

Crawley Borough Council Local Plan Review

Viability Assessment - Update

Appendix I: Results summary tables & sample appraisal summaries

December 2022

DSP 22805

Crawley Borough Council - Appendix I - Local Plan & CIL Viability Assessment - Residential Results -

Table 1a - 35 Mixed- Borough Wide - 40% AH - Updated Results

Development Scenario	35 Mixed
Typical Site Type	GF/PDL
Net Land Area (ha)	0.64
Gross Land Area (ha)	0.73
Site Density (dph)	55
CIL (Indexed Rate)	£131.00
AH Tenure Split	75% AR/SR 25% First Homes

2022 Sensitivity Testing		
40% AH 35 Mixed Value Levels £/m ²	Residual Land Value (£)	Residual Land Value (£/Ha)
VL1 £3,250	-£527,640	-£720,998
VL2 £3,500	-£119,711	-£163,581
VL3 £3,750	£263,650	£360,267
VL4 £4,000	£627,786	£857,844
VL5 £4,250	£991,122	£1,354,328
VL6 £4,500	£1,355,259	£1,851,906
VL6.5 £4,600	£1,500,913	£2,050,937
VL7 £4,750	£1,718,595	£2,348,390
VL8 £5,000	£2,082,731	£2,845,968
VL9 £5,500	£2,810,203	£3,840,028

Key:

	RLV beneath Viability Test 1 (RLV <£250,000/ha)
	Viability Test 1 (RLV £250,000 to £500,000/ha)
	Viability Test 2 (RLV £500,000 to £850,000/ha)
	Viability Test 3 (RLV £850,000 to £1,500,000/ha)
	Viability Test 4 (RLV £1,500,000 to £2,000,000/ha)
	Viability Test 5 (RLV £2,000,000 to £2,500,000/ha)
	Viability Test 6 (RLV >£2,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade former industrial/commercial land values
£1,500,000	Key PDL land values
£2,000,000	- Industrial Upper / Commercial CBD
£2,500,000	Upper PDL benchmark/Residential land values

Source: Dixon Searle Partnership (2022)

RLVs by VL as construction cost changes from base		Table 1a (i)					35 Mixed dwellings				
Sales: Rate /m ²											
Construction: Rate /m ²	VL1	VL2	VL3	VL4	VL5	VL6	V6-7*	VL7	VL8	VL9	
-20.000%	£663,348	£1,027,484	£1,390,820	£1,754,956	£2,118,292	£2,482,428	£2,628,082	£2,845,764	£3,209,900	£3,937,371	
-15.000%	£381,555	£745,691	£1,109,027	£1,473,164	£1,836,500	£2,200,636	£2,346,290	£2,563,971	£2,928,107	£3,655,579	
-10.000%	£94,911	£463,899	£827,235	£1,191,371	£1,554,707	£1,918,843	£2,064,498	£2,282,179	£2,646,315	£3,373,787	
-5.000%	-£211,340	£180,152	£545,442	£909,579	£1,272,915	£1,637,051	£1,782,706	£2,000,387	£2,364,523	£3,091,995	
0.000%	-£527,640	-£119,711	£263,650	£627,786	£991,122	£1,355,259	£1,500,913	£1,718,595	£2,082,731	£2,810,203	
5.000%	-£847,297	-£434,547	-£29,391	£345,994	£709,330	£1,073,466	£1,219,121	£1,436,802	£1,800,938	£2,528,410	
10.000%	-£1,169,113	-£753,129	-£342,735	£57,971	£427,537	£791,673	£937,328	£1,155,009	£1,519,146	£2,246,618	
15.000%	-£1,492,835	-£1,074,240	-£660,279	-£250,587	£142,674	£509,881	£655,535	£873,217	£1,237,353	£1,964,826	
20.000%	-£1,817,183	-£1,396,848	-£980,282	-£566,772	-£159,987	£227,458	£373,743	£591,424	£955,561	£1,683,033	

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*£4,600/m² trial

Sensitivity Analysis : Assumptions for Calculation

Sales: Rate /m²

Heading	Phase	Rate	No. of Steps
To	1	5,500.00	10
From	1	3,250.00	10

Construction: Rate /m²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	1,515.00	4 Up & Down
AH - Affordable Rent	1	1,515.00	4 Up & Down
AH - First Homes	1	1,515.00	4 Up & Down

**Crawley Borough Council - Appendix I - Local Plan & CIL Viability Assessment
- Residential Results -
Table 1b - 50 Flats - Town Centre - 25% AH - Updated Results**

Development Scenario	50 Flats (TC)
Typical Site Type	PDL
Net Land Area (ha)	0.33
Gross Land Area (ha)	0.38
Site Density (dph)	150
CIL (Indexed Rate)	£131.00
AH Tenure Split	60% AR/SR
	25% First Homes / 15% Intermediate

25% AH 50 Flats Value Levels £/m ²	Residual Land Value (£)	Residual Land Value (£/Ha)
VL1 £3,250	-£1,968,537	-£5,135,314
VL2 £3,500	-£1,459,996	-£3,808,684
VL3 £3,750	-£958,098	-£2,499,386
VL4 £4,000	-£458,837	-£1,196,966
VL5 £4,250	£32,662	£85,206
VL6 £4,500	£485,624	£1,266,845
VL6.5 £4,600	£663,939	£1,732,016
VL7 £4,750	£930,433	£2,427,215
VL8 £5,000	£1,376,221	£3,590,141
VL9 £5,500	£2,266,817	£5,913,437

Key:

	RLV beneath Viability Test 1 (RLV <£850,000/ha)
	Viability Test 2 (RLV £850,000 to £1,500,000/ha)
	Viability Test 3 (RLV £1,500,000 to £2,000,000/ha)
	Viability Test 4 (RLV £2,000,000 to £2,500,000/ha)
	Viability Test 5 (RLV >£2,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£850,000	Low-grade former industrial/commercial land values
£1,500,000	Key PDL land values
£2,000,000	- Industrial Upper / Commercial CBD
£2,500,000	Upper PDL benchmark/Residential land values

Source: Dixon Searle Partnership (2022)

Further Sensitivity Data Report

RLVs by VL as construction cost changes from base										
Table 1b (i)										
50 flats										
Sales: Rate /m ²										
Construction: Rate /m ²	VL1	VL2	VL3	VL4	VL5	VL6	V6-7*	VL7	VL8	VL9
-20.000%	-£3,492,532	-£2,120,474	£44,896	£845,214	£1,550,637	£2,177,680	£2,122,814	£2,745,937	£3,255,409	£3,725,691
-15.000%	-£3,913,421	-£2,539,037	-£356,617	£480,495	£1,185,919	£1,812,961	£1,758,095	£2,381,219	£2,890,691	£3,360,973
-10.000%	-£4,335,047	-£2,958,145	-£764,240	£111,545	£821,200	£1,448,243	£1,393,376	£2,016,500	£2,525,972	£2,996,254
-5.000%	-£4,756,674	-£3,377,892	-£1,174,258	-£285,108	£456,481	£1,083,524	£1,028,658	£1,651,782	£2,161,254	£2,631,541
0.000%	-£5,178,300	-£3,797,976	-£1,587,036	-£692,173	£86,601	£718,806	£663,939	£1,287,063	£1,796,535	£2,266,817
5.000%	-£5,600,583	-£4,218,746	-£2,002,407	-£1,101,467	-£311,794	£354,087	£299,221	£922,345	£1,431,817	£1,902,099
10.000%	-£6,022,892	-£4,639,516	-£2,419,131	-£1,512,401	-£718,834	-£21,049	-£81,821	£557,626	£1,067,098	£1,537,380
15.000%	-£6,445,201	-£5,060,703	-£2,836,526	-£1,926,828	-£1,127,932	-£425,765	-£486,865	£191,264	£702,380	£1,172,662
20.000%	-£6,867,510	-£5,482,329	-£3,255,085	-£2,342,515	-£1,538,236	-£833,253	-£894,683	-£199,576	£337,661	£807,943

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*£4,600/m² trial**Sensitivity Analysis : Assumptions for Calculation****Sales: Rate /m²**

Heading	Phase	Rate	No. of Steps
To	1	5,500.00	9
From	1	3,250.00	9

Construction: Rate /m²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	1,677.00	4 Up & Down
AH - Affordable Rent	1	1,677.00	4 Up & Down
AH - Intermediate	1	1,677.00	4 Up & Down
First Homes	1	1,677.00	4 Up & Down

**Crawley Borough Council - Appendix I - Local Plan & CIL Viability Assessment
- Residential Results -
Table 1c - 1000 Mixed - Borough Wide - 40% AH - Updated Results**

Development Scenario	1000 Mixed
Typical Site Type	GF
Net Land Area (ha)	25.00
Gross Land Area (ha)	60.00
Site Density (dph)	40
CIL (Indexed Rate)	£131.00
AH Tenure Split	75% AR/SR 25% First Homes

40% AH 1000 Mixed Value Levels £/m ²	Residual Land Value (£)	Residual Land Value (£/Ha)
VL1 £3,250	-£15,978,009	-£266,300
VL2 £3,500	-£5,897,965	-£98,299
VL3 £3,750	£3,009,641	£50,161
VL4 £4,000	£11,407,174	£190,120
VL5 £4,250	£19,786,251	£329,771
VL6 £4,500	£28,183,784	£469,730
VL6.5 £4,600	£31,542,797	£525,713
VL7 £4,750	£36,562,860	£609,381
VL8 £5,000	£44,960,393	£749,340
VL9 £5,500	£61,737,003	£1,028,950

Key:

	RLV beneath Viability Test 1 (RLV <£250,000/ha)
	Viability Test 1 (RLV £250,000 to £500,000/ha)
	Viability Test 2 (RLV £500,000 to £850,000/ha)
	Viability Test 3 (RLV £850,000 to £1,500,000/ha)
	Viability Test 4 (RLV £1,500,000 to £2,000,000/ha)
	Viability Test 5 (RLV £2,000,000 to £2,500,000/ha)
	Viability Test 6 (RLV >£2,500,000/ha)

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade former industrial/commercial land values
£1,500,000	Key PDL land values
£2,000,000	- Industrial Upper / Commercial CBD
£2,500,000	Upper PDL benchmark/Residential land values

Source: Dixon Searle Partnership (2022)

RLVs by VL as construction cost changes from base										
Table 1c (i)										
1,000 mixed dwellings										
Sales: Rate /m ²										
Construction: Rate /m ²	VL1	VL2	VL3	VL4	VL5	VL6	V6-7*	VL7	VL8	VL9
-20.000%	-£56,856,602	-£25,573,903	£15,437,462	£30,386,916	£43,675,320	£55,487,234	£54,453,692	£66,191,782	£75,788,962	£84,647,795
-15.000%	-£64,861,273	-£33,466,563	£9,709,739	£24,659,193	£37,947,596	£49,759,511	£48,725,968	£60,464,058	£70,061,238	£78,920,152
-10.000%	-£72,874,640	-£41,405,402	£3,982,015	£18,931,469	£32,219,873	£44,031,787	£42,998,244	£54,736,334	£64,333,514	£73,192,450
-5.000%	-£80,897,074	-£49,367,576	-£1,909,406	£13,203,745	£26,492,149	£38,304,063	£37,270,521	£49,008,610	£58,605,791	£67,464,726
0.000%	-£88,920,916	-£57,344,729	-£8,302,090	£7,476,021	£20,764,425	£32,576,339	£31,542,797	£43,280,887	£52,878,067	£61,737,003
5.000%	-£96,947,537	-£65,334,210	-£15,230,425	£1,748,298	£15,036,701	£26,848,616	£25,815,073	£37,553,163	£47,150,343	£56,009,279
10.000%	-£104,974,452	-£73,334,675	-£22,821,774	-£4,357,196	£9,308,977	£21,120,892	£20,087,349	£31,825,439	£41,422,619	£50,281,555
15.000%	-£113,002,468	-£81,344,007	-£30,637,048	-£10,938,850	£3,581,254	£15,393,168	£14,359,626	£26,097,715	£35,694,896	£44,553,831
20.000%	-£121,032,022	-£89,359,050	-£38,512,790	-£18,075,075	-£2,346,207	£9,665,444	£8,631,902	£20,369,992	£29,967,172	£38,826,108

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*£4,600/m² trial

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Sensitivity Analysis : Assumptions for Calculation**Sales: Rate /m²**

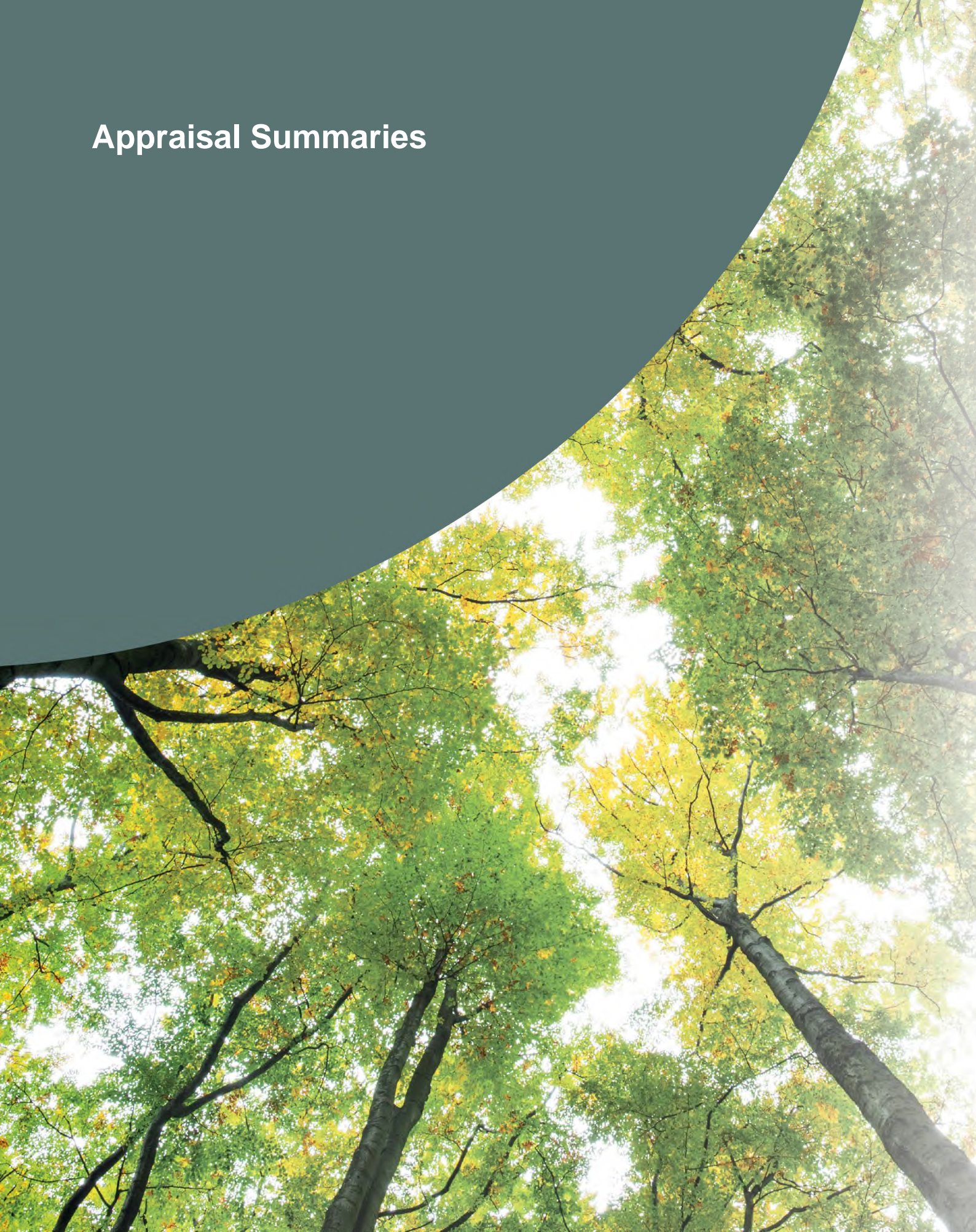
Heading	Phase	Rate	No. of Steps
To	1	5,500.00	9
From	1	3,250.00	9

Construction: Rate /m²

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
Market Housing	1	1,515.00	4 Up & Down
AH - AR	1	1,515.00	4 Up & Down
AH - First Homes	1	1,515.00	4 Up & Down

Appraisal Summaries





35 Mixed (Borough-wide)
Crawley Borough Council
DSP19682

35 Mixed Development
40% Affordable Housing
17.5% Profit Private / 6% Profit AH

**35 Mixed (Borough-wide)
Crawley Borough Council
DSP19682**

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
Market Housing	21	1,898.40	4,500.10	406,809	8,542,990
AH - Affordable Rent	10	826.00	2,127.81	175,757	1,757,570
AH - First Homes	4	<u>330.40</u>	3,150.07	260,196	<u>1,040,783</u>
Totals	35	3,054.80			11,341,343

NET REALISATION

11,341,343

OUTLAY

ACQUISITION COSTS

Residualised Price			1,355,259		
Stamp Duty			58,763		1,355,259
Effective Stamp Duty Rate		4.34%			
Agent Fee		1.50%	20,329		
Legal Fee		0.75%	10,164		
					89,256

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost	
Market Housing	1,959.30	1,515.00	2,968,339	
AH - Affordable Rent	879.00	1,515.00	1,331,685	
AH - First Homes	<u>351.60</u>	1,515.00	<u>532,674</u>	
Totals	3,189.90 m²		4,832,698	
Contingency		5.00%	257,635	
Site Works & Infrastructure	0.64 ha	500,000.00 /ha	320,000	
CIL		1.00%	256,668	
Sustainable Design & Construction		5.00%	241,635	
M4(2) 100% dwellings			76,834	
S106	35.00 un	1,000.00 /un	35,000	
OS £ Contribution			142,625	
Skills Contribution £			21,613	
Sustainable Transport £			3,930	
Water Neutrality	35.00 un	2,000.00 /un	70,000	
EVPs - Market	21.00 un	1,249.00 /un	26,229	
EVPs - AH	14.00 un	1,468.00 /un	20,552	
				6,305,420

Other Construction

Externals		15.00%	724,905	
				724,905

PROFESSIONAL FEES

Professional Fees		10.00%	561,379	
				561,379

DISPOSAL FEES

Marketing & Sales Agent Fees		3.00%	340,240	
Sales Legal Fee	35.00 un	750.00 /un	26,250	
				366,490

MISCELLANEOUS FEES

AH Profit		6.00%	105,454	
Market Profit		17.50%	1,495,023	
First Homes Profit		12.00%	124,894	
				1,725,371

This appraisal report does not constitute a formal valuation.

35 Mixed (Borough-wide)
Crawley Borough Council
DSP19682

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Total Finance Cost

213,263

TOTAL COSTS

11,341,343

PROFIT

0

Performance Measures

Profit on Cost% 0.00%

Profit on GDV% 0.00%

Profit on NDV% 0.00%

Profit Erosion (finance rate 6.500) 0 mths

This appraisal report does not constitute a formal valuation.



Crawley Borough Council

50 Flats 3-5 Storey (Town Centre)
25% Affordable Housing / CIL @ £131/sq.m.
17.5% Profit Market / 6% Profit AH

Crawley Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
Market Housing	37	2,386.50	4,500.10	290,256	10,739,489
AH - Affordable Rent	8	558.40	1,939.27	135,361	1,082,888
AH - Intermediate	2	139.60	3,600.08	251,286	502,571
First Homes	<u>3</u>	<u>209.40</u>	3,150.07	219,875	<u>659,625</u>
Totals	50	3,293.90			12,984,572

NET REALISATION

12,984,572

OUTLAY

ACQUISITION COSTS

Residualised Price			485,624		
				485,624	
Stamp Duty			15,281		
Effective Stamp Duty Rate		3.15%			
Agent Fee		1.50%	7,284		
Legal Fee		0.75%	3,642		
					26,208

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost
Market Housing	2,804.60	1,677.00	4,703,314
AH - Affordable Rent	656.80	1,677.00	1,101,454
AH - Intermediate	164.20	1,677.00	275,363
First Homes	<u>246.30</u>	1,677.00	<u>413,045</u>
Totals	3,871.90 m²		6,493,176
Contingency		5.00%	334,159
Site Works & Infrastructure	0.38 ha	500,000.00 /ha	190,000
Sustainable Transport £			5,515
Skills Contribution £			30,875
OS £ Contribution			203,750
S106	50.00 un	1,000.00 /un	50,000
M4(2) 100% dwellings			82,300
Sustainable Design & Construction		5.00%	324,659
CIL		1.00%	367,403
Water Neutrality	50.00 un	2,000.00 /un	100,000
EVPs	50.00 un	1,961.00 /un	98,050
			8,279,887

Other Construction

Externals		10.00%	649,318		
				649,318	

PROFESSIONAL FEES

Professional Fees		10.00%	729,389		
				729,389	

DISPOSAL FEES

Marketing & Sales Agent Fees		3.00%	389,537		
Sales Legal Fee	50.00 un	750.00 /un	37,500		
				427,037	

MISCELLANEOUS FEES

Market Profit		17.50%	1,879,411		
AH Profit		6.00%	95,128		
FH Profit		12.00%	79,155		
				2,053,693	

FINANCE

This appraisal report does not constitute a formal valuation.

Crawley Borough Council

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)

Total Finance Cost 333,418

TOTAL COSTS 12,984,572**PROFIT 0****Performance Measures**

Profit on Cost% 0.00%

Profit on GDV% 0.00%

Profit on NDV% 0.00%

Profit Erosion (finance rate 6.500) 0 mths

This appraisal report does not constitute a formal valuation.



Crawley Borough Council

1000 Mixed (Borough-wide)
40% Affordable Housing / CIL @ £131/sq.m.
17.5% Profit Market / 6% Profit AH

Crawley Borough Council

Appraisal Summary for Phase 1 All Phases

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales	Adjustment
Market Housing	600	54,240.00	4,500.10	406,809	244,085,424	0
AH - AR	300	24,780.00	2,127.81	175,757	52,727,100	0
AH - First Homes	100	8,260.00	2,925.07	241,610	24,161,037	0
Totals	1,000	87,280.00			320,973,561	0

NET REALISATION

320,973,561

OUTLAY

ACQUISITION COSTS

Residualised Price			28,183,784		28,183,784	
Stamp Duty			1,400,189			
Effective Stamp Duty Rate		4.97%				
Agent Fee		1.50%	422,757			
Legal Fee		0.75%	211,378			
					2,034,324	

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost
Market Housing	55,980.00	1,515.00	84,809,700
AH - AR	26,370.00	1,515.00	39,950,550
AH - First Homes	8,790.00	1,515.00	13,316,850
Totals	91,140.00 m²		138,077,100
Contingency		3.00%	5,342,313
Site Works & Infrastructure - Front	1,000.00 un	10,000.00 /un	10,000,000
Site Works & Infrastructure - Ongoing	1,000.00 un	30,000.00 /un	30,000,000
Sustainable Design & Construction		5.00%	6,903,855
CIL	55,980.00 m ²	131.00	6,913,530
Part M4(2)			2,206,700
Skills Contribution			617,500
Sustainable Transport Contribution			52,083
Water Neutrality	1,000.00 un	2,000.00 /un	2,000,000
EVPs - Market Housing	600.00 un	1,249.00 /un	749,400
EVPs - AH	400.00 un	1,468.00 /un	587,200
			203,449,681

PROFESSIONAL FEES

Professional Fees		8.00%	14,975,012		14,975,012
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DISPOSAL FEES

Marketing & Sales Agent Fees		3.00%	8,047,394		
Sales Legal Fee	1,000.00 un	750.00 /un	750,000		
					8,797,394

MISCELLANEOUS FEES

AH Profit		6.00%	3,163,626		
Market Profit		17.50%	42,714,949		
First Homes		12.00%	2,899,324		
					48,777,900

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)					
Total Finance Cost					14,755,466

TOTAL COSTS

320,973,561

This appraisal report does not constitute a formal valuation.

Crawley Borough Council**PROFIT****0****Performance Measures**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Profit Erosion (finance rate 6.500)	N/A

This appraisal report does not constitute a formal valuation.