



Gedling Borough Council Local Plan Viability Assessment

March 2016



Nationwide CIL Service

Executive Summary

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Appendix 1 - Heb Surveyors Valuation Report December 2015
(Separate Report)

Appendix 2 – Gleeds Construction Cost Study Update December 2015
(Separate Report)

Executive Summary

Purpose of the Study

1.1 The purpose of the Whole Plan Viability Study is to appraise the viability of the Gedling Borough Local Planning Document in terms of the impact of its policies on the economic viability of the development expected to be delivered during the Plan period to 2028. The study considers policies that might affect the cost and value of development (e.g. Affordable Housing and Design and Construction Standards) in addition to the impact of the adopted Community Infrastructure Levy Charges. The area covered by the study is the Gedling Borough Council administrative area.

1.2 Section 173 of the National Planning Policy Framework requires that plans should be deliverable ensuring that obligations and policy burdens do not threaten the viability of the developments identified in the plan. An assessment of the costs and values of relevant categories of development is therefore required to consider whether they will yield competitive returns to a willing land owner and willing developer thus enabling the identified development to proceed.

Methodology

1.3 The viability assessment comprises a number of key stages as outlined below:

EVIDENCE BASE – LAND & PROPERTY VALUATION STUDY

1.4 Collation of an area-wide evidence base of land and property values for both residential and commercial property

EVIDENCE BASE – CONSTRUCTION COST STUDY

1.5 Collation of an area-wide evidence base of construction costs for both residential and commercial property

IDENTIFICATION OF SUB-MARKETS

1.6 Sub market identification informed by the valuation evidence gathered at stage one above, Large differences in values across a study area indicate the need to define independent sub areas for viability testing purposes.

POLICY IMPACT ASSESSMENT

1.7 Identification of the policies within the plan, which will have a direct impact on the costs of development and hence the viability of development. Typical policy impacts include affordable housing requirements and sustainable construction requirements.

Executive Summary

VIABILITY APPRAISAL

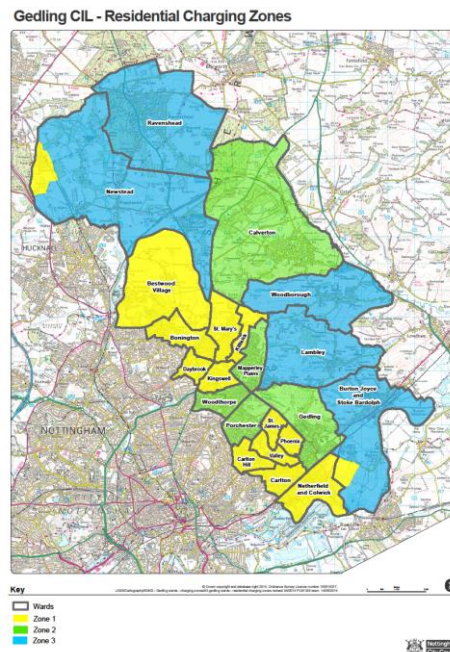
1.8 Viability assessment for both residential and commercial development scenarios which reflect the development likely to emerge over the plan period. The assessments are conducted for both greenfield and brownfield development as it is recognised this can result in a significant difference in viability.

RESULTS

1.9 The viability results for the assessments identify the margin of viability taking account of all development values and costs, plan policy impact costs, community infrastructure levy charges and having made allowance for a competitive return to the landowner and developer. In essence a positive margin confirms whole plan viability.

RESIDENTIAL VIABILITY

1.10 The assessments of residential land and property values indicated that there were significant differences in value across the Borough to justify the existence of sub-markets. Three sub-markets were identified as indicated on the plan below and also inform the differential CIL charging zones adopted by the Council.



1.11 The testing showed that the Gedling Borough Local Planning Document Policies are broadly viable for all forms of housing development and demonstrate that Affordable Housing delivery at the Council's policy targets of 10-30% delivery proposed by the Plan are broadly viable allowing a degree of flexibility when based on typical site development.

Executive Summary

Conclusions

1.12 The study demonstrates that most of the development proposed by the Local Planning Document is viable and deliverable taking account of the cost impacts of the policies proposed by the plan the impact of adopted CIL charges and the requirements for viability assessment set out in the NPPF.

1.13 The study is a strategic assessment of whole plan viability and as such is not intended to represent a detailed viability assessment of every individual site. The study applies the general assumptions in terms of affordable housing, planning policy costs impacts and identified site mitigation factors based on generic allowances. It is anticipated that more detailed mitigation cost and viability information may be required at planning application stage to determine the appropriate level of affordable housing and planning obligation contributions where viability issues are raised. The purpose of the study is to determine whether the development strategy proposed by the Plan is deliverable given the policy cost impacts of the Plan.

1.14 The study illustrates that all greenfield sites in the initial 0-5 year delivery period (i.e. the 5 year land supply) are viable based on the adopted assumptions. A small number of brownfield sites demonstrate marginal viability but are still considered to be broadly viable and deliverable.

1.15 Viability improves in both the medium term (6-10 years) and longer term (11-15 years) with all sites demonstrating positive viability.

1.16 In conclusion, the assessment of all proposed residential sites in Gedling Borough has been undertaken with due regard to the requirements of the NPPF and the best practice advice contained in 'Viability Testing Local Plans'. It is considered that all sites are viable across the entire plan period taking account of the Affordable/Low Cost Housing requirements and all policy impacts of the Local Planning Document including CIL.

1.17 It should be noted that this study should be seen as a strategic overview of plan level viability rather than specific interpretation of Gedling Borough Council policy on the viability of any individual site or application of planning policy to affordable housing, CIL or developer contributions. Similarly the conclusions and recommendations in the report do not necessarily reflect the views of Gedling Borough Council.

2 Introduction

2.1 The purpose of the study is to assess the overall viability of the Local Planning Document by assessing the economic viability of development being promoted by the Plan.

2.2 The study considers the cost and value impacts of the proposed plan policies when applied to the specific sites allocated by the Plan. The individual site assessments take account of policies in the plan, affordable housing requirements, mandatory requirements to be introduced during the Plan period such as the National Housing Standards and Sustainable Construction requirements including SUDS, the adopted Community Infrastructure Levy and site specific constraints to determine whether the proposed sites are viable and deliverable in the plan period.

The NPPF and Relevant Guidance

2.3 The National Planning Policy Framework 2012 introduces a new focus on viability assessment in considering appropriate Development Plan policy. Paras 173-177 provide guidance on 'Ensuring Viability and Deliverability' in plan making and states :-

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

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

177. It is equally important to ensure that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that local planning authorities understand Borough-wide development costs at the time Local Plans are drawn up. For this reason, infrastructure and development policies should be planned at the same time, in the Local Plan. Any affordable housing or local standards requirements that may be applied to development should be assessed at the plan-making stage, where possible, and kept under review."

2 Introduction

2.4 In response to the NPPF, the Local Housing Delivery Group, a cross industry group of residential property stakeholders including the Home Builders Federation, Homes and Communities Agency and Local Government Association, has published more specific guidance entitled 'Viability Testing Local Plans' in June 2012.

2.5 The guidance states as an underlying principle, that :-

"An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered."

2.6 The guidance recommends the following stages be completed in testing Local Plan viability:-

- 1) Review Evidence Base and align existing assessment evidence,
- 2) Establish Appraisal Methodology and Assumptions (including threshold land values, site and development typologies, costs of policy requirements and allowance for changes over time),
- 3) Evidence Collation and Viability Modelling (including development costs and revenues, land values, developers profit allowance),
- 4) Viability Testing and Appraisal, and
- 5) Review of Outputs.

2.7 The guidance is not prescriptive about the use of particular financial assessment models but advises that a residual appraisal approach which tests the ability of development to yield a margin beyond all the test factors to determine viability or otherwise is widely used and accepted. The guidance sets out the key elements of viability appraisal and the factors that need to be considered to ensure robust assessment.

2.8 The current study adheres to the principles of the NPPF and 'Viability Testing Local Plans' and sets out its methodology and assumptions in the following sections.

3 Methodology

The Process

There are a number of key stages to Viability Assessment which may be set out as follows.

1) Evidence Base – Land & Property Valuation Study

3.1 Establish an area wide evidence base of land and property values for development in each sub-market area. The evidence base relies on the area wide valuation study undertaken by Heb Surveyors in January 2016.

2) Evidence Base – Construction Cost Study

3.2 Establish an area wide evidence base of construction costs for each category of development relevant to the local area. The study will also indicate construction rates for professional fees, warranties, statutory fees and construction contingencies. The evidence base relies on the Construction Cost Study by Gleeds undertaken in 2014 and updated in 2015 (Appendix 2) In addition specific advice on reasonable allowances for abnormal site constraints was obtained from Gleeds and is outlined in the report.

3) Identification of Sub Market Areas

3.3 The Heb Valuation Evidence considered the existence of potential sub-markets within the study area which might inform the application of differential value assumptions in the Whole Plan testing and reflect the differential CIL Charging Zones.

4) Policy Impact Assessment

3.4 Establish the policies proposed by the plan that have a direct impact on the cost of development and apportion appropriate allowances based on advice from cost consultants, Gleeds, to be factored in the viability assessment. Typically cost impacts will include sustainable construction requirements based on National Housing Standards and BREEAM standards.

3 Methodology

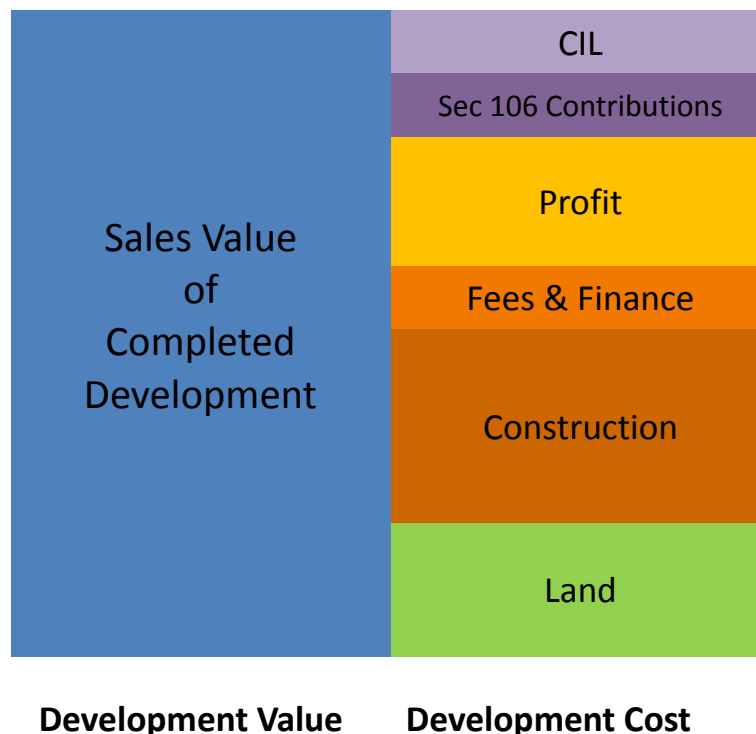
5) Viability Appraisal – Whole Plan Viability Assessment

3.5 The study employs a bespoke model to assess Local Plan viability in accordance with best practice guidance (eg Local Housing Delivery group – Viability Testing Local Plans and the RICS – Financial Viability in Planning).

3.6 The proposed allocated sites undergo basic viability assessments as outlined in the above methodology but site specific factors in terms of site area, housing numbers, housing mix, abnormal cost/mitigation factors are also factored in to ensure sites are deliverable.

3 Methodology

The Development Equation



3.7 The appraisal model is illustrated by the above diagram and summarises the 'Development Equation'. On one side of the equation is the development value i.e. the sales value which will be determined by the market at any particular time. The variable element of the value in residential development appraisal will be determined by the proportion and mix of affordable housing applied to the scheme. Appropriate discounts for the relevant type of affordable housing will need to factored into this part of the appraisal.

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

3.9 Economic viability is assessed using an industry standard Residual Model approach. The model subtracts the Land Value and the Fixed Development Costs from the Development Value to determine the viability or otherwise of the development and any additional margin available for CIL.

3 Methodology

Viability Assessment Model

3.10 The Nationwide CIL Service (NCS) model is based on standard development appraisal methodology, comparing development value to development cost. The model factors in a reasonable return for the landowner with the established threshold value, a reasonable profit return to the developer and the assessed cost impacts of proposed planning policies to determine if there is a positive or negative residual output. Provided the margin is positive (ie Zero or above) then the development being assessed is deemed viable. The principles of the model are illustrated below.

Development Value (Based on Floor Area) Eg 10 x 3 Bed 100sqm Houses x £2,200per sqm	£2,200,000
Development Costs	
Land Value	£400,000
Construction Costs	£870,000
Abnormal Construction Costs (Optional)	£100,000
Professional Fees (% Costs)	£90,000
Legal Fees (% Value)	£30,000
Statutory Fees (% Costs)	£30,000
Sales & Marketing Fees (% Value)	£40,000
Contingencies (% Costs)	£50,000
Section 106 Contributions/Policy Impact Cost Assumptions/CIL	£90,000
Finance Costs (% Costs)	£100,000
Developers Profit (% Return on GDV)	£350,000
Total Costs	£2,175,000
Output	
Viability Margin	£50,000
Potential CIL Rate (CIL Appraisal only)	£50 sqm

3.11 The model will calculate the gross margin available for developer contributions. The maximum rate of CIL that could be levied without rendering the development economically unviable is calculated by dividing the gross margin by the floorspace of the development being assessed.

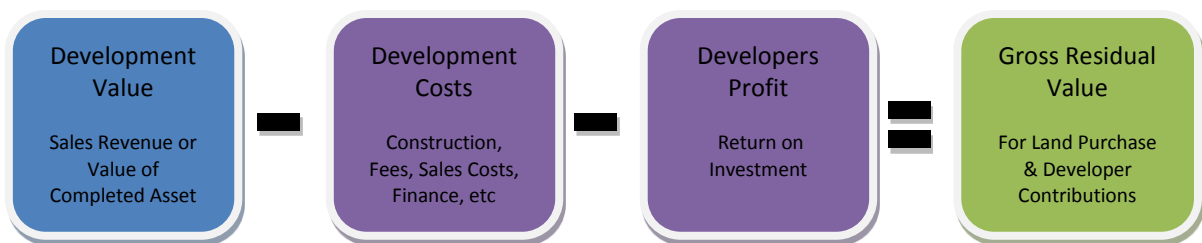
3.12 It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios to reflect affordable housing discounts which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

3 Methodology

Land Value Assumptions

3.13 It is generally accepted that developer contributions (Affordable Housing, CIL and S106), will be extracted from the residual land value (i.e. the margin between development value and development cost including a reasonable allowance for developers profit). Within this gross residual value will be a base land value (i.e. the minimum amount a landowner will accept to release a site) and a remaining margin for contributions.

Stage 1 – Residual Valuation



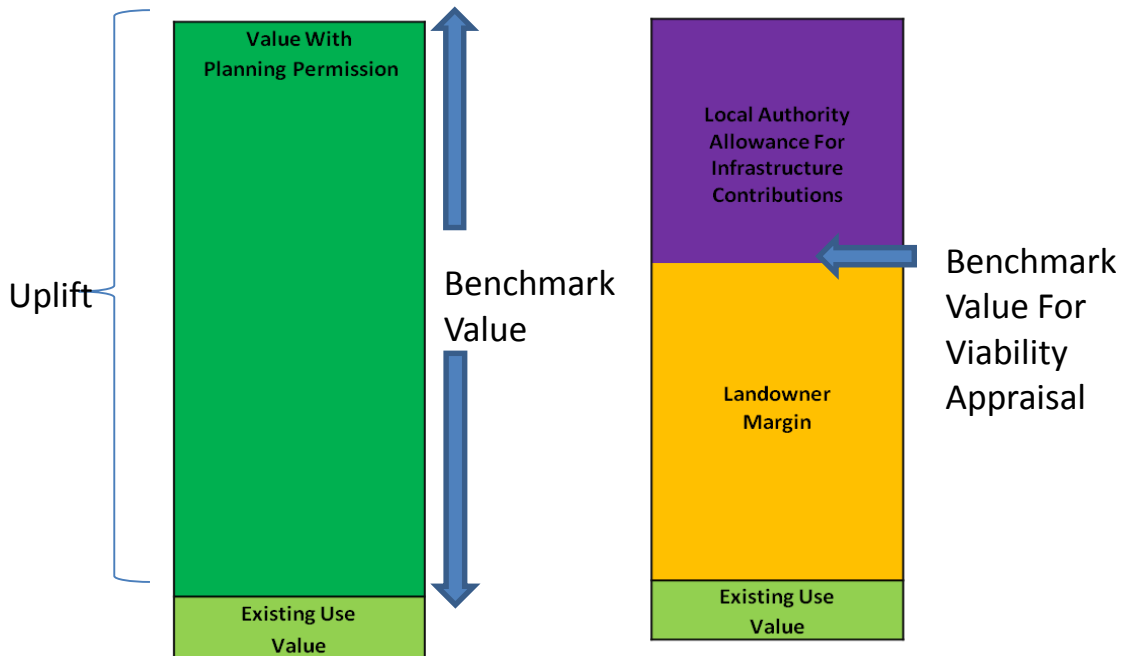
3.14 The approach to assessing the land element of the gross residual value is therefore the key to the robustness of any viability appraisal. There is no single method of establishing threshold land values for the purpose of viability assessment in planning but the NPPF and emerging best practice guidance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

Stage 2 – Establishing Base Land Value



3 Methodology

Land Value Benchmarking (Threshold Land Values)



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

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

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

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

3 Methodology

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

Benchmarking and Threshold Land Value Guidance

3.20 Benchmarking is an approach which the Homes and Communities Agency refer to in 'Investment and Planning Obligations: Responding to the Downturn'. This guide states: *"a viable development will support a residual land value at a level sufficiently above the site's existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner"*.

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

"To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable"

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

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

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

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

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

3 Methodology

NCS Approach to Land Value Benchmarking (Threshold Land Values)

3.23 NCS has given careful consideration to how the Threshold Land Value (i.e. the premium over existing use value) should be established.

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

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

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

The Threshold Land Value is established as follows :-

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

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

3 Methodology

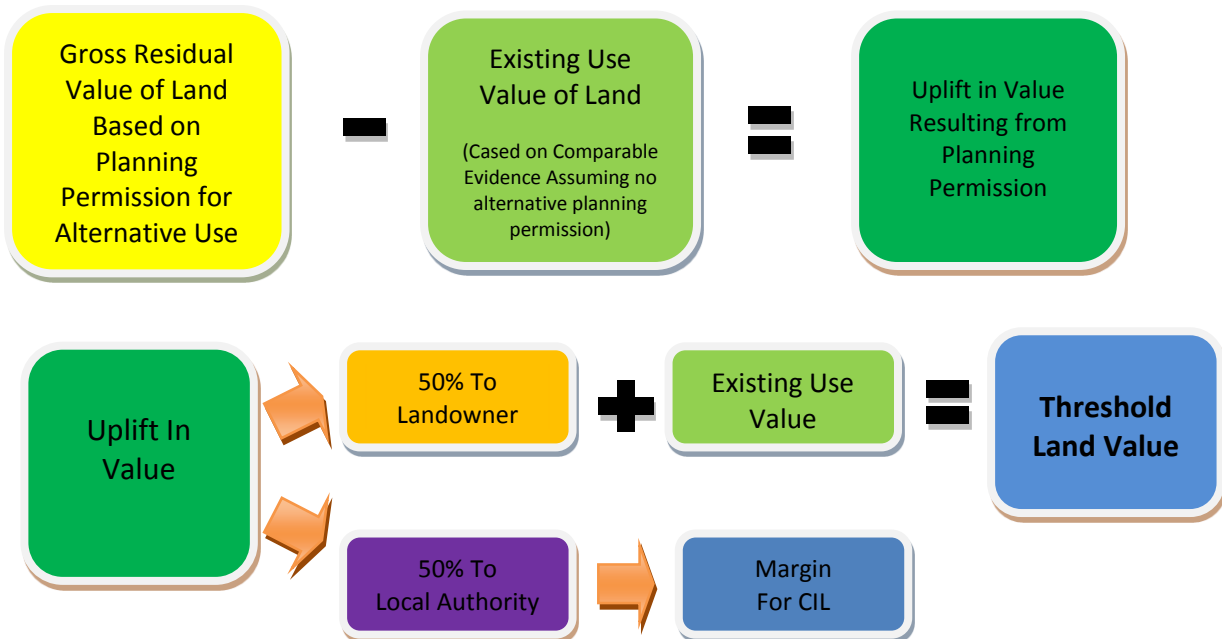
Worked Example Illustrating % over Existing Use vs % Share of Uplift

3.27 A landowner owns a 1 Hectare field at the edge of a settlement. The land is proposed to be allocated for residential development. Agricultural value is £20,000 per Ha. Residential land is being sold in this area for £1,000,000 per Ha. For the purposes of CIL viability assessment what should this Greenfield site be valued at?

Using Fixed % over EUV the land would be valued at £24,000 (£20,000 + 20%)

Using % Share of Uplift in Value the land would be valued at £510,000 (£20,000 + 50% of the uplift between £20,000 and £1,000,000) – realising a market return for the landowner but reserving a substantial proportion of the uplift for infrastructure contribution.

Benchmarking Based on % Share of Uplift in Land Value



3 Methodology

Brownfield and Greenfield Land Value Benchmarks

3.28 In order to represent the likely range of benchmark scenarios that might emerge in the plan period for the appraisal it will be necessary to test alternative threshold land value scenarios. A greenfield scenario will represent the best case for LPA developer contributions as it represents the highest uplift in value resulting from planning permission. The greenfield existing use is based on agricultural value

3.29 The median brownfield position recognises that existing commercial sites will have an established value. The existing use value is based on a low value brownfield use (industrial). The viability testing firstly assesses the gross residual value (the maximum potential value of land based on total development value less development cost with no allowance for affordable housing, sec 106 contributions or planning policy cost impacts). This is then used to apportion the share of the potential uplift in value to the greenfield and brownfield benchmarks. This is considered to represent a reasonable scope of land value scenarios in that change from a high value use (e.g. retail) to a low value use (e.g. industrial) is unlikely.

3.30 Actual market evidence will not always be available for all categories of development. In these circumstances the valuation team make reasoned assumptions.

Residential

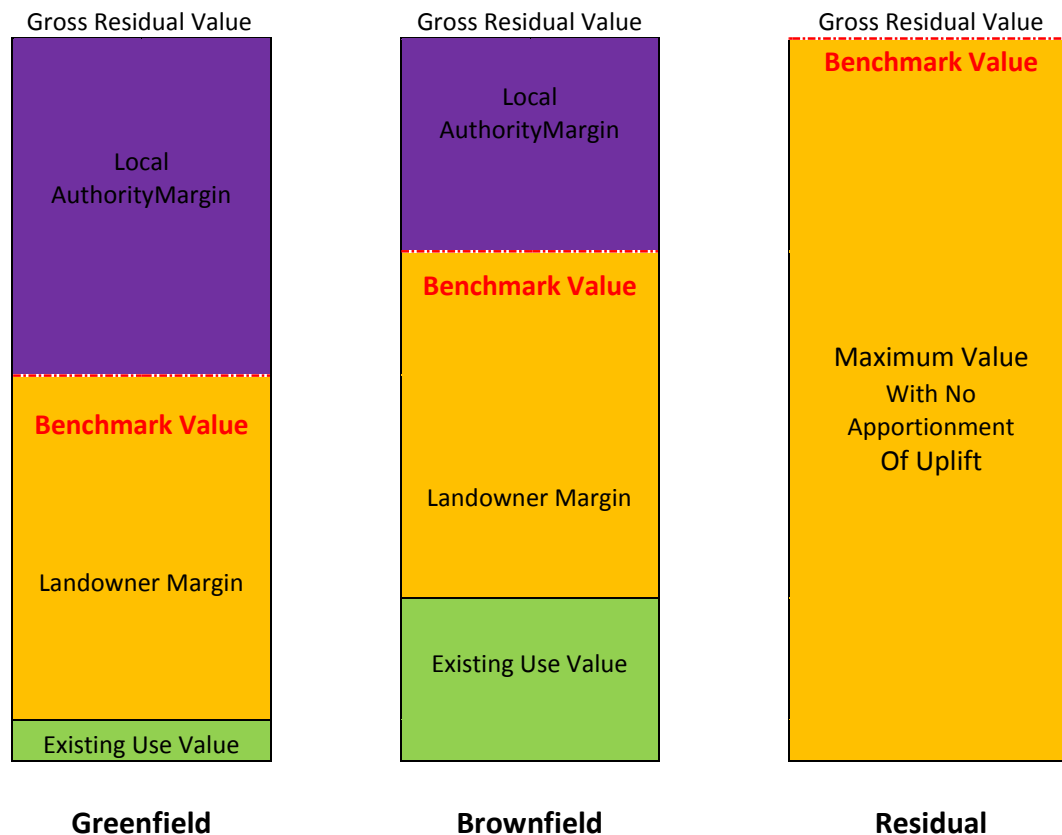
Benchmark 1	Greenfield	Agricultural – Residential (Maximum Contributions)
Benchmark 2	Brownfield	Industrial – Residential

Commercial

Benchmark 1	Greenfield	Agricultural – Proposed Use (Maximum Contributions)
Benchmark 2	Brownfield	Industrial – Proposed Use

3.31 The viability study assumes that affordable housing land has limited value as development costs form a very high proportion of the ultimate discounted sale value of the property. The appraisals apply a 30% proportion of the relevant market plot value to the affordable housing plots.

3 Methodology



3.32 The above diagram illustrates the concept of Benchmark Land Value. The level of existing use value for the three benchmarks is illustrated by the green shading. The uplift in value from existing use value to proposed use value is illustrated by the blue and gold shading. The gold shading represents the proportion of the uplift allowed to the landowner for profit. The blue shading represents the allowance of the uplift for developer contributions to the Local Authority. The Residual Value assumes maximum value with planning permission with no allowance for planning policy cost impacts. This benchmark is used solely to generate the brownfield and greenfield threshold values.

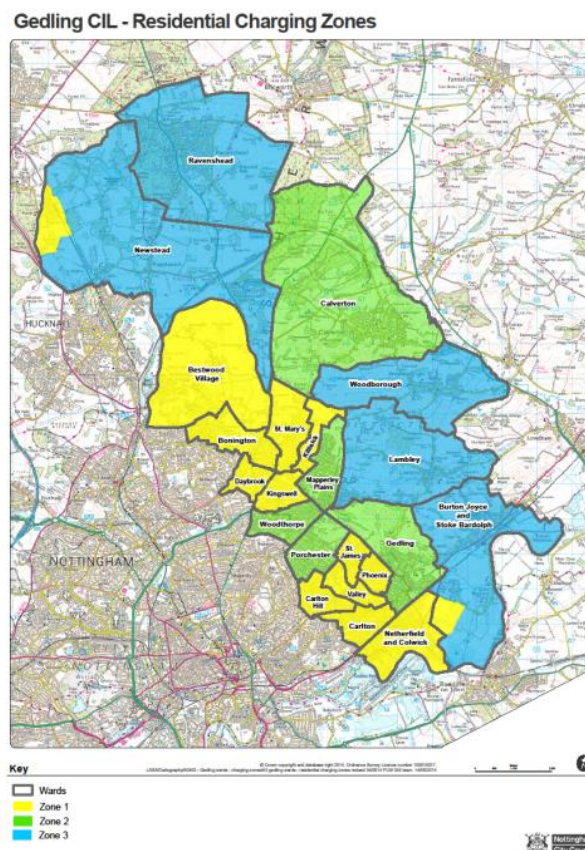
3.33 Whilst brownfield land evaluation with a higher benchmark land value will necessarily indicate that less viability margin exists for policy based contributions, it should be acknowledged that brownfield sites will often contain existing buildings which may be used to claim CIL relief in calculating the net CIL liability. This should be taken into account in setting CIL rates.

4 Appraisal Assumptions

Sub Market Areas and Potential Charging Zones

4.1 The Heb valuation study considered evidence of residential land and property values across Gedling Borough and concluded that there were sufficient distinctions between sales prices to warrant differential value assumptions being made in the Whole Plan Viability Assessment, in a way similar to the conclusions that were reached over the adoption of a differential rate CIL system.

4.2 The sub-market areas, which reflect the CIL Charging Zones, are set out in the residential zone maps below. The zoning is intended to represent an overview of the tone of values in an area rather than a street specific analysis and also acknowledges the values of new development that are likely to emerge.



Residential Sub Market Area/CIL Charging Zones

4.3 The variations in commercial values were not considered significant enough to justify the application of differential assumptions based on sub-market areas.

4 Appraisal Assumptions

Affordable Housing

4.4 A series of residential viability tests have been undertaken, reflecting affordable housing delivery at the policy level of 10-30%. The following extract from a generic sample residential viability appraisal model illustrates how affordable housing is factored into the residential valuation assessment. The relevant variables (e.g. unit numbers, types, sizes, affordable proportion, tenure mix etc.) are inputted into the appropriate cells. The model will then calculate the overall value of the development taking account of the relevant affordable unit discounts.

DEVELOPMENT SCENARIO		Mixed Residential Development				Apartments	10
BASE LAND VALUE SCENARIO		Greenfield to Residential				2 bed houses	20
DEVELOPMENT LOCATION		Urban Zone 1				3 Bed houses	40
DEVELOPMENT DETAILS		100	Total Units			4 bed houses	20
Affordable Proportion	30%	30	Affordable Units			5 bed house	10
Affordable Mix	30%	Intermediate	40%	Social Rent	30%	Affordable Rent	
Development Floorspace		6489	Sqm Market Housing		2,163	Sqm Affordable Housing	
Development Value							
Market Houses							
7	Apartments	65	sqm	2000	£ per sqm	£910,000	
14	2 bed houses	70	sqm	2200	£ per sqm	£2,156,000	
28	3 Bed houses	88	sqm	2200	£ per sqm	£5,420,800	
14	4 bed houses	115	sqm	2200	£ per sqm	£3,542,000	
7	5 bed house	140	sqm	2200	£ per sqm	£2,156,000	
Intermediate Houses		60%	Market Value				
3	Apartments	65	Sqm	1200	£ per sqm	£210,600	
5	2 Bed house	70	Sqm	1320	£ per sqm	£415,800	
2	3 Bed House	88	Sqm	1320	£ per sqm	£209,088	
Social Rent Houses		40%	Market Value				
4	Apartments	65	sqm	800	£ per sqm	£187,200	
6	2 Bed house	70	sqm	880	£ per sqm	£369,600	
2	3 Bed House	88	sqm	880	£ per sqm	£185,856	
Affordable Rent Houses		50%	Market Value				
3	Apartments	65	sqm	1000	£ per sqm	£175,500	
5	2 Bed house	70	sqm	1100	£ per sqm	£346,500	
2	3 Bed House	88	sqm	1100	£ per sqm	£174,240	
100 Total Units							
Development Value						£16,459,184	

It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

4 Appraisal Assumptions

4.5 The following Affordable Housing Assumptions have been agreed for the purpose of the residential viability appraisals. The assumptions relate to the overall proportion of affordable housing, the tenure mix between Intermediate, Social Rent and Affordable Rent housing types. Finally the transfer values in terms of % of open market value are set out for each tenure type. The transfer value equates to the assumed price paid by the registered housing provider to the developer and is assessed as a discounted proportion of the open market value of the property in relation to the type (tenure) of affordable housing.

Affordable Housing				
	Proportion %	Tenure Mix %		
		Intermediate	Social Rent	Affordable Rent
Low Value Sub Market	10%	30%	20%	50%
Medium Value Sub Market	20%	30%	20%	50%
High Value Sub Market	30%	30%	20%	50%
Transfer Values		70%	40%	50%

4.6 For the smaller unit number tests the proportional and tenure splits result in fractions of unit numbers. In these cases the discounts may be considered to equate to the impact of off-site contributions.

Development Density

4.7 Density is an important factor in determining gross development value and land value. Density assumptions for commercial development will be specific to the development category. For instance the floorplate for industrial development is generally around 50% of the site area to take account of external servicing, storage and parking, Offices will vary significantly dependent on location, town centre offices may take up 100% of the site area whereas out of town locations where car parking is a primary consideration, the floorplate may be only 25% of the site area. Food retailing generally has high car parking requirements and large site areas compared to floorplates.

The land : floorplate assumptions for commercial development are as follows:-

Industrial	2:1
Offices	2:1
General Retail	1.5:1 (shopping parades, local centres etc.)
Food retail	3:1

4 Appraisal Assumptions

4.8 Residential densities vary significantly dependent on house type mix and location. Mixed housing developments may vary from 10-50 dwellings per Hectare. Town Centre apartment schemes may reach densities of over 150 units per Hectare. We generate plot values for residential viability assessment related to specific house types. The plot values allow for standard open space requirements per Hectare. The densities adopted in the study reflect the assumptions of the Local Authority on the type of development that is likely to emerge during the plan period.

4.9 The density assumptions for house types related to plot values are as follows :-

Apartment	100 units per Ha
2 Bed House	40 units per Ha
3 Bed House	35 units per Ha
4 Bed House	25 units per Ha
5 Bed House	20 units per Ha

House Types and Mix

4.10 The study uses the following standard house types as the basis for valuation and viability testing as unit types that are compliant with National Housing standards and meet minimum Local Planning Document policy requirements. The assessment is intended to provide a 'worst case' scenario as marginally larger unit types are unlikely to command higher plot values and so larger unit types will generally demonstrate improved levels of viability.

Apartment	60 sqm
2 Bed House	75 sqm
3 Bed House	90 sqm
4 Bed House	120 sqm
5 Bed House	150 sqm

4.11 Housing values and costs are based on the same gross internal area. However apartments will contain circulation space (stairwells, lifts, access corridors) which will incur construction cost but which is not directly valued. We make an additional construction cost allowance of 18% to reflect the difference between gross and net floorspace.

Residential Development Scenarios

4.12 The site specific tests assume mixed housing will be delivered on all of the allocated sites based on the following housing mix

Apartments	5%
2 Bed Houses	30%
3 Bed Houses	35%
4 Bed Houses	25%
5 Bed Houses	5%

4 Appraisal Assumptions

Construction Costs

4.13 The construction rates will reflect allowances for external works, drainage, servicing preliminaries and contractor's overhead and profit. The viability assessment will include a 5% allowance for construction contingencies.

4.14 The following residential construction rates are adopted in the study to reflect National Housing Standards, Category 2 Dwellings and the water and space standards of Gedling Borough Council. Whilst the Code for Sustainable Homes standards have been withdrawn, the cost parameters that inform them remain a useful guide to the cost implications of the National Housing standards and are considered within the study.

Residential Construction Cost Sqm		
Apartments	1099	sqm
2 bed houses	1045	sqm
3 Bed houses	1045	sqm
4 bed houses	1045	sqm
5 bed house	1045	sqm

Commercial Construction Cost Sqm	
543	Industrial Unit
1116	Supermarket
763	General Retail Unit

4.15 The commercial construction costs assume BREEAM 'Excellent' standards.

Community Infrastructure Levy

4.16 Gedling Borough Council has adopted the following CIL charges and these will be applied to the viability assessments according to the Charging Zone/Sub-Market area.

Community Infrastructure Levy Charges per Sq Metre	
Residential	
Low Value Sub Market	£0
Medium Value Sub Market	£45
High Value Sub Market	£70
Commercial	
Retail	£60

4 Appraisal Assumptions

Policy Cost Impacts & Planning Obligation Contributions

4.17 The study seeks to review Whole Plan Viability and therefore firstly assesses the potential cost impacts of the proposed policies in the plan to determine appropriate cost assumptions in the viability assessments and broadly determine if planned development is viable.

4.26 CIL will replace a number of infrastructure contributions previously collected by S106 Agreements. Nevertheless residual charges will remain and to be consistent with the CIL Viability Study undertaken in 2014 the same allowances have been made in this study.

4.27 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policy and the residual use of planning obligations for site specific mitigation. Based on historic evidence of planning obligation contributions over the last five years (excluding Affordable Housing which is factored in separately) the following cost allowances have been adopted in the study:-

Residual Planning Obligations for site specific mitigation

**£1500 per dwelling
£10 per sqm commercial**

4.28 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policies. The cost impact of these mitigation measures has been assessed by Gleeds and may be summarised as follows :-

WATER CONSERVATION STANDARDS

The higher optional water standard of 110 lpd is considered to be covered by the adopted construction cost rates (equivalent of CoSH Code 4) and do not require any additional allowance.

ENERGY

No additional allowance has been made for Zero Carbon costs in view of the Government's recent policy change on this issue.

BREAAM Standards

The construction costs for commercial development make allowance for BREAAM 'Excellent' rating including additional professional fees.

SPACE STANDARDS

The residential unit sizes adopted in the appraisals comply with National Space Standards.

4 Appraisal Assumptions

Developers Profit

4.30 Developer's profit is generally fixed as a % return on gross development value or return on the cost of development to reflect the developer's risk. In current market conditions, and based on the assumed lending conditions of the financial institutions, a 20% return on GDV is used in the residential viability appraisals to reflect speculative risk on the market housing units. However it must be acknowledged that affordable housing does not carry the same speculative risk as it effectively pre-sold. There is significant evidence of this 'split profit' approach being accepted as a legitimate approach in Whole Plan Viability and Community Infrastructure Levy Examinations and Affordable Housing Sec 106 BC Appeals.

4.31 In response to representations by house builders at a consultation event on the Viability Analysis the profit allowance on the affordable housing element has been increased from 6% to 10% and is considered to represent a reasonable approach to the 'competitive return' required by the NPPF. It should also be recognised that a 'competitive profit' will vary in relation to prevailing economic conditions and will generally reduce as conditions improve, generally remaining within a 15-20% range for speculative property.

4.32 In the generic commercial development assessments, a 17.5% profit return is applied in recognition that most development will be pre-let or pre-sold with a reduced level of risk. If it is considered that industrial and other forms of commercial are likely to be operator rather than developer led, this allowance may be further reduced to a 5-10% allowance to reflect an allowance for operational/opportunity cost rather than a traditional development risk.

Property Sales Values

4.33 The sale value of the development category will be determined by the market at any particular time and will be influenced by a variety of locational, supply and demand factors as well as the availability of finance. The study uses up to date comparable evidence to give an accurate representation of market circumstances.

4.34 A valuation study of all categories of residential and commercial property has been undertaken by HEB Chartered Surveyors in January 2016. A copy of the report is attached at Appendix I.

Residential Sales Values					
Charging Zone	Sales Value £sqm				
	Apartment	2 Bed	3 Bed	4 Bed	5 Bed
1 Low	1,880	1,975	1,975	1,975	1,975
2 Medium	2,070	2,150	2,150	2,150	2,150
3 High	2,200	2,280	2,280	2,280	2,280

4 Appraisal Assumptions

Commercial Sales Values Sqm		
		Charging Zones
Industrial		Area Wide
		700
Food Retail	A1	2750
General Retail	A1-A5	1700

Land Value Allowances - Residential

4.35 Following the land value benchmarking 'uplift split' methodology set out in Section 3 the following greenfield and brownfield existing residential land use value assumptions are applied to the study. The gross residual value (the maximum potential value of land assuming planning permission but with no planning policy, affordable housing sec 106 or CIL cost impacts). An example for Mixed Housing in the High Value zone is illustrated in the table below.

Land Value	£20000	Existing Greenfield (agricultural) Per Ha	
	£430,000	Brownfield (equivalent general commercial) Per Ha	
	£1,552,475	Gross Residual Residential Value per Ha	Uplift
			50%

4.36 50% of the uplift in value between existing use and the gross residual value of alternative use with planning permission is applied to generate benchmarked land values per Ha. These land values are then divided by the assumed unit type densities to generate the individual greenfield and brownfield plot values to be applied to the appraisals.

	EUV	+	50% of Uplift in Value	=	Threshold Land Value
Greenfield	£20,000	+	50% (£1,552,475 - £20,000)	=	£786,238 per Ha
Brownfield	£430,000	+	50% (£1,552,475 - £430,000)	=	£991,238 per Ha

Density Assumptions	Apt	2 Bed	3 Bed	4 Bed	5 Bed
	100	40	35	25	20
LAND VALUES (Plot Values)					
	Apt	2 Bed	3 Bed	4 Bed	5 Bed
Greenfield	7862	19656	22464	31450	39312
Brownfield	9912	24781	28321	39650	49562

4 Appraisal Assumptions

4.37 The complete set of gross residual residential values for all the residential tests from which the benchmarked threshold land value allowances were derived, is set out in the table below.

Gross Residual Land Value per Ha	Zone 1	Zone 2	Zone 3
Mixed Residential	786,392	1,227,574	1,552,475

Fees, Finance and Other Cost Allowances

4.38 The following 'industry standard' fee and cost allowances are applied to the appraisals.

Residential Development Cost Assumptions				
Professional Fees		8.0%	Construction Cost	
Legal Fees		0.5%	GDV	
Statutory Fees		1.1%	Construction Cost	
Sales/Marketing Costs		2.0%	Market Units Value	
Contingencies		5.0%	Construction Cost	
Planning Obligations		1000	£ per Dwelling	
		20	£ per sqm Commercial	
Interest	5.0%	12	Month Construction	6 Mth Sales Void
Arrangement Fee	1.0%	Cost		

5 Viability Appraisals

5.1 The study has undertaken specific Viability Appraisals of the residential sites proposed to be allocated by the Local Planning Document. In addition to the assumptions outlined above additional abnormal site constraint costs associated with the development of the individual sites have been applied to the individual site tests. Advice on cost allowances for these constraints was obtained from Gleeds and is summarised in the table below.

Abnormal Site Development Costs	Budget Cost £/Hectare
Archaeology Typically, Archaeology is addressed by a recording/monitoring brief by a specialist, to satisfy planning conditions Intrusive archaeological investigations are exceptional and not allowed for in the Budget cost	£10,000
Flood Defence Works Generally involves raising floor levels above flood level, on relevant sites Budget £2,000 per unit x 35 units/Hect, apply to 1 in 3 sites	£25,000
Site Specific Access Works New road junction and S278 works, allowance for cycle path linking Major off-site highway works not allowed for.	£20,000
Land Contamination Heavily Contaminated land is not considered, as remediation costs will be reflected in the land sales values Allow for remediation/removal from site of isolated areas of spoil with elevated levels of contamination	£25,000
Ground Stability Former Mining area. Allow raft foundations to dwellings, on 75% of sites Budget £2000 per unit x 35 units x 25% of sites	£20,000
Utilities Allowance for Infrastructure Upgrade	£80,000
Site Specific Biodiversity Mitigation/Ecology Allow for LVIA and Ecology surveys and mitigation and enhancement allowance.	£20,000

5 Viability Appraisals

Delivery Timescale

5.2 The delivery of housing and sites has been considered over a plan period of 15 years and broken down into 5 year delivery periods from 0-5 years, 6-10 years and 11-15 years. Larger sites have assumed phased delivery across all three periods.

5.3 Based on forecasts from industry research (Savills for regional residential market trends and Gleeds for construction cost forecasts) the following broad assumption adjustments have been applied to the values and costs in the study in the three appraisal periods. There will obviously be significant fluctuations over a 15 year plan period with higher residential value growth likely in the early part of the cycle but the figures are considered to represent reasonable estimates for the purpose of the Viability Appraisal.

Assumption Adjustments			
Residential Values Av Annual Increase	2016-2030	3%	
Construction Costs Av Annual increase	2016-2030	2%	
Delivery Period	0-5 Years	6-10 Years	11-15 Years
Value Adjustment	0%	27%	46%
Costs Adjustment	0%	17%	29%

5.4 No adjustment is applied to current costs and values in the 0-5 year period or the generic CIL appraisals as required by the NPPF and Harman guidance. A period of 8 years of compounded adjustments is applied to the 6-10 year period of the SHLAA appraisals and 13 years for the 11-15 year period. Adjustments are similarly applied to CIL Rates and Abnormal Site Constraint Costs in the site appraisals.

5.5 The site specific testing indicates whether individual development sites are considered viable on a 'traffic light' red, green, amber approach (having applied adopted CIL rates as well as all of the policy cost impacts outlined in Section 4).

Green – Site considered broadly viable having made allowance for all reasonable development impacts, a standard developers profit and return to the landowner.

Amber – Site considered capable of viable development making allowance for all reasonable development impacts, a standard developers profit but acknowledging that landowners may need to accept land value reductions for abnormal site development costs if development is to proceed.

5 Viability Appraisals

Red – Site not currently considered viable based on implementation of Council policies and standard returns to landowners. It should be recognised that sites in this category may be viable if (a) the abnormal costs of bringing the site into a developable state (including some up front infrastructure investment) are deducted from the land value, (b) the Council is minded to relax affordable housing or infrastructure contributions or (c) landowner/developers accept some reduced profit return to stimulate the development.

LOW ZONE – 0-5 YEAR DELIVERY

Mixed Housing Viability Results		Low Zone		0-5 Year Delivery	
Ref	Site	Size	Units	Type	Viability
H1	Rolleston Drive Arnold	2.96	74	brownfield	£97,801
	West of A60 Redhill, Arnold	9.40	120	brownfield	£69,667
H8	Killisick Lane, Arnold	2.97	95	greenfield	£604,256
H11	The Sycamores, Bestwood	0.62	25	brownfield	£4,049
H13	Bestwood Buiness Park	3.66	128	brownfield	£74,311
H5	Lodge Farm	1.90	40	greenfield	£264,269
H12	Westhouse Farm (Alternative)	1.67	40	greenfield	£264,269

LOW ZONE – 6-10 YEAR DELIVERY

Mixed Housing Viability Results		Low Zone		6-10 Year Delivery	
Ref	Site	Size	Units	Type	Viability
	Daybrook Laundry, Daybrook	0.93	45	brownfield	£543,183
	Daybrook Square, Daybrook	1.03	60	brownfield	£710,098
H5	Lodge Farm Lane, Arnold	5.24	110	greenfield	£2,219,659
	West of A60 Redhill, Arnold	9.40	55	brownfield	£650,923
H8	Killisick Lane	0.40	13	greenfield	£270,450
0	Westhouse Farm, Bestwood	3.30	101	greenfield	£2,038,051
H12	Westhouse Farm, Bestwood (Alternative)	7.08	170	greenfield	£3,377,243
H13	Bestwood Buiness Park	2.54	92	brownfield	£1,088,817
H22	Station Road, Newstead	1.67	40	greenfield	£813,400
H1	Rolleston Drive	0.64	16	brownfield	£176,081

5 Viability Appraisals

MEDIUM ZONE – 0-5 YEAR DELIVERY

Viability Results		Medium Zone		0-5 Year Delivery	
Ref	Site	Size	Units	Type	Viability
H2	Brookfields Garden Centre, Arnold	3.52	105	brownfield	-£147,276
H8	Killisick Lane, Arnold	2.97	95	greenfield	£464,263
H3	Willow Farm, Carlton	1.54	40	greenfield	£202,249
H4	Linden Grove, Carlton	3.84	115	greenfield	£562,002
H6	Spring Lane, Carlton	2.67	80	greenfield	£390,958
H9	Gedling Colliery/Chase Farm, Carlton	7.50	240	brownfield	-£336,632
H16	Park Road, Calverton	4.45	120	greenfield	£586,437
H14	Dark Lane	2.00	60	greenfield	£303,373
	Flatts Lane	4.80	120	greenfield	£586,437
H15	Main Street	0.80	20	greenfield	£104,509
H7	Howbeck Road/Mapperley Plains	5.71	120	greenfield	£586,437

MEDIUM ZONE – 6-10 YEAR DELIVERY

Viability Results		Medium Zone		6-10 Year Delivery	
Ref	Site	Size	Units	Type	Viability
H8	Killisick Lane, Arnold	0.38	12	greenfield	£238,745
H7	Howbeck Road/Mapperley Plains, Arnold	4.05	85	greenfield	£1,618,031
H3	Willow Farm, Carlton	2.34	70	greenfield	£1,332,496
H6	Spring Lane, Carlton	2.34	70	greenfield	£1,332,496
H9	Gedling Colliery/Chase Farm, Carlton	9.38	300	brownfield	£12,481,067
H16	Park Road, Calverton	7.40	200	greenfield	£3,721,158
H14	Dark Lane	0.38	12	greenfield	£238,745
	Flatts Lane	0.40	10	greenfield	£198,954
H15	Main Street, Calverton	2.20	55	greenfield	£1,046,961

5 Viability Appraisals

MEDIUM ZONE – 11-15 YEAR DELIVERY

Viability Results		Medium Zone		11-15 Year Delivery	
Ref	Site	Size	Units	Type	Viability
H9	Gedling Colliery/Chase Farm, Carlton	9.33	300	brownfield	£16,467,732
H16	Park Road, Calverton	2.59	70	greenfield	£2,026,377

HIGH ZONE – 0-5 YEAR DELIVERY

Viability Results		High Zone		0-5 Year Delivery	
Ref	Site	Size	Units	Type	Viability
H19	Longdale Lane C, Ravenshead	2.00	60	greenfield	£272,426
0	Glebe Farm	0.61	10	brownfield	£3,718
H21	Orchard Close, Burton Joyce	0.74	15	greenfield	£73,706
H20	Millfield Close, Burton Joyce	0.74	15	greenfield	£73,706
0	Hill Close Farm, Lambley	1.08	20	greenfield	£98,275
H23	Ash Grove, Woodborough	0.59	8	greenfield	£42,296
H10	Hayden Lane	4.00	80	greenfield	£363,235
H17	Longdale Lane A, Ravenshead	1.36	30	greenfield	£141,813
H18	Longdale Lane B, Ravenshead	0.89	30	greenfield	£141,813
H24	Broad Close, Woodborough	0.75	15	greenfield	£73,706

MIXED HOUSING – HIGH ZONE – 6-10 YEAR DELIVERY

Viability Results		High Zone		6-10 Year Delivery	
Ref	Site	Size	Units	Type	Viability
H23	Ash Grove, Woodborough	0.30	4	greenfield	£79,540
H10	Hayden lane	1.99	40	greenfield	£757,475
H19	Longdale Lane C, Ravenshead	0.35	10	greenfield	£196,480

6 Conclusions

Residential Viability Assessment

6.1 The Gedling Borough Local Planning Document sets out the strategy to deliver housing in the plan period. The viability testing of residential sites in Gedling Borough proposed by the Plan has been undertaken, accounting for the following policy impacts and key assumptions :-

- Greenfield or Brownfield Development
- Delivery Timescale
- Affordable Housing Delivery of 10-30%
- Key Planning Policy Cost Impacts
- Community Infrastructure Levy
- Residual Planning Obligation Allowances
- Site Specific Abnormal Costs and Mitigation Factors

6.2 The Plan Wide Viability assessment illustrated that firstly, in general terms, housing development proposed in all locations in the Borough are broadly viable taking account of all policy impacts, affordable housing delivery and CIL charges.

6.3 The study illustrated that all greenfield sites in the initial 0-5 year delivery period (ie the 5 year land supply) are viable based on the adopted assumptions. Five of the brownfield sites demonstrate either marginal or negative viability but in these cases it is due to the abnormal costs associated with bringing the sites into a developable condition (as illustrated on the table below). It may therefore be reasonably assumed that the land value will be adjusted to enable these sites to be viably delivered (it is normal practice for land prices to be reduced in ratio with any identified abnormal development costs).

Ref	Site Location	Site Area	Units	Existing Use	Viability	Abnormal Costs	Land Value
H1	Rolleston Drive Arnold	2.96	74	brownfield	-£97,801	£185,000	£1,262,915
	West of A60 Redhill, Arnold	9.40	120	brownfield	-£69,667	£180,000	£2,047,970
H13	Bestwood Buiness Park	6.20	128	brownfield	-£74,311	£192,000	£2,184,501
H2	Brookfields Garden Centre, Arnold	3.52	105	brownfield	-£147,276	£157,500	£2,170,593
H9	Gedling Colliery/Chase Farm, Carlton	7.50	240	brownfield	-£336,632	£360,000	£4,961,356

6.4 Viability improves in both the medium term (6-10 years) and longer term (11-15 years) with all housing sites demonstrating positive viability.

6.5 In conclusion, the assessment of all proposed residential sites in Gedling Borough has been undertaken with due regard to the requirements of the NPPF and the best practice advice contained in 'Viability Testing Local Plans'. It is considered that all sites are broadly viable across the entire plan period taking account of the Affordable Housing requirements and all policy impacts of the Local Planning Document.

6 Conclusions

6.6 The study is a strategic assessment of whole plan viability and as such is not intended to represent a detailed viability assessment of every individual site. The study applies the general assumptions in terms of affordable housing, planning policy costs impacts and identified site mitigation factors based on generic allowances. It is anticipated that more detailed mitigation cost and viability information may be required at planning application stage to determine the appropriate level of affordable housing and planning obligation contributions where viability issues are raised. The purpose of the study is to determine whether the development strategy proposed by the Plan is deliverable given the policy cost impacts of the Plan.

6.7 It should be noted that this study should be seen as a strategic overview of plan level viability rather than as any specific interpretation of Gedling Borough Council policy on the viability of any individual site or application of planning policy to affordable housing, CIL or developer contributions. Similarly the conclusions and recommendations in the report do not necessarily reflect the views of Gedling Borough Council.

Heb Surveyors Valuation Report January 2016

PLAN WIDE VIABILITY
LAND AND PROPERTY VALUE APPRAISAL STUDY

AS PART OF EVIDENCE BASE

FOR AND ON BEHALF OF
GEDLING BOROUGH COUNCIL



REPORT PREPARED BY
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11 JANUARY 2016

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Appendices

Appendix 1	-	Sub-Market Zone Map
Appendix 2	-	Value Tables
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TERMS OF REFERENCE

As part of our instruction to provide valuation advice and assistance to Gedling Borough Council in respect of the preparation of the Local Plan, we are instructed to prepare a report identifying typical land and property values for geographical locations within the Borough. The valuation advice provided will form the basis of subsequent plan wide viability assessments.

These typical land and sale prices are to reflect 'new build' accommodation and test categories have been broken down into land use types reflecting the broad divisions of the use classes order reflecting common development land use types specifically:-

- 1) Residential (C3 houses & apartments)
- 2) Food retail (Supermarket)
- 3) Other retail (A1, A2, A3, A4, A5)
- 4) Industrial (B1, B/C, B2, B8)
- 5) Agricultural Land

It should be noted that although food retail falls under an A1 use, we have specifically assessed it as a separate category since it generally commands a much higher value than other retail categories. We have included a separate appraisal for information purposes, however it is for the Authority to decide whether they wish to separately test this use, or proceed by way of a general retail category more reflective of retail as a whole.

Once appropriate levels of value evidence were identified and analysed, they were used to identify appropriate sub-markets in which broadly similar levels of values can be grouped.

This report updates our previous Gedling Land Value Appraisal Study dated 15 June 2012, our Land Value Appraisal Study, Supplementary Report, dated 7th February 2013 and our Supplementary Report 2014 Update (15 April 2014).

The previous reports were provided as part of the CIL Examination evidence base (approved in May 2015).

This report acts as an update to the previous reports, with regard to the time elapsed since the last study was produced. We are specifically instructed to update our opinion of land and property sales values, with reference to changes in the market since April 2014.

Some previous market evidence has been re-produced herewith for ease of reference, along with new market comparables.

THE EVIDENCE BASE

The purpose of this report is to provide a bespoke valuation Evidence Base, specifically for the whole plan viability testing required. Whilst it is possible to assemble an evidence base from many different (and in some instances existing) information sources, we believe there is an inherent danger in this approach. The underlying assumptions for valuation or costs assessment in each data source may be different and a 'mix and match' approach may be flawed when comparable evidence is scrutinised.

We consider our approach herein to be far reaching and sufficiently robust to be defensible at public examination (as evidenced by the recent Inspector approval of the Gedling CIL charging schedule).

The valuation evidence obtained to produce this report takes the form of an area wide approach as recommended by the guidance, and allow for economic viability of development to be considered as a whole, whereby key categories of development have been assessed.

Valuation methodology has consisted primarily of collecting recent comparable evidences of sales transactions within all of the identified development categories prior to full analysis (more fully outlined under 'Procedure and Methodology').

Where evidence may be unavailable, reasoned valuation assumptions have been taken.

The key to our approach is to assess at what value land and property may reasonably come forward rather than simply following a quasi-scientific residual method which may not fully reflect the real world realities of a functioning property market. Where appropriate, residual valuations have been undertaken in addition to incorporate and verify figures.

Subsequent to the land and property value evidence assembly, groupings of similar value have emerged in distinct zones across the Borough.

It should be noted that there will inevitably be scope for individual anomalies to be identified for each sub-market, and this is to be expected. The values and zones identified herein provide a fair and reasonable 'tone' across each zone and use class. Inevitably an area wide, broad viability test cannot be taken down to a micro-economic "street by street" level.

HEB are locally based Chartered Valuation surveyors. As such we have an expert understanding of the local property market, values and specific area nuances.

GEDLING BOROUGH

Gedling is a Nottinghamshire borough situated to the north east of Nottingham city.

The Borough covers some 46.3 sq miles (120 sq kilometres) and has an estimated population of some 130,000 people (2011 Census).

The Borough has two distinct areas, with the south western section encompassing parts of the Greater Nottingham urban area including Carlton, Arnold, Mapperley, Colwick and Netherfield.

To the north and north east of the Borough, a much more rural landscape exists including green belt areas.

Settlements in the rural area include Calverton, Burton Joyce, Ravenshead, Newstead and Lambley.

LOCAL PROPERTY MARKET OVERVIEW

A large proportion of the residential population are located within the urban areas on the Nottingham city fringe for example Carlton, Mapperley, Colwick, Netherfield and Arnold.

Broadly speaking more rural areas tend to offer higher residential land values, with lower values contained within the urban area. Inevitably certain anomalies exist outside these parameters. Examples would be the relatively sought after suburbs of Mapperley, and sections of Mapperley Plains within the urban area, and the Newstead area within the rural Newstead ward.

The commercial property market can also be broadly categorised into two sections, urban and rural. We can confirm that our evidence research has largely confirmed these expected findings. Typically, demand for commercial property is focused towards the urban areas with only limited demand within rural locations.

The Borough is served by the A60 and A614 trunk roads, both of which run north to south and form a 'spine' to the Borough.

To a lesser extent the Borough is also served by the M1 which passes close by the north western corner (Junction 27), and the A1 which is also accessible (albeit to a lesser extent) to the north east of the Borough.

The Borough's social economics are greatly influenced by the City of Nottingham with part of the Greater Nottingham urban area forming part of the Borough itself.

Notwithstanding this even within the urban areas we have noted a marked trend for certain market sectors (more particularly industrial and warehousing) to favour locations to the west of the city of Nottingham, with other employment uses (most notably offices) occurring in more central (or western) locations.

The majority of demand is typically drawn from existing business within the Greater Nottingham area, with limited inward investment requirements specifically favouring Gedling.

The commercial property market as a whole remains subdued, with negligible new build and speculative commercial development occurring both within Gedling or Greater Nottingham as a whole.

PROCEDURE & METHODOLOGY

Inevitably our methodology has varied to some extent with each property sector addressed, primarily due to the differing valuation techniques appropriate and required for that property type. More specific clarification is given within the chapter outlining methodology for each specific market category.

Wherever possible we have relied on the transactional market comparison information that is available, adapting it through justifiable assumptions where necessary.

It should be appreciated that it has not always been possible to find a definitive piece of evidence for every property type in every potential zone, and where appropriate reasoned assumptions have been taken.

With regards to our built property sales valuations, our methodology varies slightly between commercial property and residential property.

With commercial property we have scrutinised and adopted evidence from actual sales transaction evidence where available. This is backed up where appropriate by market rent capitalisation, whereby rental evidence (and estimated market rental levels) are capitalised through multiplication reflecting appropriate investment yield profiles to produce a capital value.

Our residential sales values are based on actual market comparable evidence, due to the fact that housing tends to offer a much more 'uniform' product, with more easily identifiable sales value market evidence being available. This is then verified through discussions with house builder stakeholders.

The evidence is primarily drawn from the period January 2014, to January 2016.

As well as our desktop and field research, we have carried out interviews with commercial and residential property agents active within the Borough as well as developers and housebuilders, both in terms of collecting further market evidence but also to establish general 'market sentiment' for each use category. It should be borne in mind that as with any study where artificial boundaries are imposed, certain anomalies may arise.

There is inevitably a limit to the scale with which this study and allocated zones can be reduced to, and accordingly it is entirely feasible that certain 'hot' or 'cold' spots may exist above or below the overall tone for each zone. Similarly within each specific sub-market an individual building or piece of evidence could fall outside the 'tone'.

Further sources of information for comparable evidence have been sought from a variety of data points including:-

- Focus System – a nationwide subscription database covering commercial property issues
- EGI – a further subscription database covering commercial property uses
- heb's own residential and commercial database of transactions
- Land Registry – a internet based database which helps to establish residential sale values by area
- Contact and discussions with regional house builders, Estate Agents and Commercial Developers
- Contact by verbal interview of commercial property agents active within the Borough

For this report and the previous 2014 study, we consulted with developers, house builders and agents active in the local market to establish new market data and stakeholder sentiment.

Consultees have included the majority of house builders currently or recently active in the Borough including: Ian Jowett of **Willmark Homes** (Regency Heights and Chartwell Grange, Mapperley); John Fletcher of **Langridge Homes** (two sites in Calverton); John Hickman at **Morris Homes** (Newstead Grange); Gareth Hankin of **Persimmon Homes** (Jasmine Gardens, Newstead Rd) and **Charles Church** (Manderlay, Mapperley); Andrew Galloway (Land and Planning specialist, **Savills**); David Stutting at **Taylor Wimpey** (Mapperley and Calverton); Tom Roberts at **Balfour Beatty**, previously **Barratt Homes** (Highlands development, Arnold); Paul Robinson at **Strata Homes** (various developments around study area), Simon Maddison at **Bellway Homes** (The Point, Arnold); Simon Gardiner at **Peter James Homes** (Rossdale Lane, Ravenshead) Gareth Staff at **Inside Land**, previously **Redrow Homes** and **David Wilson Homes** (Papplewick Green, Hucknall), James Jelley at **Jelson Homes** (building in Nottingham), Dale Fixter at **City Estates** and **Northern Trust** (both major land holders in the Borough).

We are grateful to all consultees for their time and engagement.

The figures reported herein may appear to be somewhat “irregular”. This is primarily due to the fact that in practice the property market still operates largely through imperial measurements which we have been obliged to convert to metric for the purposes of this report. By way of example ‘£60 per sq ft’ becomes ‘£645.83 per sq m’.

BASIS OF VALUATION

Unless otherwise stated (for example with reference to land values and benchmarking), we have prepared our valuation figures on the basis of Market Value which is defined in the valuation standards published by the Royal Institution of Chartered Surveyors as:-

The amount for which a property should exchange at the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties both acted knowledgeably, prudently and without compulsion'.

VALUE SUB-MARKETS

We have based this report on the sub-markets identified in our 2014 CIL Valuation report, produced through analysis of average house price data by ward.

The analysis identified 3 sub-markets for residential property, and a single value zone for commercial uses.

Land registry average house price data for the 2014 report extends to some 1500 transactions. A summary of the data (and methodology) is attached at Appendix 3 of the 2014 report.

[http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/Viability%20Assessment%20\(2014\).pdf](http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/Viability%20Assessment%20(2014).pdf)

General sentiment from consultees was that the zones as outlined provide a generally fair representation of Gedling sub-markets.

The sub-markets were approved as being sound and robust, following the 2015 Gedling CIL Examination (approved by the Inspector in May 2015).

Although average house prices by area provide a robust indication of area value groupings, we do not rely upon this information when assessing 'as built' rates per sq m. New build property generally commands a premium over and above average prices. Furthermore average price data tables do not provide any indication of the quality or condition of sample property, nor size/ value specified in terms of "per sq m". New build valuation methodology is outlined later in this report.

A map identifying the sub-markets is attached at Appendix 1. Average house price value bands are as follows:-

Zone 1 - £150,000 and below

Zone 2 - £150,000 - £210,000

Zone 3 - £210,000 +

We do not consider any changes necessary to these Zones since the recent CIL Examination approval. Any changes in market conditions that have occurred in the interim can be applied “pro-rata” across all zones, meaning that zone boundaries will remain valid.

SECTOR SPECIFIC VALUATION COMMENTARY

1) Residential C3 (houses and apartments)

The purpose of this report is to assist with viability testing of future new build housing within the location.

It therefore follows that the methodology used should adopt real evidence collated from the existing new / nearly new homes market wherever possible. An extensive survey of this market was conducted within the study area and immediate surround.

Wherever possible we have adopted 'new build' evidence since this generally attracts a premium over and above existing stock, and more particularly over Land Registry average figures where the results may be skewed by an unknown sample size and where no reference is available to the size, number of bedrooms and quality of the constituent properties.

New home developments are predominantly built by larger volume developers and tend to offer a relatively uniform size style and specification across any geographical area. It follows that the majority of future developments will constitute similar construction and styles.

Having established like for like comparable evidence, this was further analysed and tabulated to specify new home types, i.e. apartments and 2, 3,4 and 5 bed homes.

Market research was therefore focused on the above criteria by identifying new or 'nearly new' home developments where possible in the study area or surrounding comparable locations, that were under construction or recently completed. Data for individual house types on these developments was analysed and sale prices achieved obtained from developer / house builders, Land Registry Data, or other sources.

Where necessary, additional supporting information was gathered on each development using asking prices with an assumed reduction made according to negotiated discounts as provided by the developer, local agents and professional judgement / assessment of the results. Where new home data was found lacking, nearly new or 'modern' transactions and asking prices were analysed and adapted.

We have contacted or attempted to contact the volume home builders currently or recently active within the location. In most instances we were grateful to receive full assistance and cooperation although in a few instances the developer was unavailable for comment, unwilling or unable to provide assistance. Naturally we would be happy to take on board any opinion at a later date in this respect if pertinent.

Market “sentiment” and additional data obtained from stakeholders is included at Appendix 3:-

General sentiment from general house builders contacted was that a varying value, 3 sub-market approach was fair and sensible to adopt in this instance. The values we have provided were generally considered as fair and reasonable. Good market performance was noted generally, with price increases evident. A number of those contacted also suggested that incentives have reduced considerably, often to nothing. Where previously a reduction of 5-10% from quoting prices was normal (by price reduction or “extras”), it is increasingly common to secure quoting terms at sale.

We can confirm some increase in house prices generally since our 2014 report.

For information, the indicative new build house prices (£ per sq m) contained in the **2014 report**, as approved at the 2015 CIL examination were:-

New Build Housing indicative £/ sq m 2014	Apartments	Houses
Zone 1	1750	1830
Zone 2	1935	1990
Zone 3	2095	2150

Source: [http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/Viability%20Assessment%20\(2014\).pdf](http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/Viability%20Assessment%20(2014).pdf)

Some of the 2014 background data and market sentiment has been included in this update, however the **Nationwide House Price Index** confirms a subsequent *increase* in House prices for the East Midlands Region of 4.14% (Quarter 2, 2014 – Quarter 3, 2015).

Zoopla index tracking confirms more localised increases in the last 12 months (to December 2015) of 5.15% for Arnold, 5.15% for Woodborough, 5.16% for Colwick and 5.15% for Ravenshead, Burton Joyce and Calverton, and 6.7 % for Gedling.

Our revised indicative house prices per sq m to reflect the increase are appended at Appendix 2.

Note – we have *not* simply indexed the 2014 figures above. While this provides a useful sense-check, we have carried out a new, full market survey and discussed values further with housebuilders to ensure a fair and sensible market tone is reported reflecting present day values.

By way of a further 'sense check' the Zoopla Price Index* for pin-point locations within the study area currently confirms average prices of **£1,970 sq m for Arnold** (Zone 1), **£1,938 sq m for Colwick** (Zone 1), **£2,056 Sq m for Calverton** (Zone 2), **£1,927 sq m for Mapperley** (Zone 2), **£2,842 sq m for Woodborough** (Zone 3), **£2,562 sq m for Burton Joyce** (Zone 3), and **£2,336 sq m for Ravenshead** (Zone 3). Figures are based on averages for all sales, not limited to new build. This will generally produce a lower average price than new build figures alone, since the averages will include varying degrees of age and quality. After adjustment to reflect a new build "premium", our figures are further verified as being appropriate.

*As at 18/12/15, detached housing.

Additional Stakeholder and background evidence is listed at Appendix 3.

2) Food Retail

Food retail within Gedling is not dominated by any particular suburb and food stores are generally located on the areas primary arterial routes.

The larger food store retailers, namely Sainsburys, Asda Tesco and Morrison's are all represented with the authority, all of whom operate from large format stores.

The discount food market including retailers such as Lidl and Iceland are also represented within the area and typically they occupy store sizes of between 930 sq m and 1200 sq m.

In terms of valuations, our food retail valuations are based on the comparable / comparison and investment methods.

From our market knowledge we are aware that there has been a 'cooling off' in demand for new sites from the supermarket occupiers which in turn has begun to depress values from recent peak levels. From a typical 'peak' value of c.£3.7M per hectare, land values are increasingly falling back towards c.£2.5M per hectare.

For supermarket / food retail outlets, we have appraised a typical food store format of 3,000 sq m – (32,000 sq ft) with a site area of 1 hectare – (2.5 acres).

The sales figures that we have quoted within our report are based on a rental level per sq m multiplied by the appropriate capitalisation level to provide a gross sales figure per m².

For the study area we have utilised a figure of £162 sq m (£15 per sq ft) with a capitalisation yield of 6%. This yield is conservative bearing in mind food stores will most likely be occupied by one of the major supermarket brands such as Tesco, Sainsburys, Asda or Morrisons, by way of an institutional lease.

Supermarket land sale information is often difficult to obtain. Typically confidentiality clauses may relate to transactions. Furthermore supermarket sites are often pieced together by way of a lengthy site assembly process. Often smaller, key parts of potential sites are purchased at a premium, not reflective of a more realistic 'per hectare' figure for the site as a whole. Similarly, rental and sales deal information is often subject to confidentiality clauses. In addition, supermarket transactions are relatively scarce compared to say residential or industrial sales.

In this respect our comparable information has been drawn from a relatively wide geographical area, not always specific to the study area.

This is fully justifiable in valuation terms. Typically food store values are driven by the availability of planning consent (triggering competitive bidding) rather than exact location specifics. This tends to level values to a similar tone, region wide. Accordingly we have considered some evidence from outside the study area.

The most relevant aspects of our evidence are tabulated at Appendix 3.

Typically superstore rental evidence ranges from between £160 to £270 per sq m, with capital values up often in the range of £3500 - £5500 sq m, and yields typically as low as 4.5-5%. In this respect our rental / sales value can be seen as a conservative assessment.

We have included a separate appraisal of supermarket / food superstore values for information purposes, however it is for the Authority to decide whether they wish to test food retail separately, or proceed by way of a general retail category more reflective of retail as a whole.

3) Other Retail (A1, A2, A3, A4, A5)

Other retail is dominated by the major suburbs of Carlton, Arnold, Colwick and Mapperley and established retail hierarchy as well as main arterial routes that lead from Nottingham city centre through the principal suburbs. There is a limited amount of other retail within the rural areas primarily local and smaller convenience shopping.

Our retail valuations are primarily based on the capital / comparison and investment methods.

For the purpose of this report, we have categorised other retail as all other retail except supermarket food stores. Other retail therefore encompasses high street retail, edge of town and out of town retail as well as restaurants and drive through and so forth. In practice, High Street development will be mainly limited to refurbishment of existing buildings.

In terms of producing a sales value per m², we have again utilised a rental level per sq m and capitalised this using appropriate yield to arrive at a sales value per m². However, town centre retail units are valued on a Zoned Area basis as opposed to arterial road, edge of town or out of town retail, which use an overall rental per sq m.

Our figure is one consistent with retail rents for edge of centre and arterial road retail and can therefore be applied across all geographical retail locations.

We have then considered rentals for arterial roadside retail units, centres and convenience shopping within the study area, which using comparable evidence produces a rental in the region of £129 per sq m (£12 per sq ft), capitalised at a yield of 7.5%.

All of the above methodology has been considered then applied to the 'test' assumed property, i.e. a 300 sq m roadside unit. We believe that this is the most likely form of new retail development to emerge. Established "high street" retail is seldom developed from new (more typically a refurbishment of long established existing stock).

On a similar basis to supermarket evidence, roadside retail transactional levels tend to be similar over a wide geographical area, since values are generally driven by availability of retail planning, and footfall demographics. Similarly the established national multiple occupiers all typically have a set rental range payable across any given region. Accordingly some appropriate available evidence has been drawn from outside the immediate study area.

Our most pertinent information is listed at Appendix 3.

We believe the figures adopted can be considered as being 'safe' and conservative. Within the general retail category other occupier types for example bulky goods warehouse style retail can command significantly higher figures than those specified, often to a similar level to supermarket retail. To assess a fair 'tone' for the category and the area as a whole we have been more conservative in our assessments.

4) Industrial (B1b/c, B2, B8)

Our methodology is based on the capital comparison method, through assessment of transactional evidence. It should again be noted however that something of a short fall of available evidence exists for “new build”, most noticeable in more rural locations, away from main roads and urban centres.

Where appropriate rental evidence has been capitalised through adopting investment yields.

When preparing our figures we have assumed:-

1. The land is cleared and ready for development without unduly onerous remediation being required, with sites generally serviceable and appropriate planning in place.
2. Our appraisal assumes a new build industrial/warehouse development of 930 sq m (c.10,000 sq ft) and capable of division into units of approximately 465 sq m (c.5,000 sq ft), to avoid premium or discount for quantum, with say 5% office content.

Generally speaking proximity to the main road network and urban centres is the main influence on value.

The market within the Greater Nottingham area and surround generally has seen a gradual and ongoing shift in demand from more traditional manufacturing and engineering sectors towards distribution requirements seeking to benefit from access to the main road network. As a result there has been a marked but noticeably move towards demand for the west of Nottingham and other M1 locations. The more rural parts of the area have suffered as a result, although increasingly demand has been limited in more traditional manufacturing locations to the east of the City including areas within Gedling.

Typically, values across the Borough range from £590 - £750.00 per sq m.

5) Agriculture

The valuation figures have been obtained through collecting and analysing recent sales and transactional evidence, obtained through agricultural land agents, as well as the various other points of data and information referenced previously in this report.

Agricultural land continues to perform well despite recessionary market conditions. Prices for farmland generally remain buoyant driven by increasing demand and restricted supply. Our research for the Borough suggests an average value for all types of farmland of approximately £20,000 per hectare.

The recent RICS rural land market survey has suggested that across the East Midlands region as a whole average agricultural land prices are approximately £20,000 per hectare.

Our report has allocated an average figure across the whole of the region, which should be considered as being for guidance and information purposes only.

We do not believe it necessary within the scope of this report to provide more detailed, area specific banding.

The valuation of agricultural land is extremely site specific, down to a 'field by field' basis. The quality of soil for each individual plot of land is paramount, with other factors being taken into account for example the existence of sporting rights. Accordingly to give a truly accurate reflection on values across the area with this estate analysis down to a micro level which we do not believe is desirable or necessary for the purposes of this report. We would be happy to give further comment if required.

With regards to unit sale values, we have assumed that the theoretical valuation applies to a 500 sq m 'barn' or simple warehouse type of construction. Obviously our figures would need adjusting for anything more specific and bespoke for example cold storage, milking facilities etc.

New build agricultural buildings rarely appear individually on the open market as they are typically sold as part of larger farm sales.

Our valuation assumes that the market value will in effect be the cost of constructing such a building from new, since an agricultural occupier is unlikely to purchase a building on an adjoining farm, when he permitted under planning regulations to construct accommodation on this own site. By default therefore the market value can be defined as the cost of construction.

Conclusions

Subsequent to the matters discussed above, the conclusions of our report can be summarised as follows:-

- 1) We can confirm that the housing sub-markets identified and approved by the Inspector at the recent Gedling CIL Examination remain appropriate to adopt for Local Plan Viability testing.
- 2) There has been limited further new build housing to assess since the May 2015 (Gedling CIL approval), however we can verify that house prices have risen in the interim period. Our conclusions as to appropriate mean values across development categories and sub-markets are tabulated and summarised within the value tables and maps, appended hereafter.

Limitation of Liability

For limitation of liability this report is provided for that stated purpose that is for the sole use of the named client – Gedling Borough Council. The report may not be disclosed to any other party (unless where previously authorised) and no responsibility is accepted for third party issues relying on the report at their own risk.

Neither the whole or any part of this report nor any reference to it may be included in any published document, circular or statement nor published in any way without prior written approval of the form and context of which it may appear. We shall be pleased to discuss any aspect of this report.

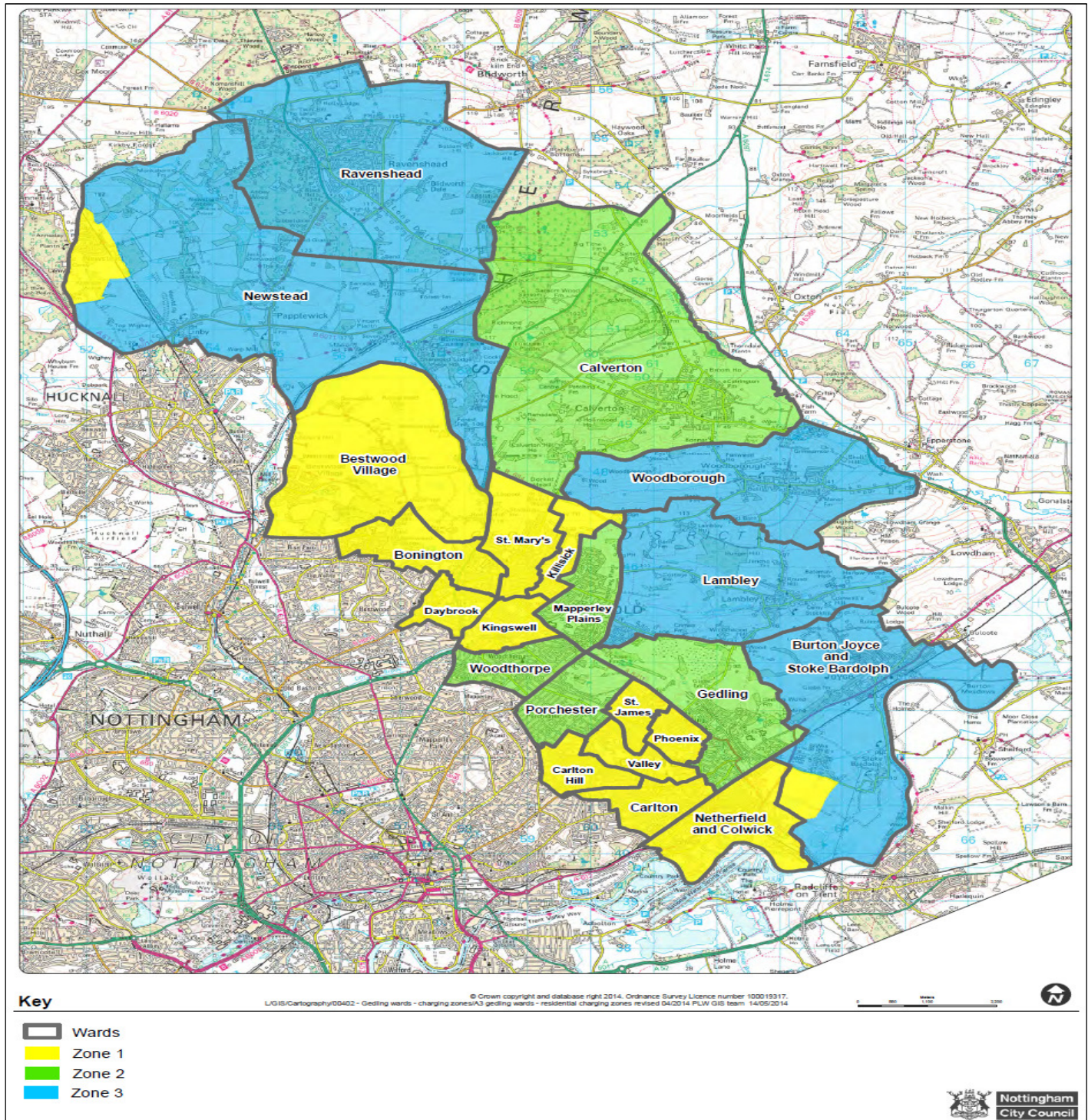
Yours faithfully



heb Chartered Surveyors

APPENDIX I

HOUSING SUB-MARKET MAP



APPENDIX II

SUB MARKET VALUE TABLES

GEDLING INDICATIVE RESIDENTIAL VALUES - £ PER SQ M JANUARY 2016

	Apartments	Houses
Zone 1	1880	1975
Zone 2	2070	2150
Zone 3	2200	2280

GEDLING INDICATIVE COMMERCIAL VALUES JANUARY 2016

	FOOD RETAIL	OTHER RETAIL (A1, A2, A3, A4, A5)	INDUSTRIAL (B1b, B1c, B2, B8)	AGRICULTURAL
<u>MARKET" LAND VALUE (per HA)</u>				
COMMERCIAL	3,700,000	1,500,000	430,000	20,000
<u>SALES VALUES (per M2)</u>				
COMMERCIAL	2750	1700	700	323

APPENDIX III

ADDITIONAL VALUATION EVIDENCE

We have monitored the new housing market in Gedling since early 2013. Data (including historic) is attached by way of background information. The Nationwide House Price Index states an increase of 15.5% over the period.

NEW BUILD HOUSING MARKET DATA OBTAINED FOR THIS REPORT (DECEMBER 2015)

WILLMARK HOMES

Mr Jowett, MD of Willmark Homes was consulted regarding our suggested values which were verified as broadly appropriate.

Regency Heights, Mapperley – Zone 2

WILLMARK HOMES Recent sales, May 2014 – December 2015

House Name	House Type	Beds	Plot No's	Sold Price	Size Sq M	£ Per Sq M
The Bramcote	Detached – 2 storey	4	23, 24	£275,000	129	£2,132
The Cauntton	Town House – 3 storey	4	15,18	£370,000	136	£2,720
The Fenton	Detached – 3 storey	5	21	£410,000	192	£2,135
The Ferguson	Detached – 3 storey	5	14	£400,000	189	£2,116
The Lambley	Detached – 2 storey	5	3, 4, 20	£350,000	172	£2,035
The Langer	Detached – 3 storey	5	7, 8	£360,000	162	£2,222
The Linby	Semi-detached	3	10, 11	£182,000	83	£2,177
The Mapperley	Detached – 3 storey	5	6, 9	£365,000	181	£2,017
The Newark	Detached	3-4	13	£240,000	111	£2,162
The Norwell	Town House – 3 storey	4	17	£190,000	113	£1,681
The Nottingham	Detached – 2 storey	4	12	£285,000	108	£2,627
The Radcliffe	Detached	4	5	£280,000	129	£2,170
The Tollerton	Detached	3	19	£285,000	127	£2,232

Chartwell Grange, Mapperley – Zone 2						
WILLMARK HOMES						
House Name	House Type	Beds	Plot No's	Sold Price	Size Sq M	£ Per Sq M
The Attenborough	Detached – 3 storey	4-5	13	£410,000	190	£2,158
The Attenborough Plus * Garden Room	Detached – 3 storey	5	12	£410,000	202	£2,028
The Linby	Town House – 2 storey	3	3, 4	£180,000	83	£2,153
The Loxley	Detached – 3 storey	5-6	1, 8	£500,000	255	£1,961
The Papplewick	Detached – 3 storey	4	14, 15	£365,000	172	£2,122
The Ruddington	Detached – 3 storey	5-6	11	£390,000	179	£2,178
The Sherwood	Detached – 2 storey	3	7	£250,000	100	£2,480
CURRENTLY AVAILABLE AT Chartwell Grange, Mapperley						
The Papplewick	Detached – 3 storey	4		£360,000	172	£2,093
The Loxley	Detached – 3 storey	5-6		£525,000	255	£2,059
The Mapperley	Detached – 3 storey	5		£365,000	181	£2,017
The Lambley	Detached – 2 storey	5		£390,000	172	£2,267
The Fenton	Detached – 3 storey	5		£410,000	192	£2,135
The Langer	Detached – 3 storey	4-5		£345,000	162	£2,130
The Carlton	Detached – 3 storey	5		£370,000	162	£2,284

BELLWAY HOMES

Simon Madison, Land Buyer at Bellway Homes confirmed that our values are broadly appropriate for the study area & confirms continued improvement in the market with generally no need for discounting from quoting prices at present. He indicated that for the Nottingham & fringes generally, there is little new build stock available for less than say £200 per sq ft (£2,153 per sq m).

Mr Maddison also confirms that their Abbey Fields development in Hucknall (Gedling borders – broadly equivalent to study areas Zone 1 / 2) is currently achieving sales rates in the region of £180 per sq ft (£1,938 per sq m), for 4 bed houses with 3 bed semi's achieving £205 to £210 per sq ft (2,207 to 2,260 per sq m).

Bellway Homes have confirmed Chalfont Drive, forthcoming development on study area borders – appraised at c. £2,000 per sq m (approximately 12 months ago).

Abbey Fields, Hucknall – Borders study area. Zone 1-2 equivalent

BELLWAY HOMES

House Name	House Type	Beds	Plot No's	Price	Size Sq M	* £ Per Sq M
The Willesley	Detached	4	-	£226,995	112.6	£1,927
The Belfrey	Detached	4	-	£230,995	114	£1,925
The Western	Detached	4	-	£254,995	128	£1,818
The Cadeby	Detached	5	-	£346,995	194	£1,700

The Point, Arnold – Zone 1

BELLWAY HOMES

House Name	House Type	Beds	Plot No's	Price	Size Sq M	* £ Per Sq M
The Walton	Detached	4	-	£235,000	112	£1,993

* Currently Available - Price per sq m is after 5% deductions for negotiations. Adjusted for detached garages where appropriate

STRATA HOMES, SHERWOOD - NOTTINGHAM CITY

Recently commenced onsite at Edwards Lane, Sherwood, Nottingham City (close to Gedling border). Zone 1 equivalent.

Strata Homes have confirmed sales ranging from £1,670 per sq m to £2,152 per sq m (net).

PETER JAMES HOMES

Simon Gardiner, Property Development Director at Peter James Homes, confirms recent sales at Rosedale Lane, Ravenshead, Zone 3 (6 x 2 bed houses, semi-detached) achieving £215 per sq ft - £2,314 per sq m.

Confirmed opinion that the heb values contained herein are fair and appropriate, and confirmed other stakeholders' opinion that generally £200 per sq ft (£2,153 per sq m) is a minimum for Nottingham and the surrounding areas.

JELSON HOMES

James Jelley, Land director at Jelson Homes. Confirms that our sub-markets and range of values are broadly appropriate in his opinion.

TAYLOR WIMPEY

David Stutting, Land Director at Taylor Wimpey confirmed a broad agreement to our suggested figures. They have recently appraised a potential site in Ravenshead (Zone 3) an assumed selling price of £2,260 per sq m was adopted

Mr Stutting confirmed the following recent typical sales prices at the following developments:

The Brambles, Calverton (Zone 2)

			£/SQM
4 bed detached	1562 sq ft	£166 per square foot	£1,787
4 bed detached	1369 sq ft	£181 psf	£1,948
4 bed detached	1222 sq ft	£183 psf	£1,970
3 bed detached	1128 sq ft	£200 psf	£2,153
3 bed semi	794 sq ft	£217 psf	£2,336

Lime Tree Gardens, Mapperley (Zone 2)

4 bed detached	1536 sq ft	£189 psf	£2,034
4 bed detached	1227 sq ft	£220 psf	£2,368
4 bed detached	1270 sq ft	£228 psf	£2,454
5 bed detached	1735 sq ft	£185 psf	£1,991
5 bed detached	1763 sq ft	£194 psf	£2,088

CURRENTLY AVAILABLE AT The Brambles, Calverton

House Name	House Type	Beds	Plot No's	Price	Size Sq M	£ Per Sq M*
The Shelford	Detached	4	2	£274,995	130	£2,010
The Langale	Detached	4	1, 71	£269,995	140	£2,137
The Tildale	Detached	3	81	£224,995	98.5	£2,073
The Burnham	Apartment	2	58	£124,995	65	£1,979

* Currently Available - Price per sq m is after 5% deductions for negotiations. Adjusted for detached garages where appropriate

MISCELLANEOUS OTHERS:						
House Name	House Type	Beds	Plot No's	Price	Size Sq M	£ Per Sq M
The Exeter - Longue Drive, Calverton	Semi. <i>Langridge Homes</i>	3	58, 59	£190,000	69	£2,603*
The Kentwood – Longue Drive, Calverton	Detached. <i>Langridge Homes</i>	4	79		142	£2,069*
19 Oulton Close, Arnold	Semi-Detached	2	-	£130,000	63	£2,070 sold Oct 2015
Flat 12, Pasteur House, Mapperley	Apartment	2	-	£120,000	60	£2,000 sold Oct 2105
* Quoting price less 5% for negotiations						

DATA FROM 2014 / 2015 CIL EXAMINATION REPORTS

There has been only limited further new housing development since our 2014 / 15 CIL Examination valuation submissions, data for which is included below for ease of reference. Zoola House Price index for sample points in the Borough confirms increases ranging from 5.15-6.7% in the last 12 months.

Property / Development	Developer	Value Information	Notes
Papplewick Green, Hucknall	David Wilson Homes	Consultee confirms figures of approximately £1,830 per sq m currently achieved on site as a general 'tone'	Location borders study area, comparable to zone 1.
The Point, Arnold	Bellway Homes	Developer has confirmed 28 private sales this year (2014), with typical sales prices ranging from £1,780 per sq m to £2,153 per sq m . Generally in this location they would anticipate sales rates of £180 to £190 per sq ft , say £1,940 to £2,045 per sq m . In 2013, 2 bed flats achieved approximately £1,950 to £2,070 per sq m , 3 bed starter homes ranged from £1,860 per sq m with 4 bed detached houses achieving approximately £1,800 to £1,900 per sq m .	Zone 1 location.
Park Mews, Mapperley	Bellway Homes	The Consultee has also confirmed that the (now completed) mews development in Mapperley (zone 2/3) generally achieved £2,115 per sq m for flats, £2,100 to £2,300 per sq m for 3 bed starter homes & £1,870 to £1,950 per sq m for 4 bed detached homes.	Zone 2 (bordering zone 3)
Highlands, Arnold	Barratt Homes	Barratt have confirmed indicative sales values ranging from £172 to £200 per sq ft (£1,852 to £2,105 per sq m) .	Zone 1. Barratt also have a development at Wigwam Lane, Hucknall with our experience similar values – perhaps say 5% less.
The Brambles, Calverton	Taylor Wimpey	Developer has confirmed 2 bed flats / maisonettes achieving £1,960 per sq m , with houses achieving say £1,750 to £2,196 per sq m .	Zone 2
Lime Tree Gardens, Mapperley	Taylor Wimpey	Developer has confirmed extremely buoyant sales with values generally between £1,830 to £2,261 per sq m . Recent indicative sales have been at £1,991 per sq m & £2,153 per sq m for 3 bed end terrace, £2,002 for 5 bed detached & £2,271 per sq m for 4 bed detached.	Zone 2 / 3 borders.

Jasmin Gardens, Newstead Road, Annesley	Persimmon Homes	Developer confirms sales general market improvement with discounts producing but sales still sluggish. Generally achieving sales figures in the region of £1,830 per sq m .	Study area borders, equivalent zone 1.
Manderley, Mapperley	Charles Church	Developer confirms sales currently achieving approximately £1,905 per sq m for houses & £1,787 for apartments.	Zone 2 / 3 borders.
Chartwell Grange, Mapperley	Willmark Homes	Developer has confirmed from July 2013 to April 2014 range from between £1,700 per sq m to £2,222 per sq m .	Zone 3 (bordering zone 2)
Regency Heights, Mapperley	Willmark Homes	Developer confirms Mapperley sales at Regency Heights from Sept 2012 to April 2014 range from between £1,700 per sq m to £2,227 per sq m .	Zone 3 (bordering zone 2)
Newstead Grange, Annesley	Morris Homes	Developer confirmed that generally £1,830 per sq m to £1,884 per sq m achievable, in some instances dropping as low as £1,615 per sq m .	Outside study area on borders. Zone 1 equivalent.
Longue Drive, Calverton	Langridge Homes	Developer confirms generally achieving £1,884 per sq m to £1,937 per sq m .	Zone 2
Individual Properties	Type	£ Per sq m	Notes
(ALL NEW BUILD OR MODERN)			
Carrington Gate, Sherwood	2 bed town house	£1,915	Zone 1 border, assumed sale price allowing 5% deduction from quoting
Rolleston Drive, Arnold	3 bed semi	£1,943	Zone 1
Sandfield Road, Woodthorpe / Arnold border		£2,590	Zone 1, assumed 5% discount
Gedling Road, Arnold	4 bed detached	£1,781	Zone 1, sold STC – quoting price
Gedling Road, Arnold	4 bed detached	£1,909	Zone 1
Duke Street, Arnold	Apartment	£2,048	Zone 1
Kent Road, Mapperley	4 bed detached	£1,894	Zone 2, sold STC – quoting price
South Devon Avenue, Nottm	4 bed detached	£1,800	Zone 2 - quoting price
Foxhill Road, Burton Joyce	3 x 4 bed detached	£2,271, £2,167 & £2,125	Zone 3. Based on assumed size of 120 sq m.
Main Street, Oxtan, Calverton	5 bed detached	£2,311	Zone 2 / 3 borders – quoting price

EVIDENCE FROM HEB FEBRUARY 2013 GEDLING COUNCIL CIL REPORT

The Nationwide House Price Index confirms a rise for the East Midlands of 15.52% from Q1 2013 to Q4 2015.

Zone 1										
Ward		Type	Beds	Specification	Price	Size	Price M ²	Notes	Source	Developer
Newstead Village	Newstead Grange	Semi	3	Dalton	150,000	87	1724	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Terrace	3	Didsbury	140,000	81	1728	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Terrace	3	Capersthorpe	155,000	88	1761	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Det	3	Dunhem	165,000	89	1854	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Det	4	Malham	190,000	110	1727	asking less 5%	sales office	Morris
Newstead Village	Newstead Grange	Det	4	Appleton	179,750	98	1834	sold	sales office	Morris
Zone 2										
Ward		Type	Beds	Specification	Price	Size	Price M ²	Notes	Source	Developer
Arnold	Calverton Road	Det	4	Turnbury	228,000	119	1916	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Smithy	227,000	116	1957	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Belfry	214,000	105	2038	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Kibworth	264,000	139	1899	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	4	Chelsea	228,000	127	1795	asking less 5%	sales office	Bellway
Arnold	Calverton Road	Det	5	Cadeby	349,000	194	1799	asking less 5%	sales office	Bellway
Arnold	Herons Place	Semi	2	Bedford	123,500	66	1871	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Semi	3	Carnell	152,000	75	2027	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	3	Elford	190,000	92	2065	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	4	Featherstone	228,000	113	2018	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	4	Knaresborough	237,500	115	2065	asking less 5%	sales office	Davidsons
Arnold	Herons Place	Det	5	Alford	304,000	152	2000	asking less 5%	sales office	Davidsons
Mapperley	Plains Road	Apt	2	Fairway House	118,750	60	1979	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Apt	2	Fairway House	123,500	60	2058	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Det	5	Pavanne	371,000	185	2005	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Semi	3	Grosvenor	257,000	96	2677	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Semi	3	Grosvenor	247,000	96	2573	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Det	4	Cheltenham	257,000	127	2024	asking less 5%	sales office	Charles Church
Mapperley	Plains Road	Det	5	Cheltenham	247,000	127	1945	asking less 5%	sales office	Charles Church

Zone 3										
Ward		Type	Beds	Specification	Price	Size	Price M ²	Notes	Source	Developer
Mapperley	Park Mews	Apt	1		85,000	36	2361	sold	sales office	Bellway
Mapperley	Park Mews	Apt	1		90,000	44	2045	sold	sales office	Bellway
Mapperley	Park Mews	Apt	2		114,000	56	2036	sold	sales office	Bellway
Mapperley	Park Mews	Apt	2		117,000	65	1800	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Summerby	150,000	71	2113	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Summerby	165,000	71	2324	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Dalton	175,000	96	1823	sold	sales office	Bellway
Mapperley	Park Mews	Terrace	3	Dalton	185,000	96	1927	sold	sales office	Bellway
Mapperley	Park Mews	Det	3	Ashby	210,000	83	2530	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Everington	250,000	126	1984	full asking	sales office	Bellway
Mapperley	Park Mews	Det	4	Easedale	235,000	124	1895	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Easedale	260,000	124	2097	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Brixham	250,000	137	1825	sold	sales office	Bellway
Mapperley	Park Mews	Det	4	Brixham	260,000	137	1898	sold	sales office	Bellway
Ravenshead	Sheepwalk Lane	Det	4	na	340,000	120	2833	asking	marketing	unknown
Ravenshead	Vernon Avenue	Det	3	na	249,950	107	2336	asking	marketing	unknown
Ravenshead	Chaworth Gardens	apart	2	Arden	107,000	57	1877	sold	sales office	Taylor Wimpey
Ravenshead	Chaworth Gardens	Det	3	Kinsley	190,000	96	1979	sold	sales office	Taylor Wimpey
Ravenshead	Chaworth Gardens	Det	4	Heydon	310,000	146	2123	sold	marketing	Taylor Wimpey
Ravenshead	Chaworth Gardens	Semi	3	Ashford	145,000	67	2164	sold	sales office	Taylor Wimpey
Ravenshead	Chaworth Gardens	Semi	2	Penarth	122,500	56	2188	sold	marketing	Taylor Wimpey
Ravenshead	Chaworth Gardens	Semi	3	Carrick	155,000	75	2067	sold	sales office	Taylor Wimpey
Ravenshead	Chaworth Gardens	Det	4	Thornwick	291,000	143	2035	sold	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Terrace	3	Carrick	158,000	76	2079	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Carrick	191,000	105	1819	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Bembridge	250,000	114	2193	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Carrick	230,000	104	2212	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Kirkham	275,000	136	2022	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi/ter	3	Carrick	183,000	101	1812	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Felsham	250,000	118	2119	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	5	Aldingham	310,000	161	1925	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Det	4	Thornwick	290,000	143	2028	asking less 5%	sales office	Taylor Wimpey

Ward		Type	Beds	Specification	Price	Size	Price M ²	Notes	Source	Developer
Mapperley	Lime Tree Gardens	Det	5	Camberley	335,000	164	2043	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Cedar	205,000	117	1752	asking less 5%	sales office	Taylor Wimpey
Mapperley	Lime Tree Gardens	Semi	4	Carrick	195,000	114	1711	asking less 5%	sales office	Taylor Wimpey
Mapperley	Chartwell Grange	Semi	3	Linby	199,000.	84	2251	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	3	Woodthorpe	250,000.	103	2306	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	3	Sherwood	250,000.	101	2351	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	6	Loxley	575,000.	255	2142	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det 3 Storey	5	Carlton	400,000.	162	2346	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	5/6	Ruddington	475,000.	180	2510	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	4	Attenborough Plus	395,000.	202	1858	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	4	Attenborough	395,000.	190	1975	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	4	Papplewick	410,000.	172	2265	asking less 5%	sales office	Willmark Homes
Mapperley	Chartwell Grange	Det	5	Oxton	410,000.	237	1643	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Fenton	420,000.	193	2176	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Lambley	395,000.	173	2283	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	4	Radcliffe	295,000.	129	2287	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Mapperley	395,000.	181	2182	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	5	Langar	385,000.	162	2377	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Semi	3	Linby	199,000.	84	2369	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	5	Langar	385,000.	162	2377	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	3	Newark	250,000.	111	2252	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	5	Ferguson	440,000.	190	2316	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	4	Caunton	235,000.	136	1728	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det 3 Storey	4	Norwell	210,000.	112	1875	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	4	Tollerton	295,000.	128	2305	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Lambley	395,000.	173	2283	asking less 5%	sales office	Willmark Homes
Mapperley	Regency Heights	Det	5	Fenton	420,000.	193	2176	asking less 5%	sales office	Willmark Homes
Gedling	De Buseli Fields	Det	5	na	375,000	210	1786	sold		Fairgrove Homes
Lambley	Lime Tree Gardens	Semi	4		200,000	114	1754	asking	marketing	Taylor Wimpey
	Lime Tree Gardens	Det	4		250,000	114	2193	asking	marketing	
	Lime Tree Gardens	Terrace	3		163,000	76	2145	asking	marketing	

SUPERMARKET EVIDENCE

ADDRESS	TENANT	SIZE SQ FT	RENT PER SQ FT	RENT PER SQ M	COMMENT
Aldershot	Morrisons	78,000	£22.40	£241.00	May 2013. Sale reported at c.£5,670 sq m – 4.25%
Alfreton	Tesco	87,347	£22.00	£237.00	Sale & lease back Jan 2013 at £438 psf (£4720 sq m. 5%
Alfreton Road, 170, Sutton in Ashfield	Tesco Local	4,912	£12.41	£133.58	Rent review August 2010
Ashford	Sainsburys	151,350	£23.00	£247.00	Aug 2013. Sale reported at 4.1%. Devalues to c.£6,024 sq m before costs.
Basingstoke Rd, Reading	Aldi	16,350	£17.43	£188.00	Oct 2014 pre-let. Investment f.funding available at 6% = £242 (includes pub and gym elements)
Bassaleg Rd Newport	Spar	4,000	£14.50	£156.00	Roadside site. Investment offered at 6.5% - £2,231 sq m
Bassaleg Rd Newport	St Davids Hospice	1,000	£13.50	£145.00	Roadside site. Investment offered at 6.5% - £2,231 sq m
Bevedere, London	Asda	68,000	£23.56	£254.00	FH sold @4.75 % yield - £5,136 per sq m March 2014
Bolnore Village, Haywards Heath	Co-Op	3,649	£15.81	£170.20	Sept 2011 review. Neighbourhood centre.
Brentwood	Sainsburys	104,598	£31.93	£344.00	Nov 2013. Sale reported at 4.08 %. Devalues to c. £8,431 sq m before costs
Bridge Street, Clay Cross	Pets at Home	5,075	£14.50	£156.08	New letting Nov 2011
Brighton Road, 279, CR2 6EQ	Morrisons Local	4,000	£20.00	£215.30	Investment available at 6% - £3,477 sq m
Broadbridge Heath Retail Park	Carpetright	9,914	£27.50	£296.00	Managing agent confirms rents at park vary from £25 - £30 per Sq ft. Mid-point
Bulwell, Notts	Iceland	4,957	£13.00	£140.00	Sold at £1767 7.5%
Canute Place, Knutsford	Sainsburys Local	3,233	£18.85	£202.00	Confidential letting 2010 – quoting terms listed.
Carlton Road, Nottingham	Asda	TBC	£18.50	£200.00	Deal agreed for proposed Asda superstore
Chapel Rd, Worthing	Tesco Local	4,500	£12.36	£133.00	2009
Cheadle Hulme	Waitrose	41,443	£23.00	£248.00	Sale 2009 at £4055 sq m, 4.6 %
Chesterfield Lockford Lane	Tesco	140,733	£23.00	£248.00	Investment sold at £5618 sq m 5%
Chesterfield Road South, Mansfield	Tesco	91,500	£20.00	£236.81	New letting March 2010. Sale and LB - £5,069 sq m
Church Lane, Bedford	Aldi	16,454	£14.28	£153.71	Letting May 2010
Civic Way, Swadlincote	Sainsburys	66,379	£21.24	£228.63	Open market letting Nov 2010. Investment also sold at 4.45%
Clevedon, Bristol	Morrisons	30,479	£14.55	£157.00	Sept 11 Rent Review
Clytha Pk Rd Newport	Tesco Express	4,500	£12.50	£135.00	Investment now offered at £6.5% - £1,950 sq m

Coggeshall Road, Essex, CM7	Tesco Express	3,860	£14.64	£158.00	Investment available at 6% - £2,482 per sq m.
Coldhams Lane, Cambridge	Sainsburys	81,983	£24.00	£258.34	Rent review Dec 2009
Congleton	Tesco	49,300	£22.00	£237.00	Sold 2012 at 4.9% - £4585 sq m
Cooden Sea Rd, Bexhill On Sea	Tesco Express	4,500	£13.50	£145.00	Jan 2010. Investment sold at 5.5% - £2511 sq m
Corringham Road, Gainsborough	Spar	4,000	£14.00	£150.70	New letting Aug 2011
Cotgrave Notts	Sainsburys Local	5,026	£18.00	£194.00	Sold 2010 £3319 sq m – 5.53%
Cowbridge Cattle Market	Waitrose	22,000	£18.50	£199.00	New build 2012
Crawley Avenue, Crawley	Sainsburys	93,000	£25.00	£269.00	2012 RR
Crickets Parade, 12, Worthing	Co-Op	7,182	£13.00	£140.00	2010 Review
Crookes, Sheffield	Sainsbury's Local	3,051	£20.00	£215.00	Quoting £3480 sq m , 6%
Crowborough	Tesco	27,411	£14.45	£155.00	Sold 2010 @ 4.29% (£3,422 per sq m)
Dennison Road Bodmin	Sainsburys	34,980			Investment available (Feb 2014) at 5.25% - £2652 sq m
Desborough, Northants	Tesco	24,000	£18.00	£194.00	c. Letting Jan 2011
Discovery Retail Park Newport	Aldi	12,471	£12.38	£138.00	Roadside retail. Rent passing. FH available at 7.2% - c.£1914 sq m gross
Diss	Tesco	50,334	£22.00	£236.81	Sale & lease back Jan 2013 at £432.91 (£4660 sq m).5%
Dover	Morrisons	50,700	£18.00	£193.80	Sold March 2010 @ 5% (£3,664 per sq m)
Downs Court, Eastbourne	Tesco	4,482	£11.46	£23.30	2011
Ebbw Vale	Tesco	58,865	£21.66	£233.00	Sale & lease back Jan 2013 at £418.75 psf (£4508 sq m) 5.2%
Ecclesall Rd Sheffield	CoOp	26,030	£18.00	£194.00	ERV at review. Investment offered Oct 2014 @6% - £2,688 sq m
Embassy Court, Welling	Tesco	84,023	£18.40	£198.06	Letting June 2010. Investment sold at 5% in June 2011
Farrar Road, Bangor	Asda	46,141	£17.70	£190.52	New letting Dec 2011. Investments sold at 5% in Dec 2011
Ferndown, Dorset	M&S	15,700	£20.00	£216.00	Forward funding deal offered Oct 2014 @ 5% - £4237 sq m
Fishergate, Preston	Sainsburys Local	4,381	£20.00	£215.00	New letting, Aug 2014. Investment offered at 6% - £3477 sq m based on occupied area.
Former NBSM Premises, Broad Street, Barry	One Stop Stores Ltd	2,400	£12.00	£129.00	15 year lease, 5 th and 10 th year break options.
Garth Rd Bangor	M&S Food Store	18,272	£19.51	£210.00	Investment available at 5.8% - £3,380 sq m
Gatehouse Lane Burgess Hill	Tesco Local		£15.85	£170.00	Rent passing. Jan 2011 review.
Gloucester	Morrisons	71,300	£20.00	£215.00	Funding deal Jan 2013 at 4.65% - devalues to c. £4624 sq m
Goring Rd Worthing	Tesco Local	5,127	£15.65	£168.00	2010 review

Halifax, Sowerby Bridge	Tesco	40,197	£25.00	£270.00	Investment sold July 2014. Quoting terms based on 5% yield - £5208 sq m
Halstead, Essex	Sainsburys	18,260	£16.00	£173.00	Apr-10
Hanging Hill Lane Brentwood	Tesco Express	4,691	£12.86	£136.00	May 2012 letting
Haselet Avenue, East Crawley	Tesco Metro	5,500	£10.00		Investment sold at 5.9% - £1,810 per sq m assume c.£10
Hattersley, Manchester	Tesco	93,000	£14.50	£156.00	Sale agreed at £2697 Sq M (5.3%)
Havelock Rd Hastings	Tesco	3,134	£19.14	£206.00	Jan-10
Haywards Heath	Sainsburys	4,330	£18.00	£194.00	2010
High St, Barnet	Sainsburys Local	5,841	£18.00	£194.00	Investment offered Sept 2014 @ £3,594 psf – 6.5%
High St, Weedon Bec	Tesco Express	4,187	£12.42	£133.67	2012 letting. Investment available 2014 at £6.5% = £1950 sq m
High Street, 32-34, Brentwood, Essex	Iceland Foods	12,094			2011 investment sold at 5.3% - £2,340 per sq m.
Houghton Regis	Asda	51,000			Confidential transaction 2012. Developer unable to disclose, but confirmed £15-£20 psf “fair tone” across UK and £1m-£1.5m max per acre land
Huddersfield Rd Oldham	Tesco Extra	158,175	£17.00	£183.00	Jan 2014 . Investment available at 5.28% - £3266 sq m. Includes 9,000 sq ft of ancillary retail.
Keyworth Nottingham	Sainsbury's Local	4,428	£10.00	£108.00	Sold 2010 £1850 sq m 5.5%
Kipling Dr, Derby	Tesco	55,902	£470.00	£5,059.00	Sale and Leaseback Dec 2012. FH
Lakeside Retail Park, No 1, Scunthorpe	Pets At Home	10,000	£19.12	£206.00	Rent passing until 2016. Investment available at £2940 per sq m, 6.5% (Oct 2014)
Lakeside Retail Park, No 2, Scunthorpe	Halfords	10,400	£18.80	£202.00	Rent passing until 2016. Investment available at £2940 per sq m, 6.5% (Oct 2014)
Lakeside Retail Park, No 3, Scunthorpe	Harveys	9,980	£19.04	£205.00	Rent passing until 2016. Investment available at £2940 per sq m, 6.5% (Oct 2014)
Lakeside Retail Park, No 4, Scunthorpe	Currys / PC World	15,015	£18.85	£203.00	Rent passing until 2016. Investment available at £2940 per sq m, 6.5% (Oct 2014)
Leicester, Beaumont Leys	Tesco	125,500	£23.25	£250.00	Feb 2008 RR. Incl PFS
Leigh, Manchester	Morrisons	64,000	£17.50	£188.00	Forward funding deal at £3532 sq m , 5%
Leigh, Manchester	Tesco	119,000			Funding deal at £4523 Sq M (includes Cineworld on site)
Linden Drive, Lutterworth	Co-op Food	3,381	£14.50	£156.00	Nov 2014 letting (devalued at £14.50 per sq ft at ground & £7.25 per sq ft stores). Investment available at 6.5% - £2,500 sq m sales

Littlemoor, Chesterfield	Co-op Food	4,500	£12.50	£135.00	Pre-funding deal. Investment offered 2015 at 6.5% - £1877 sq m sales
Lysander Road, Stoke on Trent	Tesco	70,486	£24.24	£260.92	New letting
Macclesfield	Sainsburys	74,583	£20.00	£215.00	Sale and Leaseback 2010. £4510 sq m , 4.9% . Sold on in 2011 at £5272 sq m, 4.5%
Maldon	Tesco	103,761	£25.82	£277.89	Sale & lease back Jan 2013 at £515.60 (£5550 sq m). 5%
Mallory Rd, Peterborough	Halfords	19,078	£16.50	£178.00	2014 rent passing. Investment available at 6.75 % - £2483 sq m
Manchester , Fallowfields	Sainsburys	55,565	£24.33	£262.00	Sold 2010 £6683 sq m , 4.15%
Manchester Trafford Centre	Asda	102,000	£25.00	£269.00	RR 2007
Mansfield , Woodhouse Road	One Stop	2,500	£12.00	£129.00	Available at £1700 – 7.25%
March, Cambs	Sainsburys	32,632	£18.00	£194.00	ERV stated at £22 psf (£236.8 sq m). Quoting 4.5% net yield = £4067 sq m capital value
Marlborough, Wilts	Morrisons	6,919	£20.00	£215.00	2010 Rent review. Investment available at 7% Dec 2014 (includes flats over)
Mawney Road, Romford, Essex	Tesco Express	2,582	£17.43	£188.00	New letting March 2013.
Meadow Rise, Billericay, Essex	Tesco Express	4,353	£12.63	£136.00	New letting August 2011.
Mickleover, Derby	Sainsburys Local	2,874	£11.00	£188.40	S&L at 5.62 % 2010
Milton Keynes, Kingston	Tesco	136,000	£26.00	£280.00	2008 RR
Moor Lane Clitheroe	Sainsburys	29,470	£19.00	£205.00	Dec 2013 review
Moseleys Yard, Nantwich	Cooperative (Local)	2,890	£19.00	£205.00	Sold 2010 @ 5.5% - £3,526 per sq m.
Moulsham Street, Chelmsford, Essex	Tesco Express	4,300	£11.51	£124.00	New letting.
New Bridge St Parade, Clay Cross, Chesterfield	Fulton Frozen foods	2,858	£17.50	£188.00	New build, New letting Jan 2012
New Bridge Street, Clay Cross	Jack Fulton	2,858	£17.49	£188.26	New letting January 2012
Newbury	Sainsburys	133,953	£23.50	£253.00	Sold 2010 @ 4.5% (£4,982 per sq m)
Newcastle Avenue, Worksop	Sainsburys Local	4,000	£13.50	£145.31	New letting April 2009
Newport Rd Risca NP11	Tesco	80,000			2010 funding deal at £5,866 sq m. FH
Newton Le Willows	Tesco	33,967			Confidential transaction believed to be in region of £4357 sq m, 4.5%. Unconfirmed.
Ocean Road, South Shields	Morrisons	60,000	£15.00	£161.46	Open market letting August 2010
Oldham	Tesco	157,000	£13.30	£143.00	Available at £3154 sq m, 4.9%
Park Crescent, No 39-41, Barry	Sainsburys	3,756	£10.65	£115.00	Convenience store letting carried out October 1012

Parker Rd, Ore Valley, Hastings	One Stop	2,518	£11.00	£118.00	Investment available at 8.7% (mixed use scheme to include offices)
Peasley Cross Lane, St Helens	Tesco	140,000	£22.00	£236.81	Investments sold June 2011 5%
Penbroke Park, Crawley	Tesco Local	5,500	£13.11	£141.00	July 2007 freehold investment sold at yield equating to 5.9% - £1,810 per sq m
Plaza Parade Worthing	Co-Op	2,802	£14.81	£160.00	Passing rent
Pollgate, BNF26 6RE	Somerfield	4,173			Freehold investment sold £8,000 per sq m
Poynton	Waitrose	25,200	£20.00	£237.00	Rent Review 2010
Prescott, Merseyside	Tesco	119,435	£21.35	£229.81	Rent review June 2010
Princess Street, Knutsford	Waitrose (local format)	12,809	£10.92	£118.00	Investment sold @ 5% July 2011 - £2,269 per sq m.
Pulborough, Sussex	Sainsburys	29,073	£18.15	£195.00	Sold 2010 @ 4.25% (£4,347 per sq m)
Radcliffe on Trent, Notts	Tesco Local	7,580	£20.00	£216.00	Size per sq ft est. Rent adjusted via assumed ancillary areas. Investment offered Oct 2014 at 6.5% - £1,958 sq m overall or £3,321 adjusted
Richardson Way, Coventry	Tesco	103,575	£14.27	£153.60	Investment sold at 4.57% in Sept 2011
Ropemaker Park, BN27 3GU	KFC	1,569	£19.00	£206.00	2013 review. Investment available at £2700 sq m (6.5%)
Ropemaker Park, BN27 3GU	Tesco Express	3,015	£16.00	£175.00	March 2013. Investment available at £2700 sq m (6.5%)
Rustington, Worthing	Tesco Local	4,478	£13.40	£144.00	2010
Rye Road, Hawkhurst	Budgens	13,459	£16.35	£176.00	Jun-08
Sale	M&S	17,640	£19.25	£207.20	Rent review 2011
Saxmundham, Suffolk	Tesco	25,700	£18.00	£194.00	Letting May 2012
Seamer Rd Retail Park A, Scarborough	Currys / PC World	16,368	£14.00	£151.00	Rent passing from 2013 review. Investment available (Dec 2014) at 7% - £2066 sq m
Seamer Rd Retail Park B, Scarborough	Carpetright	12,602	£14.64	£157.50	Rent passing from 2013 review. Investment available (Dec 2014) at 7% - £2066 sq m
Seamer Rd Retail Park, Scarborough	B&M Bargains	10,000	£15.00	£161.50	New letting 2013
Seaside Road, 346, Eastbourne	Co-op	3,876	£16.77	£80.50	Pre-let October 2011
Serpentine Green, Peterborough	Tesco	136,396	£26.00	£279.86	Rent review Dec 2008
Sheldon, Birmingham	Morrisons	105,000	£25.82	£277.93	Letting March 2010
Shrewsbury	Tesco				Sale and Leaseback believed to equate to 5% yield
Spilby, Lincs	Sainsburys	14,039			Investment available at £2900 per sq m (5%)

Spring St , Bury	Asda	51,763	£17.00	£182.00	Investment available at 6% - £2724 sq m Sept 2013
St Helens	Tesco	140,000	£20.00	£215.00	2010 Funding deal at 5.15 % (approx. £3971 sq m when devalued)
St Martins Place, Dorchester	Sainsburys Local	4,120	£16.50	£178.00	Investment available at 6.5% (with adjoining retail) - £3,205 sq m. Oct 2014
Stanway, Colchester	Sainsburys	147,000	£26.79	£288.37	Letting Dec 2010
Stephensons Drive, Leicester	One Stop	2,750	£12.00	£129.00	Roadside convenience store. Feb 2011
Sutton Park Rd Seaford	Tesco Express	4,676	£15.00	£161.00	2010. Investment available at 6% - £2661 sq m
Temple Mill Lane, Dronfield	Co-Op (local)	1,000	£12.00	£129.00	Dec 2011 letting
Tesco, Newport Rd NP11 6YD	Tesco	80,000			2010 purchase for £43.6 m as a forward funding deal £5,866 sq m
Tewkesbury Road, Cheltenham	Sainsburys	97,434	£23.25	£250.26	Rent review Dec 2008
Thorne Road Retail Park, Doncaster	Iceland	8,000	£12.50	£134.55	New letting Nov 2011
Thorpe Road, Melton Mowbray	Tesco	49,000	£19.29	£207.64	Investments sold at 5.75% May 2009
Trentham Lakes, Stoke	Aldi	15,000	£210.00	£2,260.00	Freehold deal. Discount food retailer. Jan 2009
Warley Hill Brentwood	Tesco Express	5,067	£13.10	£141.00	Investment sold at £5.75% - £2314 sq m Sept 2013
Washdyke Lane, Immingham	Coop	19,381	£13.50	£145.00	Rent Review Dec 2011
Washway Rd, Sale	M&S	17,640	£19.00	£205.00	Feb 2011 review
Washway Road, Sale, Manchester	Tesco	2,426	£17.25	£186.00	Rent devalued after £5 psf allowance to stores. Nov 2014 letting. Investment available at 6.2% - £3682 sq m sales (£2192 overall)
Waterhouse Lane, Chelmsford, Essex	Tesco Express	4,500	£13.00	£138.00	Investment sold at 6% - £2165 per sq m
West Bromwich	Tesco	380,000	£20.50	£220.67	Sale & lease back Jan 2013. Mixed retail scheme overall rent. 5.9%
West Road, Congleton	Tesco Express	4,336	£12.67	£137.00	Roadside retail. Investment sold at 6.5% - £1,995 per sq m 2013.
Westgate Otley	Waitrose	31,520	£19.00	£205.00	Sept 2012 review
Whalley Range	Tesco Express	4,197	£16.20	£174.00	Investment sold @ 5.85% - £2,821 per sq m. 2010.
Wivelsfield Road, Haywards Heath	Sainsburys Local	4,330	£18.00	£193.75	Investment sold at 5.3% - £3,458 sq m
Woodhouse Road, Mansfield	One Stop	2,500	£12.50	£134.55	New letting January 2011
High St Weedon Bec	Tesco Express	4,187	£12.42	£134.00	Aug 2012 letting. Investment available at 6.5% - £1941 sq m
South Shields Town Centre	Morrisons	73,000	£12.72	£137.00	Letting 2010. Investment available at 5.25 % - £2005 sq m
High St Maldon	Morrisons	4,039	£18.60	£200.00	Sept 2014 letting. Investment available at 5.75 % - £3278 sq m

Keymer Road, Hassocks	Sainsburys	4,433	£18.67	£201.00	Nov 2014 letting. Sale agreed for FH at 5.75 % - £3,246
Abbey Walk, Selby	Sainsburys	30,355	£16.30	£175.50	Aug 2013 Rent review. Investment available at 6.25%, to include additional units. Devalues to £2807 on food store
Warley Road Blackpool	Morrissions	4,008	£13.00	£140.00	Investment available at 6% - £2094 sq m. Rent set May 2014
Wigton Road Carlisle	CoOp	16,684	£15.32	£165.00	Rent set 2015. Investment sold at £2,606 sq m, 6%
Stonecot Hill, Sutton	Asda	10,700	£32.71	£352.00	2015 Forward funding deal. Pre-pack sale available at 4.25% - £7847 sq m
Queens Park, London	M&S	5,580	£30.82	£331.75	June 2014 letting
Aldegate London	Tesco	3,356	£33.56	£361.25	April 2013 letting
Clifton Rd Isleworth	Tesco	3,585	£16.74	£180.00	March 2015 letting. Investment available at 5.5 % = £3,096 sq m
Keymer Road, Hassocks BN6 8AN	Sainsburys	4,433	£18.67	£201.00	01/11/2014
NG2 Nottingham	Homebase	80,045	£15.00	£161.35	Investment available at 7% - £2178 sq m
High St Poole	Sainsburys Local	4,305	£17.44	£188.00	Investment available at £2837 sq m - 6.25%
Scotland Rd, Carlisle	Sainsburys local	4,745	£24.40	£262.00	2015 rent review. Investment offered March 2015 @ 6.3% - £4,058 sq m (incl Coral unit)
Barking Rd Plaistowe	Tesco Express	3,392	£22.11	£238.00	Investment available April 2015 @ £3967 sq m = 5.6%
Caerleon Rd Newport	Tesco Express	4,431	£10.00	£108.00	Investment available at £1640 sq m - 6%
The Sqaure, Lymington	Tesco Express	3,229	£14.58	£157.00	Investment available at £2,316 sq m (incl ancil) 6.5% April 2015
Wigmore Lane, Luton	Asda	81,203	£25.32	£273.00	Investment sold at £5326 per sq m - 4.3% July 2014.
Portland Rd, Hove E.Sussex	Sainsburys Local	4,578	£22.65	£243.81	Jan 2105 Rent. Investment available May 2015 @ £3,692 (6%)
Long Row, Nottingham	Tesco Express	5,908	£17.82	£191.90	Rent review 2013
High St, Poole	Sainsburys Local	4,305	£17.45	£188.00	Investment available at £2,838 sq m (June 2015) 6.25%
Nicholson Street , Edinburgh	Tesco Metro	16,716	£19.00	£204.52	Feb 2105 rent review. Investment available at £3509 sq m - 5.5%
Tonbridge Rd Maidstone	Sainsburys	3,907	£20	£215.29	Rent set July 2015. Investment available at 5.5% - £3,840 sq m
Spring Rd Southampton	Morrissions	4,197	£16.50	£177.61	Rent set July 2015. Investment available at 5.5% - £3,000 sq m
Booker Av, Liverpool	CoOp	4,025	£16	£172.23	Rent set July 2015. Investment available at 6% - £2700 sq m
Mill St Bideford	CoOp	8,883	£16.50	£177.61	Investment available at £2880 sq m (5.75%). Gross price / rent includes basement and 1st fl
Station Hill, Chippenham	Sainsburys	5,242	£11.44	£123.14	Investment available at £2025 psm - 5.75 %
Witham, Essex	Aldi	16,361	£15.50	£166.85	Aug 2015. Investment available at £2743 sq m - 5.75%

Kingswood, Bristol	CoOp	4,000	£16.50	£177.61	Let 2013. Investment available at 6.4% - £2,641 sq m
Loose Road, Maidstone	Sainsburys	4,500	£18.90	£203.44	New letting June 2015. Investment offered at 5.4% - £3588 sq m
Washway Rd, Sale	CoOp	4,076	£18.86	£203.01	(ATL) Sept 2015. Rent devalued to allow for 1st floor at £5 psf. Investment offered at 6.3% - £3200 sq m
The Strand, Liverpool	Tesco Express	4,391	£14.40	£155.01	rent review Aug 2015
Queens Drive Nottingham	Homebase	80,000	£15.00	£161.46	Sold Aug 2015 - £2,250 sq m
Newland Avenue, Hull	Sainsburys	4,597	£10.52	£113.24	March 2015 rent review. Investment available at £1781 sq m - 6%
Bolebridge St, Tamworth	Lidl	16,232	£12.50	£134.55	New Lease. 2016
9 High Street, Iver,	Co-Op	3,294	£30.00	£322.93	New Lease, Aug 2015. Investment available at 5.25 % - £5,882 sq m
Whitehill Lane Gravesend	Tesco Express	3,908	£13.20	£142.09	Investment available at 6.2% - £ 2,148 sq m

For the reasons stated in the sector specific commentary, we have considered Supermarket evidence locally, regionally and nationally. This demonstrates a typical rental value for supermarket use of £153 - £344 per sqm. When capitalised at a yield of 6%, this demonstrates that our adopted figures are justifiable, and can be considered conservative (evidence confirms yields typically ranging from 4.2-6.5%)


GENERAL RETAIL EVIDENCE, GEDLING AND SURROUNDING LOCATIONS

Address	Tenant	Size sq ft	Rent per sq ft (per sq m)	Comment
General Retail				
Hucknall Lane Retail Pk	Not disclosed	4,431 sq ft	£9 (£100)	Retail warehouse letting April 2014.
Ashgate Retail Park, Hucknall	Argos, KennelGate, Home Bargains	20,049 sq ft	£13.75 (£148)	Investment sold July 2015 at 5% - £2180 Sq m
DW Fitness, Netherfield	DW Fitness	45,732 sq ft		£1570 sq m investment sale Oct 2013. 7.9 % . Leisure use.
66 High St Hucknall	Undisclosed	2,057 sq ft	£11 (£118.40)	Sept 2012 letting. Gedling borders
621 Mansfield Rd NG5 2FX	Sherwood Cookery	1,561 sq ft	£16 (£172)	Nov 2012 letting
62 High St Hucknall	Confidential (ex Wilkinson)	4,711	£12.10 (£130)	Quoted Nov 2012 letting
599 Mansfield Rd	Sue Ryder	2,238 sq ft	£11.20 (£120.55)	Quoted. Feb 2013 letting
Carlton Hill, Nottingham	Carphone Warehouse, Iceland Foods, Tesco Stores, Savers Health & Beauty	13,211 sq ft	£13.26 (£142.76). Average	Roadside retail development sold at freehold price equating to £2,200 per sq m. 6.15% yield. June 2011
Carlton Road, Nottingham	Asda	TBC	£18.50 (£200.00)	Deal agreed for a proposed Asda superstore
Victoria Retail Park, Netherfield, Nottingham	Various	180,000 sq ft	£18.20 (£195.85)	Average rent for 6 units. Investments sold Sept 2010 £3,400 freehold price (5.45%)
Madford Retail Park, Arnold, Nottingham	Curry's / PC World	20,000 sq ft	£183.00	Rent review 2014
Carlton Square, Carlton, Nottingham	Various	Various	£10.54 to £17.54 (£113.5 to £188.80)	District shopping centre. Investment offered at 8% yield
Mansfield Road, Arnold, Nottingham	Wickes	23,564 sq ft	£165.50 (£1,782)	Capital value (freehold price) for investment sale at 7.3% Nov 2012

DATA FROM COSTAR PROPERTY

The CoStar retail report for the Gedling sub-market suggests a current average rent achieved of £159 sq m.

Lease Comparables



1

819 SF Retail Lease Signed Dec 2015 for £12,500 PA (Asking)
18 St Wilfrids Sq - Ground Direct
 Nottingham, NG14 6FP - Gedling Ret Submarket

★ ★ ★ ★ ★


Asking Rent:	£12,500 PA	Start Date:	Dec 2015	Rent Free:		Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:		Term:		Breaks:		On Market:	7 Mos	Building Area:	819 SF
Effective Rent:		Exp. Date:		Reviews:		Use Class:	A1 (Shops)	Rates:	£3,599 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **Bellrock Property & Facilities Management Ltd - Will Beresford**
 Tenant Rep:

Landlord: **Weypoint**
 Tenant SIC:

Lease Notes: A new tenant has taken 819 sq ft (76.09 sq m) of ground floor retail accommodation. Bellrock Property & Facilities Management Ltd acted on behalf of the landlord. The deal was confirmed by Heather Williams at Bellrock Property & Facilities Management Ltd.

ID# 121174651



2

2,022 SF Retail Lease Signed Oct 2015 for £22,444 PA (Effective)
118-120 Front St - Direct, Leased by CeX Ltd
 Nottingham, NG5 7EG - Gedling Ret Submarket

★ ★ ★ ★ ★


Asking Rent:	£25,000 PA	Start Date:	Oct 2015	Rent Free:	6 Mos at Start	Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:	£24,000 PA	Term:	10 Years	Breaks:	Sep 2020	On Market:	12 Mos	Building Area:	4,417 SF
Effective Rent:	£22,444 PA	Exp. Date:	Sep 2025	Reviews:	Sep 2020	Use Class:	A1 (Shops)	Rates:	£14,822 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **Humberts - Harpal Kaur, Matthew Wade**
 Tenant Rep:

Landlord:
 Tenant SIC: **Elec Apparatus And Equip**

Lease Notes: CEX (Franchising) Ltd has taken 2,022 sq ft (123.93 sq m) of ground and first floor retail space from Geoff Parkinson & Elizabeth Curtis on a 10 year lease. A six month rent-free period was agreed. The achieved rent was £24,000 pa, equating to £11.87 psf (£127.78 psm). The quoting rent was £25,000 pa, equating to £12.36 psf (£133.09 psm). The lease is subject to a rent review and an option to break in year five. Humberts acted on behalf of the landlord. The tenant was unrepresent...

ID# 120980841



3

676 SF Retail Lease Signed Sep 2015 for £9,500 PA (Asking)
Carlton Square Shopping Centre - Carlton Sq - Ground Direct
 Nottingham, NG4 3BP - Gedling Ret Submarket

★ ★ ★ ★ ★

Asking Rent:	£9,500 PA	Start Date:	Sep 2015	Rent Free:		Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:		Term:	5 Years	Breaks:		On Market:	5 Mos	Building Area:	58,028 SF
Effective Rent:		Exp. Date:	Aug 2020	Reviews:		Use Class:	A1 (Shops)	Rates:	£3,056 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **Bellrock Property & Facilities Management Ltd - Daniel Smith**
 Tenant Rep:

Landlord: **Ls Reit**
 Tenant SIC:

Lease Notes: An undisclosed tenant has taken 676 sq ft (62.80 sq m) of ground floor retail space within unit 16. Bellrock Property & Facilities Management Ltd acted on behalf of the landlord. Deal confirmed by Bellrock Property & Facilities Management Ltd.




ID# 120049521



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Lease Comparables

<div>4</div> 	<div> 591 SF Retail Lease Signed Aug 2015 for £9,600 PA (Asking) 542-546 Mansfield Rd - Direct Nottingham, NG5 2FR - Outer Nottingham Ret Submarket </div> <div> <div> <div>Asking Rent: £9,600 PA</div> <div>Achieved Rent:</div> <div>Effective Rent:</div> </div> <div> <div>Start Date: Aug 2015</div> <div>Term:</div> <div>Exp. Date:</div> </div> <div> <div>Rent Free:</div> <div>Breaks:</div> <div>Reviews:</div> </div> <div> <div>Deal Type: New Lease</div> <div>On Market: 5 Mos</div> <div>Use Class: A1 (Shops)</div> </div> <div> <div>Property Type: Retail Class B</div> <div>Building Area: 2,322 SF</div> <div>Rates:</div> </div> <div> <div>Parking Ratio:</div> </div> </div>
	<div> <div>Leasing Rep: NG Chartered Surveyors - Sunny Landa</div> <div>Tenant Rep:</div> </div> <div> <div>Landlord:</div> <div>Tenant SIC:</div> </div> <div> <div>Lease Notes:</div> <div>An undisclosed tenant has taken 591 sq ft (54 sq m) of retail space on confidential terms. The quoting rent was £9,600 pa. NG Chartered Surveyors acted on behalf of the landlord. Deal confirmed by NG Chartered Surveyors.</div> </div>
<div>5</div> 	<div> 505 SF Retail Lease Signed Jun 2015 for £8,000 PA (Achieved) Suite 67 - 67-75 Front St - Direct, Leased by Kallis Fast Food Nottingham, NG5 7EB - Gedling Ret Submarket </div> <div> <div> <div>Asking Rent: £9,000 PA</div> <div>Achieved Rent: £8,000 PA</div> <div>Effective Rent:</div> </div> <div> <div>Start Date: Jun 2015</div> <div>Term: 5 Years</div> <div>Exp. Date: Jun 2020</div> </div> <div> <div>Rent Free: 1 Mo at Start</div> <div>Breaks: Jun 2016...</div> <div>Reviews:</div> </div> <div> <div>Deal Type: New Lease</div> <div>On Market: 10 Mos</div> <div>Use Class: A5 (Hot Food...)</div> </div> <div> <div>Property Type: Retail Class B</div> <div>Building Area: 4,530 SF</div> <div>Rates: £4,145 PA</div> </div> <div> <div>Parking Ratio:</div> </div> </div>
	<div> <div>Leasing Rep: FHP Property Consultants - Frankie Labbate, Jack Shakespeare</div> <div>Tenant Rep:</div> </div> <div> <div>Landlord:</div> <div>Tenant SIC: Eating Places</div> </div> <div> <div>Lease Notes:</div> <div>Kallis Fast Food has taken 505 sq ft (46 sq m) of ground floor retail space on a five year lease. The achieved rent was £8,000 pa. The lease is subject to a yearly mutual option to break. A one month rent-free period was agreed. The quoting rent was £9,000 pa. FHP Property Consultants acted on behalf of the landlord. The tenant was unrepresented. Deal confirmed by FHP Property Consultants.</div> </div>
<div>6</div> 	<div> 2,054 SF Retail Lease Signed Jun 2015 for £22,500 PA (Achieved) Suite 2 - 2-8 Westdale Ln E - Ground Direct, Leased by Family Shopper Nottingham, NG4 3JA - Gedling Ret Submarket </div> <div> <div> <div>Asking Rent: £26,500 PA</div> <div>Achieved Rent: £22,500 PA</div> <div>Effective Rent:</div> </div> <div> <div>Start Date: Jun 2015</div> <div>Term: 15 Years</div> <div>Exp. Date: Jun 2030</div> </div> <div> <div>Rent Free: 6 Mos at Start</div> <div>Breaks: Jun 2020...</div> <div>Reviews:</div> </div> <div> <div>Deal Type: New Lease</div> <div>On Market: 73 Mos</div> <div>Use Class: A1 (Shops)</div> </div> <div> <div>Property Type: Retail Class B</div> <div>Building Area: 5,270 SF</div> <div>Rates: £7,933 PA</div> </div> <div> <div>Parking Ratio:</div> </div> </div>
	<div> <div>Leasing Rep: Lambert Smith Hampton Ltd - Robbie Farrell</div> <div>Tenant Rep:</div> </div> <div> <div>Landlord:</div> <div>Tenant SIC: Grocery Stores</div> </div> <div> <div>Lease Notes:</div> <div>An undisclosed tenant has taken 2,054 sq ft (190 sq m) of ground floor retail space within Unit 2 from The Bampton Property Group Ltd on a 15 year lease. The achieved rent was £22,500 pa in year one, rising to £24,500 pa in year two. The lease is subject to a five yearly rent review and tenant only option to break. A six month rent-free period was agreed. The quoting rent was £26,500 pa. Lambert Smith Hampton Ltd acted on behalf of The Bampton Property Group Ltd. The tenant...</div> </div>




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Lease Comparables

7



1,341 SF Retail Lease Signed May 2015 for £25,000 PA (Asking)
103 Front St - Direct, Leased by K & A Bargains Ltd
 Nottingham, NG5 7EB - Gedling Ret Submarket

★★★★★


Asking Rent: £25,000 PA	Start Date: May 2015	Rent Free:	Deal Type: New Lease	Property Type: Retail Class B
Achieved Rent:	Term:	Breaks:	On Market: 12 Mos	Building Area: 1,309 SF
Effective Rent:	Exp. Date:	Reviews:	Use Class: A1 (Shops)	Rates:
		Retail Location:	Zone A Rent:	Parking Ratio:

Leasing Rep: _____ Landlord: _____
 Tenant Rep: _____ Tenant SIC: **Department Stores**

Lease Notes: K & A Bargains Ltd has taken 1,341 sq ft (124.58 sq m) of ground and first floor retail space from Sant Discretionary Settlement Trust on confidential terms. The quoting rent was £25,000 pa, equating to £18.64 psf (£200.67 psm). Martyn Stubbs acted on behalf of the landlord during the marketing stage however the transaction was concluded between landlord and tenant directly. Deal confirmed by Martyn Stubbs at Martyn Stubbs.

ID# 119291091

8



4,000 SF Retail Lease Signed Apr 2015 for £30,000 PA (Achieved)
Suite Unit 1 - The Wells Rd - Partial Ground, Leased by One Stop
 Nottingham, NG3 3GG - Outer Nottingham Ret Submarket

★★★★★


Asking Rent:	Start Date: Apr 2015	Rent Free:	Deal Type: New Lease	Property Type: Retail Class
Achieved Rent: £30,000 PA	Term: 15 Years	Breaks:	On Market:	Building Area: 5,880 SF
Effective Rent:	Exp. Date: Apr 2030	Reviews:	Use Class: A1 (Shops)	Rates:
		Retail Location: Out of Town	Zone A Rent:	Parking Ratio: 7.44/1,000 SF

Leasing Rep: _____ Landlord: _____
 Tenant Rep: _____ Tenant SIC: **Groceries**

Lease Notes: One Stop has taken 4,000 sq ft (371 sq m) of ground floor retail space within Unit 1 from Asra Housing Group on a 15 year lease. The lease is subject to an option to break in year 10. Deal confirmed by FHP Property Consultants.

ID# 118236351

9



1,128 SF Retail Lease Signed Mar 2015 for £15,500 PA (Asking)
952-972 Woodborough Rd - Direct
 Nottingham, NG3 5QS - Gedling Submarket

★★★★★

Asking Rent: £15,500 PA	Start Date: Mar 2015	Rent Free:	Deal Type: New Lease	Property Type: Retail Class B
Achieved Rent:	Term:	Breaks:	On Market: 11 Mos	Building Area: 10,334 SF
Effective Rent:	Exp. Date:	Reviews:	Use Class: A1 (Shops)	Rates: £5,299 PA
		Retail Location: High Street	Zone A Rent:	Parking Ratio:

Leasing Rep: **Humberts - Harpal Kaur** Landlord: _____
 Tenant Rep: _____ Tenant SIC: _____

Lease Notes: An undisclosed tenant has taken 1,128 sq ft (104.79 sq m) of ground floor retail accommodation from an undisclosed landlord on confidential terms. The quoting rent was £15,000 pa, equating to £13.30 psf (£143.14 psm). Humberts acted on behalf of the landlord. The deal was confirmed by Harpal Kaur at Humberts.

ID# 120299721



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Lease Comparables

842 SF Retail Lease Signed Feb 2015 for £15,000 PA (Achieved)
66 Front St - Ground Direct, Leased by Pure Kutz
Nottingham, NG5 7EJ - Gedling Ret Submarket

Asking Rent:	£17,500 PA	Start Date:	Feb 2015	Rent Free:	3 Mos at Start	Deal Type:	New Lease	Property Type:	Retail Class C
Achieved Rent:	£15,000 PA	Term:	10 Years	Breaks:	Feb 2020	On Market:	31 Mos	Building Area:	1,332 SF
Effective Rent:		Exp. Date:	Feb 2025	Reviews:	Feb 2020	Use Class:	A1 (Shops)	Rates:	£10,480 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **FHP Property Consultants - Alan Pearson, Frankie Labbate, Jack Shakespeare**
Tenant Rep:

Landlord:
Tenant SIC: **Barber Shops**

Lease Notes: Mr Gareth Carter has taken 842 sq ft (78 sq m) of ground floor retail space from Mrs Angela Kreeger on a 10 year lease at £15,000 pa. There is a rent review and a tenant option to break both in year five. The first three months were given rent free. FHP Property Consultants acted on behalf of Mrs Angela Kreeger. Mr Gareth Carter was unrepresented. The quoting rent was £17,500 pa. Achieved rent confirmed by Jack Shakespeare at FHP Property Consultants.

ID# 116617001

2,475 SF Retail Lease Signed Jan 2015 for £37,500 PA (Achieved)
37-37A Front St - Ground Direct, Leased by Specsavers UK Limited
Nottingham, NG5 7EA - Gedling Ret Submarket

Asking Rent:	£44,950 PA	Start Date:	Jan 2015	Rent Free:	12 Mos at Start	Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:	£37,500 PA	Term:	10 Years	Breaks:		On Market:	41 Mos	Building Area:	7,865 SF
Effective Rent:		Exp. Date:	Jan 2025	Reviews:	Jan 2020	Use Class:	A1 (Shops)	Rates:	£25,305 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **Lambert Smith Hampton Ltd - Mike Smith**
Tenant Rep: **FHP Property Consultants - Frankie Labbate**

Landlord:
Tenant SIC: **Optical Goods Stores**

Lease Notes: Specsavers UK Limited have taken 2,475 sq ft (229.93 sq m) of ground-floor retail space from Freshwater Properties Group on a 10-year lease at £37,500 pa. A 12-month rent-free period was agreed. The lease is subject to five yearly rent reviews. No break options were agreed. Lambert Smith Hampton Ltd acted on behalf of the landlord. FHP Property Consultants acted on behalf of the tenant. The quoting rent was £44,950 pa. Deal confirmed by Mike Smith at Lambert Smith Hampton L...

ID# 115933681

948 SF Retail Lease Signed Dec 2014 for £12,000 PA (Asking)
908 Woodborough Rd - Ground Direct, Leased by Huggable Textiles Ltd
Nottingham, NG3 5QR - Gedling Ret Submarket

Asking Rent:	£12,000 PA	Start Date:	Dec 2014	Rent Free:		Deal Type:	New Lease	Property Type:	Retail Class C
Achieved Rent:		Term:	3 Months	Breaks:		On Market:	18 Mos	Building Area:	1,288 SF
Effective Rent:		Exp. Date:	Feb 2015	Reviews:		Use Class:	A1 (Shops)	Rates:	£6,947 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	2.33/1,000 SF

Leasing Rep:
Tenant Rep:

Landlord: **Molly Investments Ltd**
Tenant SIC: **Homefurnishings**

Lease Notes: Huggable Textiles Ltd has taken 1,288 sq ft (119.66 sq m) of ground floor retail space from Molly Investments Ltd. Tanners acted on behalf of the landlord during the marketing phase however the deal was concluded directly between landlord and tenant. The tenant was unrepresented. Deal confirmed by Jennifer Frost at Tanners.

ID# 116796451



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Lease Comparables

676 SF Retail Lease Signed Nov 2014 for £9,500 PA (Achieved)
Carlton Square Shopping Centre - Carlton Sq - Ground Direct
Nottingham, NG4 3BP - Gedling Ret Submarket

★★★★★

Asking Rent:	£9,500 PA	Start Date:	Nov 2014	Rent Free:	4 Mos at Start	Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:	£9,500 PA	Term:	5 Years	Breaks:		On Market:	27 Mos	Building Area:	58,028 SF
Effective Rent:		Exp. Date:	Nov 2019	Reviews:		Use Class:	A1 (Shops)	Rates:	£2,864 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep:	Bellrock Property & Facilities Management Ltd - Will Beresford	Landlord:	Ls Reit
Tenant Rep:		Tenant SIC:	

Lease Notes: An unknown tenant trading as a nail salon has taken 676 sq ft (62.8 sq m) of ground floor retail space at Unit 16 from Waypoint Asset Management Limited on a new five year lease at £9,500 pa. Bellrock Property & Facilities Management Ltd acted on behalf of the landlord. Four months rent free period was agreed. The quoting rent was £9,500 pa. Confirmed let by Heather Williams at Bellrock Property & Facilities Management Ltd.

ID# 115409561

1,305 SF Retail Lease Signed Nov 2014 for £17,000 PA (Achieved)
652 Mansfield Rd, Sherwood - Direct, Leased by Badgi's Ltd
Nottingham, NG5 2GA - Outer Nottingham Ret Submarket

★★★★★

Asking Rent:	£22,000 PA	Start Date:	Nov 2014	Rent Free:		Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:	£17,000 PA	Term:	10 Years	Breaks:	Nov 2019	On Market:	8 Mos	Building Area:	1,305 SF
Effective Rent:		Exp. Date:	Nov 2024	Reviews:	Sep 2019	Use Class:	A2 (Financial...	Rates:	£5,652 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep:	Innes England Ltd - Ben Taylor, Kate Richardson	Landlord:	
Tenant Rep:		Tenant SIC:	Eating Places

Lease Notes: Badgi's Ltd has taken 1,305 sq ft (121 sq m) of retail space a 10-year lease at £17,000 pa in year one, rising to £19,000 pa in year two, subject to a rent review and a tenant only option to break in year five. Innes England acted Ltd on behalf of the landlord. No incentives were agreed. Badgi's Ltd was unrepresented. The quoting rent was £22,000 pa. Achieved rent confirmed by Kate Richardson at Innes England acted Ltd.

ID# 115475981

515 SF Retail Lease Signed Oct 2014 for £8,500 PA (Achieved)
360-362A Carlton HI - Ground Direct, Leased by Vape Hq (Carlton) Limited
Nottingham, NG4 1JB - Gedling Submarket

★★★★★

Asking Rent:	£11,000 PA	Start Date:	Oct 2014	Rent Free:	1 Mo at Start	Deal Type:	New Lease	Property Type:	Office Class B
Achieved Rent:	£8,500 PA	Term:	3 Years	Breaks:		On Market:	6 Mos	Building Area:	2,273 SF
Effective Rent:		Exp. Date:	Oct 2017	Reviews:		Use Class:	A1 (Shops)	Rates:	£2,920 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep:	Heb Surveyors LLP - Jonathan Emmerson	Landlord:	
Tenant Rep:		Tenant SIC:	Cigarettes

Lease Notes: Vape Hq (Carlton) Limited has taken 515 sq ft (47 sq m) of retail space on a three year lease at £8,500 pa, no rent reviews or break options were agreed. Heb Surveyors acted on behalf of the landlord. A one month rent-free period was agreed. Vape Hq (Carlton) Limited was unrepresented. The quoting rent was £11,000 pa. Achieved rent confirmed by Will Torr at Heb Surveyors.

ID# 115243531



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Lease Comparables

1,244 SF Retail Lease Signed Oct 2014 for £17,500 PA (Achieved)
394-396 Carlton Hill - Ground Direct, Leased by Dominos Pizza Group plc
Nottingham, NG4 1JA - Gedling Ret Submarket

★★★★★

Asking Rent:		Start Date:	Oct 2014	Rent Free:	10 Mos at Start	Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:	£17,500 PA	Term:	20 Years	Breaks:	Oct 2024	On Market:	14 Mos	Building Area:	2,584 SF
Effective Rent:		Exp. Date:	Oct 2034	Reviews:	Oct 2019...	Use Class:	A1 (Shops)	Rates:	£8,186 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **Innes England Ltd - Ben Taylor, Kate Richardson**

Landlord:

Tenant Rep:

Tenant SIC: **Eating Places**

Lease Notes: Dominos Pizza Group plc has taken 1,244 sq ft (115 sq m) of retail space within 394 Carlton Hill on a 20 year lease at £17,500 pa, subject to a five yearly rent review and a tenant only option to break in year 10. Innes England Ltd acted on behalf of the landlord. A 10 month rent-free period was agreed. Dominos Pizza Group plc was unrepresented. Achieved rent confirmed by Ben Taylor at Innes England Ltd....

ID# 115144821

830 SF Retail Lease Signed Jun 2014 for £17,500 PA (Asking)
104-116 Front St - Ground Direct
Nottingham, NG5 7EG - Gedling Ret Submarket

★★★★★

Asking Rent:	£17,500 PA	Start Date:	Jun 2014	Rent Free:		Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:		Term:		Breaks:		On Market:	27 Mos	Building Area:	13,519 SF
Effective Rent:		Exp. Date:		Reviews:		Use Class:	A2 (Financial...	Rates:	£8,702 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **New West Ltd - Philip Westin-Hardy**

Landlord: **Factcroft Ltd**

Tenant Rep:

Tenant SIC:

Lease Notes: An undisclosed tenant has taken 810 sq ft (75.25 sq m) of ground floor retail space from an undisclosed landlord on confidential terms. The quoting rent was £17,500 pa, equating to £21.60 psf (£232.55 psm). New West Ltd acted on behalf of the landlord. Deal confirmed by New West Ltd.

ID# 117324721

1,043 SF Retail Lease Signed Jun 2014 for £20,000 PA (Achieved)
Suite - 890 Woodborough Rd - Direct, Leased by Mr Fra Ooq
Nottingham, NG3 5QR - Gedling Ret Submarket

★★★★★

Asking Rent:	£17,500 PA	Start Date:	Jun 2014	Rent Free:		Deal Type:	New Lease	Property Type:	Retail Class B
Achieved Rent:	£20,000 PA	Term:	10 Years	Breaks:		On Market:	4 Mos	Building Area:	1,043 SF
Effective Rent:		Exp. Date:	Jun 2024	Reviews:	Jun 2019	Use Class:	A5 (Hot Food...	Rates:	£4,286 PA
				Retail Location:	High Street	Zone A Rent:		Parking Ratio:	

Leasing Rep: **FHP Property Consultants - Frankie Labbate, Ben Tebbutt**

Landlord:

Tenant Rep:

Tenant SIC: **Eating Places**

Lease Notes: Mr Fra Ooq has taken 1,043 sq ft (96.90 sq m) of ground and first-floor retail space on a 10-year lease at £20,000 pa, subject to a rent review in year five. FHP Property Consultants acted on behalf of the landlord. No incentives were agreed. The quoting rent was £17,500 pa. Achieved rent confirmed by Frankie Labbate at FHP Property Consultants.

ID# 114434923

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CoStar™

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The above comparable evidence demonstrates an achievable zone for roadside retail / neighbourhood centre retail both locally & region wide of between £115 to £200 per m as an established pattern of achievable rents.

Capitalised at 7 to 8% this demonstrates that our adopted figures are comfortably achievable & fully justified.

**Gleeds
Construction Cost Study
December 2015**

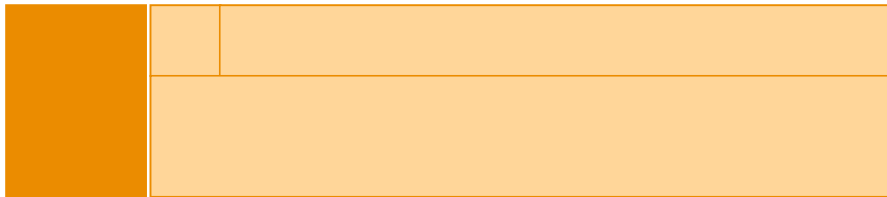


WHOLE PLAN VIABILITY STUDY – 01/02/16

CONSTRUCTION COST STUDY

For

GEDLING BOROUGH COUNCIL



*Whole Plan Viability Appraisal
Order of Cost Study
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Document Type:	<i>Order of Cost Study</i>	
Client:	<i>Gedling Borough Council</i>	
Project:	<i>Whole Plan Viability Study</i>	
RIBA Stage:	N/A	
Gleeds Ref:	<i>NTCM0003</i>	
Revision: (Document issues are given in Appendix A)	<i>0</i>	
Date:	<i>01/02/16</i>	
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Executive Summary

1. The Project

This Cost Study provides an estimate of construction costs over a range of development categories, to support a Whole Plan Viability Study

2. Allowances

The Estimate includes on-cost allowances for the following:

- Consultants
- B. Regulations and Planning fees
- NHBC Insurance where applicable

3. Basis of Estimate

The basis of the Estimate is in Section 2 of this report.

4. Detailed Construction Cost Study

The detailed Cost Study is given in Section 3 of this report.

5. Risk Allowance

A Risk Allowance of 5% of construction cost is recommended

Project Description

NCS have been appointed by Gedling Borough Council to assess the viability of the respective Local Plan policies and to advise on the potential viability of a range of different development types.

Gleeds are acting as part of the NCS team, to provide indicative construction costs, over a range of development categories, to inform the Whole Plan Viability Appraisal.

The range of development categories are as agreed with NCS

Basis of Cost Study

Base Date

Rates for Construction Costs in the Estimate have been priced at a Base Date of 1st quarter 2016 (January to March 2016). Allowances must be made for inflation beyond this date dependent on the mid-point date of construction.

Procurement

The costs included in this Estimate assume that procurement is to be achieved on a single stage competitive tender basis, from a selected list of Contractors.

Scope of Development Types

The scope of development types within the various categories varies between categories.

This is reflected within the range of construction values stated for a particular category.

For the purposes of undertaking the Viability Appraisal, median rates for construction have been given for each development category; the range of values have also been stated.

Basis of Costs

The following benchmarking data was used in the preparation of the estimate:

1. Analysis of construction costs over a range of projects within the Gleeds Research and Development Data Base.
2. Where insufficient data is available within any particular category cross-reference is also made to BCIS construction cost information.
3. The rates adopted in the study are based on research of local construction projects to the region, the costs associated with these and Gleeds own national database of construction costs by construction type. The report recognises that different types of construction company incur different levels of costs due to differences in buying power, economies of scale etc. The rates assume that substantial new residential development will be undertaken primarily by regional and national house builders and the adopted rates reflect this. The adopted rates therefore tend to fall below median BCIS construction rates which cover building cost information from all types of construction company to individual builders. This is considered to be a more realistic approach than the adoption of median general rates, to reflect the mainstream new build residential development particularly since smaller schemes undertaken by smaller scale construction companies will enjoy exemption from zero carbon and affordable housing requirements.
4. Reference is also made to the Communities and Local Government Cost Analysis for Code for Sustainable Homes, in respect of dwelling costs. For all future reports from October 2015 onwards the figures presented will be based upon the upcoming National Housing Standards that are estimated to come into force at this time. Early indications and analysis suggest that there will be little cost variance beyond an equivalent CoSH Code 4 as a result although we will continue to monitor the situation.

All construction costs have been adjusted for Location Factor (Gedling)

Note: the cost allowances are based on the current building regulations, as at February 2016.

Assumptions/Clarifications

The following assumptions/clarifications have been made during the preparation of this Estimate:

- The costs included in this Estimate assume that competitive tenders will be obtained on a single stage competitive basis.
- There are no allowances in the Estimates for Works beyond the site boundary.
- All categories of development are assumed to be new build.
- It is assumed development takes place on green or brown field prepared sites, i.e. no allowance for demolition etc.
- All categories of development include an allowance for External Works inc drainage, internal access roads, utilities connections (but excluding new sub-stations), ancillary open space etc
- Site abnormal and facilitating works have been excluded and are shown separately.

Accessible and Adaptable Dwelling Standards

Costs associated with Nottinghamshire Policy in respect of meeting Category 2 Accessible and Adaptable Dwelling Standards have been considered within the report.

Category 2 dwellings are in essence very similar to Lifetime Homes with a couple of minor enhancements such as step free access, a minimum stair width of 850mm and amendments to WC layouts to ensure no obstructed access.

The design solutions (And therefore cost) of meeting Category 2 standards will vary from site to site and will potentially range from relatively small on a good site with some innovative design to circa 2% on a less favourable site which includes apartments. There is potentially a more significant impact on the cost of apartments due to the requirement for a lift but again this can be minimised through design, the accessible units may be allocated on the ground floor for example thus negating the need for a lift.

Some of the requirements impact on actual size of the dwelling, our costs are provided on a £/m² basis so any increase in dwelling size is automatically picked up within the rate.

For the purpose of the assessment we would recommend an uplift of 2% across the board on all residential costs be applied in order to meet Category 2 standards.

Exclusions

The Order of Cost Study excludes any allowances for the following:

- Value Added Tax
- Finance Charges
- Unknown abnormal ground conditions including:
 - Ground stabilisation/retention
 - Dewatering
 - Obstructions
 - Contamination
 - Bombs, explosives and the like
 - Methane production
- Removal of asbestos
- Surveys and subsequent works required as a result including:
 - Asbestos; traffic impact assessment; existing buildings
 - Topographical; drainage/CCTV; archaeological
 - Subtronic
- Furniture, fittings and equipment
- Aftercare and maintenance
- Listed Building Consents
- Service diversions/upgrades generally
- Highways works outside the boundary of the site

Detailed Construction Cost Study

Development Type, to achieve Breeam Excellent	Construction Cost £/m²		
	Min	Max	Median
Residential, 2-5 bed, code 4 Equivalent	862	1,158	1,045
Additional Cost for Accessibility Standards			21
Low Rise Apartments Code 4 Equivalent	940	1,398	1,099
Additional Cost for Accessibility Standards			22
General Retail, shell finish	776	1,110	959
Food Retail supermarket, shell finish	485	894	797
Industrial, general shell finish	442	800	517

On-costs

Professional fees		
- Consultants (excluding legals)	7.25%	
- Surveys etc	<u>0.75%</u>	8%
Planning / Building Regs		
Statutory Fees		0.6%
NHBC / Premier warranty (applies only to Residential and Other Residential)		0.5%
Contingency / Risk Allowance		5%

Abnormal Site Development Costs, Gedling Area.**Budget Cost
£/Hectare**

Abnormal Costs, by their very nature, vary greatly between different sites.

Budget figures are given, for typical categories relevant to the study area.

The Budgets are expressed as costs per hectare of development site.

Archaeology

10,000

Typically, Archaeology is addressed by a recording / monitoring brief by a specialist, to satisfy planning conditions.

Intrusive archaeological investigations are exceptional and not allowed for in the budget cost.

Site Specific Access Works

20,000

New road junction and S278 works; allowance for cycle path linking locally with existing

Major off-site highway works not allowed for.

Site Specific Biodiversity Mitigation / Ecology

Allow for LVIA and Ecology surveys and mitigation and enhancement allowance.

20,000

Flood Defence Works

Allowance for raising floor levels above flood level, on relevant sites

25,000

Budget £2,000 per unit x 35 units, apply to 1 in 3 sites.

Utilities, Gas, Electric

Allowance for infrastructure upgrade

80,000

Land Contamination

Heavily contaminated land is not considered, as remediation costs will be reflected In the land sales values

25,000

Allow for remediation/removal from site of isolated areas of spoil with elevated levels Of contamination

Ground Stability

Allow for raft foundations to dwellings on 25% of sites

Budget £2,000 x 35 units x 25%

20,000