WINCHESTER CITY COUNCIL

Viability Study

Final Report

Report for the consideration of
Winchester City Council

This document does not constitute Council Policy

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EXECUTIVE SUMMARY

This study has been carried out over a period when the residential market was starting to emerge from a very weak period, with some uncertainty as to whether recent stabilising of prices would continue through 2010.

Values remain significantly lower than the peak levels of 2007 and this reflects in viability at the lower end of the market.

We adopt the Value Points approach to house prices, which allows a spread of values to be adopted for each house type. In this way, the figures are not artificially affected by specific characteristics of a particular location.

A large part of future affordable housing provision will come from new developments. Prices for these developments tend to be positioned towards the middle of the Value Points table, offering a more positive viability picture.

The study draws on many assumptions contained in the DTZ report, referred to below, although independent market research was carried out for the new study.

The report focuses on the means to achieve affordable housing contributions from smaller sites, whether through on-site provision or financial payments in lieu (otherwise known as a commuted payment).

When considering on-site affordable versus commuted payments on small sites, viability is currently improved with on-site provision. We believe that this is a function of the current, weak, housing market and that, as the market improves, the commuted payment route will show better viability.

The report supports affordable provision of up to 40%, without grant, for all sites although there will be instances, particularly in urban locations, where flexibility on grant and infrastructure requirements will be necessary, in order to maintain viability.

In addition, it is likely that sites of 1 to 4 units will more usually contribute to affordable housing via a commuted payment.

The report notes that a degree of flexibility needs to be allowed around the threshold, since on-site affordable will impact less on small, high density sites than on low density sites.

The report demonstrates a means to recover sums which relate to fractions of units, resulting from calculations of the required on-site affordable provision.

There will be a continuing need to negotiate the affordable housing position on individual sites. To assist in this, there should be an ongoing process of monitoring the market, so that a robust case can be presented in such negotiations.

1 INTRODUCTION

1.1 This study was commissioned by Winchester City Council, Basingstoke & Deane Borough Council and East Hampshire District Council, in the context of a serious housing affordability problem and a significant shortage of affordable housing supply.

1.2 This particular report considers the position of Winchester City Council, in advance of similar reports that will be presented subsequently to the other two authorities.

1.3 The starting point of the report is the study carried out by DTZ, titled Central Hampshire Sub-Region Housing Viability Study, dated August 2008 and commissioned by the same three authorities. The purpose of that study was to examine the impact of affordable housing policies on the viability of housing development.

1.4 The new study focuses on viability in relation to small sites.

1.5 The initial brief stated that:

"The purpose of the study(s) is to provide clear, defensible advice on the implications for viability of potential future planning policies for inclusion within the Local Development Framework."

1.6 "Specifically advice and recommendations on the implications for Core Strategy policies are required on:

1.7 The viability and practicality of securing contributions (either through on-site development or through a tariff system) towards affordable housing provision from small sites (5 dwellings or less) across the Districts, including:

a. Identifying and advising on areas of potential difficulty in terms of viability.

b. Establishing an appropriate threshold between on -site provision and a tariff on small sites.

c. Determining appropriate tariff levels and methodology for calculation of the same, and

d. the likely market reaction to the policy approach and implications for supply."

1.8 "In addition, for Winchester City Council and East Hampshire District Council only:

- Whether developers' financial contributions for affordable housing are applicable to larger sites (e.g. where a planning policy requires a fraction of a dwelling to be provided (e.g. 28 units @ 40% quota = 15.2 affordable dwellings required). What we are asking is, "what should the contribution be for the 0.2 of the dwelling not provided or any other fraction provided on-site."

1.9 "The study should utilise assumptions made in the DTZ viability study, other than in respect of planning gain requirements when the follow scenarios should be reported on:

1. As DTZ study paragraph 3.41 (£4k (rural)/£5k (suburban)/£6k (urban) per unit).

2. £10,000 per unit.

3. £20,000 per unit.

4. A reasonable percentage of Open Market Value or a percentage of the net residual land value with other planning obligations deducted) based on average property prices and split between urban and rural contexts."

1.10 The brief also asked us to provide an assessment of the likely impact of the Local Connection Homes Policies, specifically:

1.11 "The likely effect of 'enabling' development together with the proportion of market development that may be reasonable and productive to permit on either windfall, identified or allocated rural sites, including an analysis of Winchester City Council Policy CP20d in its Preferred Option document."

1.12 Following subsequent discussions with the Council, it was agreed that the Local Connection Homes section would form a separate report and it has, therefore, been omitted from this study.

1.13 Following discussions with the Council, the reference to a tariff is to be read as a commuted payment in lieu of on-site affordable provision, with the commuted payment sums being as set out in Appendix 2 of Winchester City Council's Affordable Housing SPD, adopted February 2008. This SPD allows for annual review of the commuted sums in accordance with Nationwide's House Price Index (Outer South-East Region).

1.14 This study tests a range of scenarios and provides advice on the thresholds, proportions and sums in lieu of on-site provision that are viable, taking into account location, mixes of property and associated issues typically involved in the development of residential sites.

1.15 We use the impact of varying affordable housing requirements on Residual Land Value (RLV) as our measure in putting forward our judgements and guidelines. This process involves comparing the likely impact of (changes to RLVs from) the range of potential policy changes with the RLVs indicated by appraisals relating to current policy positions.

1.2 Policy Context

1.2.1 Planning Policy Statement 3 (PPS3): Housing was published in November 2006, and sets out the national planning policy framework for delivering the Government's housing objectives. One of these objectives is the provision of high quality housing for those who cannot access market housing. It places a responsibility upon local authorities to make provision for affordable housing, while also assessing the likely economic viability of land in the implementation of affordable housing policy.

1.2.2 PPS3 also looks for an approach to seeking developer contributions that would facilitate the provision of affordable housing, whilst also ensuring the creation of mixed communities within the local authority area.

1.2.3 The provision of affordable housing should take into account information from a Strategic Housing Market Assessment.

1.2.4 The Central Hampshire and New Forest Strategic Housing Market Assessment is dated November 2007 and covers a number of Hampshire authorities, including Winchester City Council.

1.2.5 The summary report for Winchester City Council notes:

1. A particular requirement for 2 and 3 bedroom rented properties.

2. The consultants, DTZ, recommend a proportion of 40% affordable housing across the area, possibly going up to 50% in settlements of less than 3,000 and in rural areas, "where development economics are often robust."

3. In Winchester, many development sites have fallen below affordable housing thresholds and have not, therefore, provided any affordable housing.

4. Ideally, affordable housing could be secured on all sites, that is to say that thresholds would be removed. This would, however, involve both negotiations on smaller sites and viability issues.

1.3 Winchester District Plan Review, adopted July 2006

1.3.1 With the introduction of the Local Development Framework system in 2004, local plan policies were automatically saved for a 3 year period from adoption of the local plan. For Winchester City Council, this period expired on 7 July 2009, although local plan policies were saved, so that they can be used in making planning decisions. Housing policies are amongst those that have been saved.

1.3.2 The Housing Strategy set out in the local plan proposes measures to maximise the supply of affordable and special needs housing.

1.3.3 A housing needs survey from 2002 is quoted in the plan and recommends that the maximum achievable target level of affordable housing is sought from new developments. It recommends that a higher proportion be sought than is currently the case.

1.3.4 Policy H5 of the Plan seeks different proportions of affordable housing, between 30 and 40%, depending upon a site's location.

1.3.5 In Chapter 2, Methodology and Assumptions, we consider the issue of viability in more detail, particularly in the context of planning policy that might allow, or restrict, alternative uses. In relation to the adopted Local Plan Review, we refer specifically to policies E3 and E4, which seek to control office development. It should be noted, however, that policy E3 is not a saved policy and that it expired on 7 July 2009.

1.4 Winchester District Development Framework Core Strategy Preferred Option, dated May 2009

1.4.1 This document sets out a preferred approach to the provision of affordable housing, being to maximise provision in both urban and rural areas.

1.4.2 Whilst policy CP18 aims to ensure that at least 35% of all housing developed since the inception of the Core Strategy is affordable, policy CP19 increases this proportion to 40% on Quota Sites. Of these, 70% should be for social rent.

1.4.3 In addition, paragraph 13.44 suggests that a financial contribution might be more appropriate on smaller sites.

1.4.4 The Inspector's advice note, dated August 2009, on the Core Strategy makes some points that are relevant to studies of this nature. In connection with the economics of affordable housing, he points towards paragraph 29 of PPS3. He refers to the Blyth Valley judgement of the Court of Appeal, where it was held that the affordable housing policy was unlawful, because it failed to

comply with paragraph 29 of PPS3. This requires that targets and thresholds for affordable housing be determined by reference to (amongst other things) economic viability. Failure to take into account matters of economic viability could render the affordable housing policy susceptible to challenge.

1.5 Affordable Housing Supplementary Planning Document, adopted February 2008

1.5.1 This document sets out the way in which affordable housing should be provided, when it is required by planning policy.

1.5.2 The policy summary within this document states that:

- Priority will be given to the provision of social rented housing. Where 5 or less social units are provided, then they should all be for social rent.
- Affordable housing land should be made available clean, serviced and at nil cost.
- Ideally, affordable housing should be delivered free of public subsidy.

1.5.3 The SPD makes reference to other policy documents, in particular:

- The Local Plan Review 2006
- The Affordable Housing Development Guide (superseded by the SPD)
- South East Regional Housing Strategy
- Winchester Housing Strategy
- The Community Strategy

1.5.4 Paragraph 2.25 refers to viability, stating that it is not expected that affordable housing requirements will render a scheme unviable. Developers should consider the full financial implications of affordable housing before buying land. Failure to do so will not be accepted as justification for departing from planning policy.

1.5.5 Policy 8 looks for on-site provision, except in certain circumstances. Financial contributions may be negotiated for a fraction of a dwelling where the remaining requirement is satisfied on-site.

1.5.6 Policy 11 states that affordable housing should be delivered free of public subsidy, unless the use of subsidy would improve the numbers or mix.

1.5.7 These documents all emphasise the need to improve the supply of affordable housing, with the greater need being for social rent.

1.6 Strategic Housing Land Availability Assessment

1.6.1 The draft SHLAA is dated March 2009 and determines how much land is expected to come forward within the District over the next 15 years. This document is in the process of being finalised by the Council, but it has not yet been published.

1.6.2 The results of the draft SHLAA indicate that there will be a shortfall of almost 6,000 dwellings to meet the requirement imposed by the South-East Plan, so that substantial Greenfield land will need to be allocated to meet future need.

1.6.3 The document makes the point that it only considers sites that are capable of accommodating 5 or more dwellings and that it would, therefore, make an allowance for smaller sites that might come forward. We understand, from liaison with Winchester City Council, that it is proposed to omit the small sites allowance from its estimate of future land supply, although it is acknowledged that sites of less than 5 units will come forward for development.

1.6.4 In spite of this, the PUSH and non-PUSH small sites commitments still total 469 units to 2021, being a significant proportion of the outstanding sites with planning permission (at March 2008).

1.6.5 In the context of the subject study, the summary of identified sites includes 54 out of a total of 87 that are for less than 15 units and which, therefore, come within the scope of this study. Even when the small sites allowance is omitted, this represents a large number of sites, for which policy on affordable housing will need to be developed.

1.6.6 The draft SHLAA also discusses the concept of “broad locations”, being those areas that might provide some new housing in, typically, lower density locations where there is a stock of houses with low architectural merit or financial value. In these circumstances there could be a temptation to redevelop, possibly at higher densities.

1.6.7 In reality, this will only happen where the local ceiling of values is sufficiently high to make redevelopment worthwhile. For example, a development of large, detached houses in Swanmore has seen values of over £750,000. A property owner with an insignificant house on a large plot in the village might be tempted to redevelop it.

1.6.8 The issue is, however, very dependent upon specific characteristics of both the location and the property itself, while also potentially being subject to particular planning constraints relating to the settlement.

1.6.9 Given typical plot values in some lower density locations of between £150,000 and £250,000, a more typical scenario might be the division of an existing plot to provide an additional house. Again, this would be particularly attractive in the higher value locations and where the resultant reduction in value of the existing house is limited.

1.6.10 The high value of many lower density settlements within the District suggests that this would be an, albeit limited, source of new housing.

1.6.11 The Methodology and Assumptions used are described in Chapter 2, the Results are discussed in Chapter 3, the Conclusions in Chapter 4 and the Recommendations in Chapter 5.

2 METHODOLOGY AND ASSUMPTIONS

2.1 Small Sites Policy

2.1.1 A number of factors need to be taken into account when considering bringing sites forward that include affordable housing. It is necessary to determine what effect affordable housing proportions and/or financial contributions, development requirements or costs may have on the value of a potential development site.

2.1.2 The brief seeks advice in relation to small sites and although Winchester City originally specified sites of less than 5 units, we believe that it is wise to expand this and explore viability up to 14 units, as set out in our original submission. This study therefore investigates development scenarios across a range of site sizes, from 1 to 14 units.

2.1.3 The brief asked that most assumptions be taken from the DTZ report. We have therefore adopted the DTZ approach in terms of the broad application of different densities for urban, suburban and rural situations. For each of these we have adopted the same density figures for dwellings per hectare. In their report, they set out different mixes and proportions of house types for each density and we have sought to follow these as closely as possible within our proposed unit totals.

2.1.4 We have adopted the same unit floor areas as the DTZ report. We have, however, added a larger 5 bedroom house type, since this type is well represented within the District and would typically form the single unit that is included in the modelling for this study.

2.1.5 The schemes modelled are notional sites chosen to reflect scenarios that best match the various policy options to be tested. At certain site sizes, a range of dwelling mixes has been tested. These were arrived at via the densities and mixes in the DTZ report. These should reasonably reflect a range of scheme types coming forward now and in the future.

2.1.6 An alternative approach to testing development viability on a strategic basis could be to investigate the development viability of actual sites. We have chosen the notional approach for a number of reasons including:

- There is no published good practice guidance on a methodology to follow for carrying out development viability studies.

- Our established approach to this viability work has been supported at Development Plan Examination (published Inspector's Report) stage.

- There can be difficulties in obtaining sensitive information from developers and landowners in relation to specific sites. This leads to appraisals of actual sites becoming heavily assumption-based.

- The use of actual sites affects the ability to compare outcomes 'like with like' to assess impact of varying affordable housing requirements. Affordable housing impacts can become blurred with, or by, other issues which vary from one site to another.

- Sensitivities with reporting, information and the potential effect on future negotiations.

- Site sizes may not align to studying potential threshold points.

- An actual site approach can be very resource hungry and thus costly for this stage of the process.

- Ultimately such an approach does not fit well with taking a strategic overview of the impact of potential affordable housing polices.

- The need to be consistent with the DTZ report.

2.1.7 The outcomes of the appraisals based on the range of scenarios tested provides us with a scale of results from which conclusions can be drawn as to the key factors and trends across the District. This leads to discussion on how these might be considered in reviewing policy options, and to policy recommendations.

2.2 Range of modelling and application of Property Values

2.2.1 In determining the range of modelling to be carried out, it was decided to consider a scale of appropriate "Value Points" for each of our chosen house types, rather than concentrate on the specifics of individual settlements. By taking a Value Points approach we allow for a range of values for each house type that can be found within the Winchester City Council's area.

2.2.2 To this end research into property prices, across the area as a whole, was undertaken to determine realistic development values (property sales values) for each of our appraisals.

2.2.3 We reviewed the 'asking' and 'achieved' sale prices of available new build 1 and 2-bed flats and 2, 3, 4 and 5-bed houses across the area to enable us to provide reasonable ranges of values for the District by unit type. The data was collected through a mixture of "on the ground" and desktop/internet research in August 2009. The desktop research sought to obtain prices for a large number of settlements within the Winchester City area and the coverage

was tested against the towns and villages set out in the Winchester District Plan Review of July 2006.

2.2.4 Given the relatively small nature of some of the settlements, it was possible that some could provide no evidence of sales at the time of the research. We believe, however, that the spread and number of settlements tested will compensate for this.

2.2.5 In Chapter 3, Results, we comment further upon both the findings of this research and the impact that the current market conditions are having upon values and viability.

2.2.6 The results of the property value research, and in particular the new build values research, were incorporated into 6 Value Points. These 6 points covered the range within which new build housing values in most areas of the District fall, as well as including the range of second hand values. As stated above, most areas have a variety of property values (even within the same postcode), therefore the results of this research can be used independently of location where approximate sales values can be estimated.

2.2.7 The value point approach draws on wide-ranging research to apply levels of value that are not distorted by specific site, or locational, factors that might not be representative of the wider market.

2.2.8 The 6 Value Points generated by our research are shown in Figure 1 as Value Points 2 to 7. In addition, we have added Value Points 1 and 8 to represent a reduction in value and an increase in value respectively. In this way we can cover a reasonable spread of values in the event that the market either rises or falls.

Figure 1: Summary of Value Points Adopted for Each Property Type (based on DTZ floor areas):

Value Points	1 bed flat	2 bed flat	2 bed house	3 bed house	4 bed house	5 bed house	5 bed house	£ per sq m
						small	large	
1	£88,300	£115,200	£142,000	£178,500	£232,300	£284,200	£391,700	£1,920
2	£98,200	£128,000	£158,000	£198,500	£258,200	£315,800	£435,300	£2,130
3	£110,400	£144,000	£178,000	£223,300	£290,500	£355,300	£489,800	£2,400
4	£121,300	£158,200	£195,000	£245,200	£319,000	£390,300	£537,900	£2,640
5	£137,800	£179,700	£221,600	£278,500	£362,400	£443,300	£611,000	£3,000
6	£153,900	£200,700	£247,500	£311,000	£404,700	£495,000	£682,400	£3,340
7	£168,400	£219,600	£270,900	£340,400	£442,900	£541,700	£746,600	£3,660
8	£184,500	£240,600	£296,700	£372,900	£485,200	£593,500	£818,000	£4,010

2.2.9 This is only intended to indicate general tones of values/value patterns – the range within which values are typically seen. It helps us understand how

varying policy (and the resultant range of viability outcomes) might affect housing and affordable housing delivery on sites which produce differing values across the Borough. In practice, very specific local factors influence value. Appendix 1, the Property Price Analysis, demonstrates the range of researched values.

2.2.10 As part of the research, we spoke to estate agents and visited residential development sites in August 2009 at various locations across the District. Where little data was available at the time of the search, the data has been verified or supplemented by using Land Registry average sales figures and re-sale data. The values research has been further verified through visits to, and enquiries made of, house builders' sales offices where possible. In a more general sense, our thinking was verified and further information was gathered through our ongoing work and discussions with others such as land agents and colleagues at Adams Integra, for example as to the way developers consider sites and price their new schemes.

2.2.11 This study does not attempt to provide comprehensive property valuation data, but rather identifies the typical range of new build values of various dwelling types based on the assumed sizes set out. The values research is carried out to enable us to make judgements about the range of values of new build properties typically available. Inevitably judgements have to be made. It is not a statistical exercise. The values used in the appraisals are averaged across properties of varying size and type, and it must be remembered that any settlement could contain a range of property values covering a single property type. We believe, however, that the information used is reasonably representative. The key point is to consider the likely range of typical new build values which will underpin this planning-led delivery of affordable homes, rather than consider overall resale market Land Registry type data alone, which can often dilute the new build market picture.

2.2.12 Also relevant in this context is the fact that the specific values used here can only be on a snapshot/current time basis. We do, however, reflect value increases or reductions at the top and bottom ends of the value points.

2.2.13 Clearly future values cannot be predicted, but this methodology does allow for potential future review of results in response to more established market trends or revised price levels - as well as sale price variations through site characteristics or location. It enables us to look more widely at the sensitivity of results to value levels.

2.2.14 In terms of study methodology, the current market is very difficult to reflect as a long-term trend, with varying reports about the extent to which present increased activity can be taken as a sustainable upturn. In our view it would be impractical for a local authority to move affordable housing and perhaps other viability related planning obligations targets in response to what could be short-term market conditions and adjustments, although this report does

seek to offer advice on how policy can accommodate such market movement. As discussed, the use of a range of Value Points enables us to see how residual land values (and thus likely scheme viability) change as the market values of properties varies.

2.2.15 In reality, lower value points tend to reflect more second-hand values, with newbuild values coming in at about the middle of the Value Point range, in Value Point 4-5.

2.3 Approximate Residual Land Value (RLV)

2.3.1 In order to determine the impact of proposed affordable housing policy on the range of site sizes appraised across the range of Value Points it is necessary to determine a common indicator to ensure comparisons are made on a like-for-like basis.

2.3.2 The key viability outcome and indicator for this study is the land value that can be generated where there is a predetermined and fixed level of developer profit (alongside allowing for all other assumptions discussed in this report). It is not based on the notion of fixed land values with developer's profit varying as affordable housing or other requirements change. Land value expectations (and how those need to be adjusted over time with changing markets in addition to changing planning and environmental requirements) are central to this work and to the ongoing negotiation and delivery processes. Local authorities and others involved in the process must recognise that developers need to make reasonable profits, and this work is not based on a premise that those should be eroded below reasonable levels. This area is discussed further below, at Developer's Profit.

2.3.3 Assuming a developer reaches the conclusion in principle that a site is likely to be viable for development, an appraisal is carried out to fine-tune the feasibility and discover the sum that they can afford to pay for the site.

2.3.4 In this study we have to assume that a negotiation has occurred, or is under way, based on knowledge of the current development climate and planning policy requirements as they will apply to the scheme. In other circumstances, a developer might have paid for land, or committed to pay for land, in a much more buoyant market and at a much higher price, in which case he might seek to negotiate affordable housing and infrastructure requirements. Such negotiations, however, can only take place on an individual and specific basis and are, therefore, outside the scope of this report.

2.3.5 The simplest, most effective and widely understood way of checking site viability in most instances is via a developer-type Residual Land Value (RLV) appraisal (see Appendix 7 – Glossary). We have developed our own spreadsheet model for this purpose. In doing so we have made what we feel

are reasonable assumptions, but it must be noted that individual developers will have their own approaches, and a developer might also apply a different approach from one site to another.

2.3.6 A highly simplified example, which groups various cost elements together and showing only the basic structure of the RLV calculation, is shown in Figure 2. This is an illustrative example only and is not to be relied upon for calculation purposes. It demonstrates, in outline only, the key relationship between development values and costs. This is a dynamic relationship and determines the amount left over (hence 'residual') for land purchase from the total sales value (the 'gross development value') of the site. It can be seen that as values increase but costs remain similar, there is more scope to sustain adequate developer's profit levels together with, crucially, land values which will be sufficient to promote the release of land for residential development.

Figure 2: Simplified Example of Gross Development Value Calculation (for illustration purposes only)

Starting point is total sales value ("Gross Development Value")	
Number of Units =	10
Sales Value =	£120,000
Gross Development Value = A	£1,200,000
Development Costs (build costs, fees, etc.) = B	£575,000
Development Profit (@15% of Sales Value) = C	£180,000
Land Purchase Costs (fees etc) and Planning Infrastructure (not including affordable housing element) = D	£75,000
"Residual Land Value" (Gross Development Value - Development Costs - Profit - Land Purchase and Planning Obligations) = E	
A – (B + C + D) = E	**£370,000**

2.3.7 This method reflects one of the main ways in which development viability tends to be assessed. We have been able to verify our experience and thoughts on the structure of, and components within, the model and indicative output land values through our contact with developers and their advisers.

2.3.8 The model used for analysis in this instance uses a calculation that provides an approximate RLV, after taking into account assumed normal costs for site development. It does not allow for abnormal costs. Abnormal costs can only be properly reflected with detailed site-specific knowledge. If such varying costs were to be considered within this study, it would affect our ability to accurately compare like with like, when assessing the impacts of affordable housing requirements.

2.3.9 Added to this is the inclusion of an affordable housing element, whereby the developer receives a payment from an RSL (or other affordable homes provider) for a number of completed affordable homes. This level of receipt is based on figures in the DTZ report and is not at a level comparable with open market values.

2.3.10 In addition, an allowance for other planning infrastructure costs is also included. Although in practice these payments will vary and be calculated on a site by site basis, this study looks at fixed costs (per unit) to determine the additional impact that increased planning infrastructure costs may have on development viability (see Other Assumptions below). The amount of these costs is based upon the requirements of the brief.

2.3.11 Assuming that a developer will require a minimum fixed profit margin on any given site to balance risk and obtain funding, beyond a certain point it is, therefore, the land value that will be affected by the introduction of affordable housing or other infrastructure requirements. In this sense (and although there can be positive cash flow effects similar to those from “off-plan” sales) affordable housing is viewed as a significant cost element to the developer’s appraisals, in much the same way as other planning infrastructure requirements (planning obligations).

2.3.12 The results of the model calculations show the change in approximate land value or change as a percentage of approximate Gross Development Value (GDV). It should be noted that this is based on notional sites and is a relative exercise only - to determine the probable effect of revised affordable housing policy. As such it is the *changes* in results, as the cost and affordable housing criteria alter, that are amongst the key outcomes.

2.4 Gross Development Value (GDV)

2.4.1 Gross Development Value (“GDV”) is the amount the developer ultimately receives on completion or sale of the scheme, whether through open market sales alone or a combination of open market sales and the receipt from a RSL for completed affordable homes. It assumes that the developer has appraised the site and secured land in the knowledge of, and reflecting, affordable housing policy that will apply; i.e. the developer is aware that receipts will be at a lower level than prior to any affordable housing policy

taking effect. This can be regarded as a reasonable approach, given established local and national policy guidance on the provision of affordable housing.

2.4.2 Ultimately, land value is a product of a series of calculations that provides a residual valuation based on the revenue from a specific form of development that a site can accommodate, and its development costs. While the market uses a variety of approaches to appraise sites and schemes (including comparisons between sites) in early stages of feasibility, a more detailed approach is necessary to understand how the value/cost relationship appears - as used in this study.

2.4.3 Models which study cashflow over the development lead in, build and sales periods are also used – perhaps particularly for larger, phased developments. Such methods, because they take account of income being received from sales during the build period, as a general rule can produce slightly different RLVs than the traditional residual approach, if used on comparable schemes. For this type of overview study, carried out in the context of considering policy targets, the use of cashflow modelling for larger sites would simply involve making more assumptions, all of which would vary from scheme to scheme. This could lead to distortions within our results and would make the type of comparisons we need to make more difficult to draw out.

2.5 Developer's Profit

2.5.1 The requirement to place an increased proportion of affordable housing on a site will generally reduce the sales income that a developer can reasonably expect to receive. As this reduction will not be accompanied by lower construction costs, the offset must be taken up in a reduced development profit, a lower land price or a combination of the two.

2.5.2 Developer's profit and landowner's sale price are key considerations that must be taken into account if residential development is to be undertaken. We also need to bear in mind that profit is a reflection of risk so that, in connection with affordable housing, there might be instances where a developer adopts the view that on-site provision will reduce the risk attached to his revenue. This would apply particularly in a poor sales market, such as we have recently experienced.

2.5.3 If profit levels fall below a certain point, developers will not take the risk of developing a site nor in many cases will funding organisations lend them the finance to develop. Equally, if the price offered by a developer to a landowner for a site is too low, the landowner may not sell and instead continue with, or pursue, an existing or higher value use. There are also intangibles, for instance some smaller sites may start out as homes, gardens or small business premises which will not be sold unless certain aspirations are met.

Business and tax considerations, investment values and costs, and availability and cost of replacement facilities can all influence decisions to retain or sell sites. A mix of these factors may be relevant in some cases.

2.5.4 Continued ready access to development finance is likely to be a particular issue in the current market conditions which have flowed from the "credit crunch."

2.5.5 Adams Integra's experience of working with a range of developers leads us to suggest that they would need to seek a fixed profit (margin) of around 15% (gross) of GDV. In general, only if the projections reveal this fixed profit margin (as a minimum) would a developer pursue a site.

2.5.6 This study, therefore, adopts a base position of developer's profit fixed at 15% of GDV. We also consider, however, a possible scenario in connection with single plots, whereby these might be developed by a smaller house builder with reduced overheads and a sales exposure of only one unit, in which case a reduced profit of, say, 10% might be acceptable.

2.5.7 In all cases an increased developer's profit leads to further reductions in the financial sums available for land purchase and, therefore, impacts further on site viability. We have to consider that there will be a wide range of scheme types brought forward by an equally wide range of parties. Once again, there are no firm rules when it comes to scheme-specifics. In our view, however, the 15% level we use would form a reasonable general default or starting position for the Council when first considering site specific viability appraisals.

2.6 Viability

2.6.1 Viability is a term used to identify the point at which it becomes worthwhile to either sell a parcel of land for development, when considering a landowner's position, or to build out a development, when considering the developer's position. Clearly, the landowner might also be the developer.

2.6.2 From the landowner's perspective, there are a number of criteria that might apply. For example, a private householder selling for development will consider the development value against the existing value and might also look for a premium that allows him to achieve a jump up the property ladder, to which he could not otherwise have aspired. In this instance, viability is set at a high level.

2.6.3 At the other end of the spectrum, a farmer might achieve planning permission for a piece of land, for which the only alternative use is agriculture at a relatively low value per hectare. In this instance the viability line will be much lower, with a greater opportunity to negotiate such matters as planning gain and affordable housing.

2.6.4 In a more urban situation, there might be competition from more commercial or industrial uses, against which a residential land value will be measured.

2.6.5 In its Property Market Report of July 2009, the Valuation Office Agency sets out different land values for various uses across the country. Although Winchester is not mentioned specifically, the figures for other towns point to those that might be applicable:

Residential Land per Hectare (average):

Guildford	£3,300,000
Tunbridge Wells	£2,500,000
Reigate	£3,000,000
Basingstoke	£1,800,000
Southampton	£1,900,000

Industrial Land per Hectare

Crawley	£1,900,000
Basingstoke	£1,600,000
Southampton	£1,400,000

2.6.6 An independent view of an established local agent suggested a level of around £1.5million per hectare for industrial land close to Southampton docks, supporting the above figure for the town.

Agricultural Land

2.6.7 According to the report, the value of equipped agricultural land in the south-east would be £19,000-£20,000 per hectare.

Commercial Land

2.6.8 With regard to local commercial land values, the recent market has not been sufficiently active to allow firm conclusions to be drawn. There is anecdotal evidence of individual commercial sites on the fringes of Winchester's area, with planning permission, being marketed at around £2million per hectare in more secondary locations, although discussions with agents indicate that this level is high.

2.6.9 Due to the lack of locally specific data, we have to treat these figures as indicative, although we talk to agents and refer to other towns in order to inform our views of the likely position within the Winchester area.

2.6.10 In considering whether a commercial use is, in reality, going to be an alternative to residential, one has to also look at prevailing planning policy that might seek to control the level of commercial floor space. The adopted Local Plan Review of 2006 contains two policies that are relevant here, being policies E3 and E4. Policy E3 restricts the level of office development within the defined town centre of Winchester, while E4 seeks to restrict office development to Winchester town centre.

2.6.11 Following the introduction of the Local Development Framework system, some local plan policies have been saved, so that they can still be used to make planning decisions. Policy E4 has been saved, while E3 has expired as of 7 July 2009. The implication of this is the possible higher level of office supply within the town centre of Winchester, subject to market demand.

2.6.12 This situation could, potentially, lead to a level of competition with residential land values although, on balance, residential values in the town centre are likely to be at the upper end of the value point spectrum, with the result that residential viability should still be maintained.

2.6.13 When considered from the developer's point of view, the main driver of viability will be profit, as discussed elsewhere in this report. One of the main factors affecting profitability will be the price paid for the land, together with the movements in the market that affect sales prices. In the recent past we have seen a number of developers approach local authorities to try and renegotiate planning gain requirements, including affordable housing, having paid for the land at the height of the market. Falling sales prices are now putting the profitability in jeopardy.

2.6.14 One of the criteria used to assess appropriate levels of land value is the percentage that the land element represents of the total sales revenue, or Gross Development Value. Although this would vary according to the location, style of development and circumstances of the buyer, we have sought the advice of local developers, who are indicating that, in today's market the land value is between 20 and 25% of the Gross Development Value. This would compare to levels of up to 40% at the height of the market.

2.6.15 If we consider land value percentages at different Value Points, we see that the percentage rises with higher values. This is due to the fact that build costs do not rise at the same rate as sales values and, whilst a proportion of the increase in sales will go towards profit, the balance will be available for land value. In effect, the increased GDV is increasing the "residue" available for the land.

2.6.16 These percentages are not, therefore, an exact science, but are used within the industry as a "rule of thumb" to give an indication that land value is either at the market level, or not. In our experience, this criterion is also used by

landowners to assess offers from developers, in the knowledge of past levels that have been achieved.

2.6.17 We have, therefore, considered the viability of the different scenarios from both this point of view and from the point of view of competing land values. We need to make the point, however, that competing land values will only be an issue in locations where planning permission could be obtained for the alternative uses. This might, most obviously, apply in urban and, possibly, some suburban locations, where offices or retail might be competing uses, but it will apply less in rural settings. The implication of this is that each site coming forward for development will need to be considered in its own right, but viability in either established suburban residential locations or in rural locations is more likely to depend upon the prevailing level of residential values.

2.6.18 The table headed Unit Numbers, Mixes and Base Land Values, attached as Appendix 2 shows both the land value per hectare and the percentage to GDV of a number of scenarios, assuming a base position of zero affordable housing provision.

2.6.19 he comparison of 10 and 14 units at 20% and 40% on-site affordable, enclosed as Appendix 6 , also considers the resultant land value per hectare as a measure of viability, alongside the percentage land value to GDV.

2.6.20 Taking into account percentages to GDV, land value per hectare and planning considerations, we have adopted a threshold of viability at approximately 18% GDV and £1,400,000 per hectare. We should note, however, that valuation is not an exact science and that local circumstances might dictate the need for flexibility around the viability level, rather than saying that a site is not viable because it does not produce £1,400,000 per hectare.

2.7 Tariff/Commuted Payment

2.7.1 The brief asks us to advise on securing contributions towards affordable housing from both on-site provision and a tariff system. The application of each is considered later in the report but, at this stage, we need to understand what is meant by the different means of securing affordable housing.

2.7.2 Subject to the outcome of supporting studies, policy is likely to provide for the following scenarios:

2.7.3 The principle that a contribution towards affordable housing is to be made by all sites, with an assumed target of 40% of the total number of units being provided on-site.

2.7.4 On smaller sites, say 1-2 units, this contribution might be made either on-site or through a commuted payment, although the Council's preference will always be for on-site provision.

2.7.5 The methodology tests, therefore, the principle of affordable housing at 40%, firstly on single unit sites and then on sites of 3 and 5 units. Where applicable, the amount of commuted payments is taken from the Council's SPD on affordable housing, whereas the amounts of payments made by RSLs for on-site provision are taken from the DTZ report. Commuted sum payments from the SPD allow for changes brought about by reference to the Nationwide House Price Index, as provided for in the SPD. This brings the level of commuted sum to Q4 2009, in line with the level of open market values in the Value Points table, seen above at Figure 1.

2.7.6 For the purpose of the valuations, we have adopted the commuted sum figure for a 3 bedroom house, thereby giving an average position assuming that, in reality, commuted payments would be made in respect of a range of affordable units, typically from 2 to 4 bedroom.

2.7.7 In addition, we have considered the position of schemes that represent urban medium, suburban medium and rural medium densities.

2.8 Unit Mixes

2.8.1 The viability of a site will be affected, to a degree, by the mix of units that a developer decides to put on it. He will do this with a view to maximising the profitability of the site, but will want to ensure that he is not proposing, for example, houses that are too large for the location, where build cost will be high in relation to a value that is capped for the area. Even so, one developer might propose a higher proportion of one house type than another developer. This decision will depend upon a number of factors, not least the location, competition and the style/nature of the developer and where he sees his strength in the marketplace.

2.8.2 With a number of variables coming into play, it is important to adopt as much consistency as possible, so that we can minimise the number of variables that can have an impact upon viability.

2.8.3 In the context of this report, we are relating to work already carried out by DTZ, who set out both density and mix parameters in their report. The outcome of this is that each notional site is divided into nine separate density categories, to which different mixes are applied. These categories range from rural, low density to urban, high density. A mix of unit types, ranging from 1 bedroom flats to 5 bedroom houses, is allocated to each and, for this report, we have allocated mixes in line with those proposed by DTZ. There will be

marginal differences; for example our models use a larger 5 bedroom house type, in addition to the DTZ 5 bedroom type.

2.8.4 In spite of these marginal differences, the broad pattern of mixes follows a logical line from larger units in lower density locations to smaller units in higher density locations. This is illustrated on the tables attached as Appendix 2 and headed Unit Numbers, Mixes and Base Land Values.

2.9 Social Housing Grant

2.9.1 Our starting position has been that social housing grant would not be available. Initial appraisals were carried out on this basis. Bearing in mind the aim of maximising the provision of affordable housing on-site we would, however, introduce grant in the circumstances where it was clear that viability would be at risk without it. Our starting point for grant levels has been the DTZ report, although financial circumstances are very different now compared to what they were at the time of the DTZ report. We have therefore adopted slightly lower figures for social housing grant and these might be seen as being conservative. We believe that this is a sensible approach, given the current pressures on public finance.

2.10 Model Scenarios

2.10.1 The modelling seeks to address the various requirements of the brief and therefore breaks down as follows:

- A series of appraisals to test viability in current market conditions, with zero affordable housing provision and a small infrastructure payment per unit. These are based on a range of unit numbers from 1 to 14, at densities and mixes that follow the DTZ assumptions for urban, suburban and rural situations. These are then tested for viability at the 8 Value Points mentioned above. This gives us an idea of where the pressure is likely to arise when the additional cost of affordable housing and/or financial contributions is imposed.

- In the case of single units, we have taken the view that, in reality, these are most likely to be 4 and 5 bedroom detached houses. Since such properties have the maximum opportunity to exploit both value and individual design, a wide range of values can be seen. This is a matter that is, again, covered by the Value Points exercise.

- As stated above, we have generally adopted a profit level of 15%, although the single plots have also been tested at 10%.

- We have sought to explore the appropriate cut-off point between on-site affordable provision and financial contribution, particularly relating to smaller numbers of units. In this connection we have needed to form a view as to the

likelihood of small sites coming forward with an on-site requirement in different situations, for example low density rural versus high density urban. In a small, low density rural site of larger units, the market is likely to significantly discount the value of private-sale houses where there is on-site affordable. This might be to the point where the resultant land value prevents the site coming forward. This discount would not, however, apply where a financial contribution is paid in lieu of on-site provision.

- On the other hand, a small, high density urban scheme might not experience such discounting, particularly if the scheme is for smaller units.

- For the larger sites in the range, we have considered viability at both 20% on-site provision and 40%, at 15% profit and at varying levels of infrastructure cost.

- A further point from the brief relates to proposals that will address the position where a percentage on-site contribution results in a fraction of a unit to be provided. For example a site of 8 units with a 40% on-site policy requirement will result in 3.2 units being provided. We consider how the Authority can recover the full provision, even if part is by way of financial contribution.

2.11 Indicative Site Area

2.11.1 The appraisals are carried out at different density levels, expressed as a number of dwellings per hectare and taken from the DTZ report. These vary between 30 dwellings per hectare for rural sites and 80 dwellings per hectare for urban sites. When related to the number of units under consideration, we can see the resultant land area, together with the land value expressed as a sum per hectare.

2.11.2 Given the nature of this study, we have also considered single units at densities of between 20 and 30 dwellings per hectare. This has the effect of varying both the size of site, on which the unit sits, and the resultant land value per hectare.

2.11.3 We are satisfied that these densities are realistic for the Winchester City area and note that they correspond closely to the densities used by the Council to calculate unit numbers for sites identified in the Strategic Housing Land Availability Assessment.

2.12 Other Assumptions

2.12.1 The appraisal model includes a range of other variables that are all taken into account when calculating an approximate land residual (RLV). This is an extensive list and includes items such as fees, land buying costs, finance, agency costs and planning infrastructure provision.

2.12.2 In some instances these figures are factors of other elements of the appraisal and, therefore, vary by site size and type.

2.12.3 One of the major inputs for this study is the revenue from affordable housing. For this purpose, we have again followed the DTZ report and used their figures for both social rented and shared ownership units. In general, we have followed a 70:30 split in favour of social rented, but where the number of affordable units would be 5 or less, we have followed the terms of Winchester City Council's current SPD, adopted February 2008, and made them all rented. It is, of course, possible that policy will vary this percentage split in the future to allow a greater proportion of shared ownership units. Such a position would be favoured by developers and would not, therefore, have an adverse affect upon viability.

2.12.4 The percentages and values assumed for the purposes of this exercise are listed below and are the result of Adams Integra's experience, work with and discussions with developers, valuers, agents and others:

Base Build Costs (House Schemes) – *£1,100/sq m*

Base Build Costs (Flatted Schemes) - *£1,250/sq m*

2.12.5 The above are applied to the Gross Internal Area (GIA) of the accommodation. Base costs for flats are likely to be higher than for a scheme of houses particularly where sites are constrained and often difficult to work on (involving materials storage difficulties, craning etc). Common areas have to be allowed for, as does the degree of repetition of costly elements. Cash-flows for flatted development can also be less favourable as rolling sales are more difficult to deliver. In this study the £1,250 per sq m figure assumes standard low rise flats (typically no more than 3/4 storeys and allowing standard construction techniques). In practice, again all schemes will be different.

2.12.6 Build cost figures have been taken as an indicative level, supported by our ongoing experience of scheme specifics, whilst also taking into account a range of information from BCIS data (the Building Cost Information Service of the Royal Institution of Chartered Surveyors (RICS)).

2.12.7 There will always be a range of data and opinions on, and methods of describing, build costs. In our view, we have made reasonable assumptions which lie within the range of figures we generally see for typical new build schemes (rather than high specification or particularly complex schemes which might require particular construction techniques or materials). As with many aspects there is no single appropriate figure in reality, so a judgement on some form of benchmark is necessary. There will be instances where

other costs are relevant, including in overcoming abnormal site issues or characteristics.

2.12.8 We are aware that the developer's base build costs can be lower than our above base cost figures, and also that the BCIS tends to indicate lower figures. In contrast, however, there is also much said about costs being higher than this, often in the context of RSLs procuring new housing through contractors and developers. Build costs are set out in a range of guises, including in BCIS, whereby items such as external works costs and fees, etc are sometimes included, sometimes excluded. It can be difficult to carry out reliable analysis. So a view needs to be taken, and then monitored, tested and updated as informed by the experience of site specifics, negotiations and (from the affordable housing perspective) in light of funding availability and affordability for occupants.

2.12.9 Typical scheme-specific additions to these are:

- **Architect Fees**: *3.5% of build costs.*
- **Consultants Fees**: (e.g. engineer, planning supervisor, project manager) *3.0% of build costs.*
- **Contingencies**: *3.0% of build costs.*
- **Insurances**: *2.5% of build costs.*
- **Marketing and Sales Fees:** *1.5% of Estimated Gross Sales Value. There will be instances, dependent on the location and scheme type, where some of this expense, or an additional sum will be directed to the setting up of a show home. This will, however, not be appropriate on all schemes hence we have not included for it as a standard assumption item. We would not expect it to alter the outcomes fundamentally.*
- **Legal Fees on Sale**: *£400 per unit.*
- **Finance (build)**: *7.5% APR on above build costs over build period.*
- **Build Period:** *9 months for 5 to 15 unit schemes, 12 months for 25 unit schemes; 18 months for 50 unit schemes; 24 months for 100 unit schemes.*
- **Land Survey Costs***: £2,500 per site for a 5 unit scheme; £5,000 for 10 unit schemes; £7,500 for 15 unit scheme; £12,500 for 25 unit scheme; £25,000 for a 50 unit scheme; £37,500 for a 75 unit scheme and £50,000 for a 100 unit scheme including basic ground conditions*

research (on larger schemes especially there will usually be additional cost associated with transport, environmental/landscape, ecology etc dependent on the scheme and not covered here).

- **Legal Fees on Land Purchase**: *0.5% of land value (this will often produce a low figure when looking at very small or low value sites but only make a minimal difference to outcome).*

- **Planning Application costs:** *£335 per dwelling where the number of dwellings is 50 or fewer; where the number of dwelling houses exceeds 50 - £16,565 plus £100 per dwelling in excess of 50, subject to a maximum total of £250,000.*

- **Stamp Duty Land Tax:** *Between 0% and 4% depending on RLV.*

- **Infrastructure Payments**: Vary depending on size of unit and whether housing is affordable or private. In reality, these can cover a range of potential infrastructure costs or the higher levels could apply to other future costs e.g. increase in environmental performance (higher Code for Sustainable Homes levels, greater requirement for renewable energy provision etc).

- **Code for Sustainable Homes:** *£50/m² added to base build costs for flats and houses. Based on CLG - July 2008[1] report and assumes medium case scenario for flats and terraced houses.*

- **Renewable Energy:** 10% on-site renewables allowed for with cost varying between £2,500 and £5,000 per unit.[2]

- **Finance related to land purchase** *7.5% interest cost on land survey, planning costs, legal fees on land purchase and RLV over build time plus 26 weeks. No finance arrangement or related fees have been included for the purposes of this exercise. They might in practice be applicable, but we would not expect them to alter the viability equation fundamentally. Scheme funding arrangements will vary greatly, dependent again on the type of developer and scheme. As with much of this exercise, this is a snapshot and there are varying views as to what future trends will hold, and so over time we would need to see how added costs balanced with changes in sales values.*

2.13 Community Infrastructure Levy

2.13.1 The regulations governing the implementation of the Community Infrastructure Levy are now in place, allowing local authorities to implement it. However, the assumptions in this report, relating to infrastructure payments,

[1] DCLG – Cost Analysis of the Code for Sustainable Homes (July 2008)
[2] Energy Savings Trust – CE190 Meeting the 10 per cent target for renewable energy

are based upon the original brief and subsequent discussions with the Council. They are not based upon the Community Infrastructure Levy.

2.14 Caveats and Limitations

2.14.1 This study requires judgements based on the development values and changes seen in land values as a result of varying potential policy positions. This is in the context of seeking to guide policy development and arrive at clear policy targets. The results cannot be a definitive guide to how specific sites will be appraised or how outcomes on a site-specific basis will look. As this is a relative exercise aimed at determining the likely effect of a range of policy options, the most important factor is consistency between assumptions used for modelling scenarios. Specific assumptions and values for our notional schemes may not be appropriate for any particular actual development. We are confident, however, that our assumptions are reasonable in terms of making this viability overview.

2.14.2 Development viability will vary from site to site, and there will be no substitute for scheme-specific discussions. The context of this study is the setting of clear policy targets as a basis for a necessarily negotiated approach to provision.

2.14.3 There can be no definite viability cut off point owing to individual landowners' circumstances. It is not appropriate to assume that because a development appears to produce some land value, the land will change hands and the development proceed. This principle will in some cases extend to land owners expecting or requiring the land price to reach a higher level, perhaps significantly above that related to an existing or alternative land use. This might be referred to as a premium or sufficient level of incentive to sell. In some specific cases, whilst weighing up overall planning objectives to be achieved, therefore, the proposals may need to be viewed alongside the owner's enjoyment /use of the land.

2.14.4 These factors will not always come into play or always have very significant influences on outcomes. For instance, the market for an existing or alternative use proposal, and therefore the value it produces, will vary with time, location and economic conditions. They are likely to be highly variable as to relevance for and impact on particular schemes. In reality, scheme-specific land values have to be considered alongside existing or alternative use values and the latter, being very location and planning use or business dependent, will also vary significantly.

2.14.5 The use of notional sites most effectively enables like-for-like comparisons to be made, i.e. the testing of impacts of the varying requirements on the same typical scheme in a range of value locations. The fact that individual schemes vary makes like-for-like comparison very difficult when studying those for this

purpose of trying to measure policy impacts, with full reliable and readily comparable information being critical.

2.14.6 We have not definitively labelled specific locations, areas or settlements as higher/lower value, or similar. This is because, in practice, we found that values can vary from street to street and within very small areas. The Value Point approach used in this study means that viability outcomes can effectively be transported around the Winchester City area and a feel for viability gained in relation to relevant value levels. As noted, this range of values approach also relates well to enable consideration of viability impacts and trends at a future point with regard to market adjustment of values.

3 RESULTS

3.1 Background

3.1.1 The recent moves in the residential market, both for homes and land, illustrate the need for all local authorities to adopt strategies that will allow adopted policies to be kept under review, with the intention of being able to react to the consequences of these movements, in order to maximise the supply of both affordable housing and the new land, upon which the affordable housing depends.

3.1.2 We held discussions with both estate agents and house builders during August and September 2009. The general tone of the agents was optimistic, with higher levels of business since the beginning of 2009, although all commented upon the lack of new stock.

3.1.3 In terms of value throughout the Winchester City area, there was general consensus that the highest values were in Winchester, with the towns and villages within 5 miles of the city coming next. Then would come the Meon Valley, Bishops Waltham and the remaining settlements in that order.

3.1.4 Visitor levels were improving, with a particular trend being the number of people looking to buy, who were coming out of rented accommodation. This would indicate a perception that we have reached the bottom of the market, although potential sellers still need to be persuaded to act.

3.1.5 The house builders were having to reduce prices to sell stock, some by as much as 15%. In some cases, however, this was as much to do with the quality of the property, as opposed to the lack of demand in the marketplace.

3.1.6 We have also sought guidance on the market from published data. One of the more recent is the Housing Market Bulletin of the Homes and Communities Agency, dated 29 September 2009. This makes the following points:

- Both Halifax and Nationwide recorded house price rises in August.
- Rightmove say that prices rose by 0.6% in September.
- According to the RICS, the number of surveyors reporting rising, rather than falling, prices in August was 11% higher, the first time that this figure has been positive in two years.
- The Council of Mortgage Lenders: loans for house purchase in July were up 19% on a year earlier.
- Housebuilders have been undertaking rights issues recently. These include Barratt, Redrow, Galliford Try and Bovis. This might indicate a desire to raise

capital for the purpose of, amongst other things, the purchase of new land. Discussions with land agents have suggested that more house builders are coming back to the market, indicating some optimism that the trend in house prices over the next few years will be upward.

- On a less optimistic note, the United Kingdom continued to be in recession, with GDP falling in both Quarter 1 and Quarter 2 of 2009. In addition, unemployment reached nearly 8%.

3.1.7 The various statistics tend to be gathered on different bases, but it would be fair to say that market sentiment is, currently, positive. There are, however, views that the impact of unemployment and higher interest rates in 2010 will hold back continued price growth next year.

3.1.8 During the lifetime of the Authority's Local Development Framework it is likely that similar market turbulence will be seen. This emphasises the need for built-in flexibility in housing policy.

3.2 Property Values

3.2.1 What are the drivers that generate property values in Hampshire as a whole, and in Winchester City area in particular? In general terms, Hampshire is considered to be a very attractive area of southern England in which to live, benefitting from both beautiful countryside and villages, as well as having excellent road and rail communications between the commercial hubs of Southampton, Winchester and London.

3.2.2 The city of Winchester acts as a focus for commerce, retail and tourism, with car journey times into central London of around 90 minutes, and train times into Waterloo of around 1 hour.

3.2.3 Property values in the local authority area are generally high. Figures from the Office of National Statistics show the average price for all dwellings (January 2008 to December 2008) to be £345,000, against an average for the south-east as a whole of £268,000. This illustrates both the popularity of the area and the potential difficulty of affordability.

3.2.4 As part of our own values exercise, we looked at a range of flat and house-types in more than 30 settlements. In addition, we also visited new developments and estate agents to gauge a more accurate, local picture of the market.

3.2.5 As with all such exercises, much of the information is specific to a very local area or development. For example, we are aware of new developments, whose sales performance is suffering as a result of either locational factors or matters to do with the specification.

3.2.6 For this reason, we adopt the Values Points principle, as a means of ironing out individual discrepancies that might not be typical of the market.

3.2.7 The research largely echoed the views of agents that we visited, that is to say that the highest values will be found within Winchester, followed by the villages to approximately 5 miles from the city, for example Kings Worthy, Alresford, Compton and Twyford. Lower values are found at the southern end of the area, in such locations as Denmead and Whiteley. It is noticeable, however, that the southern end of the area also contains some high-value pockets, such as Swanmore, Hambledon and Wickham, which are particularly attractive for larger houses.

3.2.8 Recent economic conditions have pointed towards affordability as the key to achieving sales in both the newbuild and second hand markets, with developers facing the additional challenge of needing to achieve a rate of sale to satisfy targets for returns. Nevertheless, in the core area of 2 to 3 bedroom houses, we have seen that there is still a premium to be paid for new homes, although this is less pronounced for 4 bedroom properties.

3.3 Results Trends

3.3.1 We modelled different scenarios for sites of 1, 3, 4, 5, 8, 10, 12 and 14 units, to give coverage over the Authority's original requirement of up to 5 units, together with the further recommendation of Adams Integra. We appraised single unit sites as 4 bedroom (121 sq m), 5 bedroom (148 sq m) and 5 bedroom (204 sq m). The two levels of 5 bedroom unit reflect the fact that individual houses in Hampshire can be large, perhaps built by an owner-occupier as a one-off project.

3.3.2 For the other unit numbers we ran appraisals based upon the density categories of urban, suburban and rural in the DTZ report, to which we applied mixes that seek to correspond closely to the mixes in the DTZ appendices.

3.3.3 The table attached as Appendix 2 shows the resultant site areas and floor area per hectare produced by each mix. This is used as a check to ensure that the proposed mixes produce total floor areas that are within a consistent range.

3.3.4 We would reiterate, by way of confirmation, that Value Points 2-7 are based upon market prices for each house type, while Value Points 1 and 8 reflect either a fall, or a rise, to those levels respectively.

3.3.5 Initial modelling in Appendix 2 was carried out at zero affordable housing provision, with a planning gain contribution of £5,000 per unit, in order to

gauge the base viability position. Subsequent appraisals introduced different levels of on-site affordable housing, but assuming zero grant contribution.

3.3.6 We go on to discuss the results under the same headings that were set out in the brief.

3.4 Viability of either on-site provision or securing contributions towards affordable housing provision

3.4.1 In this section, we discuss the impact of both a commuted payment and on-site provision upon different numbers of units. We begin with single units and work up to 10 and 14 units.

Single Units

3.4.2 Sites for single units can only contribute to affordable housing by way of a financial contribution, unless planning policy in relation to the specific location dictates that it is only affordable housing that will gain a planning permission. For the purpose of this study, we shall assume that single units are sold in the open market.

3.4.3 As seen in Appendix 2, which assumes a zero level of affordable housing, single units show low land values in Value Points 1 and 2. For the 4 bedroom houses, these value points represent sales values of £230,000 to £260,000, while the corresponding 5 bedroom values would be £280,000 to £435,000. Since it is more likely that developments of single 4 and 5 bedroom detached houses would be carried out in medium to higher value areas, we consider it reasonable to assume that values in Value Points 4 to 7 would be more applicable. For example, Value Point 5 would give the following values:

4 bed house (121 sq m)	£362,000
5 bed house (148 sq m)	£443,000
5 bed house (204 sq m)	£611,000

3.4.4 Appendix 3 shows residual land values for the three single unit types at each Value Point, assuming zero affordable provision and profit levels at both 15% and 10%. In addition, each land value is represented as the percentage that it bears to the Gross Development Value and as a sum per hectare.

3.4.5 At Value Points 1 and 2 the land value is positive, showing values of up to £96,000 for the large 5 bedroom house at 10% profit. Whilst such a sum might be attractive to a landowner in absolute terms, it is more likely that such houses would be built in locations represented by Value Points 3 and above.

3.4.6 At Value Point 3 the land values start to indicate that a financial contribution would be viable. Inevitably, the degree of viability improves at each rising Value Point.

3.4.7 Unless a site is specifically allocated for affordable housing, it is likely that a commuted payment would be the most practical means of achieving a contribution from a single unit site.

3.4.8 At Appendix 4 we show the impact of imposing a commuted sum upon single unit sites. The sum has been added to the development cost of the models that we showed in Appendix 2, which excluded any affordable housing contribution. The amount of the commuted payment is based upon the SPD figure for a 3 bedroom house at 40%. We have carried out this exercise on the three detached house types that are modelled in Appendix 2 and have, additionally, shown the impact at different levels of infrastructure charge.

3.4.9 The tables show that the larger 5 bed houses are showing viability at Value Point 4, even at an infrastructure payment of £20,000, while the smaller 5 bed and the 4 bed house are showing viability at Value Point 5. Later in this section we see that new homes' values fall, in the main, within Value Point 4-5 and we can, therefore, conclude that it would be feasible to impose such a commuted payment on single unit sites. Furthermore, the tables show that the more valuable single unit sites could take a higher charge, whether this be represented as an infrastructure payment or affordable housing contribution.

3 Units

3.4.10 With sites of 3 units, the alternatives would be either an on-site provision or a commuted payment, as above. At 40%, the requirement would be 1.2 units.

3.4.11 At Appendix 5 we show four tables that test both 3 and 5 unit sites for on-site affordable and commuted payments, each assuming a 40% provision. Each scenario is tested at infrastructure levels of £5,000, £10,000 and £20,000 per unit.

3.4.12 The 3 unit sites would require an on-site provision of 1.2 units and we have, therefore, assumed a single unit, with an additional financial contribution to reflect the fraction. On this basis, the rural and suburban sites are showing viability at Value Point 5, while urban sites are only showing marginal viability. In the event, however, that we omit the commuted payment to the urban sites, then we see their viability improve at Value Point 5.

5 Units

3.4.13 The 5 unit sites would require an on-site provision of 2 affordable units. In this scenario, rural and suburban sites are showing viability at Value Point 4, while urban sites are showing viability at Value Point 5-6.

3.4.14 In all instances, viability obviously improves with the lower levels of infrastructure payment.

3.4.15 If we reduce the requirement for urban sites to 20%, then we see viability coming in at Value Point 4.

3.4.16 If we then consider the alternative of a commuted sum instead of on-site provision, we see that this has the effect of reducing viability when compared to on-site provision, especially for the 5 unit sites. We believe that the market, in which the open market sales values were obtained, is relevant here.

3.4.17 The reduction in viability for the commuted sum scenario arises due to the greater cost impact of the commuted sum, compared to the reduction in revenue that results from on-site provision. If the sum paid by an RSL for an on-site unit remains more constant than market prices then, as the market falls, the gap between market value and affordable value will reduce. The provision of on-site affordable units will not, therefore, impact so greatly upon viability. Alternatively, we can say that the value benefit of substituting market housing for affordable housing in a poor housing market is also reduced. If we then add the cost of a commuted payment, the result is a significant impact upon viability, as shown in the above tables.

3.4.18 We should make two points in connection with this. The first is that we have not reduced the value of the market housing for the presence of on-site affordable. This would have the effect of closing the gap versus the commuted sum valuation, but would only significantly apply in lower density settings of small sites. The second point is that, as the market rises, then the benefit of the commuted sum route will increase, as the value of the larger number of market houses increases.

10 Units

3.4.19 At 10 units, with no affordable, £5,000 per unit infrastructure cost and 15% profit we are still seeing low land values at Value Points 1 and 2, and also at Value Point 3 in urban areas as shown in Appendix 2. At Value Point 2 the best land value is in rural areas, but even this is only showing a land value of £1,063,000 per hectare and a percentage to GDV of 13%.

14 Units

3.4.20 At 14 units with no on-site affordable, we still see land value problems at Value Points 1 and 2, with a similar picture for higher density suburban and urban sites in Value Point 3.

3.4.21 We need to consider the significance of a lack of land value at the lower Value Point bands, in the context of this study, before we go on to look at the impact of on-site affordable housing. Most of the appraisals start to show good viability at Value Points 4 and 5. For the core unit range of 2 to 4 bedroom houses, this corresponds to values of £195,000 - £319,000 at Value Point 4, going up to £221,000 - £362,000 at Value Point 5. If we look at the Price Analysis table, enclosed as part of Appendix 1, we can see that, for the core 2-4 bedroom house range, there is a relatively small number of settlements, within which prices would fall below Value Point 4.

3.4.24 The table at Appendix 6 shows a comparison between land values for sites of 10 units and 14 units, with on-site affordable housing at 20% and 40%. The infrastructure payment varies between £5,000 and £20,000 per unit and the profit level is at 15%. We have modelled the sites at the margin of viability, so have considered the positions from Value Point 4 to Value Point 6. We have also taken mid-range density positions, looking at medium densities for urban, suburban and rural locations.

3.4.25 Appendix 6 shows that, at 40% on-site provision, we are starting to see viability issues at Value Point 4, both in terms of value per hectare and percentage to GDV. For 10 units, land values per hectare at Value Point 4 range from £942,000 to £1,311,000. Percentages to GDV range from 10% to 17%. For 14 units, land values per hectare range from £929,000 to £1,278,000 and percentages to GDV range from 12% to 16%. For both 10 and 14 units, these levels are below both the Valuation Office Agency estimate of local industrial land values, although this is not so significant at the upper end of the land value ranges, where we are seeing £1,300,000 being achieved.

3.4.26 If we then look at the on-site provision of 40%, together with an infrastructure payment of £10,000 per unit we see, inevitably, an increasing pressure on Value Point 4, with emerging pressure on Value Point 5 in urban and suburban situations.

3.4.27 When the on-site contribution is reduced to 20%, then there is still good viability at Value Point 5, even with a £20,000 infrastructure charge. Even at Value Point 4, with a £5,000 or £10,000 infrastructure charge, the land value per hectare is only marginally below the £1,400,000 per hectare that we have taken as the viability threshold.

3.4.28 In the circumstances that the Authority is looking to find as much on-site affordable housing as possible, is it significant that, with a £10,000 per unit infrastructure payment, we are only seeing viability come through at Value Point 5 with a 40% on-site contribution.

3.4.29 The table below at Figure 3 gives approximate prices for new build houses at the core of the range, being 2-4 bedroom, and gives their position in the Value Points range. The prices relate primarily to the research carried out on the ground, including visits to new developments. During these visits, however, it was clear that sales rates differed from one development to another, for varying reasons. These figures should, therefore, be taken as a guide, but they give an indication of the level of prices that might apply to future new developments, from which a large proportion of affordable housing will come. We should point out that these prices reflect a reduction from asking prices, to reflect more closely the achieved levels. This is a more accurate reflection of the market.

3.4.30 If we cross-reference the prices on this table with the table of Value Points, we can assess the Value Point within which, in reality, future developments are likely to fall.

3.4.31 We need to bear in mind that the Value Points cover prices for both second hand and new property and, although the level of premium for new homes has been put under pressure by the recent market, developers are reporting signs of new interest from buyers, with the resultant possibility of the premium returning, at least in the short-term.

3.4.32 The prices of new 2 bedroom houses range from approximately £200,000 to £280,000. This would put their starting point in Value Point 4 and the average at Value Point 6. The prices of new 3 bedroom houses range from approximately £300,000 to £370,000, putting their starting point at Value Point 5 and the average at Value Point 6. The prices of new 4 bedroom houses range from approximately £335,000 to £370,000, with prices over £500,000 in Winchester. This puts their starting point at the upper end of Value Point 4 and the average at Value Point 5.

Figure 3
Newbuild Prices for 2-4 bed houses with Value Points
Based on reported achieved prices

Location			
	2 b house	3 b house	4 b house
Winchester	£277,000	£375,000	£535,000
Colden Common	£205,000		£360,000
Corhampton		£340,000	
Alresford	£265,000	£299,000	£375,000
Sutton Scotney	£230,000		£335,000
Compton	£280,000	£350,000	
Waltham Chase	£200,000		£370,000
Micheldever			£340,000
Average	£248,500	£332,500	£385,800
Value Point	6	6	5

3.4.33 There is a risk that some sites will not come forward at 40% on-site provision, especially in more urban locations, and it would be worth looking at the provision of grant money in these situations.

3.4.34 It is necessary to ensure that the more sustainable, urban sites maintain their viability, especially as it is these sites that will be competing most with alternative uses and which will also come under the pressure of abnormal costs. It is, therefore, appropriate to consider the viability of both urban and suburban sites with a level of social housing grant. We have therefore looked at the impact of social housing grant on the 10 and 14 units, with 40% on-site affordable provision. Infrastructure rates remain, as before, at £5,000 and £10,000 per unit.

3.4.35 For the grant levels, we have again referred to the DTZ report which, at the time, proposed £40,000 per affordable rented unit. In the light of the recent economic downturn, however, we have reduced this level marginally and have adopted a figure of £35,000 per unit for both rented and shared ownership units.

3.4.36 The grant element is, effectively, additional revenue to the development, although we have assumed that it will not deliver any additional profit to the scheme. The profit percentage is taken solely on the revenue from the market housing. In this way, the grant can make a proportionate contribution to land value to improve viability.

3.4.37 We set out below at Figure 4 a comparison of the position of 10 and 14 units, with 40% on-site affordable provision, at different infrastructure costs, both with and without grant. We look at the position for urban and suburban sites only, since it is here that the greater viability pressure exists.

Figure 4: Impact of Grant on sites of 10 and 14 units

10 and 14 units
40% affordable
Comparison of no grant and grant
Grant at £35,000 per affordable unit
Value Point 4 only

		Value Point 4					
		Infrastr	£5,000	Infrastr	£10,000	Infrastr	£20,000
		No grant	With grant	No grant	With grant	No grant	With grant
10 suburban	land value £	£209,000	£349,000	£159,000	£299,000	£75,000	£215,450
Medium	% GDV	12	21	10	18	5	13
	£ per hectare	£942,000	£1,586,000	£722,000	£1,359,000	£340,000	£979,000
10 urban	land value £	£154,000	£294,000	£104,000	£244,000	£18,000	£158,000
Medium	% GDV	10	20	7	16	1	11
	£ per hectare	£1,078,000	£2,100,000	£743,000	£1,743,000	£126,000	£1,128,600
14 suburban	land value £	£289,000	£499,000	£219,000	£429,000	£107,000	£317,500
Medium	% GDV	13	22	10	19	5	14
	£ per hectare	£929,000	£1,610,000	£706,000	£1,383,000	£345,000	£1,024,000
14 urban	land value £	£256,000	£466,000	£186,000	£396,000	£73,000	£283,000
Medium	% GDV	12	22	9	19	4	13
	£ per hectare	£1,278,000	£2,330,000	£930,000	£1,980,000	£364,000	£1,415,000

3.4.38 We have modelled the position with grant at Value Point 4, since this is the point at which the appraisals are showing the move out of viability with 40% on-site affordable provision.

3.4.39 The results show the positive shift to viability at the lower level of infrastructure cost and, inevitably, lower land values at the higher contribution level.

3.4.40 We believe, therefore, that the Authority could justifiably look towards a 40% on-site affordable contribution for sites of 10-14 units, together with a £10,000 per unit infrastructure charge and a grant provision for more urban sites. In order to justify an infrastructure charge of £20,000 per unit, there would need to be a reduction in other costs to the developer, for example a reduced on-site affordable requirement. In such instances, however, we would expect a developer to adopt an "open book" approach to the resolution of any viability issues.

3.4.41 In addition, we believe that the Council can justify seeking a 40% on-site contribution from all sites although, in practical terms it is likely that sites of 1 to 4 units would be the subject of negotiation to pay a commuted sum in lieu of on-site provision. Appendix 5 demonstrates an ability to seek on-site provision at 3 units, with one of them being affordable. We would, however, suggest caution at this level, in view of the fact that apparent viability could be reduced by the sales impact on the two market houses, especially in low density locations. This impact would be reduced in higher density locations, or if the affordable unit was a more intermediate tenure, as opposed to rented.

3.5 Where there is a fraction of a unit to be provided on-site, as a result of applying the affordable housing percentage, what should the contribution be for that percentage?

3.5.1 Policy relating to the provision of affordable housing was set out in the adopted Local Plan Review of 2006 and was supplemented by the Affordable Housing SPD of February 2008. The relevant policies of this latter document are Policy 6 and Policy 11.

3.5.2 Policy 6 says that all affordable housing land should be made available clean and serviced and at nil cost.

3.5.3 Policy 11 says that affordable housing should be delivered free of public subsidy, "unless the use of subsidy would improve the number or mix of dwellings, in which case the level of subsidy needed should be minimised."

3.5.4 In practice, we understand that the Council has been successful in achieving commuted payments at levels set out in the Affordable Housing SPD and it would, therefore, be reasonable to assume fractions of these same figures as and when calculation of on-site provision results in such fractions. Indeed, it is on this basis that we have calculated the fraction of 0.2 units that would apply to the 3 unit sites in Appendix 5.

3.5.5 If the fraction, above which the unit would be provided on-site, was set at 0.7, then it would leave little room for a developer to argue against the on-site provision of the extra unit, as can happen with the threshold set at 0.5.

3.5.6 We believe this system to be fair, in that the contributions relate to prevailing policy. It is fair to the RSL, which still builds up a level of free land value as the subsidy towards a further affordable unit.

3.5.7 In addition, it can be monitored and updated over time, depending upon the movements of the market and the levels to which the SPD figures are reviewed. This would clearly need to be followed up and we would suggest that a six-monthly review of prevailing house prices should be undertaken, to allow an informed view as to whether contributions were still allowing RSLs to build up a sufficient sum for new land.

3.6 Areas of potential difficulty in terms of viability

3.6.1 Earlier in this report we have discussed viability in terms of the need to bring forward development land, out of which most affordable housing will be created. We referred to two possible measures of viability, the first being the value of alternative uses and the second being the percentage of land value to gross development value shown by the appraisal.

3.6.2 The appraisals carried out for this study have been based partly upon our own research, particularly relating to house prices and the market, and partly upon assumptions from the DTZ report. All our appraisals present us with both a land percentage to GDV and a land value per hectare.

3.6.3 The first area of potential difficulty in terms of viability is the impact of the current recession and the fall in house prices.

3.6.4 As we have seen from the table of housing numbers and mixes attached as Appendix 2, there is a viability difficulty in locations with the lowest house prices, even before the addition of affordable housing. In these circumstances, the combination of lower prices with smaller units arising from higher densities is leading to both low land values per hectare and low percentages to GDV.

3.6.5 At this point it is worth reminding ourselves of three issues in relation to the Value Points. First, the table of Value Points includes Value Point 1 and Value Point 8, both of which are outside the scope of the researched values, with Value Point 1 representing a fall in prices from the lowest researched point and Value Point 8 representing a rise in prices from the highest researched point. The recent fall in prices will have exaggerated the viability problems that we see at Value Points 1 and 2.

3.6.6 The second point is that the table includes values that represent both new build and second-hand, but which are only a snapshot of houses and flats that were for sale at a particular moment in time. We compensate for this by

researching a wide range of settlements throughout the Authority's area and adding in Value Points 1 and 8.

3.6.7 The third point is that, if we separate out the new build prices from the remainder, we can see that prices on new developments will typically relate to the mid-upper range of the Value Points, with the lower ranges being represented by second hand properties, where more specific issues might be contributing to the lower value.

3.6.8 A further difficulty relates to the fact that many developers will have agreed land prices at a time when values were higher. They are now running into viability problems of their own with the fall in house prices. This report primarily addresses viability issues in relation to land prices that would apply today. It should be expected, however, that developers will resist an increased burden of affordable housing, where their land price was agreed before 2008.

3.6.9 In this connection, one way forward is often an "open book" approach to viability, where the developer is asked to demonstrate, from his own appraisals, the difficulty that he is experiencing. Many developers are reluctant to be so forthcoming and may, in certain instances, be bound by confidentiality clauses contained in either land contracts or option agreements.

3.7 Likely market reaction to the policy approach

3.7.1 For many years, developers have lived with the knowledge that affordable housing is an increasing requirement and have acknowledged that it has to be allowed for, both in the scheme and in the appraisal. Traditionally, however, there has tended to be a view that matters relating to affordable housing are negotiable, whatever the strength of the evidence base that sets the policy and whatever the weight that should be afforded to the policy.

3.7.2 There will always, therefore, be a level of adverse market reaction to any new policy that increases levels of affordable housing.

3.7.3 The reaction that greets a new commuted sum proposal is different, and the reason for that different reaction comes down to certainty. There is a perception that it is very difficult to translate affordable housing policy into figures on an appraisal. Clearly any developer will want to make his appraisal look as attractive as possible and, for this reason, he might "take a view" on the revenue he will receive for affordable units, or the amount of grant that might be available.

3.7.4 A commuted payment system, on the other hand, is set out as figures from the start and can be transposed into an appraisal as a cost item. In addition, a

commuted sum does not have the further characteristic of reducing the value of open market units; this can be an issue with on-site affordable provision.

3.7.5 We have seen, however, that the commuted sum route does not always work best in terms of viability, particularly during a downturn in the housing market. Nevertheless, there is a perception in the market that a commuted sum is preferable to on-site provision, due to the potential impact on sales of the private units. In practice, we believe that this applies more to low density sites than to higher density sites, but it is possible that landowners will wait for an improved market before bringing land forward.

3.7.6 It is possible that landowners will see a policy increase as an additional burden on the value of their land and that they will, therefore, delay bringing their land forward until the market improves. Alternatively, the land might come forward, but only on the basis of contractual provisions that allow a further land payment to be made if the sales values improve over the development period. Developers are usually reluctant to enter into these types of arrangements and land supply could, therefore, be affected in the short to medium term if there has not been an improvement in the market before the Core Strategy is adopted. Conversely, this potentially adverse impact would be reduced if the market was to improve by the time the Council was seeking to implement new policy. This issue could also apply, therefore, to the areas of potential difficulty mentioned above.

4 CONCLUSIONS

4.1 Within the Winchester City area, values tend to be higher at the northern end, around Winchester, than at the southern end. There are, however, extremely attractive settlements distributed throughout the area, so that there will always be pockets of higher value, within which a wide range of values will be found. To this extent, value is being created both by wider locational factors and by more site specific factors within the settlements.

4.2 At the time of this report, the residential sales market is beginning to emerge from a period characterised by a lack of mortgage finance and a lack of demand, brought about by recession and unemployment fears. This has had a dramatic impact on both land and sales prices. Although 2009 experienced a more positive attitude within the market, there is speculation that the market could remain difficult for 2010.

4.3 The basis of this study is the residual value of residential development land, once costs and profit have been deducted from revenue. The reported fall in sales values, countrywide, of up to 20% from the peak of 2007 effectively erodes the profit of schemes where commitments have been made to higher land payments. In these instances, developers are looking for ways to reduce their costs and one of these would be affordable housing. Local authorities are, therefore, experiencing increased numbers of approaches from developers on this issue.

4.4. We are told, however, that developers are coming back into the land market, so that new land purchases will be made at values that reflect both the current sales market and the prevailing policy on affordable housing. As a result, the market is experiencing significant falls in land value, in terms of both value per hectare and percentage to Gross Development Value.

4.5 Our initial valuations were undertaken with no affordable housing provision, either on-site or financial contribution. The purpose of this was to assess a base position at the various Value Points. The results of this exercise reflect the weakness of the market, with low levels of land value at the lower Value Points, although this is less pronounced for smaller unit numbers. On the other hand, it soon became clear that the supply of new homes, which would contribute a large proportion of affordable housing, would probably be priced at higher Value Points, within which viability was more positive.

4.6 There is a significant lack of viability at Value Point 1, even with no affordable contribution, although we should remember that Value Point 1 is at a level below the current market. This result is not, therefore, totally surprising. As numbers and densities increase, the lower land values extend into Value Point 2, with high density, urban sites having low land values into Value Point 3. We would see this as being due to the fact that, within specific unit

numbers, the total floor area reduces as smaller house types are applied to higher density locations.

4.7 Newbuild homes tend to fall more within Value Points 4 to 5, so lack of viability at lower levels will only occur in more site-specific locations, where greater flexibility on affordable housing and infrastructure payments might be required.

4.8 Given the need for affordable housing, particularly social rented, we are looking to secure the highest feasible proportion of on-site units, compatible with the viability of remaining market units. We do, however, believe that the Council can look at a 40% contribution from all sites, albeit with the possible need to negotiate on individual sites, since we would like to achieve viability at Value Point 4.

4.9 We have seen that the provision of social housing grant moves viability from Value Point 5 to Value Point 4, although we have also noted that, in practice, the prices of new homes in the area also fall at about this level. This would suggest that the provision of grant could either be confined to those urban locations which we have seen to be under the greatest viability pressure, or used to improve affordable housing numbers and mix.

4.10 We believe that the Council can seek on-site affordable provision on all sites although, in practice, it needs to be acknowledged that sites of 1 to 2 units will make a financial contribution.

4.11 In the current market, we are seeing that it can be preferable to make an on-site affordable provision, rather than agree a financial contribution. We believe, however, that the financial contribution route will be increasingly preferred by developers as prices rise with an improving market.

4.12 Any viability difficulties will manifest themselves, in the main, in two ways. First, they will arise through developers who paid for land at the height of the market and who are now seeing profit eroded through falling sales prices. We believe that negotiations around this issue are likely to take place in spite of any new affordable housing policy from the Authority, since the land purchase would have assumed values that have since fallen dramatically. Secondly, we have seen potential viability issues at the lower Value Points, particularly in urban locations.

4.13 As far as likely market reaction is concerned, we believe that there should not be significant long-term adverse reaction to the principle of a commuted payment, since this has been a preferred route for developers. We have noted, however, the current impact on viability of seeking commuted payments at the level set out in the Affordable Housing SPD. A commuted payment proposes specific figures that can easily translate into an appraisal.

There is likely to be greater reaction against an increase in the on-site affordable requirement, especially on those sites where a higher land value has been agreed. In circumstances where a land value relative to today's figures is being agreed, the main problem is likely to be the resulting land valuations compared to those that a landowner might have received at the height of the market. In relation to competing land values, however, we believe that the residential value should still prove attractive, especially in light of the fact that recent high prices are not likely to be seen again for some time and that it would not, therefore, be worth holding on to the land in the hope of greater, short-term value.

5 RECOMMENDATIONS

5.1 We propose that the Council considers the following recommendations alongside its wider evidence base when developing policy at this stage.

- **The Council should consider a target position of 40% on-site affordable housing from all sites.**

- **In instances of demonstrable viability problems on individual sites, the Council should consider a degree of flexibility in the application of affordable housing, grant and infrastructure costs, in order to allow a development to proceed. In these circumstances, however, the Council should expect an "open-book" approach from the developer.**

- **For sites of 1-4 units, we recommend that the Council adopts a flexible stance towards commuted payments as the means of achieving the required affordable housing, instead of on-site provision.**

- **The Council should target a level of commuted payments based upon the Affordable Housing SPD. In the short-term, however, the Council needs to recognise the viability issues that this can produce.**

- **Where the calculation of the on-site provision results in a fraction of a unit to be provided, then the Authority should apply clearly worded policy that allows for a fraction of 0.7 to be rounded up to the next whole number. Fractions of 0.1 to 0.6 will result in a payment based upon the commuted sum figures set out in the Affordable Housing SPD.**

- **In order to maximise the opportunity for contributions to affordable housing, the Authority should monitor the performance of the residential market, so that it can develop robust cases for varying the amounts of the above financial contributions.**

End of Main Study Text
Appendices follow
Study period August to October 2009

Appendix 1

Winchester City Council Property Price Analysis

Average Asking Prices Analysis								
Rank	Settlement	1 Bed Flats	2 Bed Flats	2 Bed House	3 Bed House	4 Bed House	5 Bed House	All Properties
1	Curdridge	-	-	-	£309,950	£545,000	£599,995	£514,991
2	Twyford	-	-	£350,000	£346,650	£602,000	£695,000	£509,495
3	Upham	-	-	£317,475	£299,950	£595,000	£742,500	£502,483
4	Littleton	-	-	£297,500	£350,000	£558,750	£645,000	£496,667
5	Soberton	-	-	-	£322,500	£577,488	-	£492,492
6	Droxford	-	-	£210,000	£232,500	£536,238	£615,000	£457,493
7	Winchester	£194,988	£240,457	£289,114	£337,424	£517,611	£628,846	£361,435
8	Itchen Abbas	-	£192,500	-	£377,500	£512,500	-	£360,833
9	Swanmore	£64,633	£160,000	£225,960	£281,483	£497,990	£790,000	£360,463
10	Compton	-	£179,950	£224,950	£382,475	£579,950	-	£349,960
11	Wickham	£105,000	£186,125	£202,880	£295,219	£745,000	£726,250	£348,164
12	Hambledon	-	-	£150,000	£289,986	£502,500	£650,000	£343,740
13	Otterbourne	-	£184,569	£266,633	£380,000	£389,950	£532,500	£309,828
14	New Alresford	£127,500	£184,817	£201,167	£250,638	£388,762	£565,000	£296,083
15	Sutton Scotney	£130,000	-	-	£290,000	£284,950	£470,000	£292,492
16	Denmead	-	£135,490	£184,573	£237,865	£330,323	£628,000	£290,151
17	Shawford	£129,998	-	-	-	£450,000	£585,000	£284,999
18	Colden Common	£139,950	-	£199,870	£238,649	£349,969	£392,500	£282,635
19	Kings Worthy	-	£175,799	£299,995	£229,499	£393,564	£279,950	£276,859
20	Bishops Waltham	£110,755	£165,861	£201,436	£247,288	£396,626	£592,990	£264,105
21	Whiteley	-	£142,920	£163,359	£214,255	£301,082	£484,487	£243,257
22	Waltham Chase	-	-	£183,233	£237,425	£495,000	-	£233,450
23	Knowle	£125,125	£152,121	£165,000	£209,249	£279,166	£449,950	£204,617
24	Botley	£111,225	£153,133	£240,000	£199,950	£307,475	-	£197,675
-	Overall	£123,359	£197,608	£226,377	£275,857	£431,171	£595,847	£315,069

Average Asking Price Analysis		
1 Bed Flat	-	£123,359
2 Bed Flat	-	£197,608
2 Bed House	Terraced	£214,138
	Semi-Detached	£241,637
	Detached	£289,987
3 Bed House	Terraced	£261,100
	Semi-Detached	£266,761
	Detached	£321,472
4 Bed House	Terraced	£325,162
	Semi-Detached	£454,557
	Detached	£446,553
5 Bed House	Terraced	£225,000
	Semi-Detached	£512,488
	Detached	£610,220

Average Asking Prices Analysis - High Value Properties				
Rank	**Settlement**	**Flats**	**Houses**	**All Properties**
1	**Bishops Waltham**	-	£1,900,000	£1,900,000
2	**Colden Common**	-	£1,900,000	£1,900,000
3	**Curdridge**	-	£1,900,000	£1,900,000
4	**Botley**	-	£1,197,500	£1,197,500
5	**Soberton**	-	£1,122,500	£1,122,500
6	**Compton**	-	£948,738	£948,738
7	**Swanmore**	-	£931,667	£931,667
8	**Winchester**	-	£870,625	£870,625
9	**Kings Worthy**	-	£850,000	£850,000
10	**Twyford**	-	£850,000	£850,000
11	**Littleton**	-	£680,000	£680,000
12	**Shawford**	£310,000	£707,500	£608,125
13	**Denmead**	-	£574,165	£574,165
14	**Hambledon**	-	£507,500	£507,500
15	**Itchen Abbas**	-	£450,000	£450,000
16	**Upham**	-	£450,000	£450,000
17	**Waltham Chase**	-	£435,000	£435,000
18	**Wickham**	-	£399,950	£399,950
19	**New Alresford**	-	£389,863	£389,863
20	**Otterbourne**	-	£265,000	£265,000
21	**Droxford**	-	-	-
22	**Sutton Scotney**	-	-	-
23	**Whiteley**	-	-	-
24	**Knowle**	-	-	-
-	**Overall**	£310,000	£822,659	£811,008

Average Asking Price Analysis - High Value Properties	
1 Bed Flat	-
2 Bed Flat	£310,000
2 Bed House	£359,485
3 Bed House	£568,450
4 Bed House	£1,176,667
5 Bed House	£1,055,625

Resale Values

Source: www.rightmove.co.uk, September 2009

New Alresford

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£309,983	£404,963	£565,000
Semi-Detached		£224,750	£239,550	£295,000	-
Terraced		£189,375	£234,990	£239,500	-
Flats	£127,500	£184,817			
High Value Houses		£386,650	£399,500	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£127,500	£127,500	£127,500	£127,500	£127,500	£127,500
2-Bed Flats	£184,817	£175,000	£182,250	£189,500	£189,725	£189,950
2-Bed Houses	£201,167	£170,000	£180,625	£198,750	£211,250	£249,500
3-Bed Houses	£250,638	£184,500	£230,000	£240,000	£275,000	£345,000
4-Bed Houses	£388,762	£239,500	£350,000	£395,000	£429,500	£500,000
5-Bed Houses	£565,000	£565,000	£565,000	£565,000	£565,000	£565,000
High Value Houses	£389,863	£325,000	£336,213	£369,725	£423,375	£495,000
High Value Flats	-	-	-	-	-	-

Bishops Waltham

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£222,475	£322,480	£421,067	£592,990
Semi-Detached		£210,680	£232,058	-	-
Terraced		£188,821	£196,477	£249,983	-
Flats	£110,755	£165,861			
High Value Houses		-	-	£1,900,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£110,755	£72,000	£97,475	£122,000	£123,725	£140,000
2-Bed Flats	£165,861	£109,950	£159,950	£175,000	£179,988	£225,000
2-Bed Houses	£201,436	£159,950	£174,950	£194,250	£223,738	£262,000
3-Bed Houses	£247,288	£149,950	£195,000	£237,500	£275,000	£550,000
4-Bed Houses	£396,626	£219,950	£350,000	£400,000	£450,000	£550,000
5-Bed Houses	£592,990	£445,000	£499,950	£500,000	£625,000	£895,000
High Value Houses	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000
High Value Flats	-	-	-	-	-	-

Boarhunt

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	-	-
Semi-Detached		-	-	-	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	-	£1,900,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	-	-	-	-	-	-
4-Bed Houses	-	-	-	-	-	-
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000
High Value Flats	-	-	-	-	-	-

Botley

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£285,000	-	-	-
Semi-Detached		£195,000	£199,950	£425,000	-
Terraced		-	-	£189,950	-
Flats	£111,225	£153,133			
High Value Houses		-	£495,000	£1,900,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£111,225	£109,950	£110,588	£111,225	£111,863	£112,500
2-Bed Flats	£153,133	£139,950	£149,725	£159,500	£159,725	£159,950
2-Bed Houses	£240,000	£195,000	£217,500	£240,000	£262,500	£285,000
3-Bed Houses	£199,950	£199,950	£199,950	£199,950	£199,950	£199,950
4-Bed Houses	£307,475	£189,950	£248,713	£307,475	£366,238	£425,000
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£1,197,500	£495,000	£846,250	£1,197,500	£1,548,750	£1,900,000
High Value Flats	-	-	-	-	-	-

Bramdean

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	-	-
Semi-Detached		-	-	-	-
Terraced		-	£295,000	-	-
Flats	-	-			
High Value Houses		-	-	£1,900,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£295,000	£295,000	£295,000	£295,000	£295,000	£295,000
4-Bed Houses	-	-	-	-	-	-
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000
High Value Flats	-	-	-	-	-	-

Cheriton

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£385,000	-	-	-
Semi-Detached		-	-	£416,500	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	-	£1,900,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£385,000	£385,000	£385,000	£385,000	£385,000	£385,000
3-Bed Houses	-	-	-	-	-	-
4-Bed Houses	£416,500	£368,000	£392,250	£416,500	£440,750	£465,000
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000
High Value Flats	-	-	-	-	-	-

Colden Common

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£275,000	£357,471	£392,500
Semi-Detached		£249,950	£241,589	£259,950	-
Terraced		£187,350	£194,950	-	-
Flats	£139,950	-			
High Value Houses		-	-	£1,900,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£139,950	£129,950	£134,950	£139,950	£144,950	£149,950
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£199,870	£169,500	£179,950	£179,950	£220,000	£249,950
3-Bed Houses	£238,649	£175,000	£199,950	£249,995	£268,000	£300,000
4-Bed Houses	£349,969	£259,950	£309,950	£320,000	£389,950	£499,950
5-Bed Houses	£392,500	£350,000	£371,250	£392,500	£413,750	£435,000
High Value Houses	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000
High Value Flats	-	-	-	-	-	-

Compton

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£579,950	-
Semi-Detached		£224,950	-	-	-
Terraced		-	£382,475	-	-
Flats	-	£179,950			
High Value Houses		£312,475	-	£1,585,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	£179,950	£179,950	£179,950	£179,950	£179,950	£179,950
2-Bed Houses	£224,950	£224,950	£224,950	£224,950	£224,950	£224,950
3-Bed Houses	£382,475	£365,000	£373,738	£382,475	£391,213	£399,950
4-Bed Houses	£579,950	£579,950	£579,950	£579,950	£579,950	£579,950
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£948,738	£299,950	£318,738	£837,500	£1,467,500	£1,820,000
High Value Flats	-	-	-	-	-	-

Corhampton

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	-	-
Semi-Detached		£225,000	-	-	-
Terraced		£173,000	£368,300	-	-
Flats	-	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£199,000	£173,000	£186,000	£199,000	£212,000	£225,000
3-Bed Houses	£368,300	£365,000	£367,475	£369,950	£369,950	£369,950
4-Bed Houses	-	-	-	-	-	-
5-Bed Houses	-	-	-	-	-	-
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Crawley

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£325,000	-	-
Semi-Detached		-	-	-	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£325,000	£325,000	£325,000	£325,000	£325,000	£325,000
4-Bed Houses	-	-	-	-	-	-
5-Bed Houses	-	-	-	-	-	-
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Curdridge

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£545,000	-
Semi-Detached		-	£309,950	-	£599,995
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	-	-	£1,900,000
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£309,950	£309,950	£309,950	£309,950	£309,950	£309,950
4-Bed Houses	£545,000	£395,000	£511,250	£580,000	£613,750	£625,000
5-Bed Houses	£599,995	£599,995	£599,995	£599,995	£599,995	£599,995
High Value Houses	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000	£1,900,000
High Value Flats	-	-	-	-	-	-

Denmead

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£249,271	£337,188	£628,000
Semi-Detached		£190,000	£292,083	£271,975	-
Terraced		£181,860	£179,986	-	-
Flats	-	£135,490			
High Value Houses		£359,995	-	£681,250	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	£135,490	£129,950	£130,000	£135,000	£140,000	£142,500
2-Bed Houses	£184,573	£159,995	£166,234	£169,975	£200,000	£232,500
3-Bed Houses	£237,865	£160,000	£195,588	£238,725	£280,000	£319,995
4-Bed Houses	£330,323	£238,950	£274,998	£305,000	£374,975	£595,000
5-Bed Houses	£628,000	£475,000	£475,000	£650,000	£745,000	£795,000
High Value Houses	£574,165	£359,995	£517,498	£675,000	£681,250	£687,500
High Value Flats	-	-	-	-	-	-

Droxford

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£589,983	£615,000
Semi-Detached		-	-	-	-
Terraced		£210,000	£232,500	£375,000	-
Flats	-	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£210,000	£210,000	£210,000	£210,000	£210,000	£210,000
3-Bed Houses	£232,500	£232,500	£232,500	£232,500	£232,500	£232,500
4-Bed Houses	£536,238	£375,000	£450,000	£535,000	£621,238	£699,950
5-Bed Houses	£615,000	£615,000	£615,000	£615,000	£615,000	£615,000
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Hambledon

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£495,000	£575,000	£650,000
Semi-Detached		-	£256,248	-	-
Terraced		£150,000	£266,632	£430,000	-
Flats	-	-			
High Value Houses		£335,000	-	£680,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£150,000	£150,000	£150,000	£150,000	£150,000	£150,000
3-Bed Houses	£289,986	£199,950	£222,496	£249,973	£338,749	£495,000
4-Bed Houses	£502,500	£430,000	£466,250	£502,500	£538,750	£575,000
5-Bed Houses	£650,000	£650,000	£650,000	£650,000	£650,000	£650,000
High Value Houses	£507,500	£335,000	£421,250	£507,500	£593,750	£680,000
High Value Flats	-	-	-	-	-	-

Hursley

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£450,000	-
Semi-Detached		-	£380,000	-	-
Terraced		£250,000	-	-	-
Flats	-	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000
3-Bed Houses	£380,000	£380,000	£380,000	£380,000	£380,000	£380,000
4-Bed Houses	£450,000	£450,000	£450,000	£450,000	£450,000	£450,000
5-Bed Houses	-	-	-	-	-	-
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Itchen Abbas

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£550,000	-
Semi-Detached		-	£377,500	£475,000	-
Terraced		-	-	-	-
Flats	-	£192,500			
High Value Houses		£450,000	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	£192,500	£175,000	£183,750	£192,500	£201,250	£210,000
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£377,500	£360,000	£368,750	£377,500	£386,250	£395,000
4-Bed Houses	£512,500	£475,000	£493,750	£512,500	£531,250	£550,000
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£450,000	£450,000	£450,000	£450,000	£450,000	£450,000
High Value Flats	-	-	-	-	-	-

Kings Worthy

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£299,995	£249,995	£393,564	-
Semi-Detached		-	£242,500	-	£279,950
Terraced		-	£218,333	-	-
Flats	-	£175,799			
High Value Houses		-	-	-	£850,000
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	£175,799	£149,950	£161,213	£172,475	£194,950	£199,995
2-Bed Houses	£299,995	£299,995	£299,995	£299,995	£299,995	£299,995
3-Bed Houses	£229,499	£215,000	£220,000	£220,000	£242,500	£249,995
4-Bed Houses	£393,564	£350,000	£357,500	£375,000	£424,975	£465,000
5-Bed Houses	£279,950	£279,950	£279,950	£279,950	£279,950	£279,950
High Value Houses	£850,000	£850,000	£850,000	£850,000	£850,000	£850,000
High Value Flats	-	-	-	-	-	-

Littleton

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£558,750	£645,000
Semi-Detached		£297,500	£350,000	-	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	£510,000	-	£850,000
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£297,500	£295,000	£296,250	£297,500	£298,750	£300,000
3-Bed Houses	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000
4-Bed Houses	£558,750	£450,000	£558,750	£595,000	£595,000	£595,000
5-Bed Houses	£645,000	£595,000	£620,000	£645,000	£670,000	£695,000
High Value Houses	£680,000	£510,000	£595,000	£680,000	£765,000	£850,000
High Value Flats	-	-	-	-	-	-

Otterbourne

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£380,000	£389,950	£532,500
Semi-Detached		-	-	-	-
Terraced		£266,633	-	-	-
Flats	-	£184,569			
High Value Houses		£265,000	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	£184,569	£170,000	£177,950	£179,995	£194,950	£199,950
2-Bed Houses	£266,633	£234,950	£257,450	£279,950	£282,475	£285,000
3-Bed Houses	£380,000	£380,000	£380,000	£380,000	£380,000	£380,000
4-Bed Houses	£389,950	£319,950	£334,950	£349,950	£424,950	£499,950
5-Bed Houses	£532,500	£530,000	£531,250	£532,500	£533,750	£535,000
High Value Houses	£265,000	£265,000	£265,000	£265,000	£265,000	£265,000
High Value Flats	-	-	-	-	-	-

Shawford

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£450,000	£585,000
Semi-Detached		-	-	-	-
Terraced		-	-	-	-
Flats	£129,998	-			
High Value Houses		-	-	£673,750	£775,000
High Value Flats	-	£310,000			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£129,998	£89,995	£117,498	£145,000	£150,000	£155,000
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	-	-	-	-	-	-
4-Bed Houses	£450,000	£450,000	£450,000	£450,000	£450,000	£450,000
5-Bed Houses	£585,000	£585,000	£585,000	£585,000	£585,000	£585,000
High Value Houses	£707,500	£650,000	£673,750	£697,500	£736,250	£775,000
High Value Flats	£310,000	£310,000	£310,000	£310,000	£310,000	£310,000

Soberton

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£577,488	-
Semi-Detached		-	£322,500	-	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	-	£795,000	£1,450,000
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£322,500	£295,000	£308,750	£322,500	£336,250	£350,000
4-Bed Houses	£577,488	£525,000	£543,713	£549,975	£583,750	£685,000
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£1,122,500	£795,000	£958,750	£1,122,500	£1,286,250	£1,450,000
High Value Flats	-	-	-	-	-	-

Southwick

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£365,000	-	-
Semi-Detached		-	-	-	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£365,000	£265,000	£315,000	£365,000	£415,000	£465,000
4-Bed Houses	-	-	-	-	-	-
5-Bed Houses	-	-	-	-	-	-
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Sparsholt

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	-	-
Semi-Detached		-	£320,000	-	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£320,000	£320,000	£320,000	£320,000	£320,000	£320,000
4-Bed Houses	-	-	-	-	-	-
5-Bed Houses	-	-	-	-	-	-
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Sutton Scotney

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	-	£470,000
Semi-Detached		-	£290,000	-	-
Terraced		-	-	£284,950	-
Flats	£130,000	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£130,000	£130,000	£130,000	£130,000	£130,000	£130,000
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	-	-	-	-	-	-
3-Bed Houses	£290,000	£250,000	£277,500	£305,000	£310,000	£315,000
4-Bed Houses	£284,950	£284,950	£284,950	£284,950	£284,950	£284,950
5-Bed Houses	£470,000	£470,000	£470,000	£470,000	£470,000	£470,000
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Swanmore

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£329,950	£322,475	£510,544	£790,000
Semi-Detached		£199,975	£312,000	£385,000	-
Terraced		£199,950	£209,973	-	-
Flats	£64,633	£160,000			
High Value Houses		-	£550,000	£1,350,000	£895,000
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£64,633	£59,950	£61,950	£63,950	£66,975	£70,000
2-Bed Flats	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000
2-Bed Houses	£225,960	£199,950	£199,950	£199,950	£200,000	£329,950
3-Bed Houses	£281,483	£169,950	£254,984	£284,475	£318,500	£375,000
4-Bed Houses	£497,990	£279,950	£385,000	£475,000	£598,750	£795,000
5-Bed Houses	£790,000	£785,000	£787,500	£790,000	£792,500	£795,000
High Value Houses	£931,667	£550,000	£722,500	£895,000	£1,122,500	£1,350,000
High Value Flats	-	-	-	-	-	-

Twyford

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£350,000	-	£578,750	£695,000
Semi-Detached		-	£344,975	£695,000	-
Terraced		-	£350,000	-	-
Flats	-	-			
High Value Houses		-	-	£850,000	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000
3-Bed Houses	£346,650	£329,950	£339,975	£350,000	£355,000	£360,000
4-Bed Houses	£602,000	£445,000	£450,000	£695,000	£695,000	£725,000
5-Bed Houses	£695,000	£695,000	£695,000	£695,000	£695,000	£695,000
High Value Houses	£850,000	£850,000	£850,000	£850,000	£850,000	£850,000
High Value Flats	-	-	-	-	-	-

Upham

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£385,000	£299,950	£595,000	£742,500
Semi-Detached		£249,950	-	-	-
Terraced		-	-	-	-
Flats	-	-			
High Value Houses		-	£450,000	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£317,475	£249,950	£283,713	£317,475	£351,238	£385,000
3-Bed Houses	£299,950	£299,950	£299,950	£299,950	£299,950	£299,950
4-Bed Houses	£595,000	£595,000	£595,000	£595,000	£595,000	£595,000
5-Bed Houses	£742,500	£735,000	£738,750	£742,500	£746,250	£750,000
High Value Houses	£450,000	£450,000	£450,000	£450,000	£450,000	£450,000
High Value Flats	-	-	-	-	-	-

Waltham Chase

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		£225,000	£249,975	£495,000	-
Semi-Detached		£220,000	£234,288	-	-
Terraced		£163,600	-	-	-
Flats	-	-			
High Value Houses		-	£435,000	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£183,233	£152,000	£159,363	£172,450	£209,988	£225,000
3-Bed Houses	£237,425	£209,950	£229,963	£232,500	£249,950	£270,000
4-Bed Houses	£495,000	£495,000	£495,000	£495,000	£495,000	£495,000
5-Bed Houses	-	-	-	-	-	-
High Value Houses	£435,000	£435,000	£435,000	£435,000	£435,000	£435,000
High Value Flats	-	-	-	-	-	-

West Meon

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£522,500	-	-
Semi-Detached		-	-	-	-
Terraced		£282,475	-	-	-
Flats	-	-			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£282,475	£279,950	£281,213	£282,475	£283,738	£285,000
3-Bed Houses	£522,500	£450,000	£486,250	£522,500	£558,750	£595,000
4-Bed Houses	-	-	-	-	-	-
5-Bed Houses	-	-	-	-	-	-
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Whiteley

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£236,899	£321,759	£484,487
Semi-Detached		-	£201,633	-	-
Terraced		£163,359	£205,270	£228,713	-
Flats	-	£142,920			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	£142,920	£138,500	£139,950	£141,225	£145,838	£149,950
2-Bed Houses	£163,359	£149,950	£157,500	£159,950	£167,500	£179,950
3-Bed Houses	£214,255	£179,950	£197,500	£209,950	£233,995	£249,950
4-Bed Houses	£301,082	£209,950	£274,963	£304,950	£339,984	£380,000
5-Bed Houses	£484,487	£366,000	£448,750	£480,000	£518,700	£579,995
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

Wickham

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£549,225	£795,000	£793,333
Semi-Detached		£259,950	£246,350	£695,000	£525,000
Terraced		£188,613	£253,738	-	-
Flats	£105,000	£186,125			
High Value Houses		£399,950	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£105,000	£105,000	£105,000	£105,000	£105,000	£105,000
2-Bed Flats	£186,125	£160,000	£178,750	£188,500	£195,875	£207,500
2-Bed Houses	£202,880	£155,000	£192,000	£199,950	£207,500	£259,950
3-Bed Houses	£295,219	£179,950	£230,000	£247,500	£295,000	£599,500
4-Bed Houses	£745,000	£695,000	£720,000	£745,000	£770,000	£795,000
5-Bed Houses	£726,250	£525,000	£528,750	£702,500	£900,000	£975,000
High Value Houses	£399,950	£399,950	£399,950	£399,950	£399,950	£399,950
High Value Flats	-	-	-	-	-	-

Winchester

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	£448,333	£535,514	£670,500
Semi-Detached		£286,414	£302,224	£578,725	£622,500
Terraced		£289,973	£339,967	£432,761	£225,000
Flats	£194,988	£240,457			
High Value Houses		-	£711,250	£1,197,500	£862,500
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£194,988	£185,000	£185,000	£187,500	£197,488	£219,950
2-Bed Flats	£240,457	£124,950	£180,000	£225,000	£289,995	£475,000
2-Bed Houses	£289,114	£189,995	£265,000	£299,950	£325,000	£375,000
3-Bed Houses	£337,424	£209,950	£244,250	£322,500	£388,738	£650,000
4-Bed Houses	£517,611	£269,950	£425,000	£542,475	£599,950	£750,000
5-Bed Houses	£628,846	£225,000	£550,000	£695,000	£725,000	£875,000
High Value Houses	£870,625	£575,000	£618,750	£770,000	£931,250	£1,650,000
High Value Flats	-	-	-	-	-	-

Knowle

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Detached		-	-	£350,000	£449,950
Semi-Detached		-	£295,000	£275,000	-
Terraced		£165,000	£194,958	£262,499	-
Flats	£125,125	£152,121			
High Value Houses		-	-	-	-
High Value Flats	-	-			

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£125,125	£112,500	£116,625	£121,500	£130,000	£145,000
2-Bed Flats	£152,121	£79,950	£147,450	£150,000	£157,500	£225,000
2-Bed Houses	£165,000	£165,000	£165,000	£165,000	£165,000	£165,000
3-Bed Houses	£209,249	£179,950	£189,950	£189,950	£209,973	£295,000
4-Bed Houses	£279,166	£225,000	£263,750	£275,000	£286,246	£350,000
5-Bed Houses	£449,950	£449,950	£449,950	£449,950	£449,950	£449,950
High Value Houses	-	-	-	-	-	-
High Value Flats	-	-	-	-	-	-

New Build Values

Source: www.rightmove.co.uk and www.smartnewhomes.com, September 2009

Address	Description	Price	Size (m2)	Price per m2	Less 20%	Less 10%	Plus 10%	Developer/ Agent	Incentives
New Alresford									
Flats									
Cogswell House, Orchard Dean, Alresford, Hampshire, SO24 9DE	1 bed flat	£80,000*						A2 Dominion	*New Build Homebuy
	2 bed flat	£138,750*							*New Build Homebuy
Houses									
Grange Road, Alresford, SO24	4 bed detached	£415,000	140.4	£2,955	£2,364	£2,659	£3,250	Linden Homes Southern	Part Exchange available
	4 bed detached	£415,000							
	3 bed semi detached	£299,000							
	3 bed semi detached	£295,000	83.4	£3,537	£2,830	£3,183	£3,891		
	2 bed semi detached	£249,950							
	2 bed semi detached	£245,000							
	2 bed house	£240,000							
Alresford	2 bed semi detached	£320,000						Keats	
	2 bed semi detached	£295,000							
Watercress Meadow, Alresford, Hampshire, SO24 9QG	3 bed terrace	£90,000*						A2 Dominion	*New Build Homebuy
Average		**£308,217**	**111.9**	**£3,246**	**£2,597**	**£2,921**	**£3,571**		
Bishops Waltham									
Houses									
Basingwell Street, Bishops Waltham, Southampton	3 bed detached (Guide Price)	£300,000						Austin & Wyatt	£15,000 cashback
Blackmans Way, Bishops Waltham	2 bed semi detached	£199,950	54.5	£3,666	£2,933	£3,300	£4,033	Whitehorn & Guard Estate Agents	
Off The Avenue, Bishops Waltham	2 bed house	£199,950						Roger Mein Estate Agents	
	2 bed house	£199,950							
Average		**£224,963**	**54.5**	**£3,666**	**£2,933**	**£3,300**	**£4,033**		

Boarhunt									
Houses									
North Boarhunt	5 bed detached	£795,000	304.8	£2,608	£2,087	£2,347	£2,869	Taylor Garnier	
	5 bed detached	£795,000	304.8	£2,608	£2,087	£2,347	£2,869		
Average		**£795,000**	**304.8**	**£2,608**	**£2,087**	**£2,347**	**£2,869**		
Cheriton									
Houses									
Cheriton	4 bed detached (Guide Price)	£995,000						Keats	
	4 bed detached (Guide Price)	£895,000							
	4 bed detached (Guide Price)	£875,000							
	4 bed detached (Guide Price)	£875,000							
	3 bed semi detached (Guide Price)	£525,000							
	3 bed semi detached (Guide Price)	£525,000							
Average		**£781,667**							
Colden Common									
Houses									
Main Road, Colden Common, Winchester, Hampshire, SO21	4 bed detached	£389,950	130.4	£2,990	£2,392	£2,691	£3,289	Complete, Winchester	
	2 bed semi detached	£224,950	77.0	£2,921	£2,337	£2,629	£3,214		
	2 bed semi detached	£209,950							
	2 bed terrace	£217,500						Charters of Jewry Street	
	2 bed terrace	£209,950							
	2 bed terrace	£209,950							
Average		**£243,708**	**103.7**	**£2,956**	**£2,365**	**£2,660**	**£3,251**		
Compton									
Flats									
Southdown Place, Shepherds Lane, Compton	2 bed flat (From)	£325,000	89.9	£3,616	£2,893	£3,255	£3,978	Savills New Homes	
	2 bed flat (From)	£299,950							
Average		**£312,475**	**89.9**						
Shepherds Lane, Compton, Winchester	1 bed flat	£60,000*						Morris Dibben	*New Build Homebuy
	1 bed flat	£60,000*							
	1 bed flat	£56,000*							

Houses									
Southdown Place, Shepherds Lane, Compton	3 bed house (from)	£399,950						Savills New Homes	
	3 bed house (from)	£365,000							
Average		**£382,475**							
Corhampton									
Houses									
Warnford Road, Corhampton	4 bed detached	£500,000						Roger Mein Estate Agents	
Millside, Corhampton	3 bed terrace	£395,000						Roger Mein Estate Agents	
	3 bed terrace	£370,000							
	3 bed town house	£369,950							
	3 bed terrace	£365,000							
	3 bed terrace	£299,950							
Meon Grange, Corhampton	3 bed terrace (Guide Price)	£395,000						Goadsby	
	3 bed terrace (Guide Price)	£370,000							
	3 bed terrace (Guide Price)	£365,000							
	3 bed terrace	POA						Connells	
	3 bed semi detached	£369,950							Part Exchange considered
Corhampton	3 bed terrace (Guide Price)	£299,950						Goadsby	
Average		**£372,709**							
Corhampton									
Houses									
Curdridge	5 bed detached	£775,000						Roger Mein Estate Agents	
Denmead									
Bungalows									
Denmead	2 bed detached bungalow	£279,950	83.8	£3,341	£2,673	£3,007	£3,675	Pearsons	
Droxford									
Houses									
Droxford	2 bed terrace	£210,000						Weller Patrick Estate Agents	

Knowle									
Houses									
Knowle Avenue, Knowle, Fareham, PO17	5 bed detached (Guide Price)	£340,000	129.8	£2,619	£2,096	£2,357	£2,881	Harringtons	
The Wickham, Knowle Village, Hampshire	5 bed detached	£340,000						Knight Frank	
Knowle, Fareham	4 bed detached	£340,000						Mann Countrywide	
Average		**£340,000**	**129.8**	**2619.4**	**2095.5**	**2357.5**	**2881.4**		
Sutton Scotney									
Houses									
Sutton Scotney, Winchester	4 bed semi detached	£349,950	98.9					Pearsons	
	4 bed semi detached	£349,950	98.9						
	2 bed semi detached	£249,950	68.1						
	2 bed semi detached	£249,950	68.1						
Average		**£299,950**	**83.5**						
Swanmore									
Houses									
Michaelmas Place, Church Road, Swanmore, SO32	5 bed detached (Guide Price)	£795,000						Bargate Homes	
	5 bed detached	£785,000							
	2 bed detached	£349,950							
	2 bed detached	£329,950							
Beverley Gardens, Swanmore	2 bed semi detached	£219,950						Whitehorn & Guard Estate Agents	
Average		**£495,970**							
Whiteley									
Houses									
Dickens Drive, Whiteley, Fareham, PO15	5 bed detached (From)	£364,950						Persimmon Homes	£500 bonus. Part exchange available
Winchester									
Flats									
Winchester, Hampshire	2 bed flat	£395,000						Charters of Jewry Street	
	2 bed flat	£385,000							
Queen's Gate, Chilbolton Avenue,	2 bed flat (From)	£350,000	82.2	£4,257	£3,405	£3,831	£4,683	Savills New Homes	

Winchester	1 bed flat	Price to be released						Fine New Homes	
	2 bed flat								
	2 bed flat								
	2 bed flat								
	1 bed flat								
Royal Hampshire Court, Chilbolton Avenue, Winchester, SO22	2 bed flat (Guide Price)	£265,000						Hamptons	
	2 bed flat (Guide Price)	£265,000							
	2 bed flat (Guide Price)	£250,000							
	2 bed flat (Guide Price)	£250,000	64.0	£3,906	£3,125	£3,516	£4,297		
	2 bed flat (Guide Price)	£240,000	61.0	£3,934	£3,148	£3,541	£4,328		
Cranworth Road, Winchester, SO22	2 bed flat	£259,950	46.5	£5,588	£4,470	£5,029	£6,147	Bargate Homes	
	2 bed flat	£249,950							
	2 bed flat	£234,950							
	2 bed flat	£199,950							
Abbotts Wood, Winton Close, Winchester, Hampshire, SO22 6AB	2 bed flat	£249,995	57.4	£4,356	£3,485	£3,920	£4,792	David Wilson Homes	
Average		**£276,523**	**62.2**	**£4,408**	**£3,527**	**£3,967**	**£4,849**		
Winton House, Winchester	2 bed flat	£168,000						Halifx Estate Agents	New Build HomeBuy
	2 bed flat	£143,500							
	2 bed flat	£124,250							
Houses									
Abbotts Wood, Winchester, SO22	3 bed town house (Guide Price)	£499,995						Jackson-Stops & Staff	
	3 bed town house (Guide Price)	£399,995							
	3 bed town house (Guide Price)	£399,995							
	3 bed semi detached (Guide Price)	£374,995							
	3 bed house	£335,995	92.7	£3,624	£2,899	£3,262	£3,987	David Wilson Homes	
	3 bed house	£379,995	103.2	£3,681	£2,945	£3,313	£4,050		
	4 bed house	£456,995	133.2	£3,431	£2,745	£3,088	£3,774		
Cranworth Road, Winchester, SO22	2 bed house	£314,950						Bargate Homes	
Pump House Mews, Winchester, Hampshire	2 bed semi detached	£250,000						Charters of Jewry Street	
	3 bed mews house	£485,000							
Andover Road, Winchester, Hampshire	4 bed detached (Guide Price)	£795,000	186.0	£4,274	£3,419	£3,847	£4,702	Strutt & Parker	

Royal Hampshire Court, Chilbolton Avenue, Winchester, SO22	4 bed semi detached (Guide Price)	£690,000	180.0	£3,833	£3,067	£3,450	£4,217	Hamptons	
	4 bed terrace (Guide Price)	£625,000							
	4 bed terrace (Guide Price)	£625,000							
	3 bed terrace (Guide Price)	£485,000							
	3 bed terrace (Guide Price)	£480,000							
The Beeches, Chilbolton Avenue, Winchester	4 bed detached (Guide Price)	£645,000						Jackson-Stops & Staff	
	4 bed semi detached (Guide Price)	£595,000							
	4 bed semi detached (Guide Price)	£595,000							
	4 bed semi detached (Guide Price)	£575,000							
	4 bed semi detached (Guide Price)	£575,000							
	2 bed semi detached (Guide Price)	£325,000							
	2 bed terrace (Guide Price)	£325,000							
	2 bed semi detached (Guide Price)	£325,000							
	2 bed terrace (Guide Price)	£315,000							
	2 bed terrace (Guide Price)	£295,000							
Queen's Gate, Winchester, Hampshire	4 bed town house	Price to be released						Fine New Homes	
	3 bed town house								
Fraser Gardens Houses, Chilbolton Avenue, Winchester, Hampshire, SO22 5GB	3 bed town house	£485,000						Linden Homes Southern	
	3 bed town house	£485,000							
Average		**£469,211**	**139.0**	**£3,769**	**£3,015**	**£3,392**	**£4,146**		

Appendix 2

Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house						Value Points							
	Density	dph	500	650	800	1000	1300	1600	2200		ha	acre	sq ft	sq ft/acre	1	2	3	4	5	6	7	8
1	4 bed	30					1			1			1300		£19	£39	£64	£86	£120	£152	£180	£212
	1,300														8	15	22	27	33	38	41	44
															579	1179	1927	2589	3593000			
	5 bed	25						1		1			1600		£26	£51	£82	£109	£149	£188	£223	£258
	1,600														9	16	23	28	38	38	41	43
															798	1532	2447	3257				
	5 bed	20							1	1			2200		£42	£75	£118	£155	£209	£258	£306	£360
	2,200														11	17	24	29	34	38	41	44
															1252	2264	3526	4641				
3	rural low	30					1	1	1	3	0.10	0.25	5100	20648	£88	£166	£255	£339	£466	£584	£694	£817
															10	16	23	27	33	37	40	43
															877	1658	2554	3391				
	rural med	35					3			3	0.09	0.21	3900	18421	58	118	191	251	349	444	524	618
															8	15	22	26	32	36	39	42
															676	1375	2226	2930				
	rural high	40				2	1			3	0.08	0.19	3300	17814	43	94	156	211	289	369	442	517
															7	14	21	26	31	36	39	42
															570	1246	2091	2808				
	sub low	35				1	1	1		3	0.09	0.21	3900	18421	£58	£117	£190	£250	£347	£442	£522	£616
															8	15	22	26	32	37	39	43
															673	1370	2219	2921				
	sub med	45			1	2				3	0.07	0.16	2800	17004	£30	£73	£127	£174	£243	£307	£368	£436
															6	13	20	25	31	35	39	42
															451	1095	1900	2610				
	sub high	55			2	1				3	0.05	0.13	2600	19298	£25	£65	£114	£158	£223	£281	£338	£402
															5	13	20	25	31	35	38	42
															457	1187	2098	2903				
	urb low	60			3					3	0.05	0.12	2400	19433	£20	£56	£102	£143	£202	£256	£309	£367
															5	12	19	24	30	35	38	41
															396	1129	2045	2854				
	urb med	70		2	1					3	0.04	0.11	2100	19838	£0	£25	£65	£101	£154	£205	£246	£297
															0	6	14	20	27	32	35	38
															0	590	1524	2349				
	urb high	80	1	2						3	0.04	0.09	1800	19433	0	6	40	70	116	161	199	244
															0	2	10	16	23	29	33	37
															0	155	1068	1875				
4	rural low	30						2	2	4	0.13	0.33	7600	23077	£137	£245	£386	£505	£692	£875	£1,039	£1,222
															10	16	23	27	33	37	40	43

	rural med	35					2	2		4	0.11	0.28	5800	20547	£92	£179	£283	£378	£517	£657	£782	£922
															9	16	22	27	32	37	40	43
	rural high	40				4				4	0.10	0.25	4000	16194	£47	£108	£183	£245	£345	£443	£525	£622
															7	14	20	25	31	36	39	42
	sub low	35				2	2			4	0.11	0.28	4600	16296	£62	£133	£219	£290	£405	£512	£612	£723
															8	15	21	26	32	36	39	42
	sub med	45			2	2				4	0.09	0.22	3600	16397	£37	£92	£161	£219	£305	£392	£471	£553
															6	13	20	25	30	35	39	41
	sub high	55		2	1	1				4	0.07	0.18	3100	17257	£5	£52	£112	£164	£241	£311	£379	£454
															1	9	16	22	28	32	36	40
	urb low	60			3	1				4	0.07	0.16	3400	20648	£32	£84	£149	£204	£284	£367	£441	£518
															5	12	20	25	30	35	38	41
	urb med	70		2	2					4	0.06	0.14	2900	20547	£0	£44	£99	£148	£220	£286	£349	£419
															0	8	15	21	27	32	36	39
	urb high	80	2	2						4	0.05	0.12	2300	18623	£0	£5	£49	£88	£146	£201	£247	£303
															0	1	10	16	23	28	32	36
			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house													
			500	650	800	1000	1300	1600	2200													
5	rural low	30				1	1	2	1	5	0.17	0.41	7700	18704	£116	£229	£364	£483	£669	£851	£1,014	£1,196
															8	15	21	26	31	36	39	42
															693	1373	2186	2899				
	rural med	35					3	2		5	0.14	0.35	7100	20121	£101	£202	£331	£446	£613	£781	£932	£1,099
															8	15	21	26	31	35	39	42
															710	1443	2320	3120				
	rural high	40			1	4				5	0.13	0.31	4800	15547	£47	£120	£208	£281	£398	£508	£610	£723
															6	13	19	24	30	34	37	40
															377	956	1661	2246				
	sub low	35				3	2			5	0.14	0.35	5600	15870	£66	£151	£249	£339	£476	£604	£723	£856
															7	14	20	25	31	35	38	41
															464	1055	1740	2372				
	sub med	45			2	3				5	0.11	0.27	4600	16761	£42	£112	£196	£266	£378	£483	£581	£690
															5	12	19	24	30	34	37	40
															381	1004	1764	2395				
	sub high	55	1	2	1	1				5	0.09	0.22	3600	16032	£0	£46	£114	£173	£256	£341	£419	£499
															0	7	14	20	26	31	34	37
															0	510	1251	1906				
	urb low	60	1	2	2					5	0.08	0.21	3400	16518	£0	£38	£102	£158	£241	£317	£390	£470
															0	6	14	19	26	30	34	37

																0	461	1224	1898				
	urb med	70	1	3	1					5	0.07	0.18	3250	18421	£0	£23	£84	£138	£217	£290	£359	£436
															0	4	12	17	24	29	33	36
															0	325	1175	1926				
	urb high	80	2	3						5	0.06	0.15	2950	19109	£0	£4	£59	£108	£180	£246	£309	£379
															0	1	9	15	22	27	31	35
															0	70	950	1728				
8	rural low	30			1	2	2	3		8	0.27	0.66	10200	15486	£135	£280	£465	£623	£869	£1,110	£1,327	£1,567
															7	14	20	25	31	35	38	41
															505	1048	1744	2335				
	rural med	35			2	3	2	1		8	0.23	0.56	8800	15587	£102	£232	£388	£524	£737	£945	£1,131	£1,340
															7	13	20	24	30	35	38	41
															445	1015	1696	2292				
	rural high	40			3	5				8	0.20	0.49	7400	14980	£69	£178	£310	£429	£603	£778	£936	£1,110
															5	12	19	24	29	34	37	40
															343	891	1547	2143				
	sub low	35			2	3	2	1		8	0.23	0.56	8800	15587	£102	£232	£388	£524	£737	£945	£1,132	£1,340
															6	13	20	24	30	35	38	41
															301	1015	1696	2292				
	sub med	45	1	3	1	3				8	0.18	0.44	6250	14233	£6	£100	£215	£311	£463	£606	£738	£886
															1	8	15	20	27	31	35	38
															32	560	1207	1748				
	sub high	55	1	4	1	2				8	0.15	0.36	5900	16422	£0	£77	£185	£276	£420	£554	£680	£819
															0	7	14	19	26	30	34	37
															0	526	1273	1898				
	urb low	60	2	2	2	2				8	0.13	0.33	5900	17915	£0	£88	£197	£287	£431	£566	£691	£830
															0	8	15	20	26	31	35	38
															0	661	1474	2155				
	urb med	70	2	4	1	1				8	0.11	0.28	5400	19130	£0	£50	£151	£238	£364	£487	£601	£729
															0	5	13	18	24	29	33	36
															0	435	1318	2078				
	urb high	80	4	4						8	0.10	0.25	4600	18623	£0	£4	£90	£166	£272	£381	£480	£583
															0	1	9	15	21	27	31	34
															0	41	898	1656				
10	rural low	30			2	4	3	1		10	0.33	0.82	11100	13482	130	288	485	662	931	1193	1430	1692
															7	13	20	24	30	35	38	41
															389	864	1456	1987				
	rural med	35				5	5			10	0.29	0.71	11500	16296	140	304	509	692	971	1243	1489	1761
															7	13	20	25	30	35	38	41
															489	1063	1779	2422				
	rural high	40			5	5				10	0.25	0.62	9000	14575	80	213	373	512	730	942	1134	1346
															5	12	19	23	29	34	37	40
															318	852	1490	2048				
	sub low	35	1	2	3	2	1	1		10	0.29	0.71	9100	12895	56	191	352	493	713	928	1121	1335
															4	11	17	22	28	33	36	40
															196	667	1232	1726				

	sub med	45	1	4	2	3				10	0.22	0.55	7700	14028	4	120	256	380	561	743	906	1088
															1	8	15	20	26	31	35	38
															18	538	1151	1708				
	sub high	55	1	6	2	1				10	0.18	0.45	7000	15587	0	73	202	310	481	640	789	953
															0	5	13	18	25	30	33	37
															0	403	1111	1707				
	urb low	60	2	4	2	2				10	0.17	0.41	7200	17490	0	93	225	336	506	676	828	998
															0	7	14	19	25	30	34	37
															0	556	1351	2017				
	urb med	70	4	4	1	1				10	0.14	0.35	6400	18138	0	47	167	264	420	566	701	852
															0	4	12	17	24	29	32	36
															0	329	1666	1849				
	urb high	80	5	5						10	0.13	0.31	5750	18623	0	5	112	205	340	477	593	728
															0	1	9	15	21	27	31	34
															0	41	898	1640				
12	rural low	30			3	3	4	2		12	0.40	0.99	13800	13968	167	363	609	828	1162	1488	1782	2108
															7	13	20	25	30	35	38	41
	rural med	35			2	4	6			12	0.34	0.85	13400	15823	158	349	588	802	1126	1443	1729	2046
															7	13	20	24	30	35	38	41
	rural high	40			6	6				12	0.30	0.74	10800	14575	96	251	447	615	876	1130	1360	1615
															5	12	19	23	29	34	37	40
	sub low	35	1	2	3	3	2	1		12	0.34	0.85	11400	13462	84	248	455	632	907	1176	1418	1688
															4	11	18	23	29	33	37	40
	sub med	45	3	3	3	3				12	0.27	0.66	8850	13436	0	132	289	431	640	848	1036	1245
															0	8	15	20	26	31	35	38
	sub high	55	3	4	2	3				12	0.22	0.54	8700	16144	0	117	271	411	616	821	1006	1211
															0	7	14	19	26	31	34	38
	urb low	60	3	3	3	3				12	0.20	0.49	8850	17915	0	132	289	431	640	848	1036	1244
															0	8	15	20	26	31	35	38
	urb med	70	3	6	1	2				12	0.17	0.42	8200	19366	0	79	230	356	550	743	917	1110
															0	5	13	18	24	29	33	37
	urb high	80	6	6						12	0.15	0.37	6900	18623	0	6	135	246	408	566	712	874
															0	1	9	15	21	27	31	34
14	rural low	30			4	3	4	3		14	0.47	1.15	16200	14054	195	427	715	973	1364	1747	2092	2474
															7	13	20	24	30	35	38	41
															417	915	1532	2085				
	rural med	35			3	4	5	2		14	0.40	0.99	16100	16296	193	424	710	967	1356	1737	2079	2460

																7	13	20	25	30	35	38	41
																482	1060	1775	2417				
	rural high	40			7	7				14	0.35	0.86	12600	14575	112	292	516	717	1021	1319	1587	1885
															5	12	18	23	29	34	37	40	
															319	835	1475	2048					
	sub low	35	1	2	3	4	3	1		14	0.40	0.99	13700	13866	112	308	552	770	1101	1425	1716	2040
															5	11	18	23	29	34	37	40	
															279	770	1380	1925					
	sub med	45	2	4	3	5				14	0.31	0.77	11000	14315	22	185	381	552	818	1077	1310	1570
															1	9	16	21	27	32	35	38	
															69	594	1225	1775					
	sub high	55	5	5	2	2				14	0.25	0.63	9350	14871	0	91	258	408	629	849	1047	1227
															0	5	12	18	24	29	33	37	
															0	358	1013	1602					
	urb low	60	4	5	2	3				14	0.23	0.58	9850	17091	0	118	293	451	684	916	1125	1357
															0	6	13	19	25	30	34	37	
															0	505	1256	1933					
	urb med	70	5	6	1	2				14	0.20	0.49	9200	18623	0	76	245	388	605	822	1016	1233
															0	4	12	17	24	29	33	36	
															0	379	1227	1940					
	urb high	80	7	7						14	0.18	0.43	8050	18623	0	7	157	281	476	660	831	1019
															0	1	9	14	21	27	31	34	
															0	41	898	1607					

1 unit
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			4 b house	5 b house	5 b house					Value Points							
		Density	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
1	4 bed	30	1			1	0.03	121	3630	£19,000	£39,000	£64,000	£86,000	£120,000	£152,000	£180,000	£212,000
	121									8	15	22	27	33	38	41	44
										£579,000	£1,179,000	£1,927,000	£2,589,000	£3,593,000	£4,574,000	£5,403,000	£6,375,000
	5 bed	25		1		1	0.04	148	3700	£26,000	£51,000	£82,000	£109,000	£149,000	£188,000	£223,000	£258,000
	148									9	16	23	28	38	38	41	43
										£665,000	£1,276,000	£2,040,000	£2,714,000	£3,737,000	£4,690,000	£6,697,000	£6,438,000
	5 bed	20			1	1	0.05	204	4080	£42,000	£75,000	£118,000	£155,000	£209,000	£258,000	£306,000	£360,000
	204									11	17	24	29	34	38	41	44
										£835,000	£1,509,000	£2,350,000	£3,095,000	£4,180,000	£5,166,000	£6,128,000	£7,198,000

3 units
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house					Value Points							
	Density	dph	46	60	74	93	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
3	rural low	30					1	1	1	3	0.10	473	4730	£88,000	£166,000	£255,000	£339,000	£466,000	£584,000	£694,000	£817,000
														10	16	23	27	33	37	40	43
														£877,000	£1,658,000	£2,554,000	£3,391,000	£4,660,000	£5,839,000	£6,944,000	£8,172,000
	rural med	35					3			3	0.09	363	4235	£58,000	£118,000	£191,000	£251,000	£349,000	£444,000	£524,000	£618,000
														8	15	22	26	32	36	39	42
														£676,000	£1,375,000	£2,226,000	£2,930,000	£4,066,000	£5,177,000	£6,113,000	£7,211,000
	rural high	40				2	1			3	0.08	307	4093	£43,000	£94,000	£156,000	£211,000	£289,000	£369,000	£442,000	£517,000
														7	14	21	26	31	36	39	42
														£570,000	£1,246,000	£2,091,000	£2,808,000	£3,850,000	£4,923,000	£5,889,000	£6,890,000
	sub low	35				1	1	1		3	0.09	362	4223	£58,000	£117,000	£190,000	£250,000	£347,000	£442,000	£522,000	£616,000
														8	15	22	26	32	37	39	43
														£673,000	£1,370,000	£2,219,000	£2,921,000	£4,054,000	£5,161,000	£6,094,000	£7,190,000
	sub med	45			1	2				3	0.07	260	3900	£30,000	£73,000	£127,000	£174,000	£243,000	£307,000	£368,000	£436,000
														6	13	20	25	31	35	39	42
														£451,000	£1,095,000	£1,900,000	£2,610,000	£3,652,000	£4,601,000	£5,521,000	£6,544,000
	sub high	55			2	1				3	0.05	241	4418	£25,000	£65,000	£114,000	£158,000	£223,000	£281,000	£338,000	£402,000
														5	13	20	25	31	35	38	42
														£457,000	£1,187,000	£2,098,000	£2,903,000	£4,084,000	£5,160,000	£6,203,000	£7,361,000
	urb low	60			3					3	0.05	222	4440	£20,000	£56,000	£102,000	£143,000	£202,000	£256,000	£309,000	£367,000
														5	12	19	24	30	35	38	41
														£395,000	£1,129,000	£2,045,000	£2,845,000	£4,041,000	£5,124,000	£6,172,000	£7,336,000
	urb med	70		2	1					3	0.04	194	4527	£0	£25,000	£65,000	£101,000	£154,000	£205,000	£246,000	£297,000
														0	6	14	20	27	32	35	38
														£0	£590,000	£1,524,000	£2,349,000	£3,600,000	£4,776,000	£5,748,000	£6,935,000
	urb high	80	1	2						3	0.04	166	4427	£0	£6,000	£40,000	£70,000	£116,000	£161,000	£199,000	£244,000
														0	2	10	16	23	29	33	37
														£0	£155,000	£1,068,000	£1,875,000	£3,099,000	£4,295,000	£5,319,000	£6,504,000

4 units
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house					Value Points							
	Density	dph	46	60	74	93	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
4	rural low	30						2	2	4	0.13	704	5280	£137,000	£245,000	£386,000	£505,000	£692,000	£875,000	£1,039,000	£1,222,000
														10	16	23	27	33	37	40	43
														£1,025,000	£1,841,000	£2,897,000	£3,791,000	£5,193,000	£6,563,000	£7,796,000	£9,167,000
	rural med	35					2	2		4	0.11	538	4708	£92,000	£179,000	£283,000	£378,000	£517,000	£657,000	£782,000	£922,000
														9	16	22	27	32	37	40	43
														£803,000	£1,565,000	£2,475,000	£3,308,000	£4,523,000	£5,745,000	£6,844,000	£8,066,000
	rural high	40				4				4	0.10	372	3720	£47,000	£108,000	£183,000	£245,000	£345,000	£443,000	£525,000	£622,000
														7	14	20	25	31	36	39	42
														£469,000	£1,084,000	£1,832,000	£2,454,000	£3,451,000	£4,426,000	£5,250,000	£6,215,000
	sub low	35				2	2			4	0.11	428	3745	£62,000	£133,000	£219,000	£290,000	£405,000	£512,000	£612,000	£723,000
														8	15	21	26	32	36	39	42
														£543,000	£1,162,000	£1,915,000	£2,538,000	£3,543,000	£4,478,000	£5,353,000	£6,325,000
	sub med	45			2	2				4	0.09	334	3758	£37,000	£92,000	£161,000	£219,000	£305,000	£392,000	£471,000	£553,000
														6	13	20	25	30	35	39	41
														£412,000	£1,033,000	£1,808,000	£2,468,000	£3,426,000	£4,411,000	£5,298,000	£6,218,000
	sub high	55		2	1	1				4	0.07	287	3946	£5,000	£52,000	£112,000	£164,000	£241,000	£311,000	£379,000	£454,000
														1	9	16	22	28	32	36	40
														£68,000	£720,000	£1,534,000	£2,253,000	£3,311,000	£4,279,000	£5,210,000	£6,245,000
	urb low	60			3	1				4	0.07	315	4725	£32,000	£84,000	£149,000	£204,000	£284,000	£367,000	£441,000	£518,000
														5	12	20	25	30	35	38	41
														£472,000	£1,253,000	£2,228,000	£3,058,000	£4,264,000	£5,503,000	£6,618,000	£7,776,000
	urb med	70		2	2					4	0.06	268	4690	£0	£44,000	£99,000	£148,000	£220,000	£286,000	£349,000	£419,000
														0	8	15	21	27	32	36	39
														£0	£772,000	£1,739,000	£2,594,000	£3,852,000	£5,004,000	£6,111,000	£7,341,000
	urb high	80	2	2						4	0.05	212	4240	£0	£5,000	£49,000	£88,000	£146,000	£201,000	£247,000	£303,000
														0	1	10	16	23	28	32	36
														£0	£103,000	£978,000	£1,750,000	£2,923,000	£4,028,000	£4,948,000	£6,059,000

5 units
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house					Value Points							
	Density	dph	46	60	74	93	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
5	rural low	30				1	1	2	1	5	0.17	714	4284	£116,000	£229,000	£364,000	£483,000	£669,000	£851,000	£1,014,000	£1,196,000
														8	15	21	26	31	36	39	42
														£693,000	£1,373,000	£2,186,000	£2,899,000	£4,015,000	£5,106,000	£6,087,000	£7,178,000
	rural med	35					3	2		5	0.14	659	4613	£101,000	£202,000	£331,000	£446,000	£613,000	£781,000	£932,000	£1,099,000
														8	15	21	26	31	35	39	42
														£710,000	£1,443,000	£2,320,000	£3,120,000	£4,289,000	£5,463,000	£6,521,000	£7,695,000
	rural high	40			1	4				5	0.13	446	3568	£47,000	£120,000	£208,000	£281,000	£398,000	£508,000	£610,000	£723,000
														6	13	19	24	30	34	37	40
														£377,000	£956,000	£1,661,000	£2,246,000	£3,185,000	£4,061,000	£4,878,000	£5,787,000
	sub low	35				3	2			5	0.14	521	3647	£66,000	£151,000	£249,000	£339,000	£476,000	£604,000	£723,000	£856,000
														7	14	20	25	31	35	38	41
														£464,000	£1,055,000	£1,740,000	£2,372,000	£3,331,000	£4,226,000	£5,061,000	£5,990,000
	sub med	45			2	3				5	0.11	427	3843	£42,000	£112,000	£196,000	£266,000	£378,000	£483,000	£581,000	£690,000
														5	12	19	24	30	34	37	40
														£381,000	£1,004,000	£1,764,000	£2,395,000	£3,406,000	£4,350,000	£5,230,000	£6,208,000
	sub high	55	1	2	1	1				5	0.09	333	3663	£0	£46,000	£114,000	£173,000	£256,000	£341,000	£419,000	£499,000
														0	7	14	20	26	31	34	37
														£0	£510,000	£1,251,000	£1,906,000	£2,813,000	£3,755,000	£4,603,000	£5,488,000
	urb low	60	1	2	2					5	0.08	314	3768	£0	£38,000	£102,000	£158,000	£241,000	£317,000	£390,000	£470,000
														0	6	14	19	26	30	34	37
														£0	£461,000	£1,224,000	£1,898,000	£2,890,000	£3,801,000	£4,674,000	£5,643,000
	urb med	70	1	3	1					5	0.07	300	4200	£0	£23,000	£84,000	£138,000	£217,000	£290,000	£359,000	£436,000
														0	4	12	17	24	29	33	36
														£0	£325,000	£1,175,000	£1,926,000	£3,034,000	£4,054,000	£5,026,000	£6,107,000
	urb high	80	2	3						5	0.06	272	4352	£0	£4,000	£59,000	£108,000	£180,000	£246,000	£309,000	£379,000
														0	1	9	15	22	27	31	35
														£0	£70,000	£950,000	£1,728,000	£2,880,000	£3,941,000	£4,949,000	£6,068,000

8 units
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house					Value Points							
	Density	dph	46	60	74	93	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
8	rural low	30			1	2	2	3		8	0.27	946	3548	£135,000	£280,000	£465,000	£623,000	£869,000	£1,100,000	£1,327,000	£1,567,000
														7	14	20	25	31	35	38	41
														£505,000	£1,048,000	£1,744,000	£2,335,000	£3,259,000	£4,162,000	£4,795,000	£5,878,000
	rural med	35			2	3	2	1		8	0.23	817	3574	£102,000	£232,000	£388,000	£524,000	£737,000	£945,000	£1,131,000	£1,340,000
														7	13	20	24	30	35	38	41
														£445,000	£1,015,000	£1,696,000	£2,292,000	£3,223,000	£4,133,000	£4,952,000	£5,862,000
	rural high	40			3	5				8	0.20	687	3435	£69,000	£178,000	£310,000	£429,000	£603,000	£778,000	£936,000	£1,110,000
														5	12	19	24	29	34	37	40
														£343,000	£891,000	£1,547,000	£2,143,000	£3,016,000	£3,890,000	£4,677,000	£5,552,000
	sub low	35			2	3	2	1		8	0.23	817	3574	£102,000	£232,000	£388,000	£524,000	£737,000	£945,000	£1,132,000	£1,340,000
														6	13	20	24	30	35	38	41
														£301,000	£1,015,000	£1,696,000	£2,292,000	£3,223,000	£4,133,000	£4,952,000	£5,862,000
	sub med	45	1	3	1	3				8	0.18	579	3257	£6,000	£100,000	£215,000	£311,000	£463,000	£606,000	£738,000	£886,000
														1	8	15	20	27	31	35	38
														£32,000	£560,000	£1,207,000	£1,748,000	£2,605,000	£3,407,000	£4,153,000	£4,983,000
	sub high	55	1	4	1	2				8	0.15	546	3754	£0	£77,000	£185,000	£276,000	£420,000	£554,000	£680,000	£819,000
														0	7	14	19	26	30	34	37
														£0	£526,000	£1,273,000	£1,898,000	£2,886,000	£3,812,000	£4,672,000	£5,627,000
	urb low	60	2	2	2	2				8	0.13	546	4095	£0	£88,000	£197,000	£287,000	£431,000	£566,000	£691,000	£830,000
														0	8	15	20	26	31	35	38
														£0	£661,000	£1,474,000	£2,155,000	£3,232,000	£4,242,000	£5,180,000	£6,223,000
	urb med	70	2	4	1	1				8	0.11	499	4366	£0	£50,000	£151,000	£238,000	£364,000	£487,000	£601,000	£729,000
														0	5	13	18	24	29	33	36
														£0	£435,000	£1,318,000	£2,078,000	£3,185,000	£4,264,000	£5,264,000	£6,376,000
	urb high	80	4	4						8	0.10	424	4240	£0	£4,000	£90,000	£166,000	£272,000	£381,000	£480,000	£583,000
														0	1	9	15	21	27	31	34
														£0	£41,000	£898,000	£1,656,000	£2,722,000	£3,813,000	£4,795,000	£5,825,000

10 units
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house					Value Points							
	Density	dph	46	60	74	93	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
10	rural low	30			2	4	3	1		10	0.33	1031	3093	£130,000	£288,000	£485,000	£662,000	£931,000	£1,193,000	£1,430,000	£1,692,000
														7	13	20	24	30	35	38	41
														£389,000	£864,000	£1,456,000	£1,987,000	£2,792,000	£3,580,000	£4,288,000	£5,076,000
	rural med	35				5	5			10	0.29	1070	3745	£140,000	£304,000	£509,000	£692,000	£971,000	£1,243,000	£1,489,000	£1,761,000
														7	13	20	25	30	35	38	41
														£489,000	£1,063,000	£1,779,000	£2,422,000	£3,398,000	£4,351,000	£5,210,000	£6,163,000
	rural high	40			5	5				10	0.25	835	3340	£80,000	£213,000	£373,000	£512,000	£730,000	£942,000	£1,134,000	£1,346,000
														5	12	19	23	29	34	37	40
														£318,000	£852,000	£1,490,000	£2,048,000	£2,918,000	£3,768,000	£4,534,000	£5,384,000
	sub low	35	1	2	3	2	1	1		10	0.29	843	2951	£56,000	£191,000	£352,000	£493,000	£713,000	£928,000	£1,121,000	£1,335,000
														4	11	17	22	28	33	36	40
														£196,000	£667,000	£1,232,000	£1,726,000	£2,495,000	£3,246,000	£3,922,000	£4,673,000
	sub med	45	1	4	2	3				10	0.22	713	3209	£4,000	£120,000	£256,000	£380,000	£561,000	£743,000	£906,000	£1,088,000
														1	8	15	20	26	31	35	38
														£18,000	£538,000	£1,151,000	£1,708,000	£2,526,000	£3,343,000	£4,078,000	£4,895,000
	sub high	55	1	6	2	1				10	0.18	647	3559	£0	£73,000	£202,000	£310,000	£481,000	£640,000	£789,000	£953,000
														0	5	13	18	25	30	33	37
														£0	£403,000	£1,111,000	£1,707,000	£2,643,000	£3,521,000	£4,337,000	£5,243,000
	urb low	60	2	4	2	2				10	0.17	666	3996	£0	£93,000	£225,000	£336,000	£506,000	£676,000	£828,000	£998,000
														0	7	14	19	25	30	34	37
														£0	£556,000	£1,351,000	£2,017,000	£3,037,000	£4,054,000	£4,970,000	£5,987,000
	urb med	70	4	4	1	1				10	0.14	591	4137	£0	£47,000	£167,000	£264,000	£420,000	£566,000	£701,000	£852,000
														0	4	12	17	24	29	32	36
														£0	£329,000	£1,666,000	£1,849,000	£2,938,000	£3,961,000	£4,909,000	£5,962,000
	urb high	80	5	5						10	0.13	530	4240	£0	£5,000	£112,000	£205,000	£340,000	£477,000	£593,000	£728,000
														0	1	9	15	21	27	31	34
														£0	£41,000	£898,000	£1,640,000	£2,722,000	£3,813,000	£4,745,000	£5,825,000

12 units
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house					Value Points							
	Density	dph	46	60	74	93	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
12	rural low	30			3	3	4	2		12	0.40	1281	3203	£167,000	£363,000	£609,000	£828,000	£1,162,000	£1,488,000	£1,782,000	£2,108,000
														7	13	20	25	30	35	38	41
														£417,000	£908,000	£1,521,000	£2,071,000	£2,905,000	£3,720,000	£4,454,000	£5,270,000
	rural med	35			2	4	6			12	0.34	1246	3634	£158,000	£349,000	£588,000	£802,000	£1,126,000	£1,443,000	£1,729,000	£2,046,000
														7	13	20	24	30	35	38	41
														£460,000	£1,018,000	£1,714,000	£2,337,000	£3,284,000	£4,209,000	£5,042,000	£5,967,000
	rural high	40			6	6				12	0.30	1002	3340	£96,000	£251,000	£447,000	£615,000	£876,000	£1,130,000	£1,360,000	£1,615,000
														5	12	19	23	29	34	37	40
														£319,000	£835,000	£1,490,000	£2,048,000	£2,919,000	£3,768,000	£4,534,000	£5,384,000
	sub low	35	1	2	3	3	2	1		12	0.34	1057	3083	£84,000	£248,000	£455,000	£632,000	£907,000	£1,176,000	£1,418,000	£1,688,000
														4	11	18	23	29	33	37	40
														£245,000	£722,000	£1,327,000	£1,842,000	£2,645,000	£3,430,000	£4,137,000	£4,921,000
	sub med	45	3	3	3	3				12	0.27	819	3071	£0	£132,000	£289,000	£431,000	£640,000	£848,000	£1,036,000	£1,245,000
														0	8	15	20	26	31	35	38
														£0	£495,000	£1,083,000	£1,616,000	£2,400,000	£3,181,000	£3,885,000	£4,667,000
	sub high	55	3	4	2	3				12	0.22	805	3690	£0	£117,000	£271,000	£411,000	£616,000	£821,000	£1,006,000	£1,211,000
														0	7	14	19	26	31	34	38
														£0	£536,000	£1,244,000	£1,884,000	£2,825,000	£3,764,000	£4,610,000	£5,549,000
	urb low	60	3	3	3	3				12	0.20	819	4095	£0	£132,000	£289,000	£431,000	£640,000	£848,000	£1,036,000	£1,244,000
														0	8	15	20	26	31	35	38
														£0	£661,000	£1,444,000	£2,155,000	£3,199,000	£4,242,000	£5,180,000	£6,223,000
	urb med	70	3	6	1	2				12	0.17	758	4422	£0	£79,000	£230,000	£356,000	£550,000	£743,000	£917,000	£1,110,000
														0	5	13	18	24	29	33	37
														£0	£458,000	£1,339,000	£2,079,000	£3,208,000	£4,335,000	£5,348,000	£6,474,000
	urb high	80	6	6						12	0.15	636	4240	£0	£6,000	£135,000	£246,000	£4,008,000	£566,000	£712,000	£874,000
														0	1	9	15	21	27	31	34
														£0	£41,000	£898,000	£1,640,000	£2,722,000	£3,774,000	£4,745,000	£5,825,000

14 units
Zero Affordable Contribution
Infrastructure Cost £5,000 per unit

Land value
% GDV
Value per hectare

			1 b flat	2 b flat	2 b house	3 b house	4 b house	5 b house	5 b house					Value Points							
	Density	dph	46	60	74	93	121	148	204		ha	sq m	sq m/ha	1	2	3	4	5	6	7	8
14	rural low	30			4	3	4	3		14	0.47	1503	3221	£195,000	£427,000	£715,000	£973,000	£1,364,000	£1,747,000	£2,092,000	£2,474,000
														7	13	20	24	30	35	38	41
														£417,000	£915,000	£1,532,000	£2,085,000	£2,923,000	£3,743,000	£4,481,000	£5,302,000
	rural med	35			3	4	5	2		14	0.40	1495	3738	£193,000	£424,000	£710,000	£967,000	£1,356,000	£1,737,000	£2,079,000	£2,460,000
														7	13	20	25	30	35	38	41
														£482,000	£1,060,000	£1,775,000	£2,417,000	£3,390,000	£4,342,000	£5,198,000	£6,150,000
	rural high	40			7	7				14	0.35	1169	3340	£112,000	£292,000	£516,000	£717,000	£1,021,000	£1,319,000	£1,587,000	£1,885,000
														5	12	18	23	29	34	37	40
														£319,000	£835,000	£1,475,000	£2,048,000	£2,918,000	£3,768,000	£4,534,000	£5,384,000
	sub low	35	1	2	3	4	3	1		14	0.40	1271	3178	£112,000	£308,000	£552,000	£770,000	£1,101,000	£1,425,000	£1,716,000	£2,040,000
														5	11	18	23	29	34	37	40
														£279,000	£770,000	£1,380,000	£1,925,000	£2,753,000	£3,562,000	£4,290,000	£5,099,000
	sub med	45	2	4	3	5				14	0.31	1019	3275	£22,000	£185,000	£381,000	£552,000	£818,000	£1,077,000	£1,310,000	£1,570,000
														1	9	16	21	27	32	35	38
														£69,000	£594,000	£1,225,000	£1,775,000	£2,628,000	£3,462,000	£4,212,000	£5,046,000
	sub high	55	5	5	2	2				14	0.25	864	3394	£0	£91,000	£258,000	£408,000	£629,000	£849,000	£1,047,000	£1,227,000
														0	5	12	18	24	29	33	37
														£0	£358,000	£1,013,000	£1,602,000	£2,469,000	£3,334,000	£4,111,000	£4,976,000
	urb low	60	4	5	2	3				14	0.23	911	3904	£0	£118,000	£293,000	£451,000	£684,000	£916,000	£1,125,000	£1,357,000
														0	6	13	19	25	30	34	37
														£0	£505,000	£1,256,000	£1,933,000	£2,930,000	£3,924,000	£4,819,000	£5,813,000
	urb med	70	5	6	1	2				14	0.20	850	4250	£0	£76,000	£245,000	£388,000	£605,000	£822,000	£1,016,000	£1,233,000
														0	4	12	17	24	29	33	36
														£0	£379,000	£1,227,000	£1,940,000	£3,026,000	£4,108,000	£5,082,000	£6,164,000
	urb high	80	7	7						14	0.18	742	4240	£0	£7,000	£157,000	£281,000	£476,000	£660,000	£831,000	£1,019,000
														0	1	9	14	21	27	31	34
														£0	£4,100,041	£898,000	£1,607,000				

Appendix 3

Single units at varying profit levels

				Land value/% GDV, zero affordable, £5,000 per unit infrastructure. Profit 10% £000s							
				Value Points							
Units	Type	dph		1	2	3	4	5	6	7	8
1	4 bed	30	land Value	£30,000	£51,000	£78,000	£101,000	£136,000	£171,000	£200,000	£235,000
	121		% GDV	13	20	27	32	38	42	45	48
			Value/hectare	£901,000	£1,537,000	£2,330,000	£3,032,000	£4,096,000	£5,136,000	£6,011,000	£7,041,000
	5 bed	25	land Value	£40,000	£66,000	£98,000	£127,000	£170,000	£210,000	£243,000	£284,000
	148		% GDV	14	21	28	32	38	43	45	48
			Value/hectare	£994,000	£1,642,000	£2,450,000	£3,165,000	£4,249,000	£5,256,000	£6,076,000	£7,104,000
	5 bed	20	land Value	£60,000	£96,000	£140,000	£178,000	£237,000	£289,000	£340,000	£397,000
	204		% GDV	15	22	29	33	39	42	45	48
			Value/hectare	£1,197,000	£1,912,000	£2,803,000	£3,556,000	£4,740,000	£5,778,000	£6,798,000	£7,932,000

				Land value/% GDV 0% affordable, £5,000 per unit infrastructure. Profit 15% £000s							
				Value Points							
Units	Type	dph		1	2	3	4	5	6	7	8
1	4 bed	30	land Value	£19,000	£39,000	£64,000	£86,000	£120,000	£152,000	£180,000	£212,000
	121		% GDV	8	15	22	27	33	38	41	44
			Value/hectare	£579,000	£1,179,000	£1,927,000	£2,589,000	£3,593,000	£4,574,000	£5,403,000	£6,375,000
	5 bed	25	land Value	£26,000	£51,000	£82,000	£109,000	£149,000	£188,000	£223,000	£258,000
	148		% GDV	9	16	23	28	34	38	41	43
			Value/hectare	£665,000	£1,276,000	£2,040,000	£2,714,000	£3,737,000	£4,690,000	£6,697,000	£6,438,000
	5 bed	20	land Value	£42,000	£75,000	£118,000	£155,000	£209,000	£258,000	£306,000	£360,000
	204		% GDV	11	17	24	29	34	38	41	44
			Value/hectare	£835,000	£1,509,000	£2,350,000	£3,095,000	£4,180,000	£5,166,000	£6,128,000	£7,198,000

Appendix 4

Testing a commuted sum against single units
Commuted sum assumed at 40% of £150,000, ie £60,000
Each value point shows: land value % GDV £ per ha

House	Infra-			Value	Points		
type	structure	3	4	5	6	7	8
	£5,000	£4,000	£26,000	£60,000	£92,000	£120,000	£152,000
4 bed		1	8	16	23	27	31
121 sq m		£133,000	£866,000	£2,000,000	£3,066,000	£4,000,000	£5,066,000
	£10,000	£0	£22,000	£55,000	£87,000	£115,000	£148,000
		0	7	15	21	26	30
		£0	£733,000	£1,833,000	£2,900,000	£3,833,000	£4,933,000
	£20,000	£0	£12,000	£46,000	£79,000	£108,000	£139,000
		0	4	13	20	24	29
		£0	£400,000	£1,533,000	£2,633,000	£3,600,000	£4,633,000
5 bed	£5,000	£22,000	£49,000	£89,000	£128,000	£163,000	£197,000
148 sq m		6	12	20	26	30	33
		£550,000	£1,225,000	£2,225,000	£3,200,000	£4,075,000	£4,925,000
	£10,000	£11,000	£44,000	£85,000	£123,000	£159,000	£193,000
		3	11	19	25	29	32
		£275,000	£1,100,000	£2,125,000	£3,075,000	£3,975,000	£4,825,000
	£20,000	£7,000	£35,000	£76,000	£114,000	£150,000	£184,000
		2	9	17	23	28	31
		£175,000	£875,000	£1,900,000	£2,850,000	£3,750,000	£4,600,000
5 bed	£5,000	£58,000	£95,000	£149,000	£198,000	£246,000	£300,000
204 sq m		12	18	24	29	33	37
		£1,160,000	£1,900,000	£2,980,000	£3,960,000	£4,920,000	£6,000,000
	£10,000	£53,000	£90,000	£144,000	£194,000	£241,000	£295,000
		11	17	24	28	32	36
		£1,060,000	£1,800,000	£2,880,000	£3,880,000	£4,820,000	£5,900,000
	£20,000	£44,000	£81,000	£135,000	£185,000	£233,000	£286,000
		9	15	22	27	31	35
		£880,000	£1,620,000	£2,700,000	£3,700,000	£4,660,000	£5,720,000

Appendix 5

Testing 3 units with 40% on-site affordable, being 1.2 units. Urban also at 1 unit.
Assumes 1 no. affordable unit on site and a commuted payment for the 0.2 unit.
Each value point shows: land value % GDV £ per ha

Density	Infra-			Value	Points		
	structure	3	4	5	6	7	8
Rural	£5,000	£88,000	£131,000	£196,000	£255,000	£312,000	£376,000
medium		12	17	23	27	30	34
1.2		£977,000	£1,455,000	£2,177,000	£2,833,000	£3,466,000	£4,177,000
afford							
units	£10,000	£74,000	£118,000	£182,000	£242,000	£299,000	£362,000
		10	15	21	25	29	33
		£822,000	£1,311,000	£2,022,000	£2,688,000	£3,322,000	£4,022,000
	£20,000	£46,000	£90,000	£155,000	£215,000	£272,000	£335,000
		6	12	18	23	27	30
		£511,000	£1,000,000	£1,722,000	£2,388,000	£3,022,000	£3,722,000
Suburban	£5,000	£52,000	£82,000	£129,000	£172,000	£212,000	£251,000
medium		9	14	20	24	28	30
1.2		£743,000	£1,171,000	£1,842,000	£2,457,000	£3,028,000	£3,586,000
afford							
units	£10,000	£38,000	£69,000	£115,000	£158,000	£198,000	£237,000
		7	12	18	22	26	29
		£543,000	£985,000	£1,643,000	£2,257,000	£2,828,000	£3,385,000
	£20,000	£11,000	£41,000	£87,000	£133,000	£171,000	£215,000
		2	7	13	19	22	26
		£157,000	£585,000	£1,243,000	£1,900,000	£2,443,000	£3,071,000
Urban	£5,000	£10,000	£32,000	£65,000	£97,000	£126,000	£157,000
medium		2	7	13	18	22	25
1.2		£250,000	£800,000	£1,625,000	£2,425,000	£3,150,000	£3,925,000
afford							
units	£10,000	£0	£18,000	£51,000	£84,000	£113,000	£145,000
		0	4	10	16	20	24
		£0	£450,000	£1,275,000	£2,100,000	£2,825,000	£3,625,000
	£20,000	£0	£0	£24,000	£56,000	£86,000	£118,000
		0	0	5	11	15	20
		£0	£0	£600,000	£1,400,000	£2,150,000	£2,950,000
Urban	£5,000	£34,000	£56,000	£89,000	£122,000	£151,000	£181,000
medium		8	13	19	23	27	30
at		£798,000	£1,308,000	£2,082,000	£2,839,000	£3,520,000	£4,234,000
1 unit.							
No	£10,000	£20,000	£42,000	£75,000	£108,000	£137,000	£169,000
comm.		5	10	16	21	24	28
sum		£474,000	£984,000	£1,758,000	£2,515,000	£3,197,000	£3,953,000
	£20,000	£0	£14,000	£48,000	£80,000	£109,000	£142,000
		0	3	10	15	19	23
		£0	£336,000	£1,110,000	£1,868,000	£2,549,000	£3,306,000

Testing 3 units with 0% on-site affordable.
Commuted payments: Rural and suburban: £180,000. Urban: £144,000 and £72,000
Each value point shows: land value % GDV £ per ha

Density	Infra-			Value	Points		
	structure	3	4	5	6	7	8
Rural	£5,000	£10,000	£71,000	£169,000	£264,000	£344,000	£438,000
medium		1	7	15	22	26	30
at		£111,000	£788,000	£1,877,000	£2,933,000	£3,822,000	£4,866,000
£180,000							
comm.	£10,000	£0	£63,000	£155,000	£250,000	£330,000	£425,000
sum		0	6	14	20	25	29
		£0	£700,000	£1,722,000	£2,777,000	£3,666,000	£4,722,000
	£20,000	£0	£35,000	£128,000	£223,000	£304,000	£398,000
		0	4	12	18	23	27
		£0	£388,000	£1,422,000	£2,477,000	£3,377,000	£4,422,000
Suburban	£5,000	£0	£0	£63,000	£127,000	£188,000	£256,000
medium		0	0	8	14	20	24
at		£0	£0	£900,000	£1,814,000	£2,686,000	£3,657,000
£180,000							
comm	£10,000	£0	£0	£50,000	£113,000	£175,000	£243,000
sum		0	0	6	13	18	23
		£0	£0	£714,000	£1,614,000	£2,500,000	£3,471,000
	£20,000	£0	£0	£22,000	£86,000	£148,000	£216,000
		0	0	3	10	15	21
		£0	£0	£314,000	£1,228,000	£2,114,000	£3,085,000
Urban	£5,000	£0	£0	£10,000	£61,000	£102,000	£153,000
medium		0	0	2	9	14	20
at		£0	£0	£250,000	£1,525,000	£2,550,000	£3,825,000
£144,000							
comm.	£10,000	£0	£0	£0	£47,000	£94,000	£140,000
sum		0	0	0	7	13	18
		£0	£0	£0	£1,175,000	£2,350,000	£3,500,000
	£20,000	£0	£0	£0	£21,000	£66,000	£113,000
		0	0	0	3	9	14
		£0	£0	£0	£525,000	£1,650,000	£2,825,000
	£5,000	£0	£29,000	£82,000	£133,000	£174,000	£225,000
		0	6	14	20	24	29
Urban		£0	£725,000	£2,050,000	£3,325,000	£4,350,000	£5,625,000
medium							
at	£10,000	£0	£15,000	£68,000	£119,000	£166,000	£212,000
£72,000		0	3	12	18	23	27
comm		£0	£375,000	£1,700,000	£2,975,000	£4,150,000	£5,300,000
sum							
	£20,000	£0	£0	£41,000	£93,000	£138,000	£185,000
		0	0	7	14	19	24
		£0	£0	£1,025,000	£2,325,000	£3,450,000	£4,625,000

Testing 5 units with 40% on-site affordable, being 2 units.
Alternative at 20% for urban sites
Each value point shows: land value % GDV £ per ha

Density	Infra-			Value	Points		
	structure	3	4	5	6	7	8
Rural	£5,000	£162,000	£224,000	£315,000	£409,000	£488,000	£580,000
medium		14	18	23	28	31	34
2		£1,132,000	£1,571,000	£2,208,000	£2,862,000	£3,414,000	£4,061,000
afford							
units	£10,000	£139,000	£202,000	£293,000	£387,000	£471,000	£558,000
		12	17	22	26	30	32
		£974,000	£1,414,000	£2,054,000	£2,708,000	£3,296,000	£3,909,000
	£20,000	£94,000	£159,000	£249,000	£343,000	£427,000	£515,000
		8	13	18	23	27	30
		£656,000	£1,110,000	£1,746,000	£2,400,000	£2,988,000	£3,604,000
Suburban	£5,000	£135,000	£183,000	£253,000	£324,000	£389,000	£461,000
medium		14	18	22	26	30	33
2		£1,215,000	£1,647,000	£2,274,000	£2,920,000	£3,502,000	£4,148,000
afford							
units	£10,000	£112,000	£162,000	£235,000	£302,000	£367,000	£439,000
		12	16	21	25	28	31
		£1,010,000	£1,459,000	£2,119,000	£2,722,000	£3,304,000	£3,950,000
	£20,000	£67,000	£116,000	£191,000	£258,000	£323,000	£395,000
		7	11	17	21	25	28
		£602,000	£1,051,000	£1,715,000	£2,326,000	£2,908,000	£3,554,000
Urban	£5,000	£47,000	£77,000	£122,000	£166,000	£204,000	£247,000
medium		7	10	15	19	22	25
2		£663,000	£1,078,000	£1,709,000	£2,325,000	£2,851,000	£3,462,000
afford							
units	£10,000	£25,000	£54,000	£99,000	£143,000	£181,000	£225,000
		4	7	12	17	20	23
		£345,000	£761,000	£1,391,000	£2,008,000	£2,537,000	£3,147,000
	£20,000	£0	£9,000	£54,000	£98,000	£138,000	£180,000
		0	1	7	11	15	18
		£0	£126,000	£756,000	£1,373,000	£1,927,000	£2,518,000
	£5,000	£63,000	£106,000	£171,000	£232,000	£283,000	£345,000
		8	14	20	24	27	31
		£883,000	£1,484,000	£2,395,000	£3,254,000	£3,966,000	£4,830,000
Urban							
medium	£10,000	£40,000	£83,000	£148,000	£210,000	£261,000	£323,000
at		5	11	17	22	25	29
1		£565,000	£1,166,000	£2,078,000	£2,939,000	£3,658,000	£4,522,000
afford							
unit	£20,000	£0	£38,000	£103,000	£167,000	£222,000	£279,000
		0	5	12	17	22	25
		£0	£531,000	£1,442,000	£2,334,000	£3,104,000	£3,906,000

Testing 5 units with 0% on-site affordable.
Commuted payment: Total £300,000. Alternative at £150,000 for urban sites
Each value point shows: land value % GDV £ per ha

Density	Infra-			Value Points			
	structure	3	4	5	6	7	8
Rural	£5,000	£31,000	£146,000	£313,000	£480,000	£632,000	£799,000
medium		2	8	16	22	26	30
£300,000		£221,000	£1,035,000	£2,235,000	£3,428,000	£4,514,000	£5,707,000
comm							
sum	£10,000	£9,000	£124,000	£291,000	£459,000	£610,000	£777,000
		1	7	15	21	25	29
		£64,000	£885,000	£2,078,000	£3,278,000	£4,357,000	£5,550,000
	£20,000	£0	£80,000	£247,000	£415,000	£566,000	£734,000
		0	5	13	19	23	28
		£0	£571,000	£1,764,000	£2,964,000	£4,042,000	£5,243,000
Suburban	£5,000	£0	£0	£78,000	£183,000	£281,000	£389,000
medium		0	0	6	13	18	23
£300,000		£0	£0	£709,000	£1,663,000	£2,554,000	£3,536,000
comm							
sum	£10,000	£0	£0	£56,000	£166,000	£259,000	£368,000
		0	0	4	12	17	21
		£0	£0	£509,000	£1,509,000	£2,354,000	£3,345,000
	£20,000	£0	£0	£12,000	£122,000	£216,000	£325,000
		0	0	1	9	14	19
		£0	£0	£109,000	£1,109,000	£1,964,000	£2,954,000
Urban	£5,000	£0	£0	£0	£0	£59,000	£136,000
medium		0	0	0	0	5	11
£300,000		£0	£0	£0	£0	£843,000	£1,943,000
comm							
sum	£10,000	£0	£0	£0	£0	£37,000	£114,000
		0	0	0	0	3	9
		£0	£0	£0	£0	£528,000	£1,629,000
	£20,000	£0	£0	£0	£0	£0	£70,000
		0	0	0	0	0	6
		£0	£0	£0	£0	£0	£1,000,000
	£5,000	£0	£0	£67,000	£140,000	£209,000	£286,000
		0	0	7	14	19	24
Urban		£0	£0	£957,000	£2,000,000	£2,985,000	£4,085,000
medium							
£150,000	£10,000	£0	£0	£44,000	£117,000	£187,000	£264,000
comm.		0	0	5	12	17	22
sum		£0	£0	£628,000	£1,671,000	£2,671,000	£3,771,000
	£20,000	£0	£0	£0	£78,000	£143,000	£220,000
		0	0	0	8	13	18
		£0	£0	£0	£1,114,000	£2,042,000	£3,142,000

Appendix 6

10 and 14 units
20% affordable and 40% affordable with different infrastructure levels

		Value Points			Value Points			Value Points		
		20% affordable £5K infras			20% affordable £10K infras			20% affordable £20K infras		
		4	5	6	4	5	6	4	5	6
10 rural	land value £	£553,000	£783,000	£1,008,000	£503,000	£733,000	£958,000	£427,000	£653,000	£878,000
medium	% GDV	21	27	31	19	25	30	16	22	27
	£ per hectare	£1,936,000	£2,741,000	£3,529,000	£1,734,000	£2,527,000	£3,303,000	£1,494,000	£2,284,000	£3,072,000
10 suburba	land value £	£307,000	£458,000	£599,000	£257,000	£408,000	£549,000	£178,000	£326,000	£473,000
medium	% GDV	17	23	27	14	20	25	10	16	21
	£ per hectare	£1,380,000	£2,060,000	£2,697,000	£1,168,000	£1,855,000	£2,495,000	£802,000	£1,466,000	£2,130,000
10 urban	land value £	£243,000	£374,000	£497,000	£193,000	£324,000	£447,000	£114,000	£247,000	£371,000
medium	% GDV	15	21	25	12	18	23	7	14	19
	£ per hectare	£1,700,000	£2,619,000	£3,481,000	£1,378,000	£2,314,000	£3,192,000	£800,000	£1,730,000	£2,593,000
14 rural	land value £	£631,000	£904,000	£1,172,000	£561,000	£834,000	£1,102,000	£453,000	£721,000	£989,000
medium	% GDV	20	26	30	18	23	28	14	20	25
	£ per hectare	£1,577,000	£2,260,000	£2,929,000	£1,402,000	£2,085,000	£2,755,000	£1,131,000	£1,803,000	£2,472,000
14 suburba	land value £	£453,000	£658,000	£863,000	£383,000	£588,000	£793,000	£268,000	£480,000	£680,000
medium	% GDV	18	23	27	15	21	25	10	17	22
	£ per hectare	£1,456,000	£2,116,000	£2,775,000	£1,235,000	£1,897,000	£2,558,000	£862,000	£1,543,000	£2,187,000
14 urban	land value £	£356,000	£538,000	£719,000	£286,000	£468,000	£649,000	£175,000	£358,000	£536,000
medium	% GDV	15	21	25	12	18	23	8	14	19
	£ per hectare	£1,780,000	£2,688,000	£3,595,000	£1,430,000	£2,340,000	£3,245,000	£873,000	£1,792,000	£2,680,000

		Value Points			Value Points			Value Points		
		40% affordable £5K infrastructure			40% affordable £10K infrastructure			40% affordable £20K infrastructure		
		4	5	6	4	5	6	4	5	6
10 rural	land value £	£374,000	£538,000	£702,000	£330,000	£494,000	£658,000	£243,000	£412,000	£571,000
medium	% GDV	17	22	26	15	20	24	11	17	21
	£ per hectare	£1,311,000	£1,883,000	£2,455,000	£1,157,000	£1,730,000	£2,300,000	£850,000	£1,441,000	£1,998,000
10 suburba	land value £	£209,000	£312,000	£417,000	£166,000	£268,000	£373,000	£75,000	£184,000	£285,000
medium	% GDV	12	17	21	10	15	19	5	10	15
	£ per hectare	£942,000	£1,405,000	£1,877,000	£750,000	£1,207,000	£1,678,000	£340,000	£828,000	£1,282,000
10 urban	land value £	£154,000	£242,000	£322,000	£108,000	£196,000	£278,000	£18,000	£108,000	£194,000
medium	% GDV	10	15	19	7	12	16	1	7	11
	£ per hectare	£1,078,000	£1,692,000	£2,256,000	£761,000	£1,377,000	£1,948,000	£126,000	£756,000	£1,359,000
14 rural	land value £	£456,000	£638,000	£820,000	£394,000	£577,000	£759,000	£271,000	£460,000	£637,000
medium	% GDV	16	21	25	14	19	23	10	15	19
	£ per hectare	£1,140,000	£1,595,000	£2,050,000	£987,000	£1,440,000	£1,897,000	£679,000	£1,149,000	£1,595,000
14 suburba	land value £	£289,000	£415,000	£533,000	£232,000	£354,000	£477,000	£107,000	£235,000	£354,000
medium	% GDV	13	17	21	10	14	18	5	10	14
	£ per hectare	£929,000	£1,335,000	£1,714,000	£746,000	£1,137,000	£1,534,000	£345,000	£756,000	£1,138,000
14 urban	land value £	£256,000	£364,000	£469,000	£198,000	£302,000	£407,000	£73,000	£182,000	£284,000
medium	% GDV	12	16	20	9	13	17	4	8	12
	£ per hectare	£1,278,000	£1,818,000	£2,345,000	£990,000	£1,509,000	£2,037,000	£365,000	£912,000	£1,421,000

Appendix 7

Appendix 7

WINCHESTER CITY COUNCIL

AFFORDABLE HOUSING DEVELOPMENT VIABILITY STUDY

GLOSSARY OF TERMS

(The scope of this glossary is restricted to the technical viability related terms used in the study)

A

Abnormal Development Costs - Costs that are not allowed for specifically within normal development costs. These can include costs associated with unusual ground conditions, contamination etc.

Affordable Housing - "PPS3 – Housing" (November 2006) defines affordable housing as housing that includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.

- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

B

Base Build Costs - For construction only (excluding fees, contingencies and extras) as explained in the study.

C

Cascade Mechanism/Principle - A cascade is a mechanism which enables the form and/or quantum of affordable housing provision to be varied according to the availability of grant funding, thus ensuring that at least a base level of need-related accommodation is provided without compromising overall scheme viability. The approach aids delivery of both the market and affordable tenures by providing adaptability where needed, thus avoiding the need to renegotiate Section 106 agreements with the time delays and cost issues that process brings.

Commuted Sum - See "Payment in lieu" below.

D

Developer Appraisal - An appraisal carried out by a developer to determine the approximate value of land in order that an offer can be made to a landowner. The appraisal(s) would normally look to determine an approximate *Residual Land Value* (RLV). Assuming a developer has already reached the initial conclusion that, in principle, a site is likely to be suitable and viable for development, an appraisal is then carried out to fine tune scheme feasibility and discover what sum they can afford to pay for the site. This would normally be subject to a range of caveats and clauses based on circumstances unknown to the developer at the time of making an offer. As an example, an offer could be subject to the granting of planning permission or subject to no abnormal conditions existing, etc.

Development Plan Document (DPD) - Spatial planning documents that are subject to independent examination, and together with the relevant Regional Spatial Strategy, will form the development plan for a Local Authority. They can include a core strategy, site-specific allocations of land, area action plans and generic development control policies.

Developer Payment Type - The sums applied to the appraisals in terms of payment to the developer in return for completed affordable units. The form modelled is based on the Mortgage Funded by Rental Stream. The Mortgage Funded by Rental Stream subsidy only pays the developer a sum per unit that is equivalent to the RSL's ability to fund the units through capitalisation of the (affordable) net rental stream from those units. The rental flows for this are based on Housing Corporation Target Rents, after e.g. management, maintenance costs and voids allowances. In this regard see also *Payment Table.* The study refers also to this payment as the "affordable housing unit transfer".

Developer's Profit - The developer's reward for risk taken in pursuing and running the project, required to secure project funding. This is the gross profit, before tax. It will usually cover an element of overheads, but varies. The profit element used in these appraisals is profit expressed as a percentage of Gross Development Value (the most commonly expressed way) although developers will sometimes use other methods, for example a certain return on capital employed (ROCE).

Development Cost - This is the cost associated with the development of a scheme and includes professional fees (engineering, design, project management), contingencies, sale agency fees, legal fees on unit sales and of course build costs (materials, labour, etc).

Development Viability (or "viability") - The viability of the development (in this case market-led housing scheme) – in financial terms. A viable development would normally be one which proceeds (or at least there is no financial reason for it not to proceed) – it would show the correct relationship between GDV (see below) and Development Cost. There would be a sufficient gap between the GDV and

Development Cost to support a sufficient return (developer's profit) for the risk taken by the developer in pursuing the scheme, and a sufficiently attractive land value for the landowner. An un-viable scheme is one where a poor relationship exists between GDV and Development Cost, so that insufficient profit rewards and/or land value can be generated.

E

F

Finance - Costs associated with financing the development cost. Varying views are taken on the length of the relevant construction projects as to how long these costs need to be carried for on each occasion.

Financial Contribution - see "Payment in lieu".

G

Gross Internal Area (GIA) - Broadly speaking GIA is the whole enclosed area of a building within the external walls taking each floor into account and excluding the thickness of the external walls. GIA will include: Areas occupied by internal walls (whether structural or not) and partitions; service accommodation such as WCs, showers, changing rooms and the like; columns, piers, whether free standing or projecting inwards from an external wall, chimney breasts, lift wells, stairwells etc; lift rooms, plant rooms, tank rooms, fuel stores, whether or not above roof level; open-sided covered areas.

Gross Development Value (GDV) - The amount the developer ultimately receives on completion or sale of the scheme whether through open market sales alone or a combination of those and the receipt from a RSL for completed affordable housing units - before all costs are subtracted.

H

I

Intermediate Affordable Housing - "PPS3 Housing" defines intermediate affordable housing as Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.

J

K

L

Land Costs - Costs associated with securing the land and bringing it forward – activities which precede the construction phase, and therefore costs which are

usually borne for a longer period than the construction phase (a lead in period). They include financing the land acquisition and associated costs such as land surveys, planning application and sometimes infrastructure costs, land acquisition expenses and stamp duty land tax.

Land Residual as % of GDV - The amount left for land purchase expressed as a percentage of the Gross Development Value. A common guideline used in the development industry. Readers may be familiar with the rule of thumb that upwards of approximately one third of development value is comprised of land value. In practice this has always varied, but with increasing burdens on land value from a range of planning infrastructure requirements (including affordable housing) traditional views on where land values lie are having to be revised.

Local Development Framework (LDF) - A non-statutory term used to describe a folder of documents, which includes all the local planning authority's local development documents. An LDF is comprised of:

- Development Plan Documents (which form part of the statutory development plan)
- Supplementary Planning Documents

The local development framework will also comprise:

- The Statement of Community Involvement
- The Local Development Scheme
- The Annual Monitoring Report
- Any Local Development Orders or Simplified Planning Zones that may have been added

M

N

O

P

Payment in lieu - A financial payment made by a developer or landowners instead of providing the planning-led affordable housing requirement on the site of the market (private sale) housing scheme (*see also "Commuted Sum/Financial Contribution"*).

Payment Table - This is normally referred to where a Local Authority prescribes or guides as to the levels of receipt the developer will get for selling completed affordable housing units of set types and sizes to a Housing Association. In this context it normally relates to an approach which assumes nil grant and is based on what the Housing Association can afford to pay through finance raised (mortgage funded) against the rental or shared ownership income flow. See also *Developer Payment.* It is sometimes used in a looser context, for example in the setting out of

financial contribution levels for payments in lieu of on-site affordable housing provision.

Percentage Reduction in Land Residual - The percentage by which the residual land value falls as a result of the impacts from the range of affordable housing policy options. This is expressed as the fall in residual land value compared to a site that previously required zero affordable housing or a site that was required to provide affordable housing previously, but at a lower percentage.

Planning Infrastructure - We refer to this because affordable housing is one of a set of requirements which usually need to be met by new housing developments, and are secured through *Section 106* agreements. The terms "planning obligations", "planning gain", "infrastructure" tend to be used to describe the same. Also covers wide range of community requirements needed to support development – highways, education, open space, public art, and the like.

Planning-led affordable housing - Affordable housing required on new market (private sale) housing developments of certain types (which are set locally – see "Threshold" and "Proportion" below) as set out by "PPS3"

Planning Policy Statement 3: Housing ("PPS3") - National statement of the Government's planning policy on Housing – including the planning-led affordable housing we consider here.

Proportion of Affordable Housing - The percentage or proportion of affordable housing sought on site. The appraisals model a range of scenarios within all the Value Band Areas investigating the impact of a range of proportions of affordable housing on scheme viability from 20% to 50%. Each model also investigates the "no affordable housing" position as a benchmark.

Q

R

Recycled Capital Grant - An internal fund within the accounts of an RSL used to recycle SHG in accordance with Housing Corporation policies and procedures.

Residual Valuation - The process by which *Residual Land Value* is estimated. So called because it starts with the *GDV* at the top of the calculation and deducts all *Development Costs* and *Developer's Profit* so as to indicate the amount left remaining (hence "residual") for land purchase – including land value.

Residual Land Value (RLV) - The amount left for land purchase once all development, finance and land costs have been deducted from the *GDV,* normally expressed in monetary terms (£). This acknowledges the sum subtracted for affordable housing and other infrastructure payments/requirements where applicable. It is relevant to calculate land value in this way as land value is a direct result of what

scheme type specifically can be created on a site, the issues that have to be dealt with to create it and costs associated with those.

Registered Social Landlord (RSL) - A housing association or a not-for-profit company registered by the Housing Corporation to provide social housing.

S

Scheme Type - The scheme (development project) types modelled in the appraisals consist of either entirely flatted or housing schemes or schemes with a mix of houses and flats.

Section 106 - (of the Town and Country Planning Act 1990). The legally binding planning agreement which runs with the interest in the land and requires the landowner (ultimately the developer becomes landowner) through covenants to agree to meet the various planning obligations once they implement the planning permission to which it relates. Sets out the principal affordable housing obligations, and is the usual tool by which planning-led affordable housing is secured by the Local Planning Authority. Section 106 of this Act refers to "agreements regulating development or use of land".

Shared Ownership - Shared ownership is a way of buying a stake in a property where the purchaser cannot afford to buy it outright. They have sole occupancy rights.

Shared ownership properties are usually offered for sale by housing associations or RSLs (not-for-profit organisation). The purchaser buys a share of a property and pays rent to the housing association for the remainder. The monthly outgoings will include repayments on any mortgage taken out, plus rent on the part of the property retained by the housing association. Later, as the purchaser's financial circumstances change, they may be able to increase their share until they own the whole property.

Sliding Scale - Refers in this context to a set of affordable housing policies which require a lower *proportion* on the smallest sites, increased with site size – to graduate the viability impacts, particularly as such sites often fall within the thresholds for the first time.

Social Rented Housing - "PPS3 – Housing" defines social rented housing as rented housing owned and managed by Local Authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the Local Authority or with the Housing Corporation as a condition of grant.

Stair-casing receipt - Payment to RSL when a shared ownership lessee acquires additional equity in a Dwelling pursuant to a Shared Ownership Lease. Normally receipts accruing from the sale of equity stakes in shared ownership accommodation.

Supplementary Planning Document (SPD) - Provide supplementary information in respect of the policies in Development Plan Documents. They do not form part of the development plan and are not subject to independent examination

T

Tenure mix - The tenure types of affordable housing provided on a site – refers to the balance between for example affordable rented accommodation and shared ownership.

Threshold - Affordable housing threshold i.e. point at which the Local Authority determines affordable housing provision should be sought or points at which the Local Authority wishes to test viability with a view to determining potential future policy.

U

V

Valuation Office Agency (VOA) - The Valuation Office Agency (VOA) is an executive agency of HM Revenue & Customs (HMRC). Their main functions are to compile and maintain the business rating and council tax valuation lists for England and Wales; value property in England, Wales and Scotland for the purposes of taxes administered by the HM Revenue & Customs; provide statutory and non-statutory property valuation services in England, Wales and Scotland; give policy advice to Ministers on property valuation matters. The VOA publish twice-yearly Property Market Reports that includes data on residential and commercial property and land values.

Value Point - Adams Integra's usual viability study methodology is to make judgments on a range of new build property values (containing value "points") which represent typically found prices for ordinary new developments in the Borough at the time of the study research.

Viability – See *Development Viability.*

X

Y

Z