houses | 22566 sqm | 0 | £ per sqm | £0 | |
| Total Construction Cost | | | | | £741,032,400 |
| FEES, FINANCE & ANCILLARY COSTS | | | | | |
| Abnormal Costs | | 0 | £ | £134,808,422 | |
| Professional Fees | | 8.0% | of Construction Cost | £59,282,592 | |
| Legal Fees | | 0.5% | of Gross Development Value | £6,845,996 | |
| Statutory Fees | | 1.1% | of Construction Cost | £8,151,356 | |
| Sales/Marketing Costs | | 2.0% | of Market Units Value | £21,109,571 | |
| Contingencies | | 5.0% | of Construction Cost | £46,756,171 | |
| Planning Obligations | | 0 | £ per unit | £39,250,000 | |
| CIL | | 0 | £ per sqm Market Housing | £0 | |
| Interest | 5.0% | 24 | Month Construction | 6 | Month Sale Void |
| Arrangement Fee | 1.0% | of Total Costs | | £9,974,803 | |
| Development Profit | Market Hsg | 20.0% | of GDV | Aff Housing | 6.0% Build Costs |
| | | | | | £232,473,422 |
| Total Costs | | | | | £1,399,651,321 |
| VIABILITY MARGIN | | | | | -£30,452,098 |


Commercial Viability Appraisals

Commercial Appraisal In Connection with Residential Scenarios 1/2/5

Commercial Appraisal In Connection with Residential Scenario 3

Commercial Appraisal In Connection with Residential Scenario 4

Appendix II



Commercial Viability Appraisal

SITE LOCATION Fewley Waterside Scenario 1 and 2

DEVELOPMENT SCENARIO Brownfield Greenfield or Brownfield

NET DEVELOPABLE SITE AREA 0 Ha

DEVELOPMENT DETAILS 34875 Sqm Total Floorspace

| Development Value | | Net Lettable Area | Sales Value | |
|-------------------|-----------------|-------------------|--------------------------------|---------------------|
| Industrial | B1b B1c B2 B8 | 30375 sqm | 0 E per sqm | £35,030,728 |
| Office | B1a | 16000 sqm | 0 E per sqm | £49,206,000 |
| Marina Berths | A1 | 0 sqm | 0 E per sqm | £7,500,000 |
| Other Retail | A 1 A2 A3 A4 A5 | 8500 sqm | 0 E per sqm | £26,140,900 |
| Residential Inst | C2 | 0 sqm | 0 E per sqm | £0 |
| Hotels | C3 | 0 sqm | 0 E per sqm | £0 |
| Community | D1 | 0 sqm | 0 E per sqm | £0 |
| Leisure | D2 | 0 sqm | 0 E per sqm | £0 |
| Agricultural | | 0 sqm | 0 E per sqm | £0 |
| Sui Generis | | 0 sqm | 0 E per sqm | £0 |
| Ground Rents | | 0 sqm | 0 E per sqm | £6,727,500 |
| | | | Total Development Value | £124,605,128 |

| Development Costs | | Site Area | Land Value | |
|-------------------|--|-----------|------------------------|-----------|
| Land | | | | |
| Industrial | | 0 Ha | 0 E per Ha | £0 |
| Office | | 0 Ha | 0 E per Ha | £0 |
| Food Retail | | 0 Ha | 0 E per Ha | £0 |
| Other Retail | | 0 Ha | 0 E per Ha | £0 |
| Residential Inst | | 0 Ha | 0 E per Ha | £0 |
| Hotels | | 0 Ha | 0 E per Ha | £0 |
| Community | | 0 Ha | 0 E per Ha | £0 |
| Leisure | | 0 Ha | 0 E per Ha | £0 |
| Agricultural | | 0 Ha | 0 E per Ha | £0 |
| 0 | | 0 Ha | 0 E per Ha | £0 |
| 0 | | 0 Ha | 0 E per Ha | £0 |
| | | | Total Land Cost | £0 |

| Construction | | Gross Internal Area | Construction Rate | CIL Rate | |
|------------------|--|---------------------|--------------------------------|----------|--------------------|
| Industrial | | 30375 sqm | 774 E per sqm | 0 | £23,510,250 |
| Office | | 16000 sqm | 1608 E per sqm | 0 | £25,728,000 |
| Food Retail | | 0 sqm | 0 E per sqm | 0 | £0 |
| Other Retail | | 8500 sqm | 1017 E per sqm | 0 | £8,644,500 |
| Residential Inst | | 0 sqm | 0 E per sqm | 0 | £0 |
| Hotels | | 0 sqm | 0 E per sqm | 0 | £0 |
| Community | | 0 sqm | 0 E per sqm | 0 | £0 |
| Leisure | | 0 sqm | 0 E per sqm | 0 | £0 |
| Agricultural | | 0 sqm | 0 E per sqm | 0 | £0 |
| 0 | | 0 sqm | 0 E per sqm | 0 | £0 |
| 0 | | 0 sqm | 0 E per sqm | 0 | £0 |
| | | | Total Construction Cost | | £57,882,750 |

| | | | | |
|-----------------------|------|-------|----------------------------|--------------------|
| Abnormal Costs | | 0 | | £0 |
| Professional Fees @ | | 8.0% | of Construction Cost | £4,630,620 |
| Legal Fees | | 0.5% | of Gross Development Value | £623,026 |
| Statutory Fees | | 0.6% | of Construction Cost | £347,297 |
| Sales/Marketing Costs | | 2.0% | of Gross Development Value | £2,492,103 |
| Contingencies | | 5.0% | of Construction Cost | £2,894,138 |
| Planning Obligations | | 0 | E per sqm | £0 |
| CIL | | | | £0 |
| Interest @ | 5.0% | 12 | Month Build | 3 |
| Arrangement Fee | 1.0% | | of Total Costs | |
| Development Profit | | 17.5% | of Gross Development Value | |
| | | | Total Costs | £94,159,462 |
| | | | VIABILITY MARGIN | £30,445,666 |

Appendix II

Commercial Viability Appraisal

SITE LOCATION Fewley Waterside Scenario 3

DEVELOPMENT SCENARIO Brownfield Greenfield or Brownfield

NET DEVELOPABLE SITE AREA 0 Ha

DEVELOPMENT DETAILS 16964 Sqm Total Floorspace

| Development Value | | Net Lettable Area | Sales Value | |
|--------------------------------|-----------------|-------------------|-------------|--------------------|
| Industrial | B1b B1c B2 B8 | 0 sqm | 0 £ per sqm | £0 |
| Office | B1a | 8464 sqm | 0 £ per sqm | £22,776,000 |
| Marina Berths | A1 | 0 sqm | 0 £ per sqm | £4,000,000 |
| Other Retail | A 1 A2 A3 A4 A5 | 8500 sqm | 0 £ per sqm | £22,872,438 |
| Residential Inst | C2 | 0 sqm | 0 £ per sqm | £0 |
| Hotels | C3 | 0 sqm | 0 £ per sqm | £0 |
| Community | D1 | 0 sqm | 0 £ per sqm | £0 |
| Leisure | D2 | 0 sqm | 0 £ per sqm | £0 |
| Agricultural | | 0 sqm | 0 £ per sqm | £0 |
| Sui Generis | | 0 sqm | 0 £ per sqm | £0 |
| Ground Rents | | 0 sqm | 0 £ per sqm | £3,202,875 |
| Total Development Value | | | | £32,851,313 |

| Development Costs | | Site Area | Land Value | |
|------------------------|--|-----------|------------|-----------|
| Industrial | | 0 Ha | 0 £ per Ha | £0 |
| Office | | 0 Ha | 0 £ per Ha | £0 |
| Food Retail | | 0 Ha | 0 £ per Ha | £0 |
| Other Retail | | 0 Ha | 0 £ per Ha | £0 |
| Residential Inst | | 0 Ha | 0 £ per Ha | £0 |
| Hotels | | 0 Ha | 0 £ per Ha | £0 |
| Community | | 0 Ha | 0 £ per Ha | £0 |
| Leisure | | 0 Ha | 0 £ per Ha | £0 |
| Agricultural | | 0 Ha | 0 £ per Ha | £0 |
| 0 | | 0 Ha | 0 £ per Ha | £0 |
| 0 | | 0 Ha | 0 £ per Ha | £0 |
| Total Land Cost | | | | £0 |

| Construction | | Gross Internal Area | Construction Rate | CIL Rate | |
|--------------------------------|--|---------------------|-------------------|----------|--------------------|
| Industrial | | 0 sqm | 774 £ per sqm | 0 | £0 |
| Office | | 8464 sqm | 1608 £ per sqm | 0 | £13,610,112 |
| Food Retail | | 0 sqm | 0 £ per sqm | 0 | £0 |
| Other Retail | | 8500 sqm | 1017 £ per sqm | 0 | £8,644,500 |
| Residential Inst | | 0 sqm | 0 £ per sqm | 0 | £0 |
| Hotels | | 0 sqm | 0 £ per sqm | 0 | £0 |
| Community | | 0 sqm | 0 £ per sqm | 0 | £0 |
| Leisure | | 0 sqm | 0 £ per sqm | 0 | £0 |
| Agricultural | | 0 sqm | 0 £ per sqm | 0 | £0 |
| 0 | | 0 sqm | 0 £ per sqm | 0 | £0 |
| 0 | | 0 sqm | 0 £ per sqm | 0 | £0 |
| Total Construction Cost | | | | | £22,254,612 |

| | | | | |
|-------------------------|------|----------------------------|----------------------------|--------------------|
| Abnormal Costs | | 0 | | £0 |
| Professional Fees @ | 8.0% | of Construction Cost | | £1,780,369 |
| Legal Fees | 0.5% | of Gross Development Value | | £264,257 |
| Statutory Fees | 0.6% | of Construction Cost | | £133,528 |
| Sales/Marketing Costs | 2.0% | of Gross Development Value | | £1,057,026 |
| Contingencies | 5.0% | of Construction Cost | | £1,112,731 |
| Planning Obligations | | 0 £ per sqm | | £0 |
| CIL | | | | £0 |
| Interest @ | 5.0% | 12 Month Build | 3 Mth Sale Void | £856,019 |
| Arrangement Fee | 1.0% | of Total Costs | | £488,571 |
| Development Profit | | 17.5% | of Gross Development Value | £9,248,980 |
| Total Costs | | | | £37,196,092 |
| VIABILITY MARGIN | | | | £15,655,221 |

Stage Two Residential Viability Appraisals

**Scenario 1a – 1500 Dwellings inc National Park,
Reduced Abnormal Costs**

**Scenario 1b Scenario 1b – 1500 Dwellings
1380 units within NFDC Area,
120 Dwellings within National Park Housing all Policy Compliant**

**Scenario 1c – 1685 Dwellings
1380 units within NFDC area,
305 Dwellings within National Park Housing all Policy Compliant**

Appendix III

| <div> <div>Vi.ab²</div> <div>Residential Viability Appraisal</div> </div> | | | | | |
|--|------------------|---|----------------------------|------------------------------|------------------------------------|
| SITE LOCATION | | Fawley Waterside Scenario 1A | | | |
| NET DEVELOPABLE SITE AREA | | 134.1 Ha | | | |
| DEVELOPMENT SCENARIO | | Residual (Greenfield, Brownfield or Residual) | | | |
| UNIT NUMBERS | | 1300 Total Units | | | |
| Affordable Proportion % | 33% | 525 | Affordable Units | | |
| Affordable Mix | 26% | Intermediate | 0% | Social Rent | 74% Affordable Rent |
| Development Floorspace | | 118430 | Sq m GIA Market Housing | | 63,771 Sq m GIA Affordable Housing |
| DEVELOPMENT VALUE | | | | | Totals |
| Total Housing Sales Area (ie Net Floorspace) | Apartment Houses | 123808 | sqm | | |
| | Houses | 56393 | sqm | | |
| MARKET HOUSES | | | | | |
| | Area | Sales Value | | | |
| Apartment Houses | 81775 sqm | 4304 | £ per sqm | £0 | |
| Houses | 36633 sqm | 4304 | £ per sqm | £0 | |
| AFFORDABLE HOUSING | | | | | Total Market Housing Value |
| Intermediate Houses | | | | | 70% of Open Market Value |
| Apartment Houses | 11449 sqm | 3012.8 | £ per sqm | £34,493,547 | |
| Houses | 5132 sqm | 3012.8 | £ per sqm | £15,461,690 | |
| Total Intermediate Affordable Housing Value | | | | | £49,955,237 |
| Social Rent Houses | | | | | |
| 40% of Open Market Value | | | | | |
| Apartment Houses | 0 sqm | 1721.6 | £ per sqm | £0 | |
| Houses | 0 sqm | 1721.6 | £ per sqm | £0 | |
| Total Social Rent Affordable Housing Value | | | | | £0 |
| Affordable Rent Houses | | | | | |
| 30% of Open Market Value | | | | | |
| Apartment Houses | 32384 sqm | 2152 | £ per sqm | £70,120,768 | |
| Houses | 14606 sqm | 2152 | £ per sqm | £31,432,112 | |
| Total Affordable Rent Housing Value | | | | | £101,552,880 |
| Total Development Value | | | | | £661,230,837 |
| DEVELOPMENT COSTS | | | | | |
| LAND COSTS | | Net Site Area | Market Housing Land Area | Affordable Housing Land Area | |
| | | 134.10 Ha | 87.17 Ha | 46.94 Ha | |
| Market Hsg Land Value | | £0 per Ha | Total Market Land Value | | £0 |
| Affordable Hsg Land Value | | £0 per Ha | Total Aff Hsg Land Value | | £0 |
| | | 5.0% Purchasers Costs | Purchasers Costs | £1,250,000 | |
| CONSTRUCTION COSTS | | | | | Total Land Cost |
| | | | | | £25,000,000 |
| Apartment Houses | 148010 sqm | 0 | £ per sqm | £0 | |
| Houses | 56393 sqm | 0 | £ per sqm | £0 | |
| Total Construction Cost | | | | | £287,761,134 |
| FEES, FINANCE & ANCILLARY COSTS | | | | | |
| Abnormal Costs | | 0 | £ | £130,642,902 | |
| Professional Fees | | 8.0% | of Construction Cost | £23,020,891 | |
| Legal Fees | | 0.3% | of Gross Development Value | £3,306,154 | |
| Statutory Fees | | 1.1% | of Construction Cost | £3,165,372 | |
| Sales/Marketing Costs | | 2.0% | of Market Units Value | £10,194,454 | |
| Contingencies | | 5.0% | of Construction Cost | £22,071,246 | |
| Planning Obligations | | 0 | £ per unit | £39,250,000 | |
| CIL | | 0 | £ per sqm Market Housing | £0 | |
| Interest | 5.0% | 24 | Month Construction | 6 | Mth Sale Void |
| Arrangement Fee | 1.0% | of Total Costs | | | £4,843,409 |
| Development Profit | Market Hsg | 20.0% | of GOV | Aff Housing | 6.0% Build Costs |
| Total Costs | | | | | £700,523,983 |
| VIABILITY MARGIN | | | | | -£39,293,147 |

Appendix III

| <div> <div>Vi.ab²</div> <div>Residential Viability Appraisal</div> </div> | | | | | |
|--|-------------------------|--|--------------------------|------------------------------|----------------------|
| SITE LOCATION | | Fawley Waterside Scenario 18 | | | |
| NET DEVELOPABLE SITE AREA | | 121.2 Ha | | | |
| DEVELOPMENT SCENARIO | | Residual (Greenfield, Brownfield or Residual) | | | |
| UNIT NUMBERS | | 1380 Total Units | | | |
| Affordable Proportion % | 35% | 483 | Affordable Units | | |
| Affordable Mix | 26% | Intermediate | 0% | Social Rent | 74% Affordable Rent |
| Development Floorspace | | 96443 Sqm GIA Market Housing 31,931 Sqm GIA Affordable Housing | | | |
| DEVELOPMENT VALUE | | | | | |
| Total Housing Sales Area (ie Net Floorspace) | | Apartments | 123808 sqm | | |
| | | Houses | 22566 sqm | | |
| MARKET HOUSES | | | | | |
| | | Area | Sales Value | | |
| Apartments | 81775 sqm | 4304 £ per sqm | | | £0 |
| Houses | 14668 sqm | 4304 £ per sqm | | | £0 |
| Total Market Housing Value | | | | | £415,090,672 |
| AFFORDABLE HOUSING | | | | | |
| Intermediate Houses | | 70% of Open Market Value | | | |
| Apartments | 11449 sqm | 3012.8 £ per sqm | | | £34,493,547 |
| Houses | 2053 sqm | 3012.8 £ per sqm | | | £6,185,278 |
| Total Intermediate Affordable Housing Value | | | | | £40,678,826 |
| Social Rent Houses | | 40% of Open Market Value | | | |
| Apartments | 0 sqm | 1721.6 £ per sqm | | | £0 |
| Houses | 0 sqm | 1721.6 £ per sqm | | | £0 |
| Total Social Rent Affordable Housing Value | | | | | £0 |
| Affordable Rent Houses | | 50% of Open Market Value | | | |
| Apartments | 32584 sqm | 2152 £ per sqm | | | £70,120,768 |
| Houses | 5845 sqm | 2152 £ per sqm | | | £12,578,440 |
| Total Affordable Rent Housing Value | | | | | £82,699,208 |
| Total Development Value | | | | | £538,468,706 |
| DEVELOPMENT COSTS | | | | | |
| LAND COSTS | | Net Site Area | Market Housing Land Area | Affordable Housing Land Area | |
| | | 121.20 Ha | 78.78 Ha | 42.42 Ha | |
| Market Hsg Land Value | £0 per Ha | | | Total Market Land Value | £0 |
| Affordable Hsg Land Value | £0 per Ha | | | Total Aff Hsg Land Value | £0 |
| 5.0% Purchasers Costs | | | | Purchasers Costs | £1,250,000 |
| Total Land Cost | | | | | £25,000,000 |
| CONSTRUCTION COSTS | | | | | |
| Apartments | 164010 sqm | 0 £ per sqm | | | £0 |
| Houses | 22566 sqm | 0 £ per sqm | | | £0 |
| Total Construction Cost | | | | | £252,919,324 |
| FEES, FINANCE & ANCILLARY COSTS | | | | | |
| Abnormal Costs | | 0 £ | | | £134,808,422 |
| Professional Fees | | 8.0% of Construction Cost | | | £20,233,546 |
| Legal Fees | | 0.5% of Gross Development Value | | | £2,692,344 |
| Statutory Fees | | 1.1% of Construction Cost | | | £2,782,113 |
| Sales/Marketing Costs | | 2.0% of Market Units Value | | | £8,301,813 |
| Contingencies | | 5.0% of Construction Cost | | | £20,398,065 |
| Planning Obligations | | 0 £ per unit | | | £39,250,000 |
| CIL | | 0 £ per sqm Market Housing | | | £0 |
| Interest | 5.0% | 24 Month Construction | 6 Mth Sale Void | £35,464,479 | |
| Arrangement Fee | 1.0% of Total Costs | | | | £4,479,876 |
| Development Profit | Market Hsg 20.0% of GDV | Aff Housing 6.0% Build Costs | | | £92,302,983 |
| Total Costs | | | | | £639,882,963 |
| VIABILITY MARGIN | | | | | -£101,414,257 |

Appendix III

| <div> <div>Vi.ab²</div> <div>Residential Viability Appraisal</div> </div> | | | | | |
|--|----------|--|--------------------------|------------------------------|---|
| SITE LOCATION | | Fawley Waterside Scenario 1B Policy Compliant in NFPA Area | | | |
| NET DEVELOPABLE SITE AREA | | 2.9 Ha | | | |
| DEVELOPMENT SCENARIO | | Residual (Greenfield, Brownfield or Residual) | | | |
| UNIT NUMBERS | | 120 Total Units | | | |
| Affordable Proportion % | 30% | 60 | Affordable Units | | |
| Affordable Mix | 26% | Intermediate | 0% | Social Rent | 74% Affordable Rent |
| Development Floorspace | | 6000 Sqm GIA Market Housing 6,000 Sqm GIA Affordable Housing | | | |
| DEVELOPMENT VALUE | | | | | |
| Total Housing Sales Area (ie Net Floorspace) | | Apartments | 0 sqm | | |
| | | Houses | 12000 sqm | | |
| MARKET HOUSES | | | | | |
| | | Area | Sales Value | | |
| Apartments | 0 sqm | 4304 | £ per sqm | £0 | |
| Houses | 6000 sqm | 4304 | £ per sqm | £0 | |
| | | | | | Total Market Housing Value |
| | | | | | £25,824,000 |
| AFFORDABLE HOUSING | | | | | |
| Intermediate Houses | | 70% of Open Market Value | | | |
| Apartments | 0 sqm | 3012.8 | £ per sqm | £0 | |
| Houses | 1560 sqm | 3012.8 | £ per sqm | £4,699,968 | |
| | | | | | Total Intermediate Affordable Housing Value |
| | | | | | £4,699,968 |
| Social Rent Houses | | 40% of Open Market Value | | | |
| Apartments | 0 sqm | 1721.6 | £ per sqm | £0 | |
| Houses | 0 sqm | 1721.6 | £ per sqm | £0 | |
| | | | | | Total Social Rent Affordable Housing Value |
| | | | | | £0 |
| Affordable Rent Houses | | 30% of Open Market Value | | | |
| Apartments | 0 sqm | 2152 | £ per sqm | £0 | |
| Houses | 4440 sqm | 2152 | £ per sqm | £9,554,880 | |
| | | | | | Total Affordable Rent Housing Value |
| | | | | | £9,554,880 |
| | | | | | Total Development Value |
| | | | | | £40,078,848 |
| DEVELOPMENT COSTS | | | | | |
| LAND COSTS | | Net Site Area | Market Housing Land Area | Affordable Housing Land Area | |
| | | 2.90 Ha | 1.45 Ha | 1.45 Ha | |
| Market Hsg Land Value | | £0 per Ha | | Total Market Land Value | |
| | | | | £0 | |
| Affordable Hsg Land Value | | £0 per Ha | | Total Aff Hsg Land Value | |
| | | | | £0 | |
| | | 0.0% Purchasers Costs | | Purchasers Costs | |
| | | | | £0 | |
| | | | | Total Land Cost | |
| | | | | £0 | |
| CONSTRUCTION COSTS | | | | | |
| | | Apartments | 0 sqm | 0 | £ per sqm |
| | | Houses | 12000 sqm | 1030 | £ per sqm |
| | | | | £0 | |
| | | | | £12,360,000 | |
| | | | | | Total Construction Cost |
| | | | | | £12,360,000 |
| FEES, FINANCE & ANCILLARY COSTS | | | | | |
| Abnormal Costs | | 0 | | | £ |
| | | | | | £0 |
| Professional Fees | | 8.0% of Construction Cost | | | £988,800 |
| Legal Fees | | 0.5% of Gross Development Value | | | £200,394 |
| Statutory Fees | | 1.1% of Construction Cost | | | £135,960 |
| Sales/Marketing Costs | | 2.0% of Market Units Value | | | £516,480 |
| Contingencies | | 5.0% of Construction Cost | | | £667,440 |
| Planning Obligations | | 0 | | | £ per unit |
| | | | | | £0 |
| CIL | | 0 | | | £ per sqm Market Housing |
| | | | | | £0 |
| Interest | | 5.0% | 24 | Month Construction | 6 |
| | | | | | Mth Sale Void |
| | | | | | £987,710 |
| Arrangement Fee | | 1.0% of Total Costs | | | £142,016 |
| Development Profit | | Market Hsg | 20.0% | of GOV | Aff Housing |
| | | | | | 6.0% Build Costs |
| | | | | | £5,610,872 |
| | | | | | Total Costs |
| | | | | | £21,609,672 |
| VIABILITY MARGIN | | | | | £18,469,176 |

Appendix III

| <div style="display: flex; align-items: center;"> <div style="font-size: 2em; font-weight: bold; margin-right: 10px;">Vi.ab²</div> <div>Residential Viability Appraisal</div> </div> | | | | | |
|---|-------|---|-------------------------|---------------------------------|--|
| SITE LOCATION | | Fawley Waterside Scenario 1C NFPA Area | | | |
| NET DEVELOPABLE SITE AREA | | 2.9 Ha | | | |
| DEVELOPMENT SCENARIO | | Residual (Greenfield, Brownfield or Residual) | | | |
| UNIT NUMBERS | | 303 Total Units | | | |
| Affordable Proportion % | 30% | 133 | Affordable Units | | |
| Affordable Mix | 26% | Intermediate | 0% | Social Rent | 74% Affordable Rent |
| Development Floorspace | | 13230 | SqM GIA Market Housing | | 13,230 SqM GIA Affordable Housing |
| DEVELOPMENT VALUE | | | | | |
| Total Housing Sales Area (ie Net Floorspace) | | 0 | Apartments | | 0 sqm |
| | | 30300 | Houses | | 30300 sqm |
| MARKET HOUSES | | | | | |
| | | Area | | Sales Value | |
| Apartments | 0 | sqm | 4304 | £ per sqm | £0 |
| Houses | 13230 | sqm | 4304 | £ per sqm | £0 |
| | | | | | Total Market Housing Value |
| | | | | | £65,636,000 |
| AFFORDABLE HOUSING | | | | | |
| Intermediate Houses | | 70% of Open Market Value | | | |
| Apartments | 0 | sqm | 3012.8 | £ per sqm | £0 |
| Houses | 3963 | sqm | 3012.8 | £ per sqm | £11,943,752 |
| | | | | | Total Intermediate Affordable Housing Value |
| | | | | | £11,945,752 |
| Social Rent Houses | | 40% of Open Market Value | | | |
| Apartments | 0 | sqm | 1721.6 | £ per sqm | £0 |
| Houses | 0 | sqm | 1721.6 | £ per sqm | £0 |
| | | | | | Total Social Rent Affordable Housing Value |
| | | | | | £0 |
| Affordable Rent Houses | | 30% of Open Market Value | | | |
| Apartments | 0 | sqm | 2152 | £ per sqm | £0 |
| Houses | 11285 | sqm | 2152 | £ per sqm | £24,285,320 |
| | | | | | Total Affordable Rent Housing Value |
| | | | | | £24,285,320 |
| Total Development Value | | | | | £101,867,072 |
| DEVELOPMENT COSTS | | | | | |
| LAND COSTS | | Net Site Area | | Market Housing Land Area | |
| | | 2.90 Ha | | 1.43 Ha | |
| | | | | 1.43 Ha | |
| Market Hsg Land Value | | £0 per Ha | | Total Market Land Value | |
| Affordable Hsg Land Value | | £0 per Ha | | Total Aff Hsg Land Value | |
| | | | | £0 | |
| | | 0.0% Purchasers Costs | | Purchasers Costs | |
| | | | | £0 | |
| CONSTRUCTION COSTS | | | | | Total Land Cost |
| | | | | | £0 |
| Apartments | 0 | sqm | 0 | £ per sqm | £0 |
| Houses | 12000 | sqm | 1030 | £ per sqm | £12,360,000 |
| Total Construction Cost | | | | | £12,360,000 |
| FEES, FINANCE & ANCILLARY COSTS | | | | | |
| Abnormal Costs | | 0 £ | | | |
| Professional Fees | | 8.0% of Construction Cost | | | |
| | | £988,800 | | | |
| Legal Fees | | 0.3% of Gross Development Value | | | |
| | | £509,335 | | | |
| Statutory Fees | | 1.1% of Construction Cost | | | |
| | | £135,960 | | | |
| Sales/Marketing Costs | | 2.0% of Market Units Value | | | |
| | | £1,312,720 | | | |
| Contingencies | | 5.0% of Construction Cost | | | |
| | | £667,440 | | | |
| Planning Obligations | | 0 £ per unit | | | |
| | | £0 | | | |
| CIL | | 0 £ per sqm Market Housing | | | |
| | | £0 | | | |
| Interest | | 5.0% | 24 | Month Construction | 6 Mth Sale Void |
| | | £1,061,124 | | | |
| Arrangement Fee | | 1.0% of Total Costs | | | |
| | | £153,068 | | | |
| Development Profit | | Market Hsg | 20.0% | of GOV | Aff Housing |
| | | 6.0% Build Costs | | | |
| | | £13,606,428 | | | |
| Total Costs | | | | | £30,794,875 |
| VIABILITY MARGIN | | | | | £71,072,197 |