

SURREY HEATH BOROUGH COUNCIL

AFFORDABLE HOUSING VIABILITY ASSESSMENT

Prepared by

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April 2018

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Executive Summary

- (i) This assessment has considered the viability of a range of residential development to inform options for affordable housing delivery in the emerging Surrey Heath Local Plan.
- (ii) The assessment has used a residual land valuation methodology to derive viability. Residual Land Valuation is a recognised methodology¹ which calculates how much finance there is to pay for a development site when all development costs and sales values have been taken into account. If the site value calculated is greater than the existing use value of a site, development is generally considered to be viable. This is the same methodology used by several local authorities in determining how much affordable housing can be viably delivered from market led schemes.
- (iii) The Residual Land Valuation methodology uses assumptions regarding how much a development will sell for and how much it will cost. The assumptions used have been based on the best available evidence at the time of writing based on market data and market commentary. However, this assessment is strategic in nature and cannot be used to determine the viability of individual sites nor consider the range of all possible development types which may come forward within the Borough. Therefore, this assessment has focussed on a range of notional developments which are typical to the Surrey Heath area.
- (iv) Assumptions for residential sales values were based on evidence within the local re-sales and new build market. Values were calculated in pounds per square metre which highlighted different value areas within the Borough. Areas of the Borough which saw similar values were placed in the same 'Value Point' which was then used to inform sales value in the Residual Land Value calculation. Table I-I sets out the different Value Point areas and where these are in the Borough.

Table I-I: Value Points for Residential Property in Surrey Heath 2017

VP	Location	£ per sqm (median range values)
1	Camberley (1)	£3,500
2	Camberley (2), Deepcut, Mytchett, Parkside	£4,000
3	Bagshot, Bisley, Camberley (3), Chobham, Frimley, Frimley Green, Heatherside, West End	£4,500
4	Lightwater, Windlesham	£5,000

*Camberley 1 – Old Dean & West of Frimley Road

*Camberley 2 – Camberley Town Centre & Crawley Hill

*Camberley 3 – Park Road/Tekels Park

- (v) Costs were derived from a range of sources including BCIS build cost data, extrapolated to reflect contingencies and external works as well as open space standards and a range of affordable percentages and mix based around the recommendations from the

¹ Viability Testing Local Plans (2012) Local Government Association & Home Builders Federation

Hart, Rushmoor and Surrey Heath Strategic Housing Market Assessment (SHMA)².

- (vi) The assumptions allowed for the calculation of residual land value i.e. how much finance could be available to pay for a development site, and this was compared to existing land use values (EUV) plus a 20% premium. The difference between the two values is a calculation of how much money is left within all costs, including at different affordable housing percentages/mix and profit have been taken into account. This assessment has also indicated how much value will be left in a development once all costs have been taken into account so that the Council have an indication of how much finance may be available for infrastructure delivery. This allows the Council to consider the balance between affordable delivery and infrastructure provision.
- (vii) The assessment has concluded that there is scope to achieve affordable housing delivery from market led schemes. Based on the viability evidence it is recommended that options for affordable delivery are as set out Tables I-II to I-III.

Table I-II: Options for on-site Affordable Housing Delivery

Options for Non-Rural Areas	Mix Assumptions	Applies to
30% for all sites more than 10 units Or 30% sites up to 100 units in VP1 & 2 with negotiated or bespoke target for sites and allocations over 100 units in VP1 & 2. 30% for all other sites or more than 10 units.	25% AR/75% I or 30% AR/70 % I 25% AR/75% I or 30% AR/70 % I	Whole Borough VP1, VP2
Or 35% for all sites more than 10 units Or 35% sites up to 100 units in VP1 & 2 with negotiated or bespoke target for sites and allocations over 100 units in VP1 & 2. 35% for all other sites more than 10 units	25% AR/75% I or 30% AR/70 % I 25% AR/75% I or 30% AR/70 % I	Whole Borough VP1, VP2

² Hart, Rushmoor and Surrey Heath SHMA (2016) Wessex Economics. Available at: <http://www.surreyheath.gov.uk/residents/planning/planning-policy/evidence-base/strategic-housing-market-assessment>

Options for Non-Rural Areas	Mix Assumptions	Applies to
40% for all sites more than 10 units	25% AR/75% I or 30% AR/70 % I	All non-rural areas
Or		
35% sites up to 100 units in VP1 with negotiated or bespoke target for sites 100 or more in VP1. 40% target for sites up to 100 units in VP2 with negotiated or bespoke target for sites 100 or more in VP2. 40% all other sites more than 10 units.	25% AR/75% I or 30% AR/70 % I	VP1, VP2

AR = Affordable Rent

I = Intermediate

Table I-III: Options for Affordable Contributions in Rural Areas 6-10 Units

Options Rural Areas	Mix Assumptions	Applies to
30% contribution	N/A	Bisley, Chobham, West End & Windlesham
Or		
40 contribution	N/A	Bisley, Chobham, West End & Windlesham
Or		
50% contribution		Bisley, Chobham, West End & Windlesham

1. Background

- 1.1 This study considers whether there is scope for Surrey Heath Borough Council to require a percentage of residential development to be delivered as affordable housing and builds on the viability assessment undertaken in October 2017 by Base Planning & Design Ltd on behalf of the Borough Council to support a revised Community Infrastructure Levy (CIL) Charging Schedule.
- 1.2 Paragraph 50 of the National Planning Policy Framework (NPPF) and paragraph 62 of the draft NPPF³ sets out that Local Planning Authorities should plan for a mix of housing based on current and future demographic trends and the needs of different groups in the community as well as identifying the size, type, tenure and range of housing that is required in particular locations. This exercise has already been completed by Surrey Heath through the Hart, Rushmoor and Surrey Heath Strategic Market Assessment (SHMA)⁴ and this viability assessment takes its steer from the SHMA in terms of the housing size, type, tenure and range to be brought forward.
- 1.3 Paragraph 50 of the NPPF goes on to state that where affordable housing is needed, policies should be set to meet this need but be sufficiently flexible to take account of changing market conditions. Paragraph 63 of the draft NPPF states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site and draft paragraph 64 that affordable housing should not be sought for developments that are not on major sites⁵ other than in designated rural areas. Draft paragraph 65 sets out that when major housing development is proposed, policies should expect 10% of homes to be available for affordable home ownership.
- 1.4 Paragraph 54 of the current NPPF sets out that in rural areas local authorities can consider rural exceptions policies and allowing some market housing if this would facilitate the provision of significant additional affordable housing to meet local needs. Draft paragraph 79 sets out that local planning authorities should support opportunities to bring forward rural exception sites.
- 1.5 Paragraph 173 of the NPPF sets out that the sites and scale of development in a Local Plan should not be subject to such a scale of planning obligations and policy burdens that their ability to be developed viably is threatened and that requirements for affordable housing and infrastructure should provide competitive returns to a willing land owner and willing developer. Draft paragraph 34 states that plans should set out the contributions expected with particular development and include the levels and type of affordable housing along with other infrastructure and these should not make development unviable and be supported by evidence.

³ National Planning Policy Framework: Draft Text for Consultation (2018) MHCLG. Available at: <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>

⁴ Hart, Rushmoor & Surrey Heath Strategic Housing Market Assessment (2016) Wessex Economics. Available at: <http://www.surreyheath.gov.uk/residents/planning/planning-policy/surrey-heath-local-plan/evidence-base/strategic-housing-market>

⁵ Major residential sites are those of 10 or more dwellings or 0.5ha or over.

- 1.6 As such the aim of this viability assessment is to inform the Council's preparation for range of options for consultation in a Local Plan Issues & Options document which can be delivered without threatening development viability in accordance with NPPF paragraph 173 and emerging NPPF paragraph 34.
- 1.7 The Planning Practice Guidance (PPG) Note on planning obligations states that policy for seeking planning obligations should be grounded in an understanding of development viability through the plan making process. The PPG note also confirms the Written Ministerial Statement (WMS) from 2014, that affordable housing contributions and planning obligations should not be sought on small scale developments of 10 or less dwellings and which have a gross floor area of 1,000sqm or less. This threshold can be lowered to developments of 5 or less in designated rural areas, although any affordable contribution should come as a financial contribution rather than affordable units on site. These provisions have been included in the draft NPPF.
- 1.8 The Planning Inspectorate has clarified its position to the weight to be given to the WMS stating that it is not for the decision maker to attach less weight to planning policies where these are inconsistent with the WMS and that the development plan remains the starting point for decision making. However, the direction of travel in the draft NPPF is clear and is likely to be in place at the time of the adoption of the Surrey Heath Local Plan. As such, this assessment has assumed that the 10 unit threshold applies and sites of 10 or less units have not been tested in this assessment (5 or less in rural areas).
- 1.9 Draft Planning Practice Guidance (PPG) on how to approach viability testing of Local Plan has recently been published by government. The draft guidance sets out the assumptions that should be used in viability testing including on costs, developer profit and use of benchmark land values. The PPG advocates that a 'typology' approach can be used to assess viability, where sites are grouped by shared characteristics such as location, current and proposed use or size of site. This assessment has taken this approach and is considered to be in accordance with the draft PPG.
- 1.10 The draft PPG on viability also sets out that the infrastructure costs associated with a site should be taken on board when assessing site viability. This also means that the assessment should take into account the infrastructure costs associated with development as far as these are known. However, at this stage of plan making no sites have been identified for allocation and as such this assessment takes the approach of considering how much value is left in development to support infrastructure delivery after varying affordable contributions have been considered. This allows the Council to consider the balance between delivering affordable housing and the necessary infrastructure to support development.
- 1.11 The Council currently secure funds from development towards infrastructure through CIL. In most instances CIL has replaced Section 106 (S106)⁶ agreements as the means of securing financial contributions. However, there may be some occasions where S106 will continue to be used to secure

⁶ Section 106 of the Town & Country Planning Act 1990

contributions or infrastructure subject to certain caveats as set out in the Community Infrastructure Levy Regulations⁷.

- 1.12 The levy is charged on a 'pounds per square metre' basis and can be applied to any development which proposes new or additional net floorspace of 100 square metres or more or to net additional dwellings. Small developments under 100sqm of net additional or new floorspace (unless a new residential dwelling) are exempt from the Levy as are certain other types of development such as residential annexes and self-build dwellings provided the correct exemption has been applied for to the Borough Council.
- 1.13 Funds raised through the levy can be spent on a range of infrastructure types or projects such as providing additional school places, undertaking highway improvements, providing children's playing space or other projects which the Borough Council consider are important to support new development.
- 1.14 In order to secure contributions through CIL, the Borough Council must produce a CIL charging schedule which sets out the CIL rates in the Borough. The rate can be a single rate applied across the whole Borough and for all types of development or it can be set as different rates in different areas of the Borough and/or different types of development as well as different scales of development. The CIL rate or rates must be set at a level which does not threaten the ability to viably develop sites and the scale of development identified in the Local Plan.
- 1.15 As such, this assessment also considers how much value may be left in a development after testing a range of affordable housing percentages and mix of tenures to inform the Council's consideration of the balance between delivering affordable housing and necessary infrastructure.
- 1.16 The assessment will test viability using a recognised methodology of residual land valuation. Residual land valuation is where all the costs of a development are subtracted from the sales value to arrive at a sum that could be offered for a development site. This methodology has been used to test a range of notional development types for both residential and non-residential development and is the same methodology used in the CIL Viability Update in October 2017.
- 1.17 In terms of the residual land value generated, this would have to be an amount equal to or greater than the existing use value (EUUV) of a site to be considered viable, simply because at values lower than the existing use a land owner is unlikely to sell the land.
- 1.18 It should be noted that this assessment of viability is a study aimed at informing Local Plan affordable housing options and therefore takes a strategic view of viability across the Borough based on a range of assumptions. The assumptions used are considered reasonable for the level of study undertaken and in line with existing guidance on undertaking plan level viability and emerging guidance in the draft PPG. However, it should be noted that small changes in assumptions can have large changes on viability and are unlikely to be appropriate for all developments. As such, this study does not attempt to consider all eventualities

⁷ Community Infrastructure Levy Regulations 2010 (as amended)

given its strategic nature. Therefore this study should not be interpreted as inferring the viability of any particular site in the Borough as the viability of sites will depend upon individual characteristics. Neither should this assessment be used in any valuation exercise.

2. Methodology & Assumptions

Residual Land Valuation (RLV)

- 2.1 This assessment utilises a residual land valuation methodology. In order to apply this methodology a number of viability appraisals were run for notional residential developments including retirement housing (falling into Class C3). The study uses an appraisal tool in the form of Excel spreadsheets which are readily available on the Regenerate web-site⁸ (updated to reflect local circumstances). Like many other appraisal spreadsheets and tools, the ones on the Regenerate web-site use certain assumptions to derive an indication of viability. Residual Land Valuation is a recognised methodology⁹ that has been used by other local authorities with successfully implemented affordable housing policies and was used in the previous viability assessment to update the Surrey Heath CIL Charging Schedule. This is also considered to be in line with emerging guidance in the draft PPG.
- 2.2 The residual land value (RLV) of a site is the sum of money which can be offered for a site after all development costs, including developers profit and affordable housing have been subtracted from the Gross Development Value (GDV) i.e. what the development will sell or lease for on the open market (what it's worth).
- 2.3 A benchmarking exercise was undertaken to determine the Existing Use Value (EUV) relevant to different uses and the locality. The benchmark EUV data needs to include any potential uplift or premium in value to encourage the release of land for development. As such, the EUV + premium, results in a value known as the Benchmark Land Value (BML). The BML is based on a range of data sources and market commentary as set out in Appendix C.
- 2.4 When undertaking viability analysis, the Residual Land Value can be compared to BML (value at which a willing landowner will sell land for development) across the Borough. If after applying affordable housing requirements, any value is left in the development, this can be used to fund necessary infrastructure. Hence it is important to consider a range of affordable housing targets and tenure splits to consider how this affects any remaining site value available for necessary infrastructure.

Notional Development Types/Sites

- 2.5 The residential notional schemes have been informed by and referenced against sites in the latest Surrey Heath Strategic Housing Land Availability Assessment 2016 (SHLAA)¹⁰. Interrogation of the SHLAA reveals that around 67% of sites are brownfield and 85% are in a non-residential use. As such, existing residential sites make a very small proportion of development sites overall and tend to be characterised by single dwellings set in large plots. Further, the draft NPPF includes guidance to ensure that residential development makes the most efficient use of sites and as such for the purposes of this assessment

⁸ <http://www.regenerate.co.uk/links.htm>

⁹ Viability Testing Local Plans (2012) LGA &HBF. Available at <http://www.nhbc.co.uk/NewsandComment/Name,47338,en.html>

¹⁰ Surrey Heath Strategic Land Availability Assessment (2016) SHBC. Available at: <http://www.surreyheath.gov.uk/SLAA>

notional sites do not reflect densities lower than 35dph. The majority of sites in the SHLAA are also smaller to medium sized sites with few over 100 units.

- 2.6 The notional residential developments also take into consideration the Council's adopted Core Strategy policy DM16 on the provision of open space. Whilst the current open space policy will be reviewed as part of Local Plan preparation, it still remains as a starting point for considering net developable area. The housing mix in the notional developments is based on variations of the latest Strategic Housing Market Assessment (SHMA) which was published in 2016¹¹. The housing mix set out in the SHMA is reflected in the notional development scenarios and is set out in Table 2-2. An allowance has also been made for 5 bedroom dwellings in the market sector as these size of dwellings have been evidenced as coming forward in the Borough. The 5 bed allowance is 5% which has been taken from the overall percentage for 4 bedroom market dwellings.
- 2.7 The 2016 SHMA sets out an Objectively Assessed Housing Need (OAN) of 382 dwellings per annum for Surrey Heath with an affordable need of 100 units per annum for affordable rent and 190 units per annum for intermediate (shared ownership), a mix of approximately 35% affordable rent and 65% intermediate. The government has recently set out guidance for a standardised methodology for calculating OAN which has been reflected in the draft NPPF. The standardised methodology gives an OAN for Surrey Heath as 352 dwellings per annum, slightly lower than the SHMA findings. Nevertheless, the mix of affordable dwellings set out in the SHMA has been reflected in this assessment but with variations around the tenure split of 25/75, 30/70 and 35/75 affordable rent to intermediate. Whilst this demonstrates a high need for affordable housing, account must be had to how affordable housing affects development viability, given that in the vast majority of cases affordable housing will be delivered by market housing schemes.
- 2.8 The affordable rent model allows rental levels to be set at 80% of rents which could be achieved on the open market. In terms of the transfer fee that a Registered Provider (RP) could be expected to pay a developer has been informed by median market rental values as set out in Table 1-2 and data supplied by Registered Providers themselves. The data provided by Registered Providers shows a close correlation to the 80% of median rent values and in general we see transfer fees for affordable rent units at around 50% of market value. Median rental data has been supplied by the VOA for the period 1st April 2016 to 31st March 2017¹².

¹¹ Hart, Rushmoor & Surrey Heath Strategic Housing Market Assessment (2016). Available at: <http://www.surreyheath.gov.uk/residents/planning/planning-policy/evidence-base/strategic-housing-market-assessment>

¹² Data available at: <https://www.gov.uk/government/statistics/private-rental-market-summary-statistics-april-2016-to-march-2017>

Table 2-1: Assumed Affordable Rent Transfer Fees

Property Size	Surrey Heath Median Rental Values (Annualised)	80% of Median Rents (Annualised)	Transfer Fee based on 80% of Median Rent*
1 Bed Flat	£9,540	£7,632	£95,400
2 Bed Flat	£12,000	£9,600	£120,000
2 Bed House	£12,000	£9,600	£120,000
3 Bed House	£15,600	£12,480	£155,937
4 Bed House	£24,000	£19,200	£239,904

*Value based on formula (100/interest rate) x (annual rate x 0.75)

- 2.10 In terms of the intermediate element of affordable housing and as reflected in the draft NPPF, 10% of intermediate affordable housing is assumed to come forward as affordable home ownership (as starter homes) with a sale value outside of London of 80% of market value up to a maximum of £250,000. Starter homes have been assumed to be 1 or 2 bed dwellings only, as it is unlikely that developers would offer larger starter homes with a larger differential to what could be achieved on the open market. Where market data indicates market values lower than £250,000 for a given property size, it has been assumed that a starter home will be 80% of market value i.e. if a 1 bed flat is £200,000 it has been assumed that the same dwelling as a starter home would have a value of £160,000. In terms of shared ownership tenure, data supplied by RPs indicates that the transfer fee for the shared ownership product is around 70%-80% of market value and 75% has been used for this assessment.
- 2.11 In all scenarios tested no affordable housing grant was taken into account as not all schemes will attract grant funding. As such, this acts as a worst case scenario.

Table 2-2: SHMA 2016 Housing Mix for Notional Developments

Market Housing		Affordable Housing	
Dwelling Size	Percentage Tested	Dwelling Size	Percentage Tested
1 bed	5%	1 bed	30%
2 bed	30%	2 bed	40%
3 bed	45%	3 bed	20%
4 bed	15%	4 bed	10%
5 bed	5%		

- 2.12 The notional developments tested are set out in Appendix A. These have been tested over a range of areas in the Borough to account for variations in Gross Development Value (GDV) and hence RLV. These areas are based on property values which may not always conform to discreet settlement or ward areas. The sites of 100 & 500 notional dwellings were also tested coming forward on greenfield land and providing their own SANG on site. The 100 dwelling scheme assumes that 2ha of 4.5ha site area will come forward as SANG and the 500 unit scheme has 9.5ha of 22ha in total coming forward for SANG.

- 2.13 Typical dwelling sizes for market houses in the Borough have been based on new build data for dwellings recently constructed in Surrey Heath. In terms of affordable housing, dwelling size has been taken from the government's Technical Housing Standards¹³. Typical dwelling sizes are set out in Table 2-3.

Table 2-3: Typical Dwelling Sizes for Market & Affordable Dwellings

Unit Type	Market (sqm)	Affordable (sqm)
1-bed flat	56	50
2-bed flat	74	70
2-bed house	80	79
3-bed house	98	93
4-bed house	135	115
5- bed house	160	N/A

- 2.14 Typical dwelling sizes can allow for an indication of the sales value of a property in terms of pounds per square metre which is a better indicator of varying property value across the Borough. This can then set a property value level in specific areas of the Borough which are applicable no matter the size of dwelling. The market dwelling size does not include garage floorspace, whether integral or detached as there is no policy requirement for this.
- 2.15 In terms of retirement housing this has been based on typical schemes which have come forward within Surrey Heath and typically comprise flatted developments aimed at the active retired or those aged 55+ falling into use class C3 (residential dwellings) not C2 (residential institutions). The difference between a C2 and C3 use is not outlined here, but it will be for the Borough Council to determine on a case by case basis as and when applications arise for such uses. The testing for retirement housing considers a range of assumptions such as mix of 1 and 2 bed apartments and gross to net ratio but otherwise largely follows the assumptions used to test a flatted development scheme.

¹³ Technical Housing Standards (2015) CLG. Available at: <https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard>

Development Value Assumptions

Residential

- 2.16 The draft PPG note on viability states that for broad area-wide or a typology assessment at plan making stage, average figures can be used with adjustment to take account of land use, form, scale, location, rents and yields having regard to outliers in the data. Research of the residential property market in Surrey Heath and its surrounds has revealed average (median) values of dwellings based on pounds per square metre. Median values have been used as this removes outliers in the data which could skew results. The research consisted of a desktop evidence gathering exercise. The average (median) sold house price for an area was established in terms of size of dwelling by number of bedrooms and the pounds per square metre derived from the gross internal floorspace. The residential market data is contained within Appendix B.
- 2.17 The data in Appendix B is predominantly based on the re-sales market operating within the Borough but with additional information provided by new build sales. The average pounds per square metre value of re-sales and new build dwellings informed the overall values for different areas of the Borough. Sold house prices have been taken from the CIL Viability Update Report based on data provided by Land Registry for the first 6 months of 2017. This is still considered to still be a reasonable assumption for sale values given that the data is only 6 months old and the governments house price index only shows a modest increase in sold house prices of £2,779 between June 2017 and November 2017. Sold prices have been used as recommended by the publication 'Viability Testing Local Plans' (see reference 1).
- 2.18 Where values were similar for different areas of the Borough these were considered to form value points. As such it was possible to form areas of the Borough where values were similar and which would see similar Gross Development Value (GDV) and Residual Land Value (RLV) results. The value points set out in Table 2-4 do not all correspond discretely to ward boundaries.

Table 2-4: Value Points of Residential Property in Surrey Heath at 2017

VP	Location	£ per sqm (median range values)
1	Camberley (1)	£3,500
2	Camberley (2), Deepcut, Mytchett, Parkside	£4,000
3	Bagshot, Bisley, Camberley (3), Chobham, Frimley, Frimley Green, Heatherside, West End	£4,500
4	Lightwater, Windlesham	£5,000

*Camberley 1 – Old Dean & West of Frimley Road

*Camberley 2 – Camberley Town Centre & Crawley Hill

*Camberley 3 – Park Road/Tekels Park

- 2.19 GDV for market dwellings was derived by multiplying floorspace of notional developments by the values shown in Table 2-4.

Retirement Housing

- 2.20 In terms of retirement housing data suggests that these types of development do achieve a premium over normal flatted development schemes. Appendix B sets out market data for these types of scheme and the values that they attract on a pounds per sqm basis which in the case of Camberley averages £5,000 per sqm. This figure has been used on a borough wide basis given that insufficient data is available for other areas of the Borough.
- 2.21 Whilst retirement housing can vary in terms of its mix of 1 to 2 bed units, density and its gross to net floorspace ratios, standard assumptions have been used in this assessment to derive a development value. The assumptions used for retirement housing are set out in Table 2-5 and all other assumptions such as build and sales rates, finance assumptions, build costs etc are as set in Tables 2-6 for flatted developments.

Table 2-5: Assumptions for Retirement Housing

Assumption	
Housing Mix	75% 1-bed, 25% 2-bed
Unit Size	1 bed = 56sqm 2 bed = 74sqm
Site Area	0.5ha
Gross to Net Ratio	70%/30%

- 2.22 When considering GDVs for development it should be noted that this study has been undertaken when there is some economic uncertainty surrounding the UKs vote to leave the European Union. As such, it is difficult to predict how the economy will develop post Brexit as at the time of writing no decisions in terms of the UKs exit had been agreed.

Development Cost Assumptions

- 2.23 In order to arrive at a Residual Land Value (RLV), the total costs of development need to be subtracted from the value. Development costs can vary from one location to another within the Borough but in determining the costs of development at a strategic level, certain fixed cost assumptions can be made. The cost assumptions used in this study arise from a variety of data and are as follows: -

Build Costs & Additional Build Costs

- 2.24 Build costs have been taken from the BCIS as advised in the draft PPG guidance on viability and rebased to Surrey unless otherwise stated. All build costs have built in a 15% addition for external works and 5% for contingencies and this is considered to reflect the draft PPG note on viability which requires the costs of site specific infrastructure and abnormals to be taken into account. Build costs are set out in Table 2-6 and are based on the values used in the CIL Viability Update Report. These are still considered to be reasonable given that only 6 months have passed since the data was

interrogated. Further, the 2017 Q3 Tender Price Indicator by Gardiner & Theobold¹⁴ forecast tender prices in the South East to rise by 1% for the rest of 2017 and by 0% in 2018.

Table 2-6: Build Costs Based on BCIS Data

Development Type	Build Cost (£/sqm)
Residential Housing 'generally'	Housing Generally - £1,520
Residential Flat (generally)	Flats Low Rise - £1,751

Sustainable Design and Other Policy Requirements

- 2.25 In terms of building sustainability and other possible policy requirements the draft PPG note on viability requires the costs of all policy requirements to be included. However, the options for the Local Plan are still in preparation and as such no additional policy cost requirements have been added to build costs. Should the Council develop options and policies requiring sustainable construction methods such as the governments optional Technical Housing Standards or other policy requirements, these will need to be tested at draft plan stage to ensure that development remains viable. As such, the Council will need to keep in mind that policy requirements may impact the findings of this assessment, however this can be considered prior to publication of the draft Plan once policy approaches have become more solid.

External Works

- 2.26 A certain element of external works such as laying out of gardens, fences, soft landscaping and pathways in residential development and fences, soft landscaping in commercial development is already included within BCIS costs. As such for the purposes of this assessment external works includes secondary infrastructure such as distributor roads, parking areas, utilities and demolition/site clearance costs. A 15% addition has been added to BCIS build costs to take account of these external works.

Abnormals

- 2.27 There will be occasions when a development encounters unknown or extraordinary costs and therefore a general allowance has been made for such scenarios in this study. It is not the role of a strategic level viability assessment such as this to consider unknown or extraordinary costs which may arise on individual sites. Therefore a blanket 5% addition to construction costs has been added to take account of abnormals. The draft PPG note on viability also requires the consideration of contingencies for scheme specific assessments. As this assessment does not consider any specific schemes, a contingency cost has not been included.
- 2.28 It should be noted that the costs set out in Table 2-6 are likely to change over time i.e. cost assumptions are only a snap shot in time. For example, during the period of weak economic growth build costs fell, but have risen again, the effects of Brexit on the

¹⁴ Tender Price Indicator Q3 2017, Gardiner & Theobold. Available at: http://webcache.googleusercontent.com/search?q=cache:M4cvOw3FvmwJ:www.gardiner.com/publication-uploads/1707_TPI_Digital.pdf+&cd=2&hl=en&ct=clnk&gl=uk

economy are at this time unknown depending on the deal reached to withdraw from the EU.

Gross to Net Ratio

- 2.29 In general housing development has been given a 100% gross to net floorspace ratio as the whole floorspace has a sale value. Flatted developments on the other hand have an 85% gross to net ratio which relates to void areas such as stairwells, hallways etc. This ratio has been added to the build cost for flats shown in Table 2-6.

Residual S106 Charges and SANG Maintenance

- 2.30 An allowance has been made for residual S106 obligation/fees which may arise from development irrespective of whether a CIL charge applies. The residual S106 fees for residential development includes an amount for the maintenance of Suitable Accessible Natural Greenspace (SANG) which is not considered to constitute infrastructure but is necessary to ensure SANG are maintained in perpetuity. Without this payment and maintenance of SANG it could not be determined that residential development would not give rise to significant effect on protected habitats and development would have to be refused. The Council have calculated that the cost of maintaining SANG in perpetuity (80 years) is £112.50 per sqm of gross residential development. As such, this cost has been added to the residual S106 costs for residential development. The remaining cost for SANG will be derived from the value left in development after affordable housing percentages have been tested. As such, as part of the balance between affordable delivery and necessary infrastructure, sufficient development value will need to remain to enable delivery of SANG set up costs.

Development Fees & Finance

- 2.31 The draft PPG note on viability requires the costs of finance and professional fees to be taken into account. In terms of developer profit the draft PPG note advises 20% of GDV for market housing and 6% for affordable units and this has been used in this assessment. The assumptions made in terms of fees and finance are set out in Table 2-7.

Table 2-7: Residential Fees and Finance Costs

Fee/Finance Cost	Assumption
Land Purchase Fee	2% of land cost
Stamp Duty	Variable
Sales & Marketing	3% of GDV
Legal Fees	£750 per unit
Professional and other fees	12% of construction costs
Finance	6%
Developer Profit	20% market & 6% affordable (GDV)
Residual S106/S278 costs	£1,000 per unit
SPA Suitable Accessible Natural Greenspace (SANG) maintenance	£112.50 per sqm
SPA Strategic Access & Management Monitoring (SAMM)	£368 per 1 bed unit £487 per 2 bed unit £657 per 3 bed unit

	£750 per 4 bed unit £973 per 5 bed unit
External Works (Secondary Infrastructure)	15% - Added to build costs
Contingencies	5% - Added to build costs

Build/Sales Period Finance

- 2.32 Build and sales periods have been based on previous viability work and/or assumptions of build rates as evidenced locally. The sales period for development is the typical time at which development has been completed
- 2.33 Typical build and sales periods for the notional developments considered in this study are set out in Table 2-8.

Table 2-8: Residential Build & Sales Periods

Development	Build (months)	Sales(months)
Residential 1-5 units	6	3
Residential 10-15 units	9	6
Residential 50 units	18	9
Residential 100 units	24	18
Residential 500 units	36	24

Land Value Data

- 2.34 The draft PPG note on viability sets out that BML should take account of a range of costs including a premium to landowners and be informed by comparable market evidence with the starting point based on EUV. Sources of data can include agricultural and industrial land values and Valuations Office Agency (VOA) evidence. The Borough Council commissioned the VOA (Guildford Office) to undertake an assessment of land values within Surrey Heath for both residential and commercial use as part of the 2013 CIL Viability Assessment. The VOA data is based on evidence gathered from market sales and as such is the market value of the land which acts as Existing Use Value (EUV). The VOA data is set out in Table 2-9 as a range of values dependent on site size.

Table 2-9: VOA Land Values from 2012

Use	Market Value (£ per ha)
Industrial	£1,235,500 to £1,482,600
Office	£1,235,500 to £1,853,250
Retail (Town Centre)	£1,853,250 to £2,471,000
Retail (Local Centre)	£1,235,500 to £1,853,250
Residential (low)	£2m
Residential (medium)	£3m
Residential (high)	£3.7m

- 2.35 The VOA data is now out of date and therefore some form of sense check on land values is required to determine BML for use in viability testing. The VOA use to publish regular

reports on land values for different types of use in different locations of the UK, but these have not been undertaken since 2009 and are themselves out of date.

- 2.36 Government also publishes land value estimates for policy appraisal¹⁵ and this sets out land values for residential use by local authority area and industrial and agricultural land values by region. The residential land value for Surrey Heath is stated as £4.8m per hectare, however there are several issues with this valuation. Annex A of the policy appraisal sets out the assumptions underlying the residential valuation and includes assuming all units are market dwellings with no affordable housing and in this respect the annex states that *'The figures on this basis, therefore, may be significantly higher than could reasonably be obtained for land in the actual market.'* There is also no estimate for any CIL or S106 liabilities and assumes that planning permission is in place with services provided up to the boundary of the site with a 17% developer profit on GDV. All of these elements will help overinflate land value and as such the £4.8m per hectare figure is inappropriate to be used for testing viability.
- 2.37 The land value estimates for policy appraisal for industrial land in the south east is estimated at £1.1m per hectare and agricultural use in the south east is £22,000 per hectare. As with the residential land value the industrial land value assumes no CIL or S106 liabilities and that planning permission is in place with services to the site boundary.
- 2.38 Market commentary from Savills¹⁶ in their land value index shows that since the VOA data was collated for Surrey Heath the indices for brownfield and greenfield land have increased by around 15 points. If this increase in value is added to the VOA data for industrial land this gives a land value of £1.56m per hectare.
- 2.39 The Local Government Association (LGA) and Home Builders Federation (HBF) have produced advice for planning practitioners on testing the viability of Local Plans¹⁷. This advice is also recommended for CIL especially when dealing with BML (the value at which a willing landowner will sell land).
- 2.40 The guidance states that BML (stated as Threshold Land Value) should be based on existing use value (EUV) plus a premium and not on market values as this carries the risk of building in current policy costs rather than informing potential future policy. However, the guidance also states that reference to market values can still provide a useful 'sense check' on threshold values.
- 2.41 Whilst the imposition of affordable housing will lead to a reduction in land values it is considered that VOA data plus a premium is used to determine affordable requirements as this assumes the worst case scenario i.e. higher land values. As such the VOA data is treated as EUV. In terms of the premium to be added to EUV to gain a BML there will not be a single value which determines whether a site will come forward or not. As such, only a guide value can be used in a strategic level assessment such as this. It will be the case

¹⁵ Land Value Estimates for Policy Appraisal (CLG) 2015. Available at:

<https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2015>

¹⁶ UK Residential Development Land (2016) Savills. Available at:

http://www.savills.co.uk/research_articles/141285/202806-0

¹⁷ Viability Testing Local Plans (2012) LGA & HBF. Available at:

<http://www.nhbc.co.uk/NewsandComment/Name,47338,en.html>

that some sites will be released for lower values or higher. The LGA & HBF publication states that the precise figure for a premium should be derived locally, but that it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell. For testing purposes a 20% premium has been added to the EUV. This is considered to reflect the NPPF which indicates that development should provide competitive returns.

- 2.42 In attracting a 20% premium it should be recognised that different notional developments attract different values. The SHLAA 2016 demonstrates that the vast majority of residential developments are expected to come forward on sites in an existing commercial brownfield use. Therefore BML will be based on industrial land values indexed to 2016 plus a premium of 20%.
- 2.43 In terms of greenfield sites (sites of 100 dwellings or more), guidance from the HCA suggests that greenfield sites typically come forward for around 20x agricultural land value, which for Surrey Heath amounts to around £440,000 per hectare. BMLs are set out in Table 2-10.

Table 2-10: Typical Residential BML in Surrey Heath (£/ha)

Location	TUV £ per ha
Commercial Brownfield	£1.85m
Greenfield	£440,000

- 2.44 The Borough Council has adopted a Thames Basin Heaths SPA SPD which sets out that sites of 100 units or more should provide their own on-site SANG to a standard of 8ha per 1,000 additional population. For the 100 unit notional development this equates to 2ha for SANG and for a 500 unit scheme 9.5ha. Other SANG in the Borough have been valued at £20,000 per hectare. As such, for this assessment the value of a 500 unit scheme has a greenfield land value for 12.5ha and SANG value for 9.5ha.

Other Assumptions

- 2.45 Density for residential development varies depending on the notional size and varies through the assessment. Gross to net site areas for residential schemes are again dependent on scheme size and for sites 11units 85% has been used and schemes of 50+ units at 75% which reflects current Policy requirements for open space. Apartment schemes have a gross to net ratio of 85%. In terms of flatted units the build costs reflect an internal gross to net ratio of 85% i.e. saleable area is 85% of total area.

3. Results

- 3.1 The summary of viability appraisals are contained within Appendix D with the main results reproduced in this section.
- 3.2 Whilst these are not the full appraisals they are included to show the main assumptions used and the subsequent effect this has on viability and potential value left over to fund infrastructure. For transparency, an example of the full appraisal for the 100 dwelling development at value point 1 has been reproduced in Appendix D.
- 3.3 The overall results are variable given the strategic nature of this assessment. This is to be expected in a Borough which shows a wide range of development values and covers both urban and rural areas. Even though the results are variable it is still possible to pull out general trends and use the information to recommend affordable requirements. It has been borne in mind in this assessment that any affordable requirements should strike a balance between optimising affordable delivery and leaving sufficient value to ensure delivery of necessary infrastructure. However, it is acknowledged that there will always be some developments which cannot deliver the full affordable housing requirement and as such following options consultation, flexibility will need to be written into any affordable housing policy to allow for a negotiated approach, although the Council's starting position should always be the development plans affordable targets.
- 3.4 As noted in previous sections, the results derived in this assessment are sensitive to changes in appraisal inputs and relatively small changes can produce different results. However, this is not a valuation exercise for a specific site but a strategic level assessment covering the whole Borough. Whilst it enables consideration of certain assumptions and viability in general, it cannot take into account site specific issues nor should it test the vast number of variations of assumptions that could be used in the appraisals.
- 3.5 In any event, affordable targets and tenure mixes have been varied within the appraisals and therefore, a degree of sensitivity testing has been carried out within the appraisals.
- 3.6 This section contains the results of the viability appraisals. Results are shown in tables in terms of residual values generated from each appraisal and converted into pounds per hectare. Tables are also produced which highlight how much potential is left within a development to fund necessary infrastructure based on pounds per sqm (to remain consistent with the way CIL is charged). The infrastructure figures are calculated by taking the Residual Land Value (RLV) and dividing it by the gross floorspace figure for a particular notional development. Using the gross floorspace acts as a worst case scenario as CIL calculations are based on net floorspace. Where figures in tables are highlighted in green this indicates that RLV is above BML and affordable housing can be viably delivered. Figures highlighted in red indicate an RLV below BMV and limited scope to deliver affordable housing.

Affordable at 25% and Tenure Mix 25/75, 30/70 and 35/65

- 3.7 Tables 3-1 to 3-3 compare RLV against each notional development type with a 25% affordable housing requirement. Tables 3-1 to 3-3 shows that RLV (as £/ha) increases with increasing property values from VP1 through to VP4. The highest RLV's on a

pounds per ha basis are found on 50 unit flatted schemes and lowest on 500 unit schemes, which take into account the cost of delivering SANG on site. This is true for all subsequent affordable targets and tenure splits tested as will be shown in the following sections.

- 3.8 However, it should be noted that with 500 unit schemes, whilst within lower value point areas appear unviable, this is based on a TUV for brownfield industrial land value. The Council will need to be mindful in setting affordable targets whether the SHLAA indicates that development sites of this size are likely to come forward in value point areas 1 and 2. Even if they should come forward in lower value areas at brownfield locations it may be the case that they will be unable to deliver SANG on site (unless attached to some existing greenspace which can deliver SANG). Further, delivering 500 unit schemes on sites that cannot provide on-site SANG is likely to lower development costs as a financial contribution would be required rather than the cost of SANG set up with reduced land values. It should also be noted that some larger schemes may come forward on greenfield sites, especially in value point areas 3 and 4 which attract a much lower TUV. As such, in reality larger sites on greenfield locations will be viable.
- 3.9 However, the tenure split of affordable housing does not appear to affect RLVs to any great degree as similar RLV values can be seen between tables 3-1 to 3-3.
- 3.10 Nevertheless Tables 3-1 to 3-3 highlights that there is scope to deliver affordable housing at 25% with sufficient value remaining in the development to fund necessary infrastructure.

Table 3-1: RLV (£ per ha) for 25% Affordable Housing at 25% Affordable Rent & 75% Intermediate

	VP1	VP2	VP3	VP4
11	£2,509,644	£3,740,457	£4,980,005	£6,219,552
15	£2,902,984	£4,395,853	£5,896,583	£7,409,277
50	£2,138,998	£3,204,426	£4,288,763	£5,364,608
50 (Flats)	£2,569,000	£4,928,132	£7,731,275	£9,612,541
100	£2,117,384	£3,209,324	£4,299,900	£5,381,836
500	£1,074,133	£1,688,606	£2,296,932	£2,902,662

Table 3-2: RLV (£ per ha) for 25% Affordable Housing at 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
11	£2,509,644	£3,740,457	£4,980,005	£6,219,552
15	£2,902,984	£4,395,853	£5,896,583	£7,409,277
50	£2,057,436	£3,137,300	£4,217,164	£5,297,028
50 (Flats)	£2,558,711	£5,004,091	£7,449,471	£9,894,850
100	£2,188,542	£3,297,645	£4,406,748	£5,537,683
500	£1,119,023	£1,737,591	£2,356,158	£2,974,734

Table 3-3: RLV (£ per ha) for 25% Affordable Housing at 35% Affordable Rent and 65% Intermediate

	VP1	VP2	VP3	VP4
11	£2,509,644	£3,740,457	£4,980,005	£6,219,552
15	£2,902,984	£4,395,853	£5,896,583	£7,409,277
50	£1,996,827	£3,119,348	£4,241,868	£5,364,389
50 (Flats)	£2,558,711	£5,004,091	£7,449,471	£9,894,850
100	£2,158,222	£3,256,209	£4,354,141	£5,452,073
500	£1,128,917	£1,738,234	£2,347,551	£2,956,869

- 3.11 The results shown in Table 3-1 to 3-3 highlight how the RLV results transform into potential for infrastructure on a £ per sqm basis and this is shown in Tables 3-4 to 3-6. It should be noted that for 500 unit schemes brownfield land values have been used for value points 1 and 2 assuming no on-site SANG is delivered and for value points 3 and 4, greenfield land value assumption have been used.

Table 3-4: Potential for Infrastructure (£ per sqm) 25% and 25% Affordable Rent and 75% Intermediate

	VP1	VP2	VP3	VP4
11	£162	£465	£770	£1,074
15	£222	£537	£853	£1,172
50	£84	£393	£708	£1,021
50 (Flats)	£87	£372	£710	£937
100	£70	£378	£685	£990
500	£11	£306	£980	£1,271

Table 3-5: Potential for Infrastructure (£ per sqm) 25% at 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
11	£162	£465	£770	£1,074
15	£222	£537	£853	£1,172
50	£60	£374	£688	£1,001
50 (Flats)	£86	£381	£676	£971
100	£90	£403	£715	£1,034
500	£33	£330	£1,008	£1,306

Table 3-6: Potential for Infrastructure (£ per sqm) 25% at 35% Affordable Rent and 65% Intermediate

	VP1	VP2	VP3	VP4
11	£162	£465	£770	£1,074
15	£222	£537	£853	£1,172
50	£43	£369	£695	£1,021
50 (Flats)	£86	£381	£676	£971
100	£81	£391	£700	£1,010
500	£37	£330	£1,004	£1,297

- 3.12 Tables 3-4 to 3-6 show that there is scope for funding necessary infrastructure after affordable housing has been applied at 25% irrespective of tenure split. This ranges from a low of £37 per sqm for 500 unit schemes in the lowest value point area to a high of £1,297 for 500 unit schemes in the highest value point area.
- 3.13 A degree of caution should be attached to these figures if they were translated into CIL rates. CIL rates should not place development at the margins of viability and as such the need to fund necessary infrastructure will lie somewhere between these values. This will depend on the level of development expected in each value point area and taking account of sites where the Council may wish to fund infrastructure through S106 agreements rather than CIL. That said, value point areas 2 and 3 represent the vast majority of the Borough as a whole where in general affordable delivery and infrastructure funding appear viable.
- 3.14 Taking away the extreme ends of the range (500 unit sites and VP1), the amount available for infrastructure funding ranges from £372 per sqm to £1,172 per sqm. As stated above development should not be pushed to the margins of viability and a lower figure than £372 is likely but sits well above the recommended CIL charge in the CIL Viability Update Report of £150 borough wide.

Affordable at 30% and Tenure Mix 25/75, 30/70 and 35/65

- 3.15 Much like affordable delivery at 25%, delivery at 30% shows that affordable housing is viable with increasing RLVs as value points increase. Again 500 unit schemes appear unviable at value points 1 and 2, but again this is based on brownfield land values and an assumption of providing SANG on site. Of note is the notional developments of 50 and 100 units which show a tightening of viability at the lowest value point area. However as with delivery at 25% there is not much difference in RLV with varying tenure mix. Nevertheless, the tables below show that delivery at 30% is in the vast majority of cases viable with sufficient finance available to fund necessary infrastructure.

Table 3-7: RLV (£ per ha) for 30% Affordable Housing 25% Affordable Rent and 75% Intermediate

	VP1	VP2	VP3	VP4
11	£2,509,644	£3,740,457	£4,980,005	£6,219,552
15	£2,620,147	£4,042,312	£5,455,656	£6,869,001
50	£1,948,009	£2,968,946	£3,991,271	£5,016,374
50 (Flats)	£2,501,709	£5,033,493	£7,411,046	£9,799,883
100	£2,038,816	£3,098,229	£4,166,645	£5,221,236
500	£1,044,588	£1,625,647	£2,206,111	£2,786,575

Table 3-8: RLV (£ per ha) for 30% Affordable Housing at 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
11	£2,509,644	£3,740,457	£4,980,005	£6,219,552
15	£2,459,733	£3,847,752	£5,233,239	£6,621,869
50	£2,063,568	£3,075,222	£3,963,183	£4,978,309
50 (Flats)	£2,615,748	£4,896,360	£7,231,580	£9,566,799
100	£1,981,483	£3,027,997	£4,083,514	£5,128,663
500	£1,033,309	£1,634,671	£2,185,281	£2,763,162

Table 3-9: RLV (£ per ha) for 30% Affordable Housing at 35% Affordable Rent and 65% Intermediate

	VP1	VP2	VP3	VP4
11	£2,509,644	£3,740,457	£4,980,005	£6,219,552
15	£2,459,733	£3,847,752	£5,234,811	£6,621,869
50	£2,063,568	£3,075,222	£3,963,183	£4,978,309
50 (Flats)	£2,615,748	£4,896,360	£7,231,580	£9,566,799
100	£1,953,236	£2,988,578	£4,032,925	£5,066,903
500	£1,023,457	£1,609,596	£2,209,764	£2,802,621

- 3.16 In terms of the finance available to fund necessary infrastructure tables 3-10 to 3-12 show the scope for this. As with delivery at 25%, scope exists for infrastructure funding but the scope for this is reduced with a lowest amount of -£13 for 500 unit schemes with a 35/65 tenure split in the lowest value area and a high of £1,223 for 500 unit schemes in the highest value area at a tenure split of 35/65. Again any CIL rate for infrastructure funding will lie somewhere between these values taking account of the level of development expected in particular value point areas.
- 3.17 Taking away the extreme ends of the range (500 unit sites and VP1), the amount available for infrastructure funding ranges from £315 per sqm to £1,074 per sqm. As stated previously development should not be pushed to the margins of viability and a lower figure than £315 is likely but sits well above the recommended CIL charge in the draft CIL Viability Update Report of £150 per sqm borough wide.

Table 3-10: Potential for Infrastructure (£ per sqm) 30% at 25% Affordable Rent and 75% Intermediate

	VP1	VP2	VP3	VP4
11	£162	£465	£770	£1,074
15	£162	£462	£760	£1,058
50	£28	£325	£622	£920
50 (Flats)	£79	£384	£671	£960
100	£48	£346	£648	£945
500	-£3	£276	£45	£1,215

Table 3-11: Potential for Infrastructure (£ per sqm) 30% at 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
11	£162	£465	£770	£1,074
15	£129	£421	£713	£1,006
50	£62	£356	£614	£909
50 (Flats)	£92	£368	£650	£931
100	£31	£326	£624	£919
500	-£9	£281	£545	£823

Table 3-12: Potential for Infrastructure (£ per sqm) 30% at 35% Affordable Rent and 65% Intermediate

	VP1	VP2	VP3	VP4
11	£162	£465	£770	£1,074
15	£129	£421	£714	£1,006
50	£62	£356	£614	£909
50 (Flats)	£92	£368	£650	£931
100	£23	£315	£610	£901
500	-£13	£268	£938	£1,223

Affordable at 35% and Tenure Mix 25/75, 30/70 and 35/65

- 3.18 Again like the scenarios for affordable delivery at 25% and 30%, delivery at 35% shows that affordable housing is viable with increasing RLVs as value points increase. This is shown in Tables 3-13 to 3-15.
- 3.19 Again 500 unit schemes appear unviable at value points 1 and 2, but again this is based on brownfield land values and an assumption of providing SANG on site. Of note is the notional development of 100 units at the lowest value point and tenure splits 30/70 and 35/65 which now shows that these schemes would be unviable at 35%. However, again the Council will need to be mindful of the level of development and type of sites expected to come forward in this area.

3.20 There is also a further tightening of viability for 50 unit schemes at the lowest value point area with RLVs approaching EUV + 20%. However, in the vast majority of cases notional developments remain viable, especially in value point areas 2, 3 and 4 which covers the majority of the borough.

Table 3-13: RLV (£ per ha) for 35% Affordable Housing at 25% Affordable Rent and 75% Intermediate

	VP1	VP2	VP3	VP4
11	£2,374,159	£3,617,060	£4,859,962	£6,134,585
15	£2,632,725	£4,120,918	£5,455,656	£6,869,001
50	£1,891,722	£2,918,943	£3,946,164	£4,973,385
50 (Flats)	£2,300,010	£4,713,994	£7,119,800	£9,525,362
100	£1,951,752	£3,037,249	£4,120,017	£5,202,784
500	£995,131	£1,579,506	£2,162,839	£2,746,172

Table 3-14: RLV (£ per ha) for 35% Affordable Housing at 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
11	£2,374,159	£3,617,060	£4,859,962	£6,134,585
15	£2,459,733	£3,923,214	£5,374,730	£6,621,869
50	£1,930,318	£2,950,704	£3,840,454	£4,860,840
50 (Flats)	£2,349,252	£4,675,202	£6,983,822	£9,292,443
100	£1,860,514	£2,911,373	£3,959,504	£5,007,634
500	£969,779	£1,535,539	£2,114,988	£2,686,997

Table 3-15: RLV (£ per ha) for 35% Affordable Housing at 35% Affordable Rent and 65% Intermediate

	VP1	VP2	VP3	VP4
11	£2,374,159	£3,617,060	£4,859,962	£6,134,585
15	£2,459,733	£3,923,214	£5,374,730	£6,621,869
50	£1,874,892	£2,873,360	£3,741,191	£4,739,659
50 (Flats)	£2,276,024	£4,606,999	£6,920,645	£9,234,290
100	£1,804,279	£2,834,478	£3,861,949	£4,889,419
500	£950,706	£1,515,206	£2,078,516	£2,641,826

3.21 In terms of the funding available for necessary infrastructure after affordable housing has been taken into consideration at 35%, there still appears to be headroom in RLVs to ensure that this funding can be delivered without affecting viability in the majority of cases. Tables 3-16 to 3-18 show the amount of funding available for infrastructure on a pounds per sqm basis.

3.22 The lowest value seen in Tables 3-15 to 3-17 is -£48 per sqm for notional 500 units schemes in the lowest value point area with 100 units schemes in this area also attracting negative values of £3 and £19 for tenure mixes 30/70 and 35/65. The highest values can be seen for 500 unit schemes in the highest value point area at £1,196 per

sqm. Again, however, with 500 unit schemes in lower value areas these are based on brownfield values with on-site SANG and for higher value areas greenfield land values. These are therefore the extremes of available infrastructure funding and the amount that could be reasonably expected to come forward will lie somewhere between.

- 3.23 That said, for value points 2, 3 and 4 there remains sufficient funding available for necessary infrastructure. Taking away the figures at the extreme end of the infrastructure funding range (500 unit schemes) gives figures in value point areas 2, 3 and 4 ranging from £272 per sqm to £1,058. However, as VP2 covers a large area of the Borough, £272 per sqm is likely to be the benchmark to consider for infrastructure funding, although this should not push the margins of viability. As such, to ensure viability remains should development assumptions change, a lower value than £272 per sqm is more reasonable. This is still within the recommended CIL charge outlined in the CIL Viability Update report of £150 per sqm borough wide.

Table 3-16: Potential for Infrastructure (£ per sqm) 35% and 25% Affordable Rent and 75% Intermediate

	VP1	VP2	VP3	VP4
11	£129	£435	£740	£1,054
15	£165	£479	£790	£1,058
50	£12	£310	£609	£907
50 (Flats)	£54	£346	£636	£926
100	£23	£329	£634	£940
500	-£27	£254	£915	£1,196

Table 3-17: Potential for Infrastructure (£ per sqm) 35% and 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
6	N/A	N/A	£569	£818
11	£129	£435	£740	£1,054
15	£129	£437	£743	£1,006
50	£23	£320	£578	£874
50 (Flats)	£60	£341	£620	£898
100	-£3	£294	£589	£885
500	-£39	£233	£892	£1,167

Table 3-18: Potential for Infrastructure (£ per sqm) 35% and 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
6	N/A	N/A	£569	£818
11	£129	£435	£740	£1,054
15	£129	£437	£743	£1,006
50	£7	£297	£549	£839
50 (Flats)	£51	£333	£612	£891
100	-£19	£272	£562	£851
500	-£48	£223	£875	£1,146

Affordable at 40% and Tenure Mix 25/75, 30/70 and 35/65

- 3.24 Again like the scenarios for affordable delivery at 25%, 30% and 35% delivery at 40% shows that affordable housing is viable with increasing RLVs as value points increase. This is shown in Tables 3-19 to 3-21.
- 3.25 Again 500 unit schemes appear unviable at value points 1 and 2, but again this is based on brownfield land values and an assumption of providing SANG on site. Of note is the notional development of 100 units at the lowest value point and all tenure splits which now shows that these schemes would be unviable at 40%. 50 unit schemes in value point area 1 also now fall below RLV and are unlikely to support 40% affordable housing. However, again the Council will need to be mindful of the level of development and type of sites expected to come forward in this area and ensuring that any affordable policy following options consultation is flexibly worded to allow for variations in viable.

Table 3-19: RLV (£ per ha) for 40% Affordable Housing at 25% Affordable Rent and 75% Intermediate

	VP1	VP2	VP3	VP4
11	£2,374,159	£3,617,060	£4,859,962	£6,134,585
15	£2,246,060	£3,645,243	£5,032,461	£6,419,678
50	£1,732,717	£2,730,622	£3,725,861	£4,721,100
50 (Flats)	£2,252,521	£4,601,071	£6,932,291	£9,263,512
100	£1,781,097	£2,810,398	£3,836,915	£4,863,433
500	£927,398	£1,489,953	£2,051,317	£2,612,682

Table 3-20: RLV (£ per ha) for 40% Affordable Housing at 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
11	£2,374,159	£3,617,060	£4,859,962	£6,134,585
15	£2,262,297	£3,682,662	£5,091,063	£6,499,463
50	£1,733,262	£2,732,277	£3,728,625	£4,724,974
50 (Flats)	£2,169,006	£4,463,937	£6,741,540	£9,019,142
100	£1,719,955	£2,715,643	£3,708,602	£4,701,560
500	£921,203	£1,471,363	£2,020,183	£2,569,004

Table 3-21: RLV (£ per ha) for 40% Affordable Housing at 35% Affordable Rent and 65% Intermediate

	VP1	VP2	VP3	VP4
11	£2,374,159	£3,617,060	£4,859,962	£6,134,585
15	£2,262,297	£3,682,662	£5,091,063	£6,499,463
50	£1,589,704	£2,540,673	£3,488,975	£4,437,278
50 (Flats)	£2,049,079	£4,305,711	£6,545,015	£8,784,319
100	£1,687,615	£2,669,773	£3,649,202	£4,628,632
500	£914,888	£1,453,764	£1,971,809	£2,528,539

- 3.26 In terms of the funding available for necessary infrastructure after affordable housing has been taken into consideration at 40%, there still appears to be headroom in RLVs to ensure that this funding can be delivered without affecting viability in the majority of cases. Tables 3-22 to 3-24 show the amount of funding available for infrastructure on a pounds per sqm basis.
- 3.27 The lowest value seen in Tables 3-22 to 3-24 is -£65 per sqm for notional 500 units schemes in the lowest value point area with 100 units schemes in this area also attracting negative values of £25 and £51 for all tenure mixes. The highest values can be seen for 500 unit schemes in the highest value point area at £1,132 per sqm. Again, however, with 500 unit schemes in lower value areas these are based on brownfield values with on-site SANG and for higher value areas greenfield land values. These are therefore the extremes of available infrastructure funding and the amount that could be reasonably expected to come forward will lie somewhere between.
- 3.28 However, again for value points 2, 3 and 4 there remains sufficient funding available for necessary infrastructure. Taking away the figures at the extreme end of the infrastructure funding range (500 unit schemes and VP1) gives figures in value point areas 2, 3 and 4 ranging from £201 per sqm to £1,054. However, as VP2 covers a large area of the Borough, £201 per sqm is likely to be the benchmark to consider for infrastructure funding, although this should not push the margins of viability. As such, to ensure viability remains should development assumptions change, a lower value than £201 per sqm is more reasonable. This is still within the recommended CIL charge outlined in the CIL Viability Update Report of £150 per sqm borough wide, although is tighter than with 35% affordable delivery.

Table 3-22: Potential for Infrastructure (£ per sqm) 40% and 25% Affordable Rent and 75% Intermediate

	VP1	VP2	VP3	VP4
11	£129	£435	£740	£1,054
15	£83	£378	£671	£963
50	-£34	£256	£545	£834
50 (Flats)	£49	£332	£613	£895
100	-£25	£265	£555	£844
500	-£59	£211	£862	£1,132

Table 3-23: Potential for Infrastructure (£ per sqm) 40% and 30% Affordable Rent and 70% Intermediate

	VP1	VP2	VP3	VP4
11	£129	£435	£740	£1,054
15	£87	£386	£683	£980
50	-£34	£256	£546	£835
50 (Flats)	£39	£316	£590	£865
100	-£42	£238	£518	£798
500	-£62	£202	£847	£1,111

Table 3-24: Potential for Infrastructure (£ per sqm) 40% and 35% Affordable Rent and 65% Intermediate

	VP1	VP2	VP3	VP4
11	£129	£435	£740	£1,054
15	£87	£386	£683	£980
50	-£76	£201	£476	£751
50 (Flats)	£24	£296	£567	£837
100	-£51	£225	£502	£778
500	-£65	£194	£824	£1,091

Off-Site Contributions in lieu of on-site provision

3.29 The PPG guidance on planning obligations sets out that small sites in rural areas (between 6 and 10 units) should not provide affordable units on site, but rather provide a financial contribution. In order to do this, the Council will need to set out a formula for calculating the financial contribution required. For the purposes of this assessment rural areas of the Borough are considered to be Bisley, Chobham, West End and Windlesham. All of these areas either lie in value point 3 or 4.

3.30 The Council currently has guidance¹⁸ on the calculation for affordable housing contributions in lieu of on-site provision. It is considered that this formula remains a reasonable basis on which to calculate financial contributions. The formula set out in the guidance is as follows: -

- Step 1 – Calculate open market value of relevant or comparator development;
- Step 2 – Multiply step 1 by a residual land value percentage;
- Step 3 – Add 15% to step 2 to account for site acquisition and servicing costs;
- Step 4 – Apply the affordable housing percentage

3.31 Step 2 requires a residual land value percentage. This is based on the land value as a percentage of Gross Development Value (GDV). In terms of value point area 3 this

¹⁸ Interim Affordable Housing Guidance for Core Strategy & Development Management Policies DPD (SHBC). Available at: <http://www.surreyheath.gov.uk/residents/planning/planning-policy/planning-and-supplementary-planning-documents/affordable-housing>

equates to around 31% and for value point area 37%. Using these percentages in the formula and testing contributions equivalent to 25%, 30%, 35% and 40% affordable housing gives the RLVs in pounds per ha as set out in Table 3-25.

Table 3-25: RLV as £ per ha for Financial Contributions for 6 Unit Schemes

	VP3	VP4
25%	£4,411,933	£5,372,681
30%	£4,128,697	£4,997,078
35%	£3,845,473	£4,621,476
40%	£3,562,250	£4,245,873

3.32 As can be seen in table 3-25, all affordable contribution scenarios return RLVs in excess of BML using brownfield land values. If greenfield land values were used instead this would see RLVs significantly above BML. In terms of how much funding could be available for necessary infrastructure, this is set out in Table 3-26 below.

Table 3-26: Potential for Infrastructure (£ per sqm)

	VP3	VP4
25%	£652	£897
30%	£580	£801
35%	£508	£706
40%	£436	£610

3.33 Table 3-26 clearly shows that there is a significant level of finance left in development to fund necessary infrastructure at a 40% affordable housing contribution given the high value of development in value point areas 3 and 4. Even testing contributions at 50% returns positive RLVs above BML at £292 per sqm and £419 per sqm for necessary infrastructure. As such, it is reasonable for small rural sites to viably deliver development with a 50% contribution with sufficient funding for necessary infrastructure.

3.34 In some occasions it may be preferable or more practical for the Council to accept financial contributions rather than on-site affordable provision for sites larger than 10 units. If this is the case then contributions should be calculated based on the formula above, although contributions on sites larger than 15 units are unlikely to be reasonable as on-site provision will always be preferable to a financial contribution. For the purposes of calculating contributions the land value percentages for step 2 in the process have been set out in Table 3-27.

Table 3-27: Land Value Percentages by Value Point Area

Area	Land Value Percentage
VP1 - Camberley (1)	23%
VP2 - Camberley (2), Deepcut, Mytchett, Parkside	28%
VP3 - Bagshot, Bisley, Camberley (3), Chobham, Frimley, Frimley Green, Heatherside, West End	31%
VP4 - Lightwater, Windlesham	37%

*Camberley 1 – Old Dean & West of Frimley Road

*Camberley 2 – Camberley Town Centre & Crawley Hill

*Camberley 3 – Park Road/Tekels Park

Retirement Flats (C3)

- 3.35 Testing of retirement flats has been undertaken using the assumptions set out earlier in this report. This type of housing has been tested by using a financial contribution toward off-site provision and by using the land value percentages set out in table 3-27 above. The contribution equivalent tested range from 20% to 30%. The results of testing are shown in table 3-28 based on a 50 flatted scheme.

Table 3-28: Table of RLV £ per ha for Retirement Flats

	VP1	VP2	VP3	VP4
20%	£1,899,121	£1,736,375	£1,638,728	£1,443,433
25%	£1,711,963	£1,508,531	£1,386,472	£1,142,353
30%	£1,524,806	£1,280,687	£1,134,217	£841,274

- 3.36 Table 3-28 shows that in general a financial contribution toward off-site affordable housing is viable. As expected RLVs reduce as affordable contributions increase, with schemes in value point area 4 at 30% showing a negative RLV when compared to BML. Table 3-29 shows how much finance would be available from development to fund necessary infrastructure if the contribution percentages were applied.
- 3.37 Table 3-29 shows that there is potential to fund necessary infrastructure after applying an affordable contribution. Figures range from a low of -£28 per sqm for schemes in value point area 4 and at 30% to a high of £321 in value point area 1 at 20%. The results also show that at 30% the majority of scenarios would not reach the recommended CIL charge set out in the CIL Viability Report and may not reach the necessary amount to enable SANG delivery. At 25% the scope for infrastructure increases, however areas VP3 and 4 would struggle to reach recommended CIL charges and potentially the amount to enable SANG.
- 3.38 At 20% it would appear that all scenarios deliver funding for infrastructure which would be above the recommended CIL charge and enable delivery of SANG, however, this would be tighter in value point area 4.

Table 3-29: Potential for Infrastructure (£ per sqm)

	VP1	VP2	VP3	VP4
20%	£321	£267	£235	£171
25%	£259	£192	£152	£72
30%	£198	£117	£69	-£28

4. Conclusions & Recommendations

- 4.1 This assessment has considered the viability of a range of residential developments based on a range of assumptions. The assessment is strategic in nature and should not be used to determine the viability of individual sites nor consider the range of all possible development types which may come forward within the Borough. As such, this assessment has focussed on the bulk of development expected to come forward over the plan period
- 4.2 The question now is how to use the results to help inform affordable housing options for the Local Plan.
- 4.3 In all scenarios 500 unit schemes in lower value point areas appear to be unviable. However, this is to some degree a product of the complexity of such schemes given the need to provide SANG on site and that these schemes could come forward on brownfield sites. However, it is unlikely that sites of this size will come forward as 'windfall' developments and are more likely to come forward as allocations. If this is the case the Council should consider undertaking viability assessments for individual sites, which in any event will need to be considered as part of whole plan testing at draft plan stage.
- 4.4 In terms of other sites in the lowest value point area, as expected viability becomes progressively worse as affordable requirements increase, especially for 50 and 100 unit schemes. However, as with 500 unit schemes these site sizes could be allocated in the plan and therefore be subject to individual assessment allowing for variations in a borough wide target. Further, any policy following options consultation will need to be flexibly worded to allow for variations in viability across the Borough. That said, all other notional sites in the lowest value point area show positive RLVs up to 40% affordable housing although these tighten with higher affordable delivery.
- 4.5 For all other value point areas it would appear that a 40% affordable housing target can be viably delivered (excepting 500 unit schemes in VP2) with all RLVs above BML irrespective of tenure split. There is also headroom to seek developer funding for necessary infrastructure. However, the higher the affordable target the lower the amount of funding will be available for infrastructure, although even at 40% it would appear that the recommended CIL charge in the draft CIL Viability Update Report remains reasonable at £150 per sqm. In this case the Council will need to consider the following:-
- 4.6 This assessment has not considered other possible policy costs which may arise from development of the Local Plan. Any additional costs such as sustainable construction and open space requirements will need to be taken into account in full plan testing at draft plan stage, which may reduce the scope for affordable delivery or infrastructure funding;
- 4.7 The Council will need to consider the costs of critical infrastructure required to deliver the Local Plan i.e. SANG. Sufficient infrastructure funding must be available to fund SANG otherwise development will not be able to proceed;
- 4.8 In terms of other non-critical infrastructure, the Council will need to take account of other possible funding streams rather than rely purely on developer funding. This could include central government funding, Local Enterprise Partnership (LEP) funding and other

sources.

- 4.9 Given viability at lower value point areas any policy developed after options consultation will need to be flexibly worded to allow for variations in viability across the borough, although the Council will need to consider the level and type of development likely to come forward in these areas.
- 4.10 For large sites, it will be necessary to undertake individual site testing as part of whole plan testing given that these types of development in lower value point areas show less scope for affordable delivery. As such, individual allocations could depart from plan wide affordable targets. These sites may also require a package of bespoke infrastructure and may be better suited to infrastructure delivery through S106 rather than CIL and this will need to be taken into account in setting affordable targets for such sites.
- 4.11 The Council could consider setting different affordable targets for different areas of the borough or different sizes of development. However different targets are only likely to be required for value point area 1, which only forms a very small area of the Borough. Whilst this option could be explored, it may be more practical to retain a single borough wide target rather than setting targets by area or taking a stepped approach. In any event allocated sites will be subject to individual testing where different targets could be set.
- 4.12 However, given the RLVs seen for sites at 25% affordable housing it is not considered that this should be taken forward as an option. 25% affordable delivery clearly produces RLVs which are consistently and significantly above BML (excepting 500 unit schemes). Given the level of need for affordable housing in the Borough as evidenced in the latest SHMA, 25% would not be a reasonable starting position given that sites can deliver higher levels of affordable housing without detrimentally affecting site viability or residual funding for necessary infrastructure.
- 4.13 Given the results from testing small rural developments which could be subject to a financial contribution, it is evident that all scenarios including up to a 50% contribution in value point areas 3 and 4 are viable. It is also clear that significant finance remains in development after application of a 40% or 50% contribution to enable funding of necessary infrastructure.
- 4.14 In terms of retirement housing (use Class C3) scope exists to deliver affordable contributions and necessary infrastructure. However, at higher levels of contribution, the scope reduces and may not allow enough value in the development to enable SANG delivery.
- 4.15 As such it is recommended for options purposes, the following: -
- Options should be consulted for on-site affordable housing delivery at 30%, 35% or 40%;
 - The tenure mix does not appear to alter viability to any significant degree and as such the SHMA recommendation of a 35% affordable rent to 65% intermediate split appears reasonable. The Council can however test options around this split i.e. 25/75 and 30/70;

- Options for an affordable housing contribution on small rural sites (between 6 and 10 units) could be consulted on for 30%, 40% and 50% financial contribution;
- The Council may also wish to explore the option of allowing some sites over 10 units to contribute financially rather than with on-site provision. However it is considered that this should only apply to sites up to 15 units;
- The Council may wish to seek affordable contributions from retirement housing (use Class C3). If this is the case then a 20% contribution would be appropriate, but recognising that this may be challenging in certain areas of the Borough.

4.16 The options for affordable delivery are set out in the Tables 4-1 & 4-2.

Table 4-1: Options for on-site Affordable Housing Delivery

Options for Non-Rural Areas	Mix Assumptions	Applies to
30% for all sites more than 10 units Or 30% sites up to 100 units in VP1 & 2 with negotiated or bespoke target for sites and allocations over 100 units in VP1 & 2. 30% for all other sites or more than 10 units.	25% AR/75% I or 30% AR/70 % I 25% AR/75% I or 30% AR/70 % I	Whole Borough VP1, VP2
Or 35% for all sites more than 10 units Or 35% sites up to 100 units in VP1 & 2 with negotiated or bespoke target for sites and allocations over 100 units in VP1 & 2. 35% for all other sites more than 10 units	25% AR/75% I or 30% AR/70 % I 25% AR/75% I or 30% AR/70 % I	Whole Borough VP1, VP2
Or 40% for all sites more than 10 units Or 35% sites up to 100 units	25% AR/75% I or 30% AR/70 % I 25% AR/75% I or 30% AR/70 % I	All non-rural areas VP1, VP2

<p>in VP1 with negotiated or bespoke target for sites 100 or more in VP1. 40% target for sites up to 100 units in VP2 with negotiated or bespoke target for sites 100 or more in VP2. 40% all other sites more than 10 units.</p>		
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AR= Affordable Rent
I = Intermediate

Table 4-2: Options for Affordable Contribution in Rural Areas 6-10 Units

Options Rural Areas	Mix Assumptions	Applies to
30% contribution	N/A	Bisley, Chobham, West End & Windlesham
Or		
40% contribution	N/A	Bisley, Chobham, West End & Windlesham
Or		
50% contribution		Bisley, Chobham, West End & Windlesham

Appendix A
Residential Market Data

Residential Sales Data

Bagshot

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£5,111	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£5,498	2 bed house	No Data
3 bed house	£4,046	3 bed house	No Data
4 bed house	£4,014	4 bed house	£4,316
5 bed house	No Data	5 bed house	No Data
Average	£4,667	Average	£4,316
Sample Size	15	Sample Size	2

Bisley

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£5,319	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£5,109	2 bed house	No Data
3 bed house	£4,697	3 bed house	No Data
4 bed house	£3,733	4 bed house	£4,678
5 bed house	£3,668	5 bed house	£4,846
Average	£4,505	Average	£4,762
Sample Size	19	Sample Size	4

Camberley 1

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	No Data	1 bed flat	No Data
2 bed flat	£3,589	2 bed flat	£3,466
2 bed house	No Data	2 bed house	No Data
3 bed house	£3,601	3 bed house	No Data
4 bed house	£3,331	4 bed house	No Data
5 bed house	No Data	5 bed house	No Data
Average	£3,507	Average	£3,466
Sample Size	16	Sample Size	5

Camberley 2

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£3,606	1 bed flat	£4,802
2 bed flat	£3,972	2 bed flat	£4,491
2 bed house	£4,333	2 bed house	£4,355
3 bed house	£3,806	3 bed house	No Data
4 bed house	£3,995	4 bed house	£4,538
5 bed house	£3,370	5 bed house	£3,813
Average	£3,847	Average	£4,400
Sample Size	40	Sample Size	12

Camberley 3

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	No Data	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£4,883	2 bed house	No Data
3 bed house	£4,070	3 bed house	No Data
4 bed house	£4,305	4 bed house	No Data
5 bed house	No Data	5 bed house	No Data
Average	£4,419	Average	No Data
Sample Size	7	Sample Size	0

Chobham

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	No Data	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£4,630	2 bed house	No Data
3 bed house	£4,728	3 bed house	No Data
4 bed house	£4,333	4 bed house	No Data
5 bed house	£4,285	5 bed house	No Data
Average	£4,426	Average	No Data
Sample Size	14	Sample Size	0

Deepcut

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	No Data	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£4,364	2 bed house	£3,965
3 bed house	£3,776	3 bed house	£3,619
4 bed house	£3,487	4 bed house	No Data
5 bed house	No Data	5 bed house	No Data
Average	£3,875	Average	£3,792
Sample Size	5	Sample Size	10

Frimley

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£5,238	1 bed flat	
2 bed flat	£3,633	2 bed flat	
2 bed house	£5,216	2 bed house	
3 bed house	£4,250	3 bed house	£5,140
4 bed house	£4,003	4 bed house	£3,750
5 bed house	£2,772	5 bed house	
Average	£4,185	Average	£4,445
Sample Size	25	Sample Size	11

Heatherside

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£5,233	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£5,263	2 bed house	No Data
3 bed house	£4,208	3 bed house	£4,410
4 bed house	£3,716	4 bed house	£4,442
5 bed house	No Data	5 bed house	No Data
Average	£4,605	Average	£4,426
Sample Size	22	Sample Size	5

Parkside

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	No Data	1 bed flat	
2 bed flat	No Data	2 bed flat	
2 bed house	No Data	2 bed house	
3 bed house	£4,129	3 bed house	
4 bed house	£3,652	4 bed house	£4,069
5 bed house	£2,951	5 bed house	£4,596
Average	£3,577	Average	£4,332
Sample Size	12	Sample Size	3

Frimley Green

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	No Data	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£5,309	2 bed house	No Data
3 bed house	£4,105	3 bed house	No Data
4 bed house	£3,888	4 bed house	No Data
5 bed house	£4,434	5 bed house	No Data
Average	£4,434	Average	No Data
Sample Size	12	Sample Size	0

Lightwater

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£4,448	1 bed flat	No Data
2 bed flat	£4,447	2 bed flat	No Data
2 bed house	£5,673	2 bed house	No Data
3 bed house	£3,901	3 bed house	£5,646
4 bed house	£4,871	4 bed house	No Data
5 bed house	£3,824	5 bed house	No Data
Average	£4,527	Average	£5,646
Sample Size	20	Sample Size	1

Mytchett

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£4,951	1 bed flat	No Data
2 bed flat	£3,060	2 bed flat	No Data
2 bed house	£4,871	2 bed house	No Data
3 bed house	£4,190	3 bed house	No Data
4 bed house	£4,224	4 bed house	No Data
5 bed house	No Data	5 bed house	No Data
Average	£4,259	Average	No Data
Sample Size	18	Sample Size	0

West End

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	£5,820	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£5,668	2 bed house	No Data
3 bed house	£4,374	3 bed house	No Data
4 bed house	£3,940	4 bed house	No Data
5 bed house	£3,868	5 bed house	No Data
Average	£4,734	Average	No Data
Sample Size	14	Sample Size	0

Windlesham

Resales	Median (£/sqm)	New Build	Median (£/sqm)
1 bed flat	No Data	1 bed flat	No Data
2 bed flat	No Data	2 bed flat	No Data
2 bed house	£5,347	2 bed house	No Data
3 bed house	No Data	3 bed house	No Data
4 bed house	£4,810	4 bed house	No Data
5 bed house	£5,745	5 bed house	No Data
Average	£5,300	Average	No Data
Sample Size	14	Sample Size	0

Summary Residential Data

Area	Re-Sales Average (Median)	New Build Average (Median)	Total Average (Median)	Rounded Value
Bagshot	£4,667	£4,316	£4,491	4.5
Bisley	£4,505	£4,762	£4,633	4.5
Camberley 1	£3,507	£3,466	£3,486	3.5
Camberley 2	£3,847	£4,400	£4,123	4
Camberley 3	£4,419	£0	£4,419	4.5
Chobham	£4,426	£0	£4,426	4.5
Deepcut	£3,875	£3,792	£3,833	4
Frimley	£4,185	£4,445	£4,315	4.5
Heatherside	£4,605	£4,426	£4,515	4.5
Parkside	£3,577	£4,332	£3,955	4
Frimley Green	£4,434	£0	£4,434	4.5
Lightwater	£4,527	£5,646	£5,086	5
Mytchett	£4,259	£0	£4,259	4
West End	£4,734	£0	£4,734	4.5
Windlesham	£5,300	£0	£5,300	5

Appendix B

Housing Mix Scenarios

Table 25% target, 25/75 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units (1098sqm in 0.27ha)	4 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,423 in 0.3ha)	1 x 1BF 3 x 2BF 3 x 2BH 5 x 3BH 2 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 2 x 4BH 1 x 5BH	1 x 1BFI 1 x 2BFI + 1 x 2BFST 1 x 2BHAR
50 units mixed (4,476sqm in 1.3ha)	6 x 1BF 7 x 2BF 9 x 2BH 20 x 3BH 6 x 4BH 2 x 5BH	2 x 1BF 4 x 2BF 7 x 2BH 17 x 3BH 5 x 4BH 2 x 5BH	2 x 1BFI + 1 x 1BFST + 1 x 1BFAR 1 x 2BFI + 1 x 2BFST + 1 x 2BFAR 2 x 2BHI 3 x 3BHI 1 x 4BHAR
50 units flats (3,314 sqm in 0.4ha)	18x1BF 32x2BF	13 x 1BF 24 x 2BF	2 x 1BFI + 1 x 1BFST + 2 x 1BFAR 4 x 2BFI + 1 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,034sqm in 0.5ha)	12 x 1BF 38 x 2BF	37 x 1BF 13 x 2BF	20%, 30% & 40% Financial Contribution
100 units mixed (8,867 in 2.5ha or for greenfield in 4.5ha)	10 x 1BF 15 x 2BF 19 x 2BH 40 x 3BH 13 x 4BH 2 x 5BH	3 x 1BF 10 x 2BF 13 x 2BH 34 x 3BH 11 x 4BH 2 x 5BH	5 x 1BFI + 1 x 1BFST + 2 x 1BFAR 3 x 2BFI + 1 x 2BFST + 1 x 2BFAR 4 X 2BHI + 1 x 2BHST + 1 x 2BHAR 6 x 3BHI 2 x 4BHAR
500 units mixed (45,767 in 12.5ha with 9.5ha as SANG)	56 x 1BF 53 x 2BF 110 x 2BH 204 x 3BH 59 x 4BH 18 x 5BH	19 x 1BF 28 x 2BF 84 x 2BH 169 x 3BH 56 x 4BH 18 x 5BH	22 x 1BFI + 6 x 1BFST + 9 x 1BFAR 16 x 2BFI + 3 x 2BFST + 6 x 2BFAR 17 x 2BHI + 3 x 2BHST + 6 x 2BHAR 29 x 3BHI + 6 x 3BHAR 3 x 4BHAR

Table 25% target, 30/70 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 3 x 2BF 3 x 2BH 5 x 3BH 2 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 2 x 4BH 1 x 5BH	1 x 1BFI 1 x 2BFI + 1 x 2BFST 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	6 x 1BF 7 x 2BF 9 x 2BH 20 x 3BH 6 x 4BH 2 x 5BH	2 x 1BF 4 x 2BF 7 x 2BH 17 x 3BH 6 x 4BH 2 x 5BH	2 x 1BFI + 1 x 1BFST + 1 x 1BFAR 2 x 2BFI + 1 x 2BFAR 1 x 2BHI + 1 x 2BHST 2 x 3BHI + 1 x 3BHAR
50 units flats (3,218sqm in 0.4ha)	19x1BF 31x2BF	13 x 1BF 24 x 2BF	3 x 1BFI + 1 x 1BFST + 2 x 1BFAR 3 x 2BFI + 1 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	11 x 1BF 15 x 2BF 19 x 2BH 38 x 3BH 14 x 4BH 3 x 5BH	4 x 1BF 10 x 2BF 13 x 2BH 34 x 3BH 11 x 4BH 3 x 5BH	4x 1BFI + 1 x 1BFST + 2 x 1BFAR 3 x 2BFI + 1 x 2BFST + 1 x 2BFAR 2 x 2BHI + 2 x 2BHST + 2 x 2BHAR 4 X 3BHI 3 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	59 x 1BF 55 x 2BF 110 x 2BH 189 x 3BH 68 x 4BH 19 x 5BH	19 x 1BF 28 x 2BF 84 x 2BH 169 x 3BH 56 x 4BH 19 x 5BH	23 x 1BFI + 6 x 1BFST + 11 x 1BFAR 15 x 2BFI + 5 x 2BFST + 7 x 2BFAR 14 x 2BHI + 4 x 2BHST + 8 x 2BHAR 20 x 3BHI 12 x 4BHAR

Table 25% target, 35/65 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 3 x 2BF 3 x 2BH 5 x 3BH 2 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 2 x 4BH 1 x 5BH	1 x 1BFI 1 x 2BFI + 1 x 2BFST 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	6 x 1BF 7 x 2BF 9 x 2BH 20 x 3BH 6 x 4BH 1 x 5BH	2 x 1BF 4 x 2BF 6 x 2BH 17 x 3BH 5 x 4BH 1 x 5BH	2 x 1BFI + 1 x 1BFST + 1 x 1BFAR 2 x 2BFI + 1 x 2BFAR 1 x 2BHI + 1 x 2BHST + 1 x 2BHAR 1 x 3BHI + 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	19x1BF 31x2BF	13 x 1BF 24 x 2BF	3 x 1BFI + 1 x 1BFST + 2 x 1BFAR 3 x 2BFI + 1 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	11 x 1BF 16 x 2BF 18 x 2BH 38 x 3BH 14 x 4BH 3 x 5BH	4 x 1BF 10 x 2BF 13 x 2BH 34 x 3BH 11 x 4BH 3 x 5BH	4x 1BFI + 1 x 1BFST + 2 x 1BFAR 3 x 2BFI + 2 x 2BFST + 1 x 2BFAR 2 x 2BHI + 1 x 2BHST + 2 x 2BHAR 3 X 3BHI + 1 x 3BHAR 3 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	58 x 1BF 52 x 2BF 108 x 2BH 195 x 3BH 68 x 4BH 19 x 5BH	19 x 1BF 28 x 2BF 84 x 2BH 169 x 3BH 56 x 4BH 19 x 5BH	21 x 1BFI + 7 x 1BFST + 11 x 1BFAR 12 x 2BFI + 5 x 2BFST + 7 x 2BFAR 9 x 2BHI + 7 x 2BHST + 8 x 2BHAR 20 x 3BHI + 6 x 3BHAR 12 x 4BHAR

Table 30% target, 25/75 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 4 x 2BF 3 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	1 x 1BFI 2 x 2BFI + 1 x 2BFST 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	6 x 1BF 9 x 2BF 10 x 2BH 17 x 3BH 6 x 4BH 2 x 5BH	1 x 1BF 5 x 2BF 6 x 2BH 16 x 3BH 5 x 4BH 2 x 5BH	3 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR 2 x 2BHI + 1 x 2BHST + 1 x 2BHAR 1 x 3BHI 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	20x1BF 30x2BF	14 x 1BF 21 x 2BF	4 x 1BFI + 1 x 1BFST + 1 x 1BFAR 5 x 2BFI + 1 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	12 x 1BF 18 x 2BF 17 x 2BH 37 x 3BH 13 x 4BH 3 x 5BH	3 x 1BF 10 x 2BF 11 x 2BH 32 x 3BH 11 x 4BH 3 x 5BH	6 x 1BFI + 1 x 1BFST + 2 x 1BFAR 6 x 2BFI + 1 x 2BFST + 1 x 2BFAR 3 x 2BHI + 1 x 2BHST + 2 x 2BHAR 4 X 3BHI + 1 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	67 x 1BF 73 x 2BF 98 x 2BH 183 x 3BH 63 x 4BH 16 x 5BH	16 x 1BF 40 x 2BF 65 x 2BH 158 x 3BH 53 x 4BH 16 x 5BH	32 x 1BFI + 8 x 1BFST + 11 x 1BFAR 22 x 2BFI + 4 x 2BFST + 7 x 2BFAR 22 x 2BHI + 3 x 2BHST + 8 x 2BHAR 21 x 3BHI + 4 x 3BHAR 10 x 4BHAR

Table 30% target, 30/70 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 4 x 2BF 3 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	1 x1BFI 1 x 2BFI + 1 x 2BFAR 1 x 2BFST 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	6 x 1BF 9 x 2BF 10 x 2BH 17 x 3BH 6 x 4BH 2 x 5BH	1 x 1BF 5 x 2BF 6 x 2BH 16 x 3BH 5 x 4BH 2 x 5BH	3 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR 2 x 2BHI + 1 x 2BHST + 1 x 2BHAR 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	14 x 1BF 21 x2BF	4 x 1BFI + 1 x 1BFST + 2 x 1BFAR 4 x 2BFI + 1 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	12 x 1BF 19 x 2BF 17 x 2BH 36 x 3BH 13 x 4BH 3 x 5BH	3 x 1BF 10 x 2BF 11 x 2BH 32 x 3BH 11 x 4BH 3 x 5BH	6 x 1BFI + 1 x 1BFST + 2 x 1BFAR 6 x 2BFI + 1 x 2BFST + 2 x 2BFAR 3 x 2BHI + 1 x 2BHST + 2 x 2BHAR 3 X 3BHI + 1 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	69 x 1BF 74 x 2BF 98 x 2BH 178 x 3BH 63 x 4BH 18 x 5BH	18 x 1BF 39 x 2BF 65 x 2BH 157 x 3BH 53 x 4BH 18 x 5BH	32 x 1BFI + 8 x 1BFST + 11 x 1BFAR 22 x 2BFI + 4 x 2BFST + 9 x 2BFAR 21 x 2BHI + 3 x 2BHST + 9 x 2BHAR 15 x 3BHI + 6 x 3BHAR 10 x 4BHAR

Table 30% target, 35/65 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 4 x 2BF 3 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	1 x 1BFI 1 x 2BFI + 1 x 2BFAR 1 x 2BFST 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	6 x 1BF 9 x 2BF 10 x 2BH 17 x 3BH 6 x 4BH 2 x 5BH	1 x 1BF 5 x 2BF 6 x 2BH 16 x 3BH 5 x 4BH 2 x 5BH	3 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR 2 x 2BHI + 1 x 2BHST + 1 x 2BHAR 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	14 x 1BF 21 x 2BF	4 x 1BFI + 1 x 1BFST + 2 x 1BFAR 4 x 2BFI + 1 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	12 x 1BF 19 x 2BF 17 x 2BH 36 x 3BH 13 x 4BH 3 x 5BH	3 x 1BF 10 x 2BF 11 x 2BH 32 x 3BH 11 x 4BH 3 x 5BH	6 x 1BFI + 1 x 1BFST + 2 x 1BFAR 6 x 2BFI + 1 x 2BFST + 2 x 2BFAR 3 x 2BHI + 1 x 2BHST + 2 x 2BHAR 2 X 3BHI + 2 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	69 x 1BF 76 x 2BF 99 x 2BH 174 x 3BH 64 x 4BH 18 x 5BH	18 x 1BF 39 x 2BF 65 x 2BH 158 x 3BH 53 x 4BH 18 x 5BH	30 x 1BFI + 8 x 1BFST + 13 x 1BFAR 21 x 2BFI + 4 x 2BFST + 12 x 2BFAR 20 x 2BHI + 3 x 2BHST + 11 x 2BHAR 10 x 3BHI + 6 x 3BHAR 11 x 4BHAR

Table 35% target, 25/75 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 3 x 3BH 1 x 4BH 1 x 5BH	2 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 4 x 2BF 3 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	1 x 1BFI 2 x 2BFI + 1 x 2BFST 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	7 x 1BF 9 x 2BF 10 x 2BH 16 x 3BH 6 x 4BH 2 x 5BH	1 x 1BF 5 x 2BF 5 x 2BH 14 x 3BH 5 x 4BH 2 x 5BH	4 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR 3 x 2BHI + 1 x 2BHST + 1 x 2BHAR 1 x 3BHI + 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	13 x 1BF 19 x 2BF	5 x 1BFI + 1 x 1BFST + 2 x 1BFAR 6 x 2BFI + 1 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	13 x 1BF 19 x 2BF 17 x 2BH 35 x 3BH 12 x 4BH 4 x 5BH	4 x 1BF 10 x 2BF 10 x 2BH 29 x 3BH 10 x 4BH 4 x 5BH	6 x 1BFI + 2 x 1BFST + 1 x 1BFAR 6 x 2BFI + 2 x 2BFST + 1 x 2BFAR 4 x 2BHI + 1 x 2BHST + 2 x 2BHAR 4 X 3BHI + 2 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	73 x 1BF 78 x 2BF 100 x 2BH 174 x 3BH 59 x 4BH 16 x 5BH	16 x 1BF 38 x 2BF 60 x 2BH 146 x 3BH 49 x 4BH 16 x 5BH	35 x 1BFI + 10 x 1BFST + 12 x 1BFAR 25 x 2BFI + 7 x 2BFST + 8 x 2BFAR 25 x 2BHI + 6 x 2BHST + 9 x 2BHAR 23 x 3BHI + 5 x 3BHAR 10 x 4BHAR

Table 35% target, 30/70 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 3 x 3BH 1 x 4BH 1 x 5BH	2 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 4 x 2BF 3 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	1 x 1BFI 1 x 2BFI + 1 x 2BFST + 1 x 2BFAR 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	7 x 1BF 9 x 2BF 10 x 2BH 16 x 3BH 6 x 4BH 2 x 5BH	1 x 1BF 5 x 2BF 5 x 2BH 14 x 3BH 5 x 4BH 2 x 5BH	4 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR 2 x 2BHI + 2 x 2BHST + 1 x 2BHAR 1 x 3BHI + 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	13 x 1BF 19 x 2BF	5 x 1BFI + 1 x 1BFST + 2 x 1BFAR 5 x 2BFI + 2 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	14 x 1BF 20 x 2BF 17 x 2BH 34 x 3BH 12 x 4BH 3 x 5BH	3 x 1BF 10 x 2BF 10 x 2BH 29 x 3BH 10 x 4BH 3 x 5BH	7 x 1BFI + 2 x 1BFST + 2 x 1BFAR 6 x 2BFI + 2 x 2BFST + 2 x 2BFAR 4 x 2BHI + 1 x 2BHST + 2 x 2BHAR 3 X 3BHI + 2 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	69 x 1BF 80 x 2BF 102 x 2BH 174 x 3BH 59 x 4BH 16 x 5BH	16 x 1BF 38 x 2BF 60 x 2BH 146 x 3BH 49 x 4BH 16 x 5BH	33 x 1BFI + 10 x 1BFST + 10 x 1BFAR 23 x 2BFI + 8 x 2BFST + 11 x 2BFAR 23 x 2BHI + 7 x 2BHST + 12 x 2BHAR 18 x 3BHI + 10 x 3BHAR 10 x 4BHAR

Table 35% target, 35/65 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 3 x 3BH 1 x 4BH 1 x 5BH	2 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 4 x 2BF 3 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 5 x 3BH 1 x 4BH 1 x 5BH	1 x 1BFI 1 x 2BFI + 1 x 2BFST + 1 x 2BFAR 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	7 x 1BF 9 x 2BF 10 x 2BH 16 x 3BH 6 x 4BH 2 x 5BH	1 x 1BF 5 x 2BF 5 x 2BH 14 x 3BH 5 x 4BH 2 x 5BH	4 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR 2 x 2BHI + 2 x 2BHST + 1 x 2BHAR 2 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	13 x 1BF 19 x 2BF	4 x 1BFI + 1 x 1BFST + 3 x 1BFAR 5 x 2BFI + 2 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	14 x 1BF 20 x 2BF 17 x 2BH 34 x 3BH 12 x 4BH 3 x 5BH	3 x 1BF 10 x 2BF 10 x 2BH 29 x 3BH 10 x 4BH 3 x 5BH	7 x 1BFI + 2 x 1BFST + 2 x 1BFAR 6 x 2BFI + 2 x 2BFST + 2 x 2BFAR 3 x 2BHI + 1 x 2BHST + 3 x 2BHAR 2 X 3BHI + 3 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	69 x 1BF 80 x 2BF 102 x 2BH 174 x 3BH 59 x 4BH 16 x 5BH	16 x 1BF 38 x 2BF 60 x 2BH 146 x 3BH 49 x 4BH 16 x 5BH	31 x 1BFI + 10 x 1BFST + 12 x 1BFAR 21 x 2BFI + 8 x 2BFST + 13 x 2BFAR 20 x 2BHI + 8 x 2BHST + 14 x 2BHAR 16 x 3BHI + 12 x 3BHAR 10 x 4BHAR

Table 40% target, 25/75 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 3 x 3BH 1 x 4BH 1 x 5BH	2 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 4 x 2BF 3 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	2 x 1BFI 1 x 2BFI + 1 x 2BFST + 1 2BFAR 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	7 x 1BF 9 x 2BF 11 x 2BH 16 x 3BH 6 x 4BH 1 x 5BH	1 x 1BF 4 x 2BF 5 x 2BH 14 x 3BH 5 x 4BH 1 x 5BH	4 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR + 1 x 2BFST 4 x 2BHI + 1 x 2BHST + 1 x 2BHAR 1 x 3BHI + 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	12 x 1BF 18 x 2BF	6 x 1BFI + 1 x 1BFST + 2 x 1BFAR 6 x 2BFI + 2 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	15 x 1BF 20 x 2BF 18 x 2BH 33 x 3BH 11 x 4BH 3 x 5BH	3 x 1BF 9 x 2BF 9 x 2BH 27 x 3BH 9 x 4BH 3 x 5BH	8 x 1BFI + 2 x 1BFST + 2 x 1BFAR 7 x 2BFI + 2 x 2BFST + 2 x 2BFAR 6 x 2BHI + 1 x 2BHST + 2 x 2BHAR 4 X 3BHI + 2 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	79 x 1BF 88 x 2BF 97 x 2BH 166 x 3BH 55 x 4BH 15 x 5BH	15 x 1BF 40 x 2BF 50 x 2BH 135 x 3BH 45 x 4BH 15 x 5BH	40 x 1BFI + 11 x 1BFST + 13 x 1BFAR 30 x 2BFI + 8 x 2BFST + 10 x 2BFAR 30 x 2BHI + 7 x 2BHST + 10 x 2BHAR 24 x 3BHI + 7 x 3BHAR 10 x 4BHAR

Table 40% target, 30/70 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 3 x 3BH 1 x 4BH 1 x 5BH	2 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 5 x 2BF 3 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 1BFI 2 x 2BFI + 1 x 2BFST + 1 2BFAR 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	7 x 1BF 10 x 2BF 10 x 2BH 16 x 3BH 6 x 4BH 1 x 5BH	1 x 1BF 5 x 2BF 5 x 2BH 14 x 3BH 5 x 4BH 1 x 5BH	4 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 1 x 2BFAR + 1 x 2BFST 3 x 2BHI + 1 x 2BHST + 1 x 2BHAR 1 x 3BHI + 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	12 x 1BF 18 x2BF	6 x 1BFI + 1 x 1BFST + 3 x 1BFAR 5 x 2BFI + 2 x 2BFST + 3 x 2BFAR
50 units (retirement) 3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	15 x 1BF 18 x 2BF 21 x 2BH 32 x 3BH 11 x 4BH 3 x 5BH	3 x 1BF 8 x 2BF 9 x 2BH 26 x 3BH 9 x 4BH 3 x 5BH	8 x 1BFI + 2 x 1BFST + 2 x 1BFAR 6 x 2BFI + 2 x 2BFST + 2 x 2BFAR 7 x 2BHI + 2 x 2BHST + 3 x 2BHAR 3 X 3BHI + 3 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	79 x 1BF 89 x 2BF 98 x 2BH 162 x 3BH 57 x 4BH 15 x 5BH	15 x 1BF 40 x 2BF 50 x 2BH 135 x 3BH 45 x 4BH 15 x 5BH	38 x 1BFI + 11 x 1BFST + 15 x 1BFAR 28 x 2BFI + 9 x 2BFST + 12 x 2BFAR 28 x 2BHI + 8 x 2BHST + 12 x 2BHAR 18 x 3BHI + 9 x 3BHAR 12 x 4BHAR

Table 40% target, 35/65 split AR/SO

Scheme Size	Scheme Mix	Market	Affordable
6 units houses (Rural Area (566sqm in 0.11ha))	3 x 2BH 2 x 3BH 1 x 4BH	1 x 2BH 2 x 3BH 1 x 4BH	1 x 2BHAR + 1 x 2BHST
11 units mixed (1055sqm in 0.25ha)	4 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	2 x 2BH 3 x 3BH 1 x 4BH 1 x 5BH	2 x 2BHI + 1 x 2BHST 1 x 3BHAR
15 units mixed (1,417 in 0.3ha)	1 x 1BF 5 x 2BF 3 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	0 x 1BF 1 x 2BF 2 x 2BH 4 x 3BH 1 x 4BH 1 x 5BH	1 x 1BFI 2 x 2BFI + 1 x 2BFST + 1 2BFAR 1 x 2BHAR
50 units mixed (4,445sqm in 1.3ha)	7 x 1BF 11 x 2BF 11 x 2BH 14 x 3BH 6 x 4BH 1 x 5BH	1 x 1BF 5 x 2BF 5 x 2BH 13 x 3BH 5 x 4BH 1 x 5BH	4 x 1BFI + 1 x 1BFST + 1 x 1BFAR 3 x 2BFI + 2 x 2BFAR + 1 x 2BFST 3 x 2BHI + 1 x 2BHST + 2 x 2BHAR 1 x 3BHAR 1 x 4BHAR
50 units flats (3,218sqm in 0.4ha)	21x1BF 29x2BF	12 x 1BF 18 x 2BF	5 x 1BFI + 1 x 1BFST + 3 x 1BFAR 5 x 2BFI + 2 x 2BFST + 4 x 2BFAR
50 units (retirement) (3,991sqm in 0.5ha)	12 x 1BF 38 x 2BF	12 x 1BF 38 x 2BF	20% Financial Contribution based on 5 x 1BF and 8 x 2BF
100 units mixed (8,833 in 2.5ha or for greenfield in 4.5ha)	16 x 1BF 19 x 2BF 20 x 2BH 30 x 3BH 11 x 4BH 4 x 5BH	4 x 1BF 8 x 2BF 9 x 2BH 26 x 3BH 9 x 4BH 4 x 5BH	8 x 1BFI + 2 x 1BFST + 2 x 1BFAR 6 x 2BFI + 2 x 2BFST + 3 x 2BFAR 6 x 2BHI + 2 x 2BHST + 3 x 2BHAR 4 x 3BHAR 2 x 4BHAR
500 units mixed (43,522 in 12.5ha with 9.5ha as SANG)	80 x 1BF 90 x 2BF 96 x 2BH 160 x 3BH 59 x 4BH 15 x 5BH	15 x 1BF 40 x 2BF 50 x 2BH 135 x 3BH 45 x 4BH 15 x 5BH	36 x 1BFI + 12 x 1BFST + 17 x 1BFAR 26 x 2BFI + 10 x 2BFST + 14 x 2BFAR 24 x 2BHI + 8 x 2BHST + 14 x 2BHAR 14 x 3BHI + 11 x 3BHAR 14 x 4BHAR

Contributions in Rural Areas 6 Units

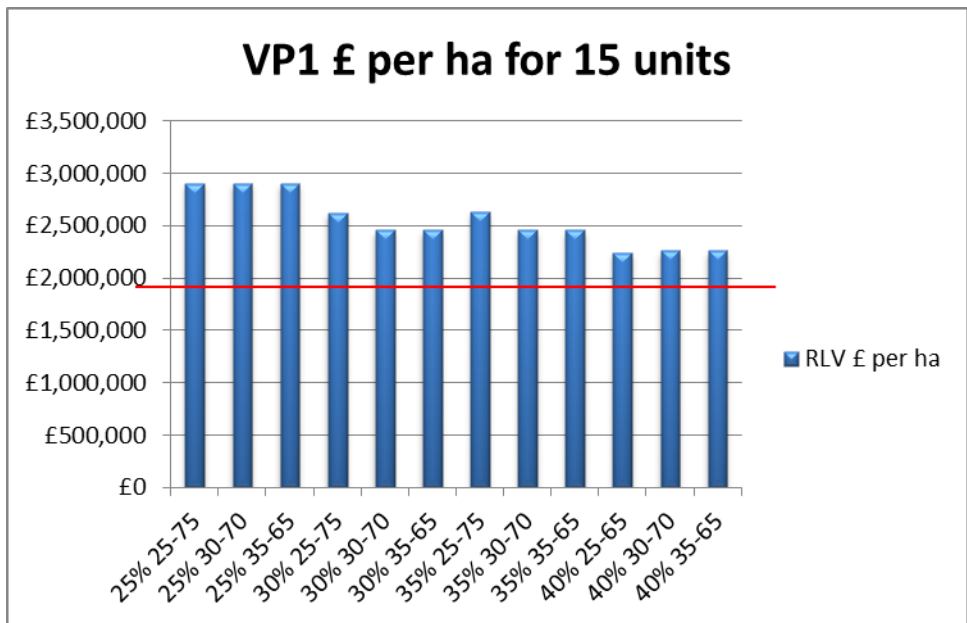
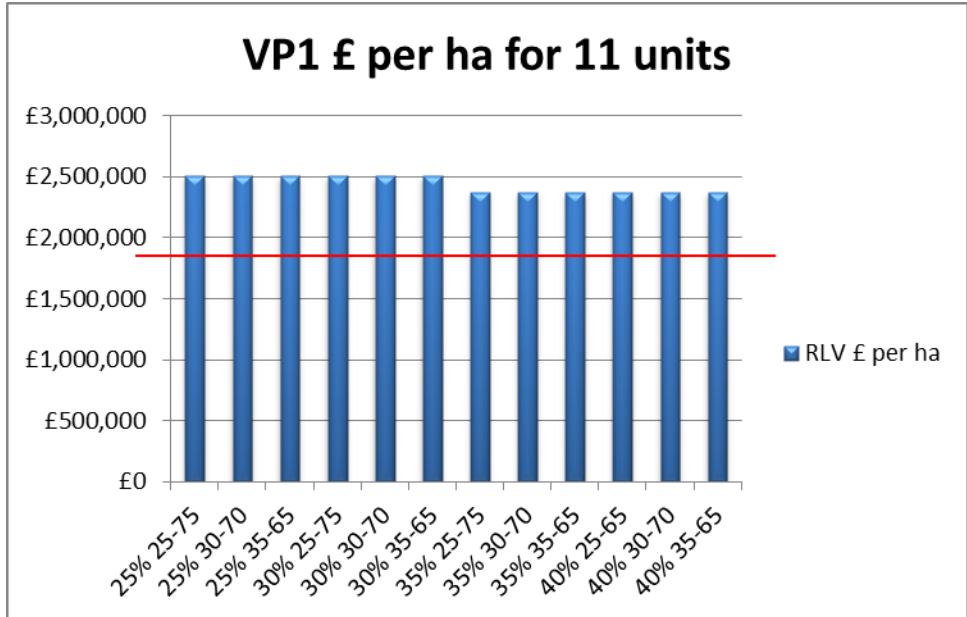
Scheme Size	Scheme Mix	Market	Affordable
6 units houses (Rural Area (566sqm in 0.11ha)	2 x 2BH 3 x 3BH 1 x 4BH	2 x 2BH 3 x 3BH 1 x 4BH	Financial contribution tested at 25%, 30%, 35% & 40%

Appendix C

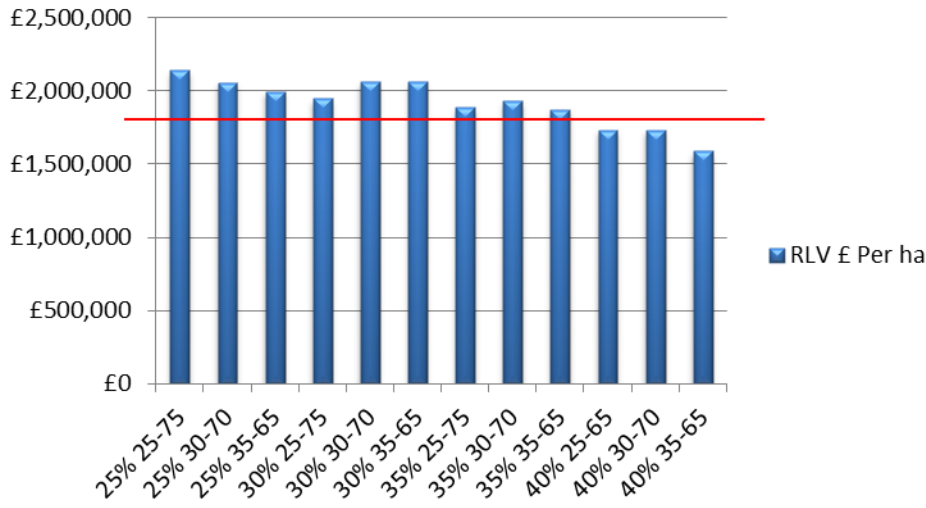
Charts Showing RLV £ per ha for Range of Notional Developments Against EUV+20%

Charts showing £ per ha for the range of notional developments tested at various affordable percentages and mixes. Red line on the chart shows EUV+20%.

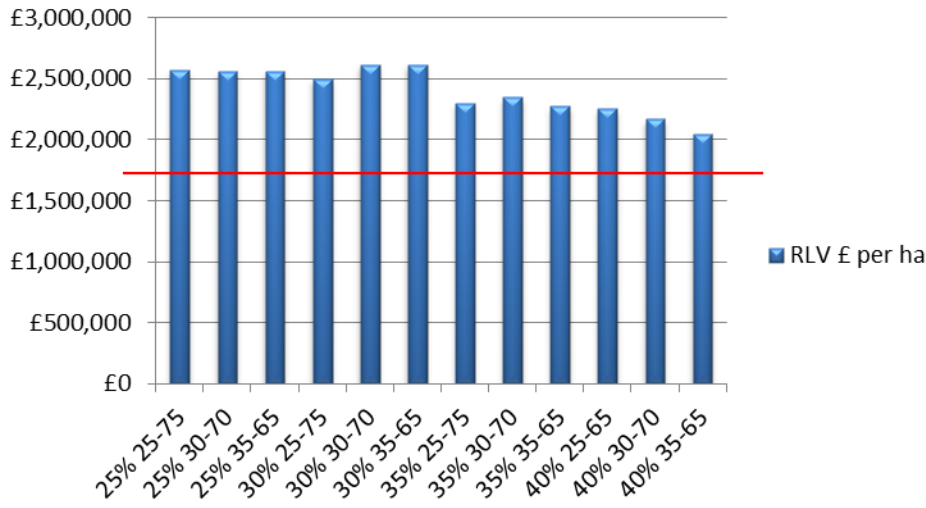
Value Point Area 1



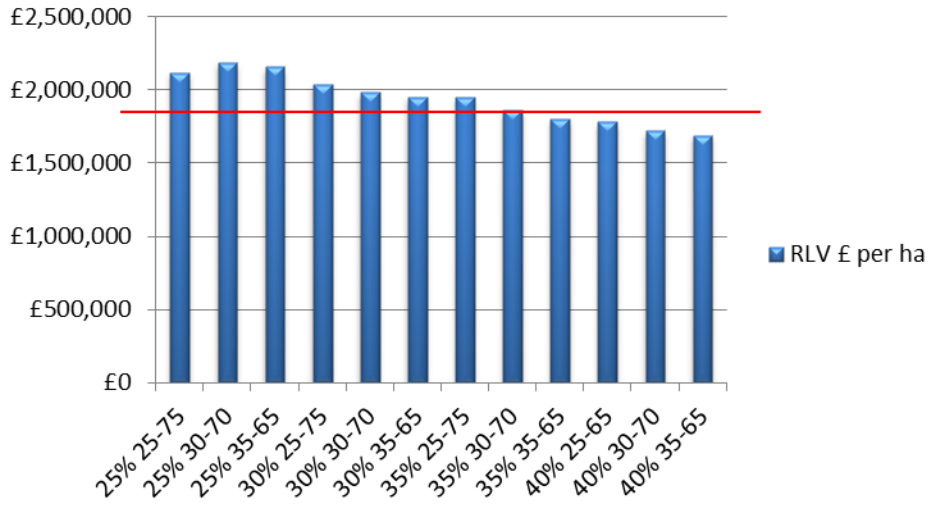
VP1 £ per ha for 50 units



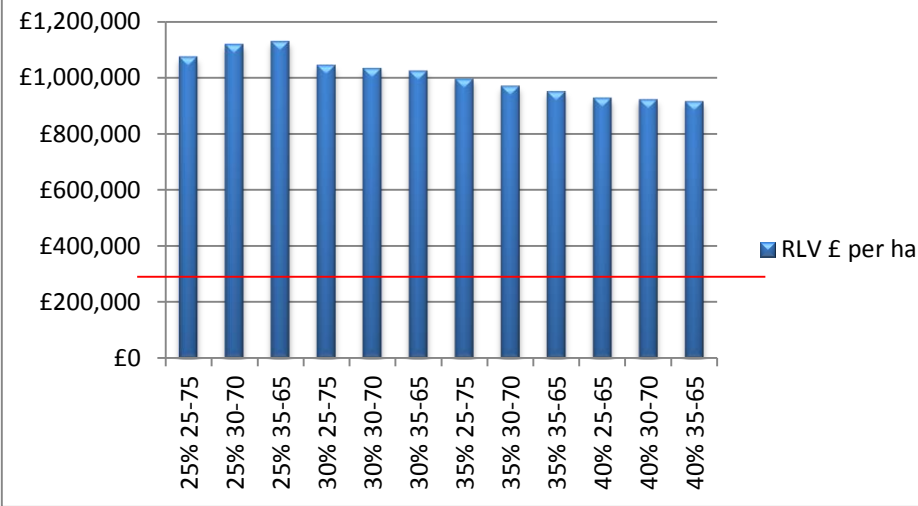
VP1 £ per ha for 50 units (flats)



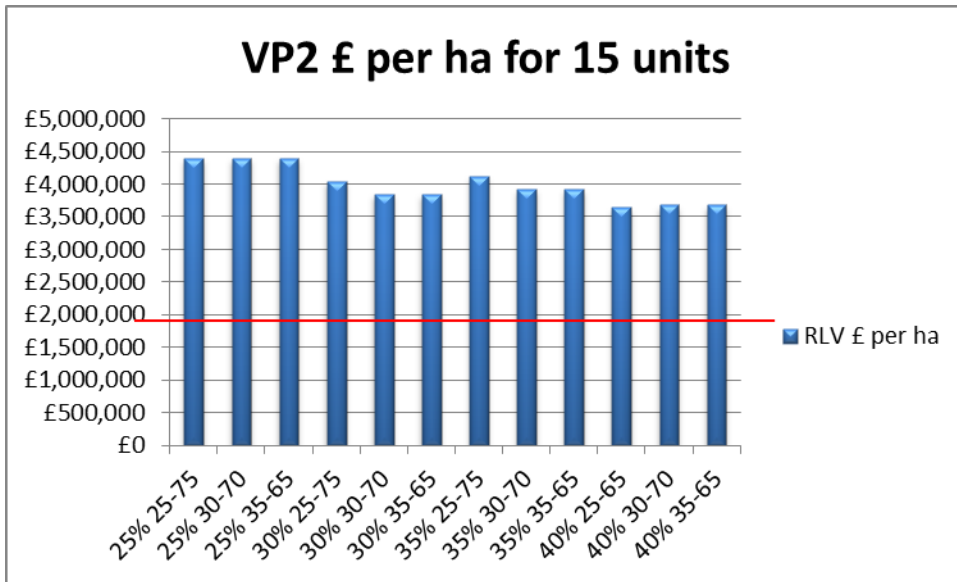
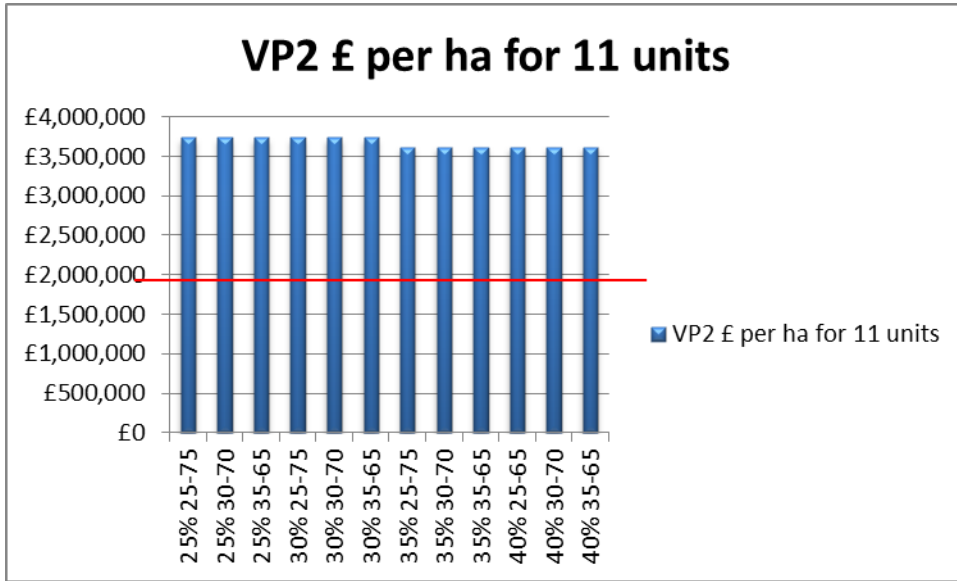
VP1 £ per ha for 100 units

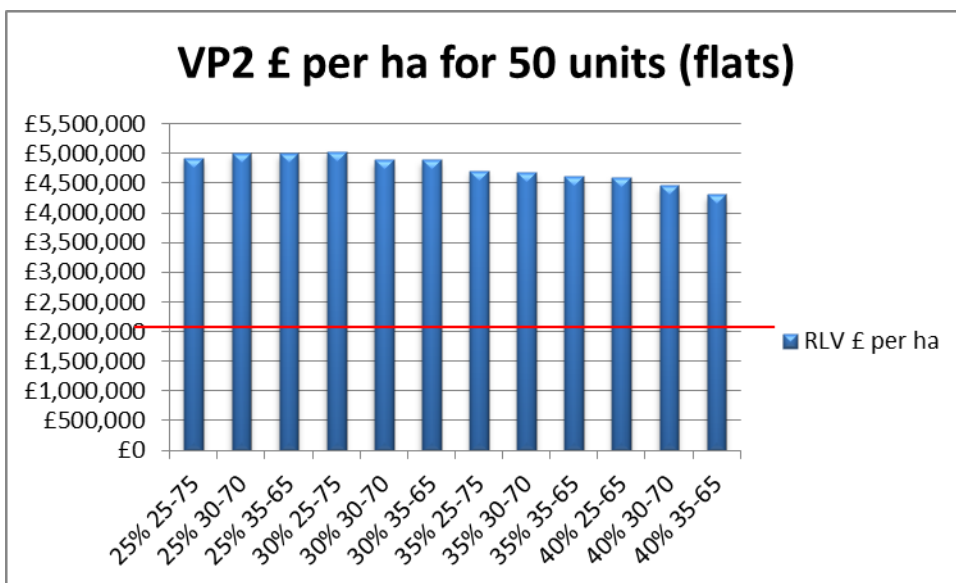
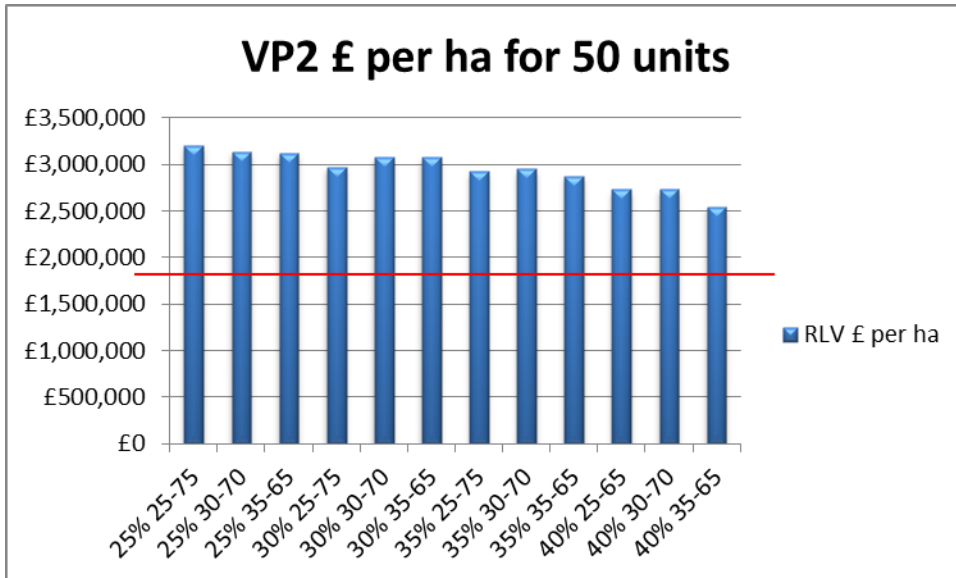


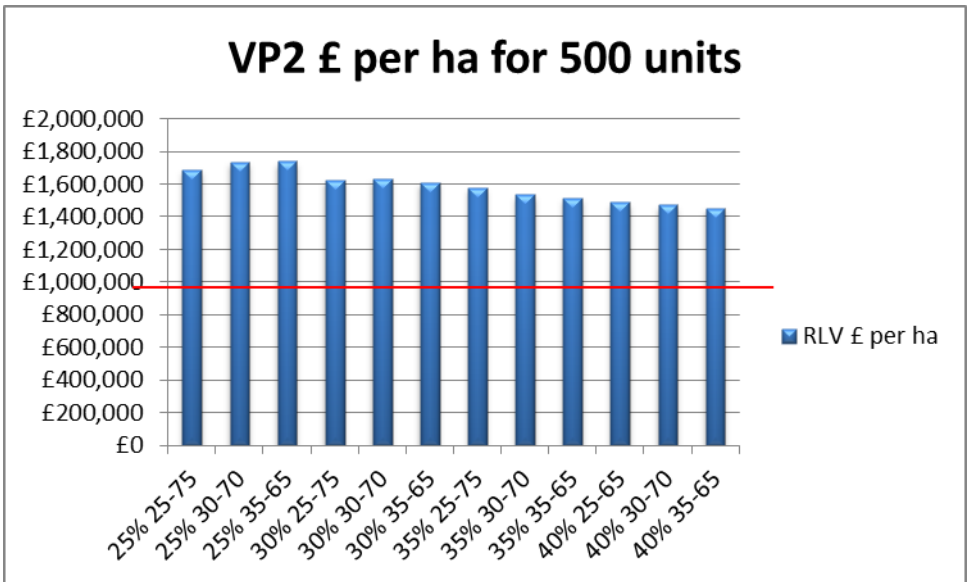
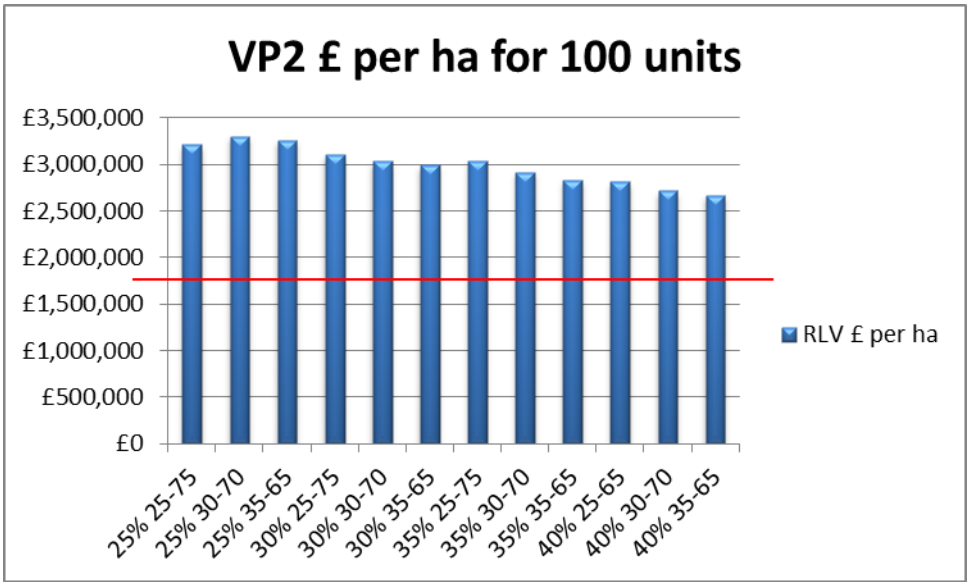
VP £ per ha for 500 units



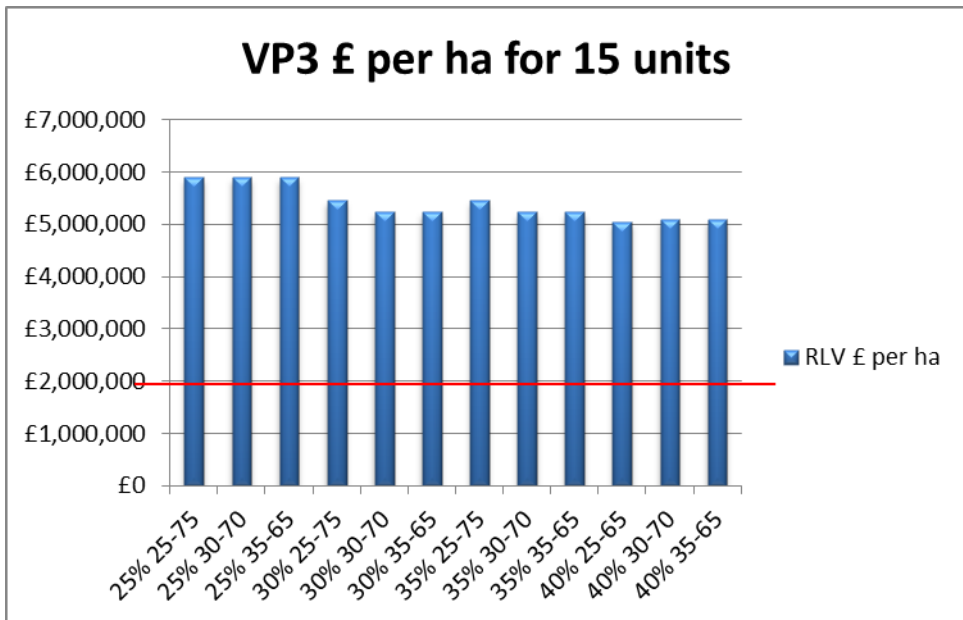
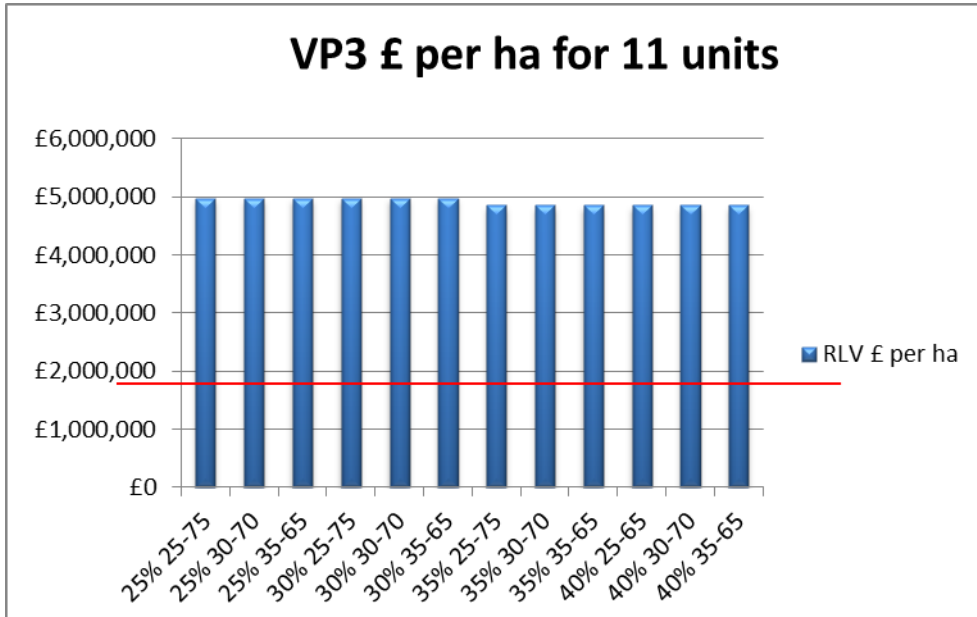
Value Point Area 2



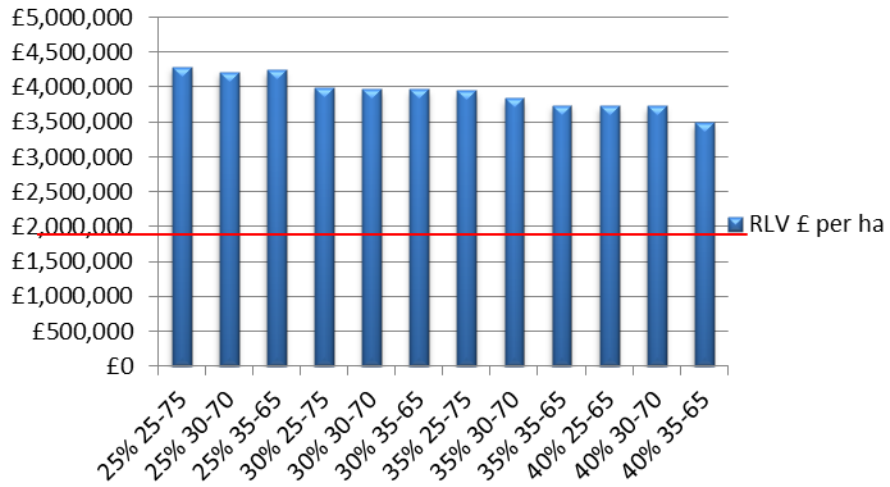




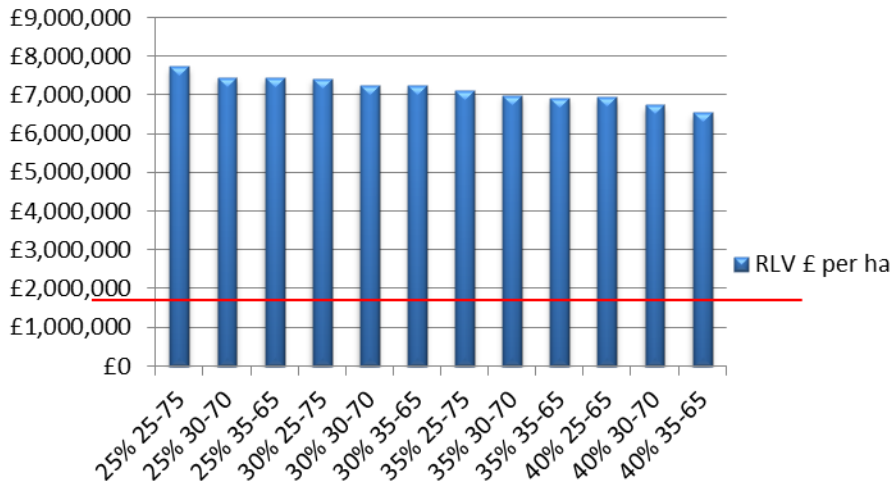
Value Point Area 3

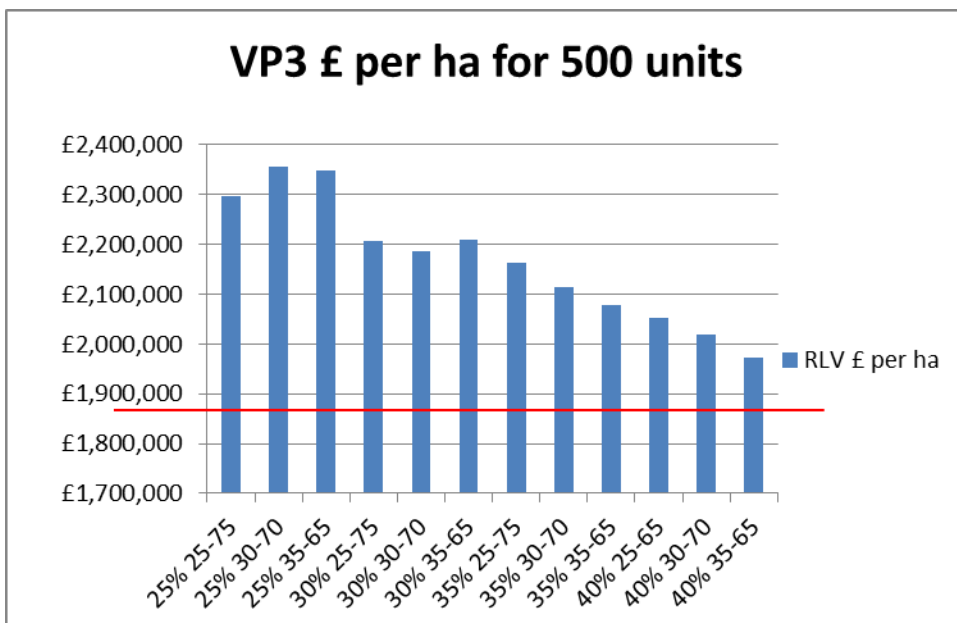
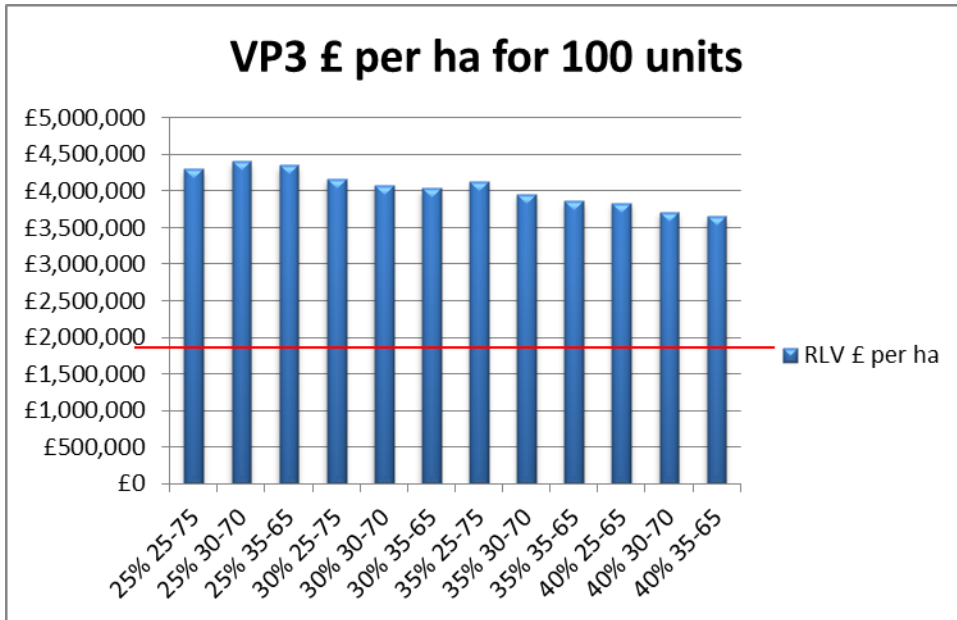


VP3 £ per ha for 50 units

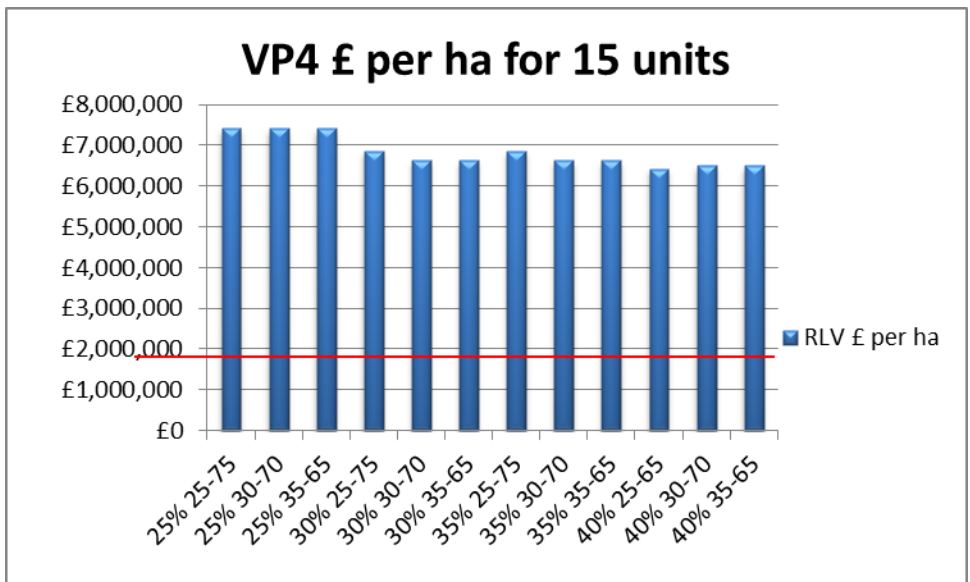
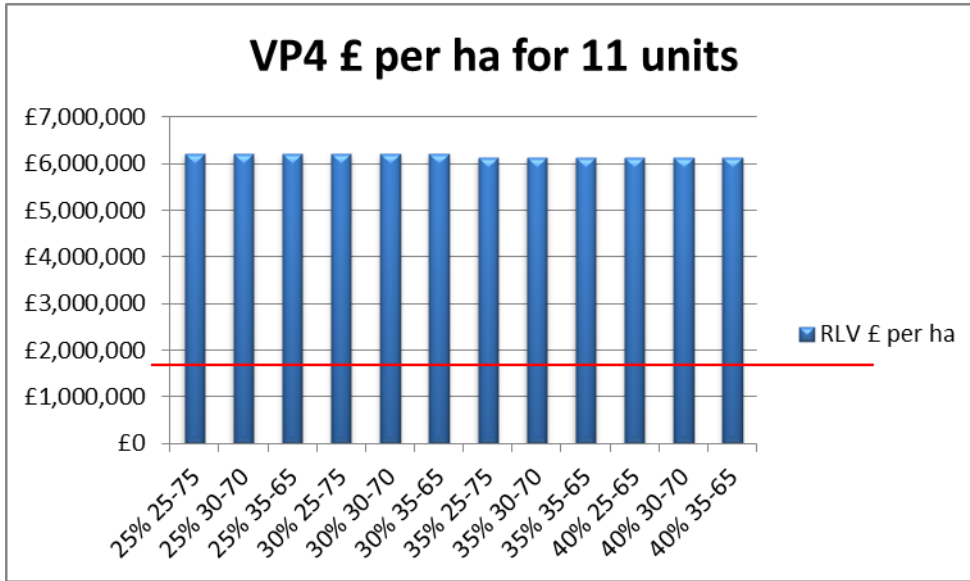


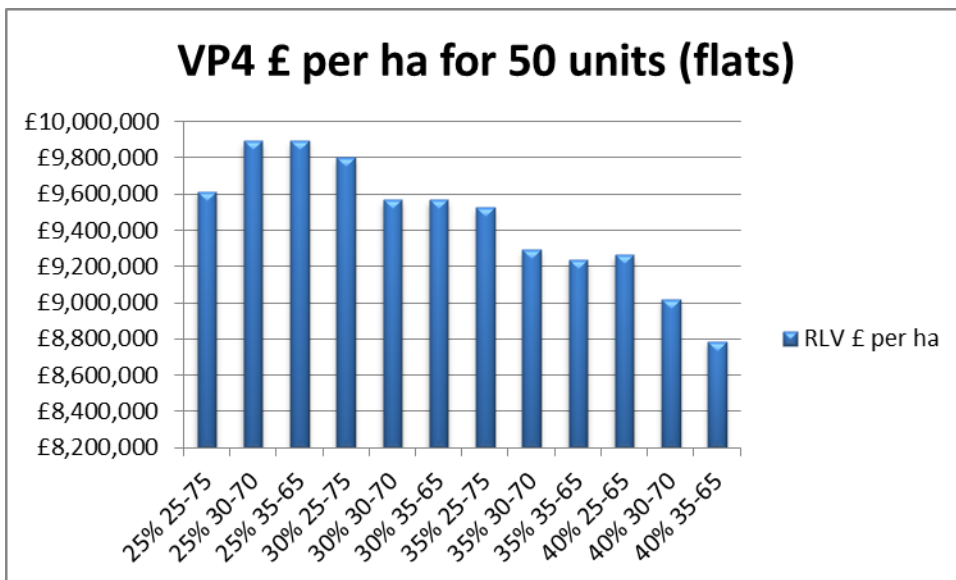
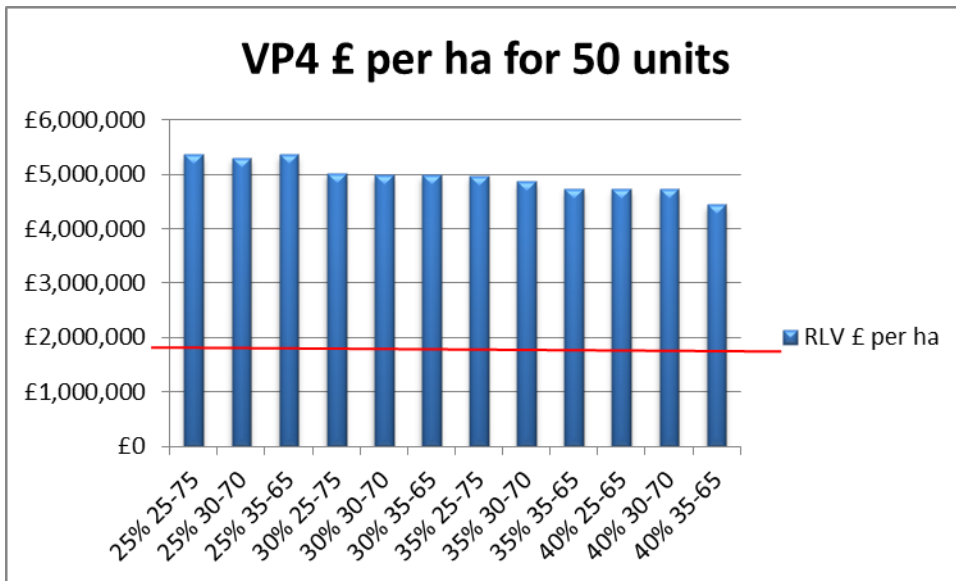
VP3 £ per ha for 50 units (flats)

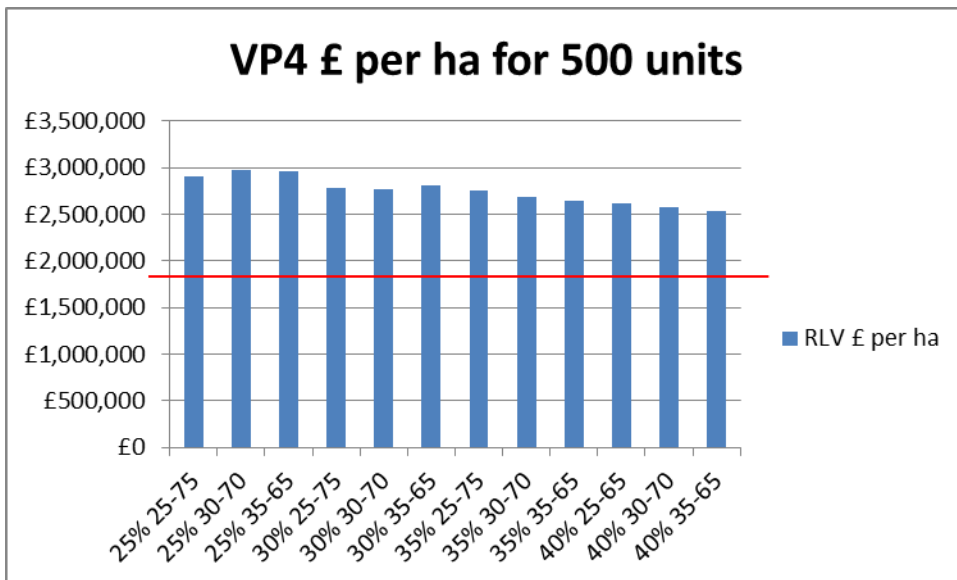
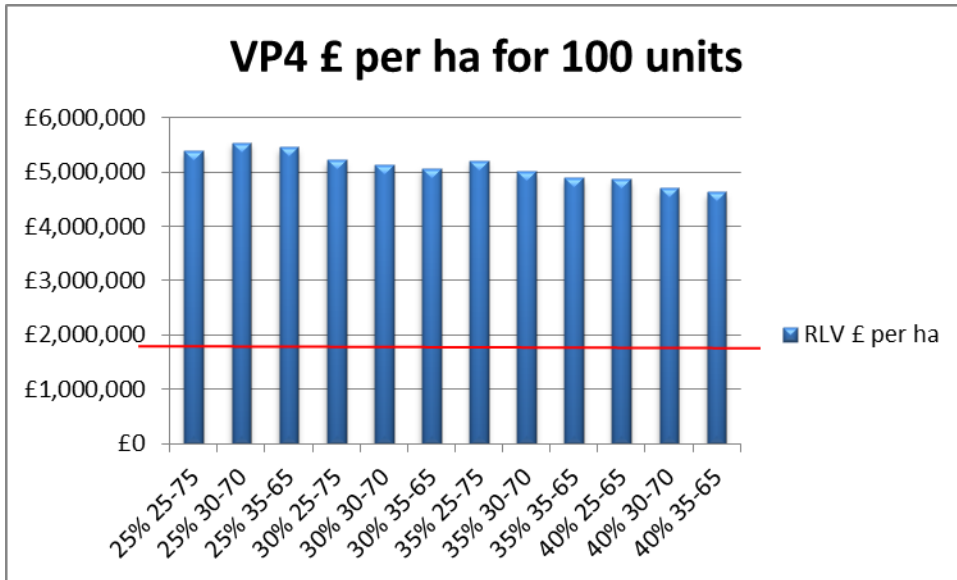




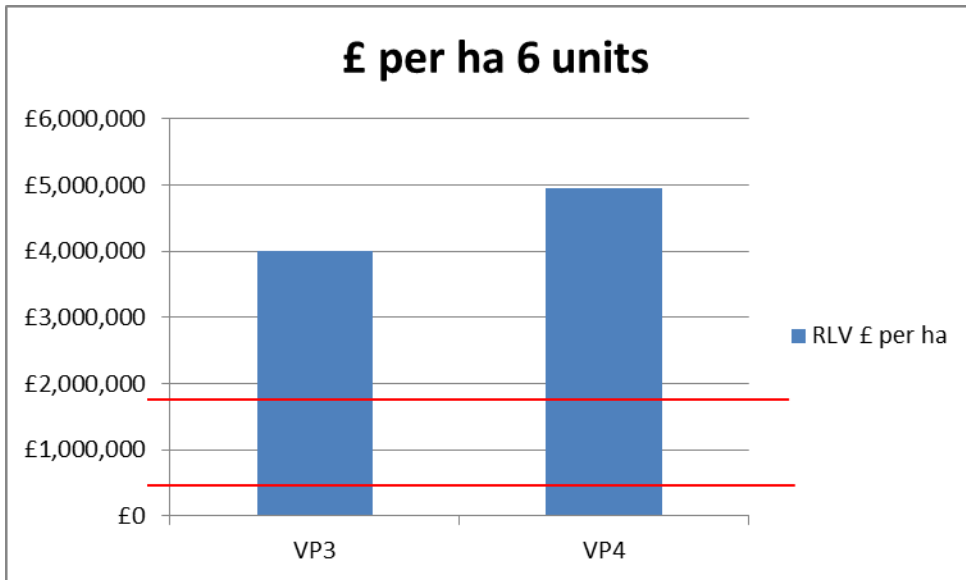
Value Point Area 4







6 units in Rural Areas (lower red line – Greenfield EUV+20%, upper red line industrial EUV+20%)



Appendix D

Land Value Data

Land Values

Surrey Heath VOA Report 2012

Commercial Values

Industrial - £500,000 to £600,000 per acre (£1,235,500 to £1,482,600 per hectare)

Offices - £500,000 to £750,000 per acre (£1,235,500 to £1,853,250 per hectare)

Retail – Town Centre - £750,000 to £1,000,000 per acre (£1,853,250 to £2,471,000 per hectare)

Retail – Local Centres - £500,000 to £750,000 per acre (£1,235,500 to £1,853,250 per hectare)

Retail – Convenience Stores - £ £750,000 to £1,250,000 per acre (£1,853,250 to £3,088,750 per hectare)

Residential:

Sites of Up to 1 Acre:

Location	Market Site Values
Camberley	£1,500,000 per acre (£3,706,500 per hectare)
Bagshot	£1,250,000 per acre (£3,088,750 per hectare)
Frimley	£1,000,000 per acre (£2,471,000 per hectare)
West End	£1,500,000 per acre (3,706,500 per hectare)
Windlesham	£1,750,000 per acre (£4,324,250 per hectare)

Sites from 1 acre to 10 acres:

Location	Market Site Values
Camberley	£1,250,000 per acre (£3,088,750 per hectare)
Bagshot	£1,000,000 per acre (£2,471,000 per hectare)
Frimley	£750,000 per acre (£1,853,250 per hectare)
West End	£1,250,000 per acre (3,088,750 per hectare)
Windlesham	£1,500,000 per acre (£3,706,500 per hectare)

Sites of more than 10 acres:

Location	Market Site Values
Camberley	£1,000,000 per acre (£2,471,000 per hectare)
Bagshot	£750,000 per acre (£1,823,250 per hectare)
Frimley	£500,000 per acre (£1,235,500 per hectare)
West End	£1,000,000 per acre (2,471,000 per hectare)
Windlesham	£1,250,000 per acre (£3,088,750 per hectare)

RICS – Agricultural land values H2 2016

Pasture - £17, 651

Arable - £22,194

Land value estimates for policy appraisal Dec 2015 (CLG)

Residential land value = £4.93m per ha

Weighted average for south east £3.6m per ha

Agriculture £22,000 per ha for South East

Industrial = £1.1m per ha for south east

