



**Bracknell Forest Council
Strategic and Small Sites -
Viability Study**

Ref: DSP 11012

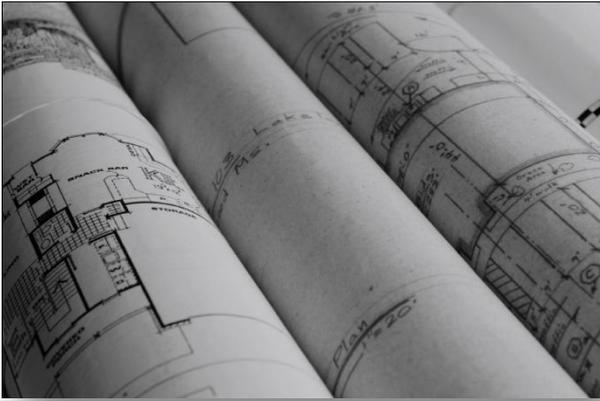
Final (Draft) Report

Work in progress version

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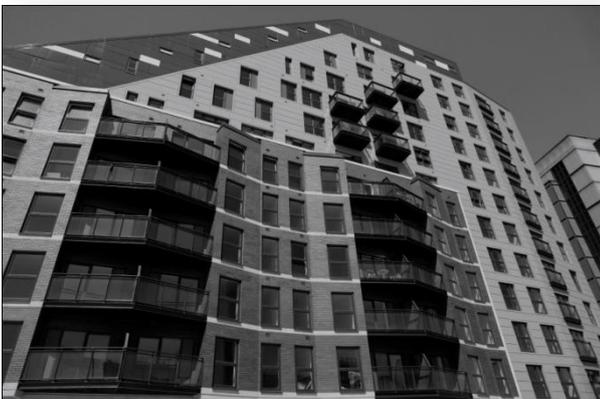
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1 Introduction

Requires review and updating to reflect second stage of sites review (changed capacities, updated infrastructure data, further smaller sites added – agreed with BFDC to report SA1-3 sites in a way that reflects the ongoing work an updating – i.e. existing results to be reported; new ones added)

1.1. Background

- 1.1.1 As part of its Local Development Framework (LDF), Bracknell Forest Council is in the process of preparing a Site Allocations Development Plan Document (SADPD). The Bracknell Forest Borough Council Core Strategy was adopted in 2008 covering the period to 2026. This Core Strategy identified two major areas for growth (land at Amen Corner and land at Warfield). The SADPD is needed to identify sites for further new homes as well as for other uses.
- 1.1.2 The main driver for the SADPD is to identify additional sites for 3,626 new homes to be delivered by 2026, over and above what has already been planned for during this period in order to meet a housing requirement for 10,780 units.
- 1.1.3 The Council proposes to allocate a number of strategic previously developed and greenfield sites within the urban area and on the edge of settlements. These have been identified through a Strategic Housing Land Availability Assessment (SHLAA).
- 1.1.4 Consultation on a Preferred Option (SADPDPO) took place from November 2010 to January 2011 with further consultation due on a draft submission document in summer / autumn 2011. To support the SAPDD the Council has commissioned Dixon Searle Partnership (DSP) to carry out a study that tests the broad viability of the potential strategic sites and sites within the urban area and on the edge of settlements.
- 1.1.5 The results of this study will inform the draft submission version of the Site Allocation DPD (due for submission late 2011 / early 2012). The aim is to test the proposed sites are viable to develop taking into account the quantum of development proposed, the required infrastructure and affordable housing provision. The study assesses the potential viability of identified sites to deliver the Council's planning policy objectives including any implications of viability on the timing of site delivery and decisions to be made on phasing of developments. Overall it will provide a robust evidence base

in order to support preparation of the SADPD and any site specific Supplementary Planning Documents (SPDs).

1.1.6 The SADPDPO should be referred to for details of each of the sites and this concise study document does not intend to repeat the background and information relating to each of the sites. The original list of sites for review and appraisal are shown below in Figure 1.

Figure 1: Sites for review and appraisal

Core Strategy Broad Locations		
Site Reference (SADPD Policy No.)	Site Name / Description	Number of Dwellings
SA8	Amen Corner	725
SA9	Warfield	2,200

Site Allocation DPD Preferred Option Strategic Sites		
Site Reference (SADPD Policy No.)	Site Name / Description	Number of Dwellings
SA4	Land at Broadmoor, Crowthorne	278
SA5	Land at Transport Research Laboratory, Crowthorne	1,000
SA6	Amen Corner North, Binfield	400
SA7	Land at Blue Mountain, Binfield	400

Sites for Potential Allocation – Previously developed land and buildings in defined settlements (Policy SA1)		
Site Reference (SHLAA Ref No.)	Site Name / Description	Number of Dwellings
15	Adastron House, Crowthorne Road, Bracknell	18
46	Garth Hill School, Sandy Land, Bracknell	100
95	Land at Battle Bridge House, Warfield House and garage, Forest Road, Warfield	14
106*	Peacock Bungalow, Peacock Lane, Binfield*	28*
123	Farley Hall, London Road, Binfield	35
215	The Depot (Commercial Centre), Old Bracknell Lane West, Bracknell	77
228	Albert Road car Park, Bracknell	40
286*	The Iron Duke, Waterloo Place, Old Bakehouse Court, High Street, Crowthorne*	20*
308**	Land to the north of Eastern Road,	216**

	Bracknell**	
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Sites for Potential Allocation – Other Land within Defined Settlements (Policy SA2)		
Site Reference (SHLAA Ref No.)	Site Name / Description	Number of Dwellings
17*	Bay Drive Bullbrook, Bracknell*	40*
19	The Football Ground, Larges Lane, Bracknell	85
68	24-30 Sandhurst Road, Crowthorne	10
76	Land S of Cricket Field Grove, Crowthorne	100
113	Land at School Hill, Crowthorne	20
137***	Sandbanks, Longhill Road, Bracknell (Winkfield Parish)***	11***
194	Land north of Cain Road, Binfield	75
284	152 New Road, Ascot (Winkfield Parish)	12

Sites for Potential Allocation – Edge of Settlement Sites (SADPDPO Policy SA3)		
Site Reference (SHLAA Ref No.)	Site Name / Description	Number of Dwellings
34	White Cairn, Dukes Ride, Crowthorne	16
24	Land east of Murrell Hill Lane, South of Foxley and North of September Cottage, Binfield	67
93	Land at junction of Forest Road and Foxley Lane, Binfield	31
122 & 300***	Dolyhir, Fern Bungalow and Palm Hills Estate, London Road, Bracknell (Winkfield Parish)**	60***

* - Site not tested; current application pending / approved – to be removed from SADPD.

** - site size / numbers not established; unable to review in current form

*** - sites combined as per Council's current position paper (7th April 2011)

1.1.7 The sites listed above were as those provided to DSP by Bracknell Forest Council. A few of the sites (indicated above) were not appraised due either to the fact that planning permission had been granted or was being considered or in one case where the site capacity and size had not yet been confirmed. A "Current Position on sites contained in SADPDPO Policies SA1 to SA7" (7th April 2011) paper was provided to DSP after commencement of the study detailing any changes that were apparent on any of the sites since the SADPDPO was published. Amongst other information, planning infrastructure requirements and potential costings were also provided by the Council which were updated as the study progressed and more information

became available. Where possible, DSP's approach has been adjusted to take account of changes to both the site details, capacities and housing numbers as well as infrastructure requirements and costings. However, with any study such as this, it must be appreciated that many assumptions have to be fixed at a particular point in time, usually quite early during the study process.

1.1.8 The purpose of this study is to consider the likely financial viability of residential development (and therefore of strategic housing growth) in each of the sites reviewed. Given the relatively early stage in terms of detailed site knowledge and the shape of particular proposals, this is necessarily a high level review which fits the strategic role and stage of the Site Allocations DPD. The study inputs and outcomes are, at this stage, indicative and must be regarded as so. They are based on reasonable assumptions as far as can be made at present. That said, it does enable us to consider viability and the key variables and risks likely to be associated with how the viability picture may look, and vary, as more becomes known and the sites come forward.

1.1.9 The methodology and assumptions used are outlined in Chapter 2, the results are discussed in Chapters 3 and 4; the conclusions are set out in Chapter 5. Prints of the spreadsheets DSP used to put together indicative the dwelling mixes and other assumptions areas are included as Appendix I to the rear of this document. We envisage that the Council will keep that type of information under review, and could use a similar tool to do so.

2 Assessment Methodology

(Same comment – review / updating required as per Introduction – renewed context)

2.1 Introduction

2.1.1 This study tests the broad viability of strategic sites and sites within the urban area and on the edge of settlements. The most established and accepted route for studying development viability at this level is Residual Land Valuation. In broad terms this involves assessing the value of the completed development (the revenue it will bring in - usually referred to as Gross Development Value – GDV) and deducting all costs (build costs, fees, surveys, finance, acquisition, and marketing etc) that need to be expended to create that value along with a level of developer's profit (risk reward and often related to securing finance). The result, after land purchase related

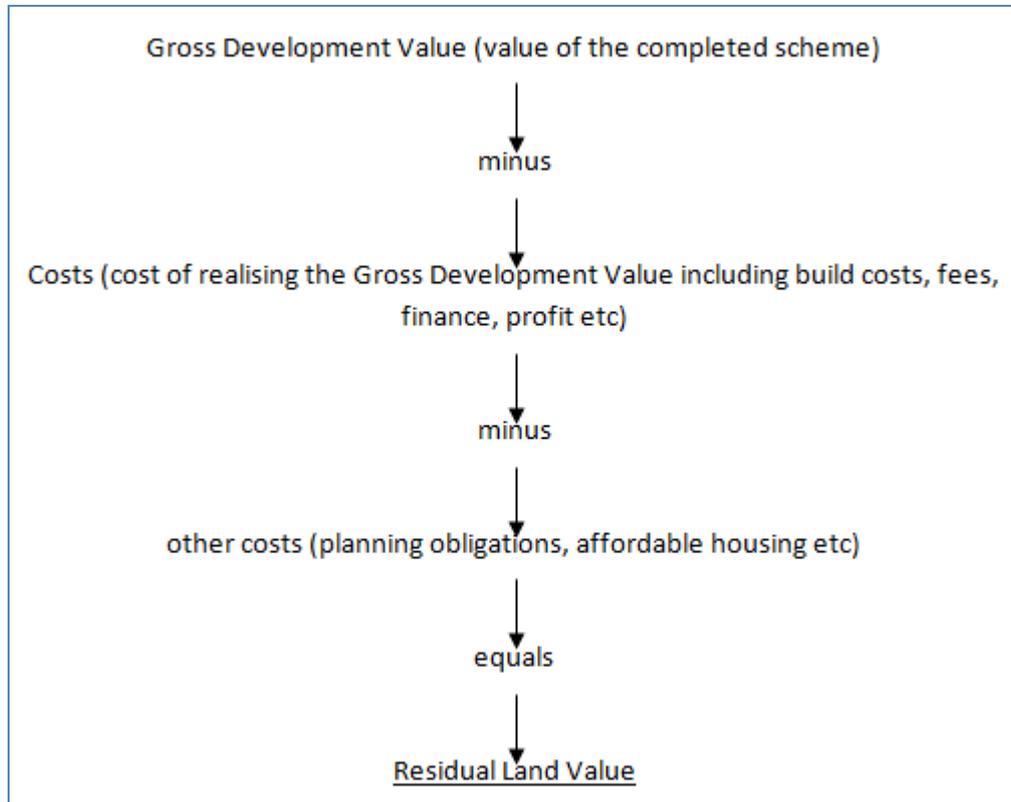
costs are also allowed for, is an amount left over that indicates the sum of money available for the land purchase - hence the term Residual Land Value (RLV). This is then subjected to sensitivity testing to provide a range of possible outcomes.

- 2.1.2 Having determined the RLV results for each site we then need to compare the residual land value results produced by our development appraisals with land value levels relating to existing / alternative site uses (sometimes called ‘competing use values’) of those sites. As a part of this comparison, in many cases we also need to allow for a level of premium or uplift to provide the landowner with a sufficient incentive to sell (subject to there being an established market for an existing or alternative use). This equation can vary significantly. The ability of a scheme to produce a residual land value in excess of a “benchmark” land value (existing or alternative use value plus a premium to incentivise release of land for development) is a key factor in determining development viability. If insufficient value is created by a scheme then land will not come forward for development ultimately putting at risk the Council’s housing targets (both open market and affordable).
- 2.1.3 In order to carry out multiple development appraisals on multiple sites for a strategic level study such as this it is necessary to have some form tool to expedite the process. Previously we have used either our own bespoke Excel based tool or those provided by third parties (for example the Homes and Communities Agency Economic Appraisal Toolkit (HCA EAT)). Shortly before commencing this study the HCA produced a wholly new toolkit called the Development Appraisal Tool (DAT). This tool is a site specific development viability tool that is freely available to any organization wishing to use it. It is designed to inform the development management process. Given the ‘open source’ nature of this product and its comprehensive detail, it was decided that this would be the most appropriate tool to use for this particular study in that it can be readily updated by the Council in the future should they wish to do so.
- 2.1.4 The following sections set out a detailed methodology highlighting the key inputs into the residual land value approach and other key assumptions used in this process. It will not go into the detail of the DAT *calculation* process, that information is available from the HCA if required.

2.2 Residual Valuation

2.2.1 Residual valuation as the name suggests provides a “residual” value from the gross development value of a scheme after all other costs are taken into account. The diagram below shows the simplified principles behind residual valuation:

Figure 2: Simplified Residual Land Valuation Principles



2.2.2 Having allowed for the costs of development, finance and profit, the resulting figure shows what is potentially left over to pay for land. In order to guide on a range of likely viability outcomes the assessment process also requires a benchmark against which to compare the resulting residual value - such as an indication of existing or alternative land use values (‘EUVs’ or ‘AUVs’) relevant to each site appraised and any potential uplift required to encourage a site to be released for development (which might be termed a premium, excess, incentive or similar). A suitable land value to encourage the release of a site for development is a site specific and highly subjective matter and relates to the specific requirements or hopes of the landowner. A range of information has been sourced to determine the potential likely value of each site however it must be made clear here that the actual value of land is that agreed between a willing buyer and a willing seller. Given the generally private nature of the transaction, in most cases we will not know the agreed sale price of land at the point of carrying out these appraisals and as such estimates have to be made based on the evidence available at the time.

2.2 Site Size, Density & Housing Numbers

2.2.1 Each of the sites listed in Table 1 above have been appraised (except where noted) on the basis of the information available to date from the Council, existing information and various stakeholder responses. Appendix I sets out a summary of the key assumptions used for appraising each site including site size, density, housing numbers, tenure mix, dwelling mix, market sales values, build cost and fees assumptions, profit levels and infrastructure costs.

2.2.2 Site size, density and housing numbers information was provided within the Council's SADPDPO background paper¹, site specific SPDs, the "Current Position" paper supplied by the Council as mentioned previously and via e-mail supplied by the Council. The sites varied from 0.28 to 170 hectares in size and densities of between 30 and 75 dwellings per hectare (dph). The densities were based on the site's location and used by the Council to calculate an initial housing number yield². These yields were then further modified taking into account the appropriateness of the dwelling type(s); constraining factors such as trees, flood zones and 400m buffer zones to Special Protection Areas (SPAs); character of the surrounding area and; planning history on the site or nearby sites.

2.2.3 In addition a further factor was taken into account in assessing the potential of land within sites to be devoted to support other uses such as recreational open space, roads and landscaping. The following sets out the net developable areas and site area thresholds applied to the sites after taking into account and other reductions required (e.g. flooding)³:

- Gross site area <1ha – 100% of site area
- Gross site area between 1ha and 2ha – 90% net developable area
- Gross site area between 2ha and 5ha – 70% net developable area
- Gross site area >5ha – 65% of net developable area

2.3 Dwelling Mix, Tenure & Unit Size

¹ Bracknell Forest Council Site Allocations Development Plan Document Preferred Option Background Paper (November 2010)

² Details of the density multipliers, yields and other factors can be found within the SADPDPO Background Paper

³ Gross / Net site size information is also shown within Appendix I of this study

2.3.1 The unit mixes for both market and affordable dwellings were based on information provided by the Council within the Brief for this study and reflect the requirements of the Bracknell Forest Strategic Housing Market Assessment (SHMA)⁴. The market housing mix as set out in the Council’s Brief was as follows:

- Market Housing – 23% 1-bed; 29% 2-bed; 35% 3-bed; 13% 4-bed

2.3.2 The affordable housing tenure and unit mix required by the Council was as follows:

Figure 3: Affordable Housing Tenure and Unit Mix

	1-bed flat	2-bed flat	2-bed house	3-bed house	4-bed house	
Affordable Rent	20%	10%	18%	15%	5%	c.70%
LCHO ⁵	10%	10%	7%	5%	0%	c.30%
Total	30%	20%	25%	20%	5%	100%

2.3.3 Where possible the requirements of the Brief were followed, however notes contained within the SADPDPO Background Paper and “Current Position” paper were also taken into account such that site specific information or requirements took precedent (e.g. where a site was clearly suited to flatted development and noted as such within the background documents). In addition, depending on the size of the site it was not always possible to accurately reflect the tenure and unit mixes shown above and so an element of manipulation was required (for example with an overall requirement for 25% affordable housing, on a 15 unit scheme it would be very difficult to reflect the mix requirements shown above). In reality the unit mix / affordable housing mix is expected to be applied Borough-wide rather than on a site by site basis. We have therefore tried to take into account the realities of development in determining the mix of units for each scheme. The specific mix of market and affordable housing used for each site is shown within Appendix I to this study.

2.3.4 The unit sizes assumed for the purposes of this study are as follows (and again can be found within Appendix I):

⁴ DTZ - Bracknell Forest Strategic Housing Market Assessment (October 2010)

⁵ Low Cost Home Ownership

Figure 4: Residential Unit Sizes

Unit Sizes (sq m)	Affordable	Market
1-bed flat	50	45
2-bed flat	67	60
2-bed house	75	75
3-bed house	85	95
4-bed house	110	125

2.3.5 As with most assumptions there will be a variety of unit sizes and no single size or range of sizes will represent all dwellings coming forward on each of the sites. It must be remembered that the aim of this study is to investigate the *broad* viability of the sites being appraised and that there are no development plans on which to base the scheme types at present.

2.3.6 Since there is a relationship between values and build costs, it is the levels of those that are most important for the purposes of this study, rather than the specific dwelling sizes. The sizes indicated are gross internal areas (GIAs). They are reasonably representative of standard unit types coming forward for smaller and average family accommodation in our experience. We acknowledge that these 3 and 4-bed house sizes, in particular, may be small compared with some coming forward, but our research suggests that the values for larger house types would also often exceed those we have used and would, therefore, be similar on a “£ per sq m” basis. All will vary, and from scheme to scheme. It is always necessary to consider the size of new build accommodation while looking at its price – hence the range of prices expressed per square metre is the key measure used in considering the research, working up the range of values and reviewing the results.

2.4 Gross Development Value (Scheme Value) – Open Market Values

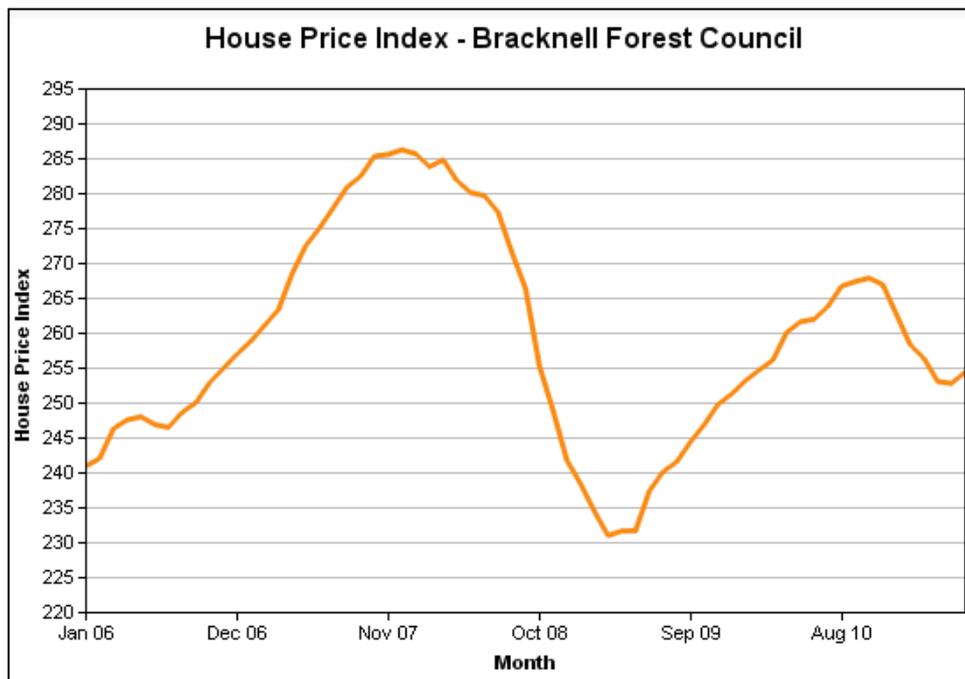
2.4.1 The gross development value of a scheme is determined by the revenue generated the open market and affordable units in the completed scheme. We have carried out our own desktop and on the ground research on residential values and have utilised existing information for example internet property search engines, estate agents information, Land Registry data and VOA data. The data sources behind our values assumptions are shown in Appendix III – Background Data - and are not included in the main part of this report.

2.4.2 Open Market Values by area and dwelling type were provided by the Council with the Borough split into 5 areas – Bracknell (Inner); Bracknell (Outer); Crowthorne; Binfield / Warfield and; Sandhurst. The location of each of the sites was determined by reference to one of these 5 areas and the open market values applied to the dwelling types within the development appraisals. In some instances as a result of our research, more specific value information relevant to an individual site was used. Where this is the case this is also shown within Appendix I.

2.4.3 For each site appraised in this study sensitivity analysis has been carried out on the residential value assumptions. This is in order to test the sensitivity of the viability outcomes to variations in value with changing values over time. We therefore ran appraisals based on data supplied by the Council (October 2010); peak market conditions (approximately 6% higher) and trough market conditions (approximately 14% lower)⁶ within a 5 year period prior to April 2011.

2.4.4 Figure 5 below shows the trend in house prices over the past 5 years with the peak (house price index of 284.8 and an average house price of £390,607) occurring in March 2008 and the trough (house price index of 231 and an average house price of £316,820) occurring in March 2009.

Figure 5: Land Registry House Price Index – Bracknell Forest Jan 2006 – April 2011



(DSP – suggest further update)

⁶ Land Registry House Price Custom Reports

2.4.5 A summary of the values used for each unit type at current market conditions is shown in Figure 6 below. These are shown as £ per sq m rates and also expressed as equivalent property values based on the dwelling types and sizes assumed within this study. The values for each site appraisal (current, peak and trough) are also shown in Appendix I.

Figure 6: Residential Market Values (Current)

Area / Value (£/m ²)	1-bed flat (45m ²)	2-bed flat (60m ²)	2-bed house (75m ²)	3-bed house (95m ²)	4-bed house (125m ²)
Bracknell (Inner)	£2,708	£2,667	N/A	N/A	N/A
Bracknell (Outer)	£2,813	£2,833	£2,763	£2,791	£2,689
Crowthorne	£3,125	£3,000	£2,961	£2,907	£2,830
Binfield / Warfield	£2,917	£2,917	£2,961	£2,907	£2,830

Area / Value (£)	1-bed flat (45m ²)	2-bed flat (60m ²)	2-bed house (75m ²)	3-bed house (95m ²)	4-bed house (125m ²)
Bracknell (Inner)	£121,860	£160,020	N/A	N/A	N/A
Bracknell (Outer)	£126,585	£169,980	£207,225	£265,145	£336,125
Crowthorne	£140,625	£180,000	£222,075	£276,165	£353,750
Binfield / Warfield	£131,265	£175,020	£222,075	£276,165	£353,750

N/A – assumes flattened development only in Bracknell (Inner); Sandhurst data not included – no sites in Sandhurst

2.5 Gross Development Value (Scheme Value) - Affordable Housing Revenue

2.5.1 As part of the revenue of a development, we need to accurately allow for the affordable housing content of the schemes being studied, since that significantly reduces the revenue to be received and yet costs broadly the same to build as the market housing. This has the effect of reducing the RLVs.

2.5.2 The Council's position on affordable housing is as set out in a report to the Executive in March 2011⁷. This states that the Council will seek a target percentage of provision of up to 25% (subject to viability) and use the national indicative minimum site size threshold of 15 units (net). This approach is included within an update of the Council's Housing Strategy. The Council's policy is to seek 70% of the affordable

⁷ Bracknell Forest Borough Council – Report to the Executive – Affordable Housing Planning Policy (29th March 2011)

housing provision as affordable rented and 30% as low cost home ownership. For the purposes of this study we have assumed the above affordable housing proportions and tenure splits.

2.5.3 The affordable housing revenue for the developer is based on what a Registered Provider (RP) can generate based on the capitalised net rental stream (for affordable rent) and the capital value plus capitalised net rental stream (for intermediate tenures such as shared ownership) approach for completed affordable housing units of varying tenure. In past studies this has included social rent and forms of intermediate tenure and potentially included public subsidy in the form of social housing grant. However the HCA Affordable Homes Programme framework (2011-2015) published in February 2011 states that *“there is an expectation that S106 schemes can be delivered at nil grant for both affordable home ownership and for Affordable Rent. For the latter, our assumption is that the price paid will be no more than the capitalised value of the net rental stream of the homes”*⁸. The Council has therefore requested that Affordable Rent and shared ownership tenures be modelled for the purposes of this study and on the basis of nil grant.

2.5.4 The actual payment made by an RP to a developer has been calculated using the capitalised net rental stream approach utilising the assumption inputs indicated within the Council’s Brief, our experience of working with a number of RSLs (RPs) and consultation with the Council’s partner RPs. As a result of the consultation responses and information provided by the Council the calculations have been carried out using the HCA DAT based on the following general assumptions:

Affordable Rent (80% of Market Rent)

- Void rate – 6%
- Maintenance & management costs – 8%
- Repairs – 8%
- Yield – 6.5%
- Period of borrowing – 7%

Shared Ownership

- 35% initial purchase
- 2.75% rent on unsold equity

⁸ Homes & Communities Agency - 2011-15 Affordable Homes Programme – Framework

2.5.5 The resultant calculated payments that an RP may make to a developer for completed affordable housing units is set out in Figure 7 and Figure 8 below:

Figure 7: Affordable Rent Indicative Offer Prices

Dwelling Type	1-bed flat	2-bed flat	2-bed house	3-bed house	4-bed house
Size (m ²)	50	67	75	85	110
Chargeable Rent per Unit per Week*	£115.00	£151.00	£207.50	£185.00	£221.00
Indicative Offer Price - Bracknell	£72,000	£94,500	£104,000	£116,000	£138,000

*80% of market rent including service charges

Figure 8: LCHO Indicative Offer Prices

Dwelling Type	1-bed flat	2-bed flat	2-bed house	3-bed house	4-bed house
Size (m ²)	50	67	75	85	110
Indicative Offer Price Bracknell (Inner)	£74,000	£97,000	N/A	N/A	N/A
Indicative Offer Price Bracknell (Outer)	£77,000	£103,500	£126,000	£161,000	N/A
Indicative Offer Price Crowthorne	£85,500	£109,500	£135,000	£168,000	N/A
Indicative Offer Price Binfield / Warfield	£80,000	£106,500	£135,000	£168,000	N/A

2.6 Development Costs – Build Costs

2.6.1 The build costs shown below are taken from the Build Cost Information Service (BCIS) from the Royal Institute of Chartered Surveyors (RICS). The costs are taken as the "Median" figure for that build type - assuming 3-5 storey flats; mixed housing development. The figures are then rebased to a forecast of Q1 2012 and a Bracknell location index (110) is used.

Figure 9: Build Cost Data (BCIS Median, Q1 2012, Location Index 110)

Property Type	BCIS Build Cost (£/m ²)*
Houses (Mixed Developments)	£905
Flats (3-5 Storey)	£1,062

*excludes externals and contingencies (these are added to base build cost)

- 2.6.2 The above build costs do not include contingencies or external works. An allowance for externals has been added to the above base build cost on a variable basis depending on the scheme type but typically between 14% and 21% of build cost for flatted and housing schemes based on analysis of specific schemes within the BCIS dataset. 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. As with any assumption of course this will be highly scheme specific. The base build costs have been applied to all sites.
- 2.6.3 An allowance of 5% of build cost has also been added to cover contingencies. This is a relatively standard assumption in our experience.
- 2.6.4 In addition, for this broad test of viability it is not possible to test all variations to additional costs however a further allowance of 8% has also been added to the total build cost in respect of achieving higher sustainable design and construction standards (either in relation to building regulations or equivalent requirements – e.g. Code for Sustainable Homes / BREEAM and Lifetime Homes)⁹. This allowance has been added to all build costs to reflect a potential future increase in costs in relation to the sustainable construction agenda above current standards.
- 2.6.5 The interaction of costs and values levels will need to be considered again at future review points. In this context it is also important to bear in mind that the base build cost levels will also vary over time. In the recent recessionary period we have seen build costs fall, but moving ahead they are expected to rise again. The latest BCIS Q4

⁹ On the basis (for the purposes of this study only) of achieving uplift in standards to meet Code for Sustainable Homes Level 4 with percentage estimated from DCLG - Code For Sustainable Homes: A Cost Review (March 2010). In practice costs for individual sites will vary along with build costs generally dependent on the specific requirements of that site or specific standards required. This sum also includes allowance for Lifetime Homes where required.

2010 data indicates that tender prices increased by 1.9% over the preceding quarter and by 3.3% compared to a year earlier with general inflation standing at 4.8% in the year to the 4th quarter 2010. The BCIS forecasts suggest a rise of 3.2% in the year to 1st quarter 2012 and “it is anticipated that tender prices will continue on “a slow upward trend” over each year of the forecast driven by increases in input costs”¹⁰. The ‘All-in tender price index’ now stands at a similar level to that seen at Q2 of 2010, and prior to that, similar to tender price levels seen in 2004-05. In between those points the index rose to its peak in late 2007/early 2008. This overview indicates current costs at around 13% below their peak level on this basis. The forecasts indicate tender prices recovering to some extent by the end of 2012 (to around 7% below peak levels).

2.7 Development Costs – Fees, Finance & Profit

2.7.1 The following costs allowances have been assumed for the purposes of this study:

Professional and other fees: Total of 10% of build cost (including architect, QS, Project Management, Insurances)

Contingencies: 5% of build cost

Site Purchase Costs: 1.0% agent’s fees
0.75% legal fees
Standard rate for stamp duty

Finance: 7.5% interest rate (assumes scheme is debt funded)

Marketing costs: 2.0% sales fees
£600 per unit legal fees
Developer cost of sale to RP - £300 per unit¹¹

Developer Profit: Affordable Housing – 6% of AH Build Cost
Open Market Housing – 17.5% of GDV

¹⁰ BCIS – Update on Quarterly Briefing – April 2011 (http://service.bcis.co.uk/V3_BCIS/template.html)

¹¹ Notional amount allowed to cover transfer / sale to an RP may include agency fees, sales fees, marketing, legal

2.7.2 Other costs including surveys, abnormals etc vary by site and are shown in the summary results sheets for each scheme.

2.9 Build Period & Phasing

2.9.1 The build period assumed for each development scenario has been based on a combination of BCIS data using its Construction Duration calculator (entering the specific scheme types modelled in this study) and phasing information provided by the Council (and in some cases interested parties to the sites) based on their current stage projections¹². The following build periods have therefore been assumed:

Figure 10: Build Periods and Phasing

Site	Start Year	Build Period (months)
SHLAA15 Adastron House	2015/16	6
SHLAA46 Garth Hill School	2015/16	24
SHLAA95 Battlebridge	2014/15	6
SHLAA123 Farley Hall	2016/17	12
SHLAA215 The Depot	2019/20	18
SHLAA228 Albert Road CP	2022/23	15
SHLAA19 Bracknell Town FC	2019/20	17
SHLAA68 24-30 Sandhurst Road	2015/16	11
SHLAA76 Cricket Field Grove	2015/16	18
SHLAA113 School Hill	2012/13	12
SHLAA 137 122 300 Sandbanks etc	2014/15 – 2016/17	16
SHLAA194 North of Cain Road	2016/17	17
SHLAA284 152 New Road	2013/14	12
SHLAA34 White Cairn	2015/16	12
SHLAA24 East of Murrell Lane	2015/16	17
SHLAA93 Forest Road	2014/15	24
SA4 - Broadmoor	2016/17	60
SA5 - TRL	2014/15	108
SA6 – Amen Corner North	2017/18	72
SA7 – Blue Mountain	2015/16	72
SA8 – Amen Corner South	2012/13	60
SA9 - Warfield	2014/15	108

¹² Bracknell Forest Borough Council – Extract from Land Supply 2006 - 2026

- 2.9.2 The overall build periods for the strategic sites assumes that the site is delivered by a number of developers concurrently. This phasing assumes multiple housebuilders on site according to the numbers involved and in all cases to be confirmed in due course and as such is just an estimate. The details for each site are shown in Appendix I.
- 2.9.3 Each scheme assumes costs and values as they are known today. We have not at this stage looked to inflate (or even deflate) build costs to the projected commencement date of a scheme as this is fraught with uncertainty and would not aid this process. We have carried out sensitivity testing on a number of factors including the sales values and the rate at which the planning infrastructure is applied (i.e. either front loaded in its entirety or spread across the development period for each site). The results show the outcomes of this sensitivity testing.
- 2.9.4 Within each scenario, construction is assumed to start 9 months from the start of the appraisal. On smaller sites the sales commenced upon completion of the development; on larger schemes sales were assumed to commence 9 months after construction start with averages sales rates of approximately 4 to 5 units per month. For the purposes of this study it is assumed that affordable housing completions and revenue were similarly spread although in reality planning conditions may expect different phasing for the affordable housing.

2.10 Planning Infrastructure

- 2.10.1 One of the key elements of this study is understanding the relationship between required infrastructure provision, the cost of this in development terms and the affect of this in terms of the viability of development across the sites tested. This also sits alongside the affordable housing provision required for each of the sites as discussed previously.
- 2.10.2 In carrying out this study the Council provided a significant amount of detail around the level of infrastructure provision required for each of the strategic sites (SA4 to SA9). This is in the form of the Council's Infrastructure Delivery Plan (draft)¹³, the Council's adopted SPD on planning contributions (LID)¹⁴ and information provided directly by the Council on latest potential costs provided by infrastructure providers

¹³ Bracknell Forest Borough Council – Infrastructure Delivery Plan – Site Allocations DPD Preferred Options (Consultation Draft) – November 2010

¹⁴ Bracknell Forest Borough Council – Limiting the Impact of Development Supplementary Planning Document (July 2007)

or the Council's building surveyors based on the expected requirements of the infrastructure providers. The latest infrastructure costings and requirements for the strategic sites SA4 to SA9 are shown in Appendix Ia, this being the latest of several versions as details have been refined by the Council.

2.10.3 As is normal with a study of this type, the details around schemes and information on costs varies from one day to the next and is constantly being updated. We have tried to include latest information wherever possible and keep the study "open" as long as possible but of course any study such as this ultimately needs to be based on a point in time.

2.10.4 For a comprehensive list of infrastructure costs and requirements please see the individual site sheets in Appendix I and details contained in Appendix Ia relating to the strategic sites SA4 to SA9. For the purposes of this study, the infrastructure requirement for SA1 to SA3 sites has been calculated using the Council's LID SPD. At this stage and without further information from the Council, the costs are likely to be towards the maximum sought. In reality there are likely to be cost areas that are not applied or are not applied in their entirety given the location of the sites and the specific requirements that relate to its location (for example the education contribution is dependent on whether local schools have a nursery or not). In summary however, the total cost of planning obligations using the Council's LID SPD is in the order of £8,000 to £12,000 per unit depending on site size and dwelling mix. For the strategic sites (SA4 to SA9) this figure is more than double ranging between approximately £21,000 and £26,000 per unit.

2.11 Competing Land Use Value indications (Existing / Alternative Use Values)

2.11.1 As discussed previously, in order to measure the likely viability of site in terms of the required level of infrastructure including affordable housing, a comparison needs to be made between the outturn results of the development appraisals (in terms of residual value) and some benchmark or known land value level.

2.11.2 In order to determine this we undertook to evidence land transactions locally alongside data sourced from the Valuation Office Agency (VOA). Each of the results is compared to a range of values representing either typical values for sites (as per the VOA data) or known land value data from comparable evidence.

- 2.11.3 As well as an existing or alternative use value, there may be an element of premium (excess or incentive) required to enable the release of land for development (where there is an established ready market for an existing or alternative use – ‘EUV’ or ‘AUV’. The HCA’s draft document ‘Transparent Viability Assumptions’¹⁵ that accompanies its Area Wide Viability Model suggests that *“the rationale of the development appraisal process is to assess the residual land value that is likely to be generated by the proposed development and to compare it with a benchmark that represents the value required for the land to come forward for development”*. This benchmark is referred to as threshold land value. *“Threshold land value is commonly described as existing use value plus a premium, but there is not an authoritative definition of that premium, largely because land market circumstances vary widely”*. Further it goes on to say that *“There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied. Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value”*. In practice, as mentioned above, the premium over EUV / AUV will vary according to a number of factors including the strength of demand for new homes, the supply of land at various stages within the planning process and the attitude of the landowner to the sale of their land – *“In areas where landowners have long investment horizons and they are content with current land use, the premium will be relatively high. Conversely, the premium will be relatively low (and in extreme cases non-existent) where landowners are minded to sell or financially distressed”*.
- 2.11.4 In the case of Greenfield scenarios, for example land principally in agricultural use, the land has an inherently low current value in relative terms; generally it would not otherwise exceed a figure of around £15,000 - £20,000 / Ha in existing use. Therefore, as an indication of the increased viability scope we often see in such cases, a land value of up to say £500,000 / Ha would provide the land owner with an uplift amounting to up to 20 to 25 times this agricultural land value based starting point.
- 2.11.5 Within this land value overview, we consider that in the greenfield starting point scenarios the Council is considering, values of around £300,000 / Ha and upwards

¹⁵ Homes and Communities Agency – The HCA Area Wide Viability Model – Annex 1 Transparent Viability Assumptions (August 2010) Consultation Version

might well be sufficient (after all costs and allowances have been made against the development value, as per the type of analysis we have carried out) - i.e. 15 or more times the existing (agricultural) value.

2.11.6 However, it is not for this study to determine or guide on land values and other aspects of the promotion and discussion of particular schemes; these are considerations purely in the context of making our high level assessments on the likely viability of housing development in various locations for the purposes of this study to inform the Council's further policy development stages.

2.11.7 More information on VOA data is shown within Appendix I.

2.11.8 The RLV findings ("viability ratings") in Chapter 3 are based on comparisons with assumed relevant existing use land values such as the above. *Comparables and guides very scarce, given recent low activity levels.*

3 Findings - Results and Conclusions

(In this section, the wording on SA1-SA3 sites is as per interim report version text 01.07.11, but updated 26.10.11 on the Introduction section below, Strategic Sites findings (section 3.20 – page 43 – onwards), and with revised prompt notes throughout for DSP as we continue this work in progress).

3.1 Introduction – Review context

3.1.1 Appraisal summaries are included at Appendix II. These are extracts from the HCA DAT ‘Summary’ option sheets – *briefly describe & explain – to add. (See example summary sheet pdfs from the updated appraisals, to be emailed to BFDC 26.10.11).*

3.1.2 Those are not the full appraisals; they show key components of the calculations and are included to provide an overview of the main assumptions areas and the outcomes, to help an understanding of how the residual land valuation process has been used here.

3.1.3 The appraisal versions referred to in the first sets of results below, for sites under proposed SADPD policies SA1, SA2 and SA3 are based on the following variables:

Appraisal Version number:	Base	Base appraisals; no infrastructure. Current estimated values.
	v1	No infrastructure cost. Peak market values.
	v2	No infrastructure cost. Trough market values.
	v3	Full infrastructure contribution - cost paid upon commencement. Current estimated values.
	v4	Full infrastructure contribution – cost paid upon commencement. Peak market values.
	v5	Full infrastructure contribution – cost paid upon commencement. Trough market values.

3.1.4 The appraisal versions referred to in the following results sections are as follows in respect of the strategic sites – SA4 (Broadmoor), SA5 (Transport Research Laboratory – ‘TRL’), SA6 (Amen Corner North), SA7 (Blue Mountain), SA8 (Amen Corner) and SA9 (Warfield):

Appraisal Version number:	Base	Base appraisals; no infrastructure. Current estimated values.
	v1	Full infrastructure provided and cost paid upon commencement. Current estimated values.
	v2	Full infrastructure provided and cost paid upon commencement. Peak market values.
	v3	Full infrastructure provided and cost paid upon commencement. Trough market values.
	v4	Full infrastructure provided and costs spread evenly across development period. Current estimated values.
	v5	Full infrastructure provided and costs spread evenly across development period. Peak market values
	v6	Full infrastructure provided and costs spread evenly across development. Trough market conditions.

3.1.5 In the sections below we summarise the results and what we consider those indicate, running in the above order – first through the SA1-3 sites, then moving on to the strategic sites (policy proposals SA4-9).

SA 1 – Sites for potential allocation – Previously developed land and buildings in defined settlements

3.2 Aداstron House, Crowthorne Road, Bracknell (SHLAA ref. 15)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£2,766,803	£358,702	£358,702
Appraisal - v1	£2,915,792	£462,094	£462,094
Appraisal - v2	£2,461,855	£147,082	£147,082
Appraisal - v3	£2,766,803	£248,421	£248,421
Appraisal - v4	£2,915,792	£351,813	£351,813
Appraisal - v5	£2,461,855	£36,801	£36,801

3.2.1 Brief background and description – vacant large former house most recently used as a pupil referral unit. Understood to have no alternative planning consent. Could be converted as an alternative but considered for residential redevelopment comprising 18 flats for the purposes of the SADPD; at 65 dph based on the site area of 0.28 Ha. We noted this to be in an established residential area with quite a leafy feel, although

adjacent to the busy traffic route A3095 / A322 Downshire Way. There will be layout and design implications associated with best use of the site in relation to significant trees on / around it. In our view, given the site's characteristics a good quality flatted development seems most likely to be appropriate here although other options could potentially be explored.

- 3.2.2 The base appraisal indicates the most optimistic land value outcome based on current estimated values. Of the range of results considered here, we consider this to be around the minimum level that would be needed to secure this site given a reasonable prospect of residential development here. The value of the site would most likely be based on this potential as an alternative. *(DSP note - VOA Rating List does not guide us towards EUV – check on review).*
- 3.2.3 Values at less than that circa £350,000 may not be sufficient to secure the site. This suggests that the RLV indication from appraisal v1 would probably be sufficient, but that assumes a still more optimistic outcome from a combination of no infrastructure contribution and increased (peak market values). All in all, v1 is not likely to be a deliverable scenario in terms of those assumptions.
- 3.2.4 We can also see that v4 produces a very similar RLV result – from assumptions based on full infrastructure contributions (paid up front) but supported by peak market value levels again.
- 3.2.5 Overall, we consider that the Adastron House is capable of supporting a viable housing scheme, but that is likely to need a viability boost which could come from, for example:
- a. Increased values – perhaps through improved market conditions and / or careful review of the scheme type, design and specification so as to optimise the sales values. We have noted varying values associated with different types of new build schemes nearby *(see Appendix III for details – e.g. Windermere Gate, Crowthorne Road and gated scheme Netherby Lodge, Rectory Lane).*
 - b. *Minimising the viability impact of affordable housing, if necessary. Being just over the affordable housing threshold, we have assumed 4 of the total 18 units to be for affordable tenure. This has a notable impact on all appraisals (compared with a no affordable housing position). Given the likely all or*

predominantly flatted nature of a scheme here and depending on needs, a varied affordable housing solution might also be considered amongst the options and depending on the specifics as proposals are considered in detail in due course – e.g. potentially through looking at shared ownership tenure, part or full contribution in lieu approach, etc.

- c. A reduction in some way against the full infrastructure obligations contribution assumed here to date. Assuming current estimated values for now, we can see that from the base appraisal to v3, we lose about £100,000 scope for land value by adding in the planning obligations cost. Particularly alongside any scope to improve the sales values, we can see that some level of compromise on the overall obligations package might have a role to play in moving the site forward.
- d. A combination of these factors – smaller viability boosts from various aspects / partial moves in these directions.

3.3 Garth Hill School, Sandy Lane, Bracknell (SHLAA ref. 46)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£19,712,054	£3,202,160	£1,286,008
Appraisal - v1	£20,794,541	£3,917,846	£1,573,432
Appraisal - v2	£17,496,436	£1,737,307	£697,714
Appraisal - v3	£19,712,054	£2,429,684	£975,777
Appraisal - v4	£20,794,541	£3,145,369	£1,263,200
Appraisal - v5	£17,496,436	£964,830	£387,482

- 3.3.1 Brief background and description – primarily the site of redundant school buildings (part already vacant / boarded) to be redeveloped. Assumed to be for mixed housing development at 45 dph overall; on 2.49 Ha net developable area, from a total of 3.55 Ha. Accommodation works in respect of the adjoining school re-provision and playing fields were underway. The cleared site will reveal a variety of levels and contain slopes. The site is opposite a primary school and housing and has trees around parts of its perimeter. Currently Sandy Lane is not a vehicular through- route; it becomes pedestrian only westwards from the site frontage. In our view, a mixed estate type housing scheme would be appropriate here.

- 3.3.2 Again the no infrastructure contribution scenario is unlikely to be a sustainable one, so that the base appraisal (with current estimated values) and v1 (with peak market values assumption) are likely to provide an over-optimistic viability outcome.
- 3.3.3 The market trough values assumptions used in v2 and v5 are in our view unlikely to secure a sufficient land value, especially bearing in mind that with some level of infrastructure contribution (rather than none) the RLV associated with those lower values would be in the range between the two and probably not at the upper end (v2 RLV indication).
- 3.3.4 This means that appraisal versions v3 and v4 point to the more likely area within which an appropriate land value outcome could fall. Suggesting a land value of £2.5-3m plus, we consider that for public sector held land with no other prospect of significantly valuable use this level of receipt should facilitate the bringing forward of the site. At around £1m plus/Ha land value, after allowing for 25% affordable housing provision and significant infrastructure contributions, overall we consider this site has potential to host a viable housing scheme. As noted in Appendix III, the VOA's market reporting provides no land value indications for Bracknell, but, for general comparison only, at these levels the land values are not far behind typical South East industrial / commercial land use values. Whilst the indications are beneath the VOA's range of residential land value guides, this site has no significant marketing scope - - and therefore value - based on its current use. *The land owning authority would see a significant boost to the value of this asset through allocation and consent for residential development (sensitivities / political angles etc – may wish to revise comments in due course – for potential BFC discussion)*

3.4 Land at Battlebridge House, and Garage, Forest Road, Warfield (SHLAA ref. 95)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£3,595,860	£847,957	£1,927,175
Appraisal - v1	£3,811,612	£996,450	£2,264,659
Appraisal - v2	£3,154,263	£544,024	£1,236,418
Appraisal - v3	£3,595,860	£737,497	£1,676,130
Appraisal - v4	£3,811,612	£885,990	£2,013,614
Appraisal - v5	£3,154,263	£433,564	£985,373

- 3.4.1 Brief background and description – a site currently in a mix of low-key commercial and residential use, having a long road frontage to the A3095 in a village setting. Ultimately this site may have the potential to be developed in conjunction with or as part of the strategic Warfield scenario, depending on the boundaries and detailed phasing of that, but it could also be regarded as a suitable stand-alone opportunity for residential development - *TBC*.
- 3.4.2 We are not aware of the planning status of the various elements of current / former use here and for this study purpose have not investigated this. This links to an increased level of uncertainty as to the likely and justifiable land price expectations from the land owner's or owners' point of view – how the indications relate to the value supported by the existing uses would need to be explored further and related more specifically to the achievable planning obligations package, in terms of details, in due course. The location appears to suit mixed housing development which might also provide a more neighbourly use for the adjacent housing. The SADPD indicates potential for 14 dwellings, which would be of mixed types at around 35 dph on this 0.44 Ha site. Given the range of uses that have been and still appear to be on site, as the Council's SADPD recognises, there could be some contamination issues to deal with (subject to surveys etc in the usual way). Former Battlebridge House has been demolished and its site is now in commercial / ancillary use, but we are unclear as to the extent and planning background of any other residential elements.
- 3.4.3 Subject to a later more detailed review of the existing uses and associated values and potentially of any significant contamination issues to be resolved, we appear to have some quite positive land value indications for the prospects of a viable housing scheme here.
- 3.4.4 We can clearly see the effect of the site being beneath the affordable housing threshold and the potential proposals receiving a viability boost from that.
- 3.4.5 All of the RLV indications look positive in relation to the range of VOA land value guides per Ha for commercial use and potentially heading towards the residential guides in all cases except with the market trough reduced values. It will be need to be borne in mind, however, that the actual RLVs (sums in £s) may well be low or marginal in comparison with a collection of existing uses potentially underpinning a significant existing use value. Setting aside the base and v1 outcomes (again the no infrastructure tests allowed us the gauge the viability impact of the planning

contributions at the full assumed levels, by comparison), again we see the v3 and v4 outcomes as the most likely to be relevant. These also show RLVs of 20.5% and 23.2% of GDV; which at this level of considering scheme finances is another potential pointer towards likely scheme viability.

- 3.4.6 A scheme here should have a reasonable prospect of supporting a full or significant planning obligations package on this basis – as above subject to further review and potentially needing support from increased values depending on the existing use details and on any necessary remediation or other abnormal costs not allowed for. If such issues came in to play or lower / declining value levels reduced the viability scope, then some level of reduction to the overall obligations package might need to be considered. As with other sites, the detailed timing of planning obligations requirements in relation to the development period and sales timings will also have an impact and varying this relationship appropriately will have a positive impact on scheme viability generally. *(Possibly move to a general / overall comment - & reinforce in overall summary in any event)*

3.5 Farley Hall, London Road, Binfield (SHLAA ref. 123)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£7,315,899	£1,271,755	£1,271,755
Appraisal - v1	£7,721,115	£1,542,794	£1,542,794
Appraisal - v2	£6,486,508	£716,997	£716,997
Appraisal - v3	£7,315,899	£1,011,207	£1,011,207
Appraisal - v4	£7,721,115	£1,282,245	£1,282,245
Appraisal - v5	£6,486,508	£456,449	£456,449

- 3.5.1 Brief background and description – an assumed developable site area of 1Ha from a total area of 2.11 Ha; reduced because of the number of mature trees, including protected trees. The buildings consist of a period house with newer annexes, currently in use as a business centre ('United Business Centres') assumed to provide varying sizes of serviced office spaces, or similar (we did not walk around or enter the buildings). Having the feel of being in a clearing in a wooded setting provides the potential to create an attractive and secluded housing development, subject to addressing the ecological and range of other usual site specific issues. There would

be demolition to undertake and we noted quite large car parking areas, most which we assume would need to be taken up as part of any redevelopment.

- 3.5.2 The assumed developable site area (at 1Ha) produces RLV indications (in £ sums) that are the same as those expressed per hectare in this instance.
- 3.5.3 As above, the base and v1 appraisal versions assuming no planning infrastructure cost mainly demonstrate the potential uplift in site value that might be seen through increased market sales values for the housing.
- 3.5.4 Appraisal versions v2 and v5 (based on reduced values – trough of market) produce RLV indications unlikely to support the release of the site for a scheme on this basis.
- 3.5.5 Again being the most likely relevant indications, version v3 and v4 indicate the potential to produce an RLV which would compete with commercial land value expectations, bearing in mind the established use of the site.
- 3.5.6 However, the actual sums available for site purchase (£RLVs) will also need examination against potential expectations of the site owner in this type of case. We note that the VOA's 2010 Rating List valuation assessment for Farley Hall is £430,000 based on office rents of about £130/m². Even assuming a high rental yield and therefore a relatively low rental multiplier (Years Purchase) applicable alongside voids and management costs then we might expect to see a capital value in its existing use above, and potentially significantly above, the RLV sums we have indicated. We are not aware of the condition and popularity etc of the offices here, and those factors would all influence its value as an investment proposition (its existing use).
- 3.5.7 This suggests that while the site has the potential to provide a viable residential scheme in our view this might involve further careful consideration of the scheme type (development density and numbers etc) and of the overall planning obligations package that is achievable once the site clearance, tree constraints and any other abnormal revealed alter are factored in. *(BFC – we can consider further the phrasing of such messages)*

3.6 The Depot (Commercial Centre), Old Bracknell Lane West, Bracknell (SHLAA ref. 215)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£15,077,234	£2,406,369	£1,572,790
Appraisal - v1	£15,905,376	£2,962,484	£1,936,264
Appraisal - v2	£13,382,205	£1,268,123	£828,839
Appraisal - v3	£15,077,234	£1,846,597	£1,206,926
Appraisal - v4	£15,905,376	£2,402,712	£1,570,400
Appraisal - v5	£13,382,205	£708,351	£462,975

- 3.6.1 Brief background and description – this site is assumed to provide 1.53 Ha developable area allowing for some new on-site open space provision (10%) within the total area of 1.7Ha. The site is in use as a Council Depot – effectively comprising a range of industrial type activities and including offices, storage, workshops and hard standings; and therefore giving us an established use as a basis for valuation comparisons. To the north of the site is the modern Bracknell Beeches light industrial development and the railway line. The Council’s location map 13 assumes the related premises immediately to the west – Resources House – to be outside this potential development site, however this could logically be brought within the redevelopment scope assuming no issues preventing that. The Fire Station, Ambulance Station and a dentist’s surgery are located opposite the long site frontage to Old Bracknell Lane West, but despite this the development to the south and south east of the site has a predominantly residential feel. As with SHLAA ref. 95, a redevelopment of this site could significantly alter the feel of the immediate locality and benefit the residential amenity of nearby residents.
- 3.6.2 Again, all appraisals produce positive RLVs and with the exception of those relying on the trough market values assumptions (appraisals v2 and v5) we consider that the results represent a range of scenarios capable of supporting a viable scheme.
- 3.6.3 Setting aside the no planning infrastructure versions (Base and v1), both the current (v3) and increased market values (v4) scenarios produce RLV indications that are likely to compete with the level of commercial land use values that are likely to be associated with the existing or similar light industrial / storage / business uses.
- 3.6.4 Of these, the peak market values scenario (v4) adds significantly to the land value scope, showing that increased values may be necessary to support the full range of

planning obligations assumed - particularly if abnormal costs (potentially associated with site clearance and remediation, possible noise mitigation works to the northern boundary, and any traffic related improvements, etc).

- 3.6.5 Careful timing of (triggers for) infrastructure obligations could assist in supporting scheme viability depending on market movements and how the overall values / costs relationship moves.

3.7 Albert Road Car Park, Bracknell (SHLAA ref. 228)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£5,419,144	£519,386	£979,974
Appraisal - v1	£5,707,286	£715,873	£1,350,704
Appraisal - v2	£4,829,378	£117,229	£221,187
Appraisal - v3	£5,419,144	£300,628	£567,223
Appraisal - v4	£5,707,286	£497,110	£937,943
Appraisal - v5	£4,829,378	£0	£0

- 3.7.1 Brief background and description – a formally laid-out hard surfaced Council managed pay and display car park on the town centre fringe, providing 223 spaces on a single, open level accessed from Albert Road. The site feels somewhat separated from the town centre by the raised level Millennium Way roadway (which could again produce noise mitigation issues), although an underpass connects through. Although fairly levels and clear of buildings, with any trees on boundaries, the hard surfacing would need to be removed. The development to the north is residential, predominantly of local authority / former local authority type character. The site is area is assumed as 0.53 Ha.

- 3.7.2 Based on 240 car spaces at £250 each, the VOA has assessed the rateable value of this car park at £60,000 (the VOA's opinion of market rental value as at 1st April 2010). Depending again on the view taken on the investment yield (and therefore assumed rental multiplier) as well as management and other costs to be netted off, this indicates that the investment / asset value of the existing use is unlikely to be more than about £500,000 although of course we cannot say how this view compares with the Council's or other owner's asset view. In the absence of any other

planning consent or prospect of creating a valuable alternative use, the range of results indications except for those related to trough market sales values levels (v2 and v5) suggest the potential for a viable housing scheme.

3.7.3 Looking at the v3 (current values with full planning infrastructure) £RLV outcome, we can see that the full planning infrastructure package assumed may well need viability assistance from improving values; or a compromise need to be settled on for that package, assuming that the full affordable housing requirements were to be met.

3.7.4 The viability of a residential scheme here, which will create sales values at the lower end of the scale for Bracknell Forest, will be dependent on this type of relationship with the existing use value. If an unrealistic land price expectation is assumed based for example on consented residential land price or full commercial development land value, then the scheme could struggle for viability even with a reduced planning obligations package in place.

3.8 The Iron Duke, Old Bakehouse Court, High Street, Crowthorne (SHLAA ref. 286)

3.8.1 TBC

3.8.2

3.9 Land north of Eastern Road and south of London Road, Bracknell (SHLAA ref. 308)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	TBC	TBC	TBC
Appraisal - v1	TBC	TBC	TBC
Appraisal - v2	TBC	TBC	TBC
Appraisal - v3	TBC	TBC	TBC
Appraisal - v4	TBC	TBC	TBC
Appraisal - v5	TBC	TBC	TBC

3.9.1 Brief background and description – currently a part cleared commercial site within the established Eastern Employment Area, with Eastern Road having an entirely commercial feel and this part of London Road predominantly large office buildings with some residential uses. There are further large office premises immediately to

the west of the site, along with a primary school. Beyond those, to the west beyond Gipsy Lane, the development is mainly residential. Overall we felt the site surroundings essentially have a commercial character. The former Foundation House office building has been demolished, leaving the Apex House and Hayley House office buildings on the London Road frontage (both with space available 'To Let'). Other central areas of the site appeared to have been cleared or partially cleared too, so that the other significant buildings remaining here within the Council's location map 16 boundary are the more modern Radius Court on the main roundabout at the site's eastern end, and buildings in the south west corner. Significant areas of hard standing still exist.

3.9.2 TBC.....

SA 2 – Sites for potential allocation – Other land within defined settlements

3.10 The Football Ground, Larges Lane, Bracknell (SHLAA ref. 19)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£16,682,408	£2,538,910	£2,246,823
Appraisal - v1	£17,600,625	£3,144,913	£2,783,109
Appraisal - v2	£14,803,018	£1,298,551	£1,149,160
Appraisal - v3	£16,682,408	£1,920,364	£1,699,437
Appraisal - v4	£17,600,625	£2,526,368	£2,235,724
Appraisal - v5	£14,803,018	£680,006	£601,775

3.10.1 Brief background and description – currently the home of the town's football club, the site in essence provides a level clear area (the current pitch) with some small scale terracing, single storey mostly brick built club buildings and hard-standing areas. We noted the nature of the current road access to the club site (Larges Lane), for which there may well be traffic and cost implications on redevelopment. There are trees around the perimeter of the site and generally the location has quite a green feel. There is a mix of green space (sports field to the north) and mixed residential development adjacent. The site felt quite secluded and would probably create quite an inward looking development.

- 3.10.2 Looking at these RLV indications, as in other cases the base and v1 are unlikely to deliver sustainable outcomes, although a broader view could potentially be taken about the wider planning and community objectives that could be contributed to through a successful relocation of the football club and renewal of associated facilities.
- 3.10.3 This theme is in the background to our current stage consideration of the way in which the potential to release development value might be viewed here. It means more of a focus on the actual RLVs in due course (so, for this purpose, our current indications) rather than the rate at which value might be produced per hectare.
- 3.10.4 The appraisal v5 assumptions combination (full planning infrastructure contributions but based on reduced sales values) appears very unlikely to support a comprehensive re-provision of the facility. The v2 indication is at the type of level that might suggest a meaningful level of receipt to make some form of new provision, but relies on peak market value levels to fund the assumed front-loaded planning obligations burden.
- 3.10.5 Again, the v3 and v4 indications – so a land receipt of circa £2 - £2.5m – point to the likelihood of being able to re-provide the facilities, or significantly contribute to that.
- 3.10.6 We are not aware of the relocation plans and whether those would involve land purchase at the replacement site (*potentially Blue Mountain*) but from the appraisals to date it seems more likely that the new “host” site (provision of land there) could be seen as a cost to the scheme; an area of land that would need to be secured but could generate little by way of significant value going in to the host scheme cashflow.

3.11 24 – 30 Sandhurst Road, Crowthorne (SHLAA ref. 68)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£3,828,615	£821,019	£2,160,576
Appraisal - v1	£4,058,332	£974,430	£2,564,289
Appraisal - v2	£3,358,434	£507,019	£1,334,261
Appraisal - v3	£3,828,615	£697,928	£1,836,653
Appraisal - v4	£4,058,332	£851,339	£2,240,366
Appraisal - v5	£3,358,434	£383,928	£1,010,337

Removed from SADPD but results to be kept in...

- 3.11.1 On the busy Sandhurst Road, this potential site currently comprises 2 pairs of link-detached bungalows which are adjacent to retirement housing within a generally leafy mainly residential feeling area, also close to local shops. Existing use (existing residential property) values tend to be a key consideration on this type of site.
- 3.11.2 We can see here that the greatest influence on viability is potentially the sales values, linked to market conditions. By going from the base to v1 indications (current to peak market values, but with no planning infrastructure) we add about £150,000 to the RLV. This is a larger difference than between the base and v3 (full infrastructure; at current values estimates) indications.
- 3.11.3 Given a likely reliance on improving sales values and that in our view potentially none of the current assumptions indications perhaps apart from v1 (which might be heading in a suitable direction with the RLV), are likely to be high enough against the existing total property value here (with a potential uplift / incentive value uplift possibly required to secure the site release as well). In this instance, while the indicative £ RLVs/Ha look encouraging, in fact more attention needs to be placed on the actual sums likely to be available to the property owners.
- 3.11.4 While this certainly does not rule out the prospects of creating a viable scheme here, we consider that it points to potential review; perhaps including on the scheme type, planning obligations package, in conjunction with any other land, etc.

3.12 Cricket Field Grove, Crowthorne (SHLAA ref. 76)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£12,442,018	£2,071,983	£1,354,237
Appraisal - v1	£13,110,770	£2,513,811	£1,643,014
Appraisal - v2	£11,073,228	£1,167,657	£763,175
Appraisal - v3	£12,442,018	£1,686,836	£1,102,507
Appraisal - v4	£13,110,770	£2,128,664	£1,391,284
Appraisal - v5	£11,073,228	£782,510	£511,444

- 3.12.1 Brief background and description – a level, apparently readily developable area currently providing relatively poor quality sports pitches – laid out as rugby pitches at the time of our visit. *We may need to check the basis of review here – numbers,*

dwelling types proposed (& use class / will attract affordable housing etc), relationship with Broadmoor and Land at School Hill?). However, provisionally...

3.12.2 We have currently modelled this potential scheme as a general market housing one. This basis produces a range of indicative RLVs which, even with full or significant infrastructure packages look likely to produce an attractive level of value compared with the existing use scenario. While we would expect justified land price expectations to be well above agricultural levels, there appears to be a prospect of creating a significant value uplift here, potentially including scenarios with declining sales values from present levels.

3.12.3 *As with all other cases, however, the incidence of costs not factored in at this stage (further “abnormals”) can of course affect this picture.*

3.13 Land at School Hill Crowthorne (SHLAA ref. 113)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£4,826,087	£891,810	£1,274,014
Appraisal - v1	£5,094,801	£1,071,120	£1,530,171
Appraisal - v2	£4,276,087	£516,208	£737,440
Appraisal - v3	£4,826,087	£713,044	£1,018,634
Appraisal - v4	£5,094,801	£895,174	£1,278,820
Appraisal - v5	£4,276,087	£340,262	£486,089

3.13.1 Brief background and description – a very attractive site, which could effectively produce a scheme in a “dell” sitting beneath road level in a park-like setting; the edges of the site will need to be given off to the existing slopes, for landscaping etc, so that development is likely to be sited where the current buildings are. There are substantial former hospital related brick buildings to be cleared – now vacant and boarded. In our view this site is likely to suit lower density family type homes, however it could also potentially lend itself to higher density blocks (e.g. with at least some flats) given the type of setting and scope to create “grounds” for a scheme. *We noted that there was a BNP Paribas For Sale board up – offering the site for residential development (tel. 020 738 4000). At this stage BNP or other have not been approached due to potential sensitivities / negotiations etc; and it may be that this site now needs to be reviewed or come out of this reporting scenario? (Planning*

application ref. 10/00820/OUT for 20 dwellings (registered 10.01.11) – BFC update required?

3.13.2 It is very likely that these RLV indications would need to be viewed as providing a significant current value uplift scenario (similar to the Cricket Field Grove principles mooted, but here with an eye also on commercial land values given the former use. On that point, we see appraisals versions 3 and 4 potentially competing with lower-end commercial values given the conversion / refurbishment or redevelopment that would be needed to accommodate a valuable commercial use here.

3.14 Sandbanks, Longhill Road, Bracknell (SHLAA ref. 137) together with Dolyhir, Fern Bungalow and Palm Hills Estate, London Road, Bracknell (Winkfield Parish) (SHLAA ref.s 122 and 300 respectively)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£12,407,259	£1,900,176	£1,049,821
Appraisal - v1	£13,086,474	£2,353,282	£1,300,156
Appraisal - v2	£11,017,054	£972,767	£537,440
Appraisal - v3	£12,407,259	£1,433,474	£791,975
Appraisal - v4	£13,086,474	£1,886,580	£1,042,309
Appraisal - v5	£11,017,054	£506,065	£279,594

3.14.1 Brief background and description – we have currently taken a provisional combined view of these potential sites. They are contiguous and in this case have been assumed to have the potential to accommodate 63 dwellings on a total of 2.59 Ha (of which 1.81 developable). *This is quite likely to need further consideration if any further work has been done on firming up of areas, numbers, etc.*

3.14.2 Given this potential site involved the purchase of 5 substantial residential properties, similar to Sandhurst Road a key consideration here will be the buy-in cost of those properties, which are detached and sit on substantial plots. Although on the busy London Road, which might present access constraints to overcome, the site has very green feeling edge of residential area surroundings and is an attractive location. We noted that the levels fall away to the rear (east and south of) the single property Sandbanks, so that it sits substantially above Fern Bungalow and the other properties. *We also noted that, in terms of physical boundaries and therefore*

potentially in ownership terms, the Sandbanks current cartilage includes some land within the SHLAA ref. 122 site boundary for Fern Bungalow. *Sandbanks might have potential for a small stand-alone development, given these factors and potential delivery implications associated with them.*

3.14.3 *We consider that the RLV indications on current assumptions point to some level of review of this opportunity, as with Sandhurst Road – similar constraints and opportunities to consider, albeit potentially on a larger scale here; and again not ruling out the prospect of a viable scheme.*

3.15 Land North of Cain Road, Binfield (SHLAA ref. 194)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£15,433,750	£2,702,383	£1,599,043
Appraisal - v1	£16,283,283	£3,268,761	£1,934,178
Appraisal - v2	£13,694,939	£1,543,130	£913,095
Appraisal - v3	£15,433,750	£2,148,111	£1,271,072
Appraisal - v4	£16,283,283	£2,714,489	£1,606,207
Appraisal - v5	£13,694,939	£988,858	£585,123

3.15.1 Brief background and description – this site, currently covered in scrub feels as though it marks the transition between the residential development and community facilities to the north; and the major businesses located in the employment areas to the south and south west of the site across Cain Road and the roundabouts. The site as currently considered amounts to 1.88 Ha in total, with 90% assumed developable (1.99 ha). *We are uncertain as to the history of the site, and linked to that, its current planning status. However, the residential development potential is linked to a proposal to remove the existing Employment Area designation from the site and we consider that this gives us our main cue in considering how our RLV indications compare with the type of land value expectations that might be justified here (based on commercial development).*

3.15.2 It is likely that the trough market values (appraisal versions v2 and v5) will not produce sufficient land value (potentially even with no significant planning infrastructure package assumed).

3.15.3 However, focusing again on the v3 and v4 indications, we see land values that we think are likely compete with those associated with commercial development, assuming that were considered as the only potential alternative route to creating significant value here.

3.15.4 This points to the prospect of a viable residential scheme in this location, but again with the exact make up of the planning obligations package likely to be dependent on a combination of the market values and any abnormal or other costs beyond the scope of those factored in to our current stage appraisals.

3.16 152 New Road, Ascot (SHLAA ref. 284)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£3,099,365	£614,689	£1,707,469
Appraisal - v1	£3,285,327	£738,880	£2,052,444
Appraisal - v2	£2,718,741	£360,498	£1,001,383
Appraisal - v3	£3,099,365	£515,540	£1,432,056
Appraisal - v4	£3,285,327	£639,731	£1,777,031
Appraisal - v5	£2,718,741	£261,349	£725,969

3.16.1 Brief background and description – we understand this site to have been the site of a former garage / petrol station, which we assume to have been cleared and to have been behind the trees which have become established on the site frontage. New Road contains older housing with some elements of commercial use (including opposite the site) and significant on-street car parking. We noted water flowing in the partly culverted watercourse running alongside the road (opposite side to the site). The site area totals 0.48 Ha, with 0.36 Ha assumed to be developable. *We have assumed there to be no significant or valuable buildings on site, although this was difficult to see from the frontage.*

3.16.2 In per Ha terms, the RLV indications most relevant (v3 and v4) appear to compete with likely commercial development values relevant here. More specifically, whilst we cannot be sure that the site has not changed hands with increasing land value expectations set as a result, in our experience the £ RLV indications are also likely to be sufficient in comparison to what it typically costs to buy a former petrol station or similar type small commercial site (range most likely say £200,000 - £500,000).

3.16.3 The trough market values outcomes (v2 and v5) may well struggle to secure the release of the site but in general we consider the range of indications suggest the potential for a viable scheme; once again with specific planning obligations outcomes dependent on market movements and the extent to which costs mount up compared to our assumptions with any issues associated with the trees / ecology, flood levels mitigation, former use related site remediation and the like – very site specific issues which again could be reviewed in more detail in due course.

SA 3 – Sites for potential allocation – Edge of settlement

3.17 White Cairn, Dukes Ride, Crowthorne (SHLAA ref. 34)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£2,733,180	£340,986	£681,972
Appraisal - v1	£2,880,152	£437,130	£874,260
Appraisal - v2	£2,432,361	£144,200	£288,400
Appraisal - v3	£2,733,180	£284,817	£569,634
Appraisal - v4	£2,880,152	£383,841	£767,682
Appraisal - v5	£2,432,361	£82,136	£164,272

3.17.1 Brief background and description – whilst Dukes Ride is a busy road, this large house and grounds, situated behind a high wall on the road frontage should present scope for a valuable scheme. The setting is leafy. It appears from very limited views from the road that the buildings has been fairly recently refurbished or the subject of recent works at least to some extent.

3.17.2 These factors provide a context of a significant values in existing use – to be matched or bettered in order to bring forward the prospect of re-development for a housing scheme. In this context, we consider that none of the RLV indications *to date* are likely to be sufficient to promote the release of this site on the assumptions applied.

3.17.3 This is due to a combination of factors including triggering of the affordable housing threshold, the extent of the planning obligations package assumed at this point and potentially (inter-related to all of this) the type of scheme envisaged together with the sales values it might therefore support. *A varying scheme approach might well*

need to be considered here. This does not rule out the potential, but points more to a review of the potential and optimal use of the site, particularly bearing in mind its location. The site could suit an appropriate number of high value apartments or new type houses, for example, within the walled garden type setting.

3.18 Land east of Murrell Hill Lane, South of Foxley Lane and North of September Cottage, Binfield (SHLAA ref. 24)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£13,963,997	£2,546,214	£1,305,751
Appraisal - v1	£14,736,616	£3,060,033	£1,569,248
Appraisal - v2	£12,382,613	£1,494,538	£766,430
Appraisal - v3	£13,963,997	£2,047,964	£1,050,238
Appraisal - v4	£14,736,616	£2,561,783	£1,313,735
Appraisal - v5	£12,382,613	£996,287	£510,916

3.18.1 Brief background and description – this is an attractive site in a location that has a village / semi-rural feel to the setting. The land currently accommodates a small detached bungalow (“Dell Quay”) with adjoining paddock areas, garden and orchards. In total it amounts to 2.78 Ha, with an assumption that 1.95 Ha of this is developable after on-site open space provision.

3.18.2 Given its current planning status mainly outside the settlement boundary, whilst the value of this land would significantly exceed agricultural levels it is essentially a Greenfield scenario where the value of the bungalow would be added to the value of the paddock and associated land.

3.18.3 In this context, the RLV indications create scope for a very significant uplift to appropriate existing use value expectations, and strong prospects for a viable housing scheme capable of bearing a comprehensive package of planning obligations and, subject to details as is always the case, remaining viable with values declining to some extent or unforeseen costs arising.

3.19 Land at junction of Forest Road and Foxley Lane, Binfield (SHLAA ref. 93)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha
Appraisal - Base	£6,584,774	£1,398,552	£1,472,160
Appraisal - v1	£6,952,359	£1,649,849	£1,736,683
Appraisal - v2	£5,832,406	£884,201	£930,738
Appraisal - v3	£6,584,774	£1,169,438	£1,230,987
Appraisal - v4	£6,952,359	£1,420,735	£1,495,511
Appraisal - v5	£5,832,406	£655,087	£689,565

3.19.1 Brief background and description – this is a level field, used for horse grazing at the time of our visit. While the land area as assumed excludes “Three Firs” and “Mavis Cottage” on the road junction, it appears to include a detached property in Roughgrove Copse, a residential cul-de-sac to the south east of the site. Although the inclusion, or not, of that property will have a bearing on the buy-in cost of the site, it is not clear at this stage whether there is some key link between the two (e.g. ownership, access or similar) or whether, if included, that property would be retained and sold on (thereby adding no net cost to the scheme assuming values remain reasonably constant) or be needed as a part of the scheme and therefore become a cost to it. The total land area (including that property) is 1.3 Ha we understand; of which 1.3 Ha is assumed developable for this review purpose.

3.19.2 In any event, the indicative RLVs are strong here in relation to the likely existing paddock value and that potential property value element. We consider this site to be in a very similar category to SHLAA ref. 24, with a good prospect of creating a viable scheme and some scope for other factors to be dealt with moving forward on it.

SA4 – SA9 Strategic Sites

3.20 SA 4 – Broadmoor

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha (net developable area – flat rate)	Outcome indication - viability prospects (rating)
Base	£62m	£11.7m	£1.4m	High
v1	£62m	£6.6m	£0.8m	Medium
v2	£65m	£8.7m	£1m	Medium to High
v3	£55m	£2.4m	£0.3m	Low
v4	£62m	£7.3m	£0.9m	Medium
v5	£65m	£9.4m	£1.1m	Medium to High
v6	£55m	£3.1m	£0.4m	Low

3.20.1 Here we can quickly see the positive effect that increased sales values assumptions have on the RLV indication (and therefore likely viability outcome) e.g. moving from v1 to v2 or v4 to v5.

3.20.2 Similarly, we see this sensitivity to the sales values in that the trough market values assumptions (regardless of whether infrastructure costs are front loaded or spread) would be unlikely to create sufficient scheme value to produce a viable overall scenario, unless the land value expectations / enabling funding requirements were relatively low. We have not, however, reviewed the scope to potentially adjust that outcome by looking at a trough values assumption alongside any reduced level of planning obligations package.

3.20.3 Containing no planning infrastructure, the base appraisal provides a benchmark that really just enables us to see how significant the impact of the full infrastructure cost burden is – e.g. by “switching on” that cost in going from base to v1. In our view it also indicates a level of land value which would promote a viable scheme in this instance, given the limited alternative scope for creating significant land value here.

3.20.4 The improvement in RLV indication from v1 to v2 shows the potential significance of the timing of the planning obligations (LID) and costs – between those appraisals we move from that burden impacting up front (on development commencement) to being spread throughout the development period. We see these same trends in all subsequent scheme reviews (see below) and so will not repeat this in reporting on those.

3.20.5 The £ RLV indications point to significant scope to create value here, and it is likely that rather than being viewed in strictly or solely in terms of particular land value expectations based on residential or commercial development land values, or a blend of those, decisions on progressing development here will also be informed by the degree of enabling scope created for the potential hospital redevelopment. This will need to be kept under review as more is known and this potential context of “enabling development” is established as a principle here or requires review.

Broadmoor summary

3.20.6 Overall, we consider housing proposals at Broadmoor to have reasonable prospects of being viable, apart from in the event of a further significant dip in market values and /or increased costs from the levels assumed. Improving market conditions and / or a reduced overall planning obligations / costs package would have positive influences on scheme viability. The outcomes also demonstrate that the phasing of planning infrastructure obligations, where possible, would also be a positive tool in terms of the viability of delivery.

3.21 SA 5 – Transport Research Laboratory (‘TRL’)

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha (net developable area – flat rate)	Outcome indication - viability prospects (rating)
Base	£207,884,879	£34,611,804	£1,153,727	High
v1	£207,884,879	£18,690,796	£623,027	Medium
v2	£219,354,375	£24,991,972	£833,066	Medium
v3	£184,409,303	£5,793,650	£193,122	Low

v4	£207,884,879	£22,288,434	£742,948	Medium
v5	£219,354,375	£28,589,611	£952,987	Medium
v6	£184,409,303	£9,391,289	£313,043	Low

3.21.1 This site incorporates a mix of areas, existing uses and characteristics / designations. The detailed implications of this will most likely require review as the proposal details are worked up since, dependent upon their specific nature and how those relate to the land and development interests. We understand that the significant modern office building, potentially alongwith other elements of existing uses / premises may well be retained, so those are not necessarily higher existing use value barriers to the land value comparisons and therefore overall scheme viability.

3.21.2 This is a relatively complex site. However, the range of appraisal outcomes indicate that it will be possible to create a significant level of land value here. In our view, given the mix of low grade industrial / storage, hardstanding areas, specialist facilities with limited or no alternative use, greenfield / amenity / woodland and other existing use elements involved the levels of land values that could be available after allowing for the range of costs and obligations factored-in at this stage suggest the potential for viable housing development in this location.

TRL summary

3.21.3 We are aware that abnormal issues and added cost areas have the potential to reduce the viability picture.

3.21.4 As in other cases, however, we consider that the results are sufficiently positive to provide encouragement as to the scope for maintaining a suitable level of viability. Purely to add context to this point, in our range of work we encounter many scenarios that do not throw-up positive residual land values as starting point.

3.21.5 This may be through any necessary adjustments in scheme details, work and obligations packages and timing details, etc; again acknowledging the normal nature of this type of scenario. In accordance with the tone of our findings, these acknowledgements do not need to be viewed negatively.

3.22 SA 6 – Amen Corner North

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha (net developable area – flat rate)	Outcome indication - viability prospects (rating)
Base	£82m	£14.7m	£1.5m	High
v1	£82m	£7.8m	£0.8m	High
v2	£87m	£10.5m	£1.1m	High
v3	£73m	£2.8m	£0.2m	Low
v4	£82m	£8.9m	£0.9m	High
v5	£87m	£11.6m	£1.2m	High
v6	£73m	£3.3m	£0.3m	Low to Medium

3.22.1 We see here the same outcomes trends as above:

- the degree to which the full assumed planning infrastructure affects viability in comparison with the outcome prior to that allowance.
- the viability boost which increased values could bring (through improved market conditions could bring, assuming the costs side did not grow significantly)
- the severe impact of a fall in values to the lower assumed trial level – turning otherwise likely or potentially viable scenarios in to marginal / unviable outcomes.

Amen Corner North summary

3.22.2 Based on a principal comparison of enhancement to existing greenfield land value, we consider that housing proposals at Amen Corner North have a good prospect of being viable. The findings suggest that, providing other costs areas do not increase and values do not increase significantly from the assumed levels, there should not need to be major compromises made in the overall planning obligations package, even with a modest level of downward movement in values (in recent months we have seen values fluctuating moderately). If values were to fall back to their recent low point, however, we would expect to see viability here becoming marginal at best with the full collection of costs and obligations assumptions made. Depending on the specific delivery details in due course, the findings again show the potential

usefulness of spreading obligations costs, where possible, in supporting viability as may be needed.

3.23 SA 7 – Blue Mountain

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha (net developable area – flat rate)	Outcome indication - viability prospects (rating)
Base	£82m	£14.1m	£1.1m	High
v1	£82m	£7.2m	£0.6m	Medium
v2	£87m	£9.9m	£0.8m	High
v3	£73m	£1.7m	£0.1m	Low
v4	£82m	£8.2m	£0.6m	Medium
v5	£87m	£11m	£0.8m	High
v6	£73m	£2.7m	£0.2m	Low

3.23.1 Again, we see the same high level viability influences and trends, so we will not comment further on those in this case; or in the following site reviews.

3.23.2 This is a more complex site to consider in terms of the existing uses and values which may be attributable to those. This is not a formal valuation exercise and it is not for this study to influence or to determine outcomes on land and other negotiations, etc. With this in mind, we have taken the view that there are main two elements which will in practice be involved in the consideration of land value and what effect that has on the bringing forward of the scheme and delivery details. These are the golf course plus elements of residential use; and the Greenfield nature of significant areas of the potential overall development zones. While readily available comparables are very limited, we have been aware of golf courses on the market during the study period in the range £1.5 to £4m (and at circa £50,000/ha overall), depending on location and type, etc. This particular golf course appears to be quite a significant business with substantial facilities. We are not aware of the future proposals for the golf course. In addition we understand that there are a range of residential elements on the site.

3.23.3 We have graded our results, as above, bearing this in mind, together with provisional indications put to us during our very early stages high level assumptions consultation exercise.

Blue Mountain summary

3.23.4 At this high level stage, we consider that housing proposals at this location have at least a reasonable, and potentially good, prospect of being viable.

3.23.5 There are a range of inter-related factors in terms of the proposals, overall, here - including for example the potential relocation of Bracknell Town Football Club to this site. The range of viability influences would need to be tracked and considered in the event of the proposals progressing.

3.23.6 The same wider findings as above are to be noted again.

3.24 SA 8 – Amen Corner

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha (net developable area – flat rate)	Outcome indication - viability prospects (rating)
Base	£149m	£26.7m	£1.8m	High
v1	£149m	£16.7m	£1.2m	High
v2	£157m	£21.6m	£1.5m	High
v3	£132m	£6.7m	£0.5m	Medium
v4	£149m	£18.2m	£1.3m	High
v5	£157m	£23.1m	£1.6m	High
v6	£132m	£8.17m	£0.6m	Medium

3.24.1 The appraisals carried out for this scheme produces a range of positive RLVs in the context of the main relevant land value comparison in this location, which will be enhancement to greenfield level values.

3.24.2 From our site visits we noted that there are a number of other uses on portions of this land area, including residential and what appeared to be relatively low key

commercial activities, storage, workshops and yard areas. We are not certain as to the status and exact nature or degree of these uses, and consideration of such details is beyond the scope of this study. However, we have formed the view that the viability findings appear positive enough to withstand any further pressure on viability that may come from increased land value expectations linked to relatively small sections of the site overall. As with all viability aspects, clearly this should be kept under review.

3.24.3 Again, we will not repeat the more general findings in terms of the appraisal variations that also apply here. In this instance, there appears to be greater scope to bear viability adjustments that may result in the event of a further dipping market reducing.

Amen Corner summary

3.24.4 Following a similar tone of findings to those for Amen Corner North, we consider there to be good prospects of delivering viable residential development in this location.

3.25 SA9 – Warfield

Appraisal Version	Approx GDV (£)	Indicative RLV total (£)	Indicative RLV (£) / Ha (net developable area – flat rate)	Outcome indication - viability prospects (rating)
Base	£453m	£74.2m	£1m	High
v1	£453m	£38.8m	£0.5m	Medium
v2	£478m	£52.3m	£0.7m	Medium to High
v3	£402m	£11.1m	£0.2m	Low
v4	£453m	£47.5m	£0.6m	Medium to High
v5	£478m	£61.1m	£0.8m	High
v6	£402m	£19.8m	£0.3m	Low to Medium

3.25.1 The development area boundaries and a wide range of details are to be considered in respect of this proposed broad area for development. Ongoing review will therefore need to be considered as more is defined as to the shape of proposed development

here. We understand that the bulk of the land area is classified greenfield, with the principal use being agriculture at present. Depending on the boundaries and to what extent other existing property is included for potential redevelopment (as opposed to retained and incorporated) the comparative picture on land values - the site value expectations relative to our RLV indications – may be subject to variation.

- 3.25.2 Most of the appraisal variations produce an indicative RLV per hectare well in excess of the level of land value expectation we would expect to see in this type of major greenfield release scenario. Clearly any other uses and residential properties within the development area and to be acquired would alter the land valuation in particular locations, although the impact of relatively small proportions of land cost uplift would be diluted to some extent given the scale of the potential development areas and overall level of land value likely to be created.
- 3.25.3 Collectively, this points to a range of positive potential viability scenarios assuming that values hold up relative to their recession led lows. Recent market low property values levels would most likely move those results into unviable, or at best marginal viability, territory.
- 3.25.4 The v1 and v4 appraisal outcomes suggest that the level of viability supported by current market values may not provide much room for manoeuvre, for example to accommodate any increased costs, assuming the full infrastructure burden on the current assumptions basis. This indicates that there may be a need to consider the overall package of obligations and / or their timing to some extent, unless the market moves favourably to further support viability. The Council will need to be mindful and monitor how the achievable sales values will significantly affect viability.
- 3.25.5 The (at best) marginal viability indications from appraisal v6 reinforce this theme. At about £300,000/ha the RLV is considered to be the at the low end of the potentially relevant enhancement to greenfield value levels). The v3 result (with upfront infrastructure) falls beneath the likely minimum acceptable land value in our view. As commented elsewhere, land value requirements could well be above these levels.
- 3.25.6 Overall, however, from this current stage Warfield review we find there to be a good prospect of viable housing scheme in this location – given the levels of obligations and costs factored-in at this point.

3.25.7 As above, with a continued uncertain market, it is possible that some level of reduction from the full infrastructure obligations currently assumed may be needed – assuming provision to the Council’s relatively modest targets for affordable housing content are to be maintained. A spreading of the infrastructure obligations to some degree is likely to be needed in any event, potentially coupled with a phased review of those in light of the range of market conditions that might well be seen moving forward. We regard these to be part of the normal dynamics of such situations, and they do not detract from the potential here.

3.26 Results overview – Strategic Sites (SA4 – SA9)

3.26.1 A generally positive tone of viability findings, bearing in mind the significant level of planning infrastructure and other obligations and costs factored-in at this stage.

3.26.2 From our current review stage findings none of the strategic sites appear to suffer from an obvious or serious lack of potential viability as key locations for local housing delivery.

3.26.3 The findings also suggest that consideration will need to be given to the precise extent, nature and timing of the planning obligations packages. The need for this may be increased by a continued faltering housing market, since the key driver of viability potential is the price that will be achieved for the housing as it comes on stream for sale.

3.26.4 To reiterate, the timing of obligations and payments can play a major part in varying viability outcomes and therefore smoothing delivery.

3.26.5 We acknowledge that scheme costs could grow from the assumptions made – through other areas and abnormalities/further abnormalities – for example on servicing, ground conditions, clearance, drainage, environmental/ecological and sustainability issues for example. This is not unusual. There may be capacity to some extent within developers’ and landowners’ arrangements but this could also result in the review of scheme details and focus on the planning obligations. The need for flexibility would be further increased in the event of a falling market, which in itself could also trigger the need for review.

3.26.6 In all scenarios we have allowed for affordable housing in accordance with the Council’s policy and the current HCA approach. At 25% the Council’s policy should be

regarded as relatively modest and certainly realistic, providing the overall extent of obligations is not excessive – the collective impact needs to be considered alongside the market influences on achievable values and sales rates etc. All of these factors are inter-related. The affordable housing policy, pitched at it is, contributes to the generally positive viability reporting relative to the higher levels of requirements seen in many other locations.

3.27 General notes and observations to accompany the interpretation of the study and findings

- 3.27.1 This study is a formal valuation exercise. It does not provide formal valuation advice. It is not intended to determine or influence in any way the nature or outcomes of particular discussions and negotiations on site specifics; where land owners and developers will have a variety of drivers, approaches and requirements.
- 3.27.2 The study is purely for the purpose of informing the Council's DPD preparations. It has been carried out using well recognised residual valuation techniques by consultants highly experienced in the production of strategic viability assessments for local authority policy development. In order to carry out this type of study a large number of assumptions are required alongside a large quantity of data which rarely fits all eventualities - small changes in assumptions can have a significant individual or cumulative effect on the residual land value generated. It should be noted that every scheme is different and no study of this nature can reflect the variances seen in site specific cases. Specific assumptions and values applied for our schemes are unlikely to be appropriate for all developments and a degree of professional judgment is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and informing the Council's SADPD.
- 3.27.3 A common theme running through all of the results is that they are highly sensitive to varied appraisal inputs and the EUV / AUV used as a benchmark. A relatively small adjustment, particularly in some assumption areas can have a significant effect on the result. This is not unusual – it simply needs to be acknowledged as part of the nature of this type of assessment.
- 3.27.4 This study process explores the degree to which changes in key assumptions produce varying results. Potentially there are almost infinite variations of assumptions that

could be worked through. It is important therefore that an overview is made. In doing so, we can review the results trends. On this basis, it is also possible to consider what type of outcomes would be found between the points (appraisal assumptions combinations) that have been modelled.

- 3.27.5 Ultimately there will always be a variety of potential outcomes, within and potentially outside the range of our findings. Further costs added to the appraisals (for example through additional service utilities costs - e.g. diversions, reinforcements, etc; or other abnormalities) would have the effect of reducing all RLV indications. This would need to be considered not in isolation, but in conjunction with the implications of the relevant values levels and other costs at the time, including the nature and timing of the various elements of the planning obligations package. There will be cases where specific developments are unable to bear the full level of planning obligations packages currently envisaged, especially whilst uncertainty remains in the housing market.
- 3.27.6 Detailed specific scheme based review and discussions will inevitably be necessary. Through the further progression and monitoring stages viability discussions may also link with and cross a number of areas associated with wider planning objectives – for example on sustainability, affordable housing numbers, dwelling mix and tenure; wider scheme content and design, construction/specification requirements (including but not limited to sustainable construction) and the like. To enable it to respond to these dynamics we suggest that the Council will need to keep these scenarios under review as it collects more information about the various site specifics. Usually, the collective costs impact on schemes will be relevant for consideration where viability issues arise, so that some level of prioritisation may be required.
- 3.27.7 It is usual to see actual development costs and other aspects of schemes varying relative to assumptions necessarily made for the purposes of this viability overview. In the case of all sites reviewed, we considered an additional sensitivity layer by looking at the impact of a varied level of sustainability factor added to the build costs. As an example of the dynamics of this, in the main range of scenarios and results which this report focuses on, a 4% factor was added to the base build cost to reflect increasing requirements on sustainable construction and development. Through another set of appraisals with a further 4% allowance (i.e. with 8% added to base build costs) we could see the potential impact of that assumption; in all cases reducing RLV scope to a notable extent. This is another factor for the Council's

ongoing review and updating processes to consider, in terms of the overall cost burdens laced on schemes and what that may mean for the meeting of other planning objectives. It is not possible or appropriate to cover all variations in this type of study. It is also important to note that, when we refer to highly variable outcomes / sensitive results, this has to be recognised in any similar assessment, regardless of location. These are universally applicable comments – not just relevant to the Bracknell Forest circumstances and proposals.

- 3.27.8 Depending on the boundaries and to what extent other existing property is included for potential redevelopment (as opposed to retained and incorporated) the comparative picture on land values - the site value expectations relative to our RLV indications – may be subject to variation. Land value expectations/requirements will vary with owners' and developers' circumstances, approaches and other specifics. Whilst we have confirmed that we consider there to be scope to deal with some flexibility and movement in the costs side of the appraisals in many cases (particularly combined with a practical implementation view by the Council and other agencies/service provider partners), realistic expectations on the part of landowners – effectively acting as partners alongside the developers and the Council in delivering the housing trajectory - will also need to be an ingredient in bringing forward and delivering all proposals, regardless of type and location.
- 3.27.9 The timing of infrastructure obligations relative to the positive cashflows produced by property sales can also have a significant effect on viability, as demonstrated by our ranges of results indications (the RLV improvements seen by spreading the cost obligations as opposed to placing those early in the appraisal cashflows). There could be a number of points in between those appraised, in terms of obligations timing and phasing. This, again, will be a scheme specific factor for ongoing consideration.

Draft ends.

Basis - June 2011.

(Updated October 2011 – work continuing)