



**Basingstoke
and Deane**

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Our ref:

3 July 2017

Dear Ms Nurser

BASINGSTOKE AND DEANE BOROUGH COUNCIL COMMUNITY INFRASTRUCTURE LEVY

Thank you for your letter of 20 June which sets out your initial observations following an early assessment of the CIL Charging Schedule and accompanying evidence.

Attached to this letter are a number of appendices which respond to each of the points raised, in addition to cross-referring to a number of documents contained in the Examination Library.

Summary of Assumptions

The assumptions applied to the residential viability assessments in the 2013 and 2016 studies are set out in Annex 3 to each report. Appendix 1, which accompanies this letter, provides a summary comparison of the differences in assumptions for residential and non-residential development.

Benchmark Land Values

A short note has been prepared to explain how the Benchmark Values are used in the Viability Assessments and how these have been applied to small and large residential sites and to non-residential sites. This is set out in Appendix 2 to this letter.

S106 Costs

The costs implicit within the Local Plan were considered during the preparation of the viability study and this analysis has been added to the examination library as document EV08 - Local Plan Policy Viability Implications.

Detailed analysis of recent S106 agreements has been undertaken to consider the levels of contribution secured for different forms of supporting infrastructure. This includes agreements entered into both pre and post 6 April 2015 with calculations undertaken as to how much this is expected to amount following the introduction of CIL in the borough. This is set out in Appendix 3 to this letter and confirms the position that, on average, a future S106 is likely to be up to £1,500 per dwelling.

Differential of Housing Rates by Scale and Geographical Location

Appendix 4 provides an explanation of the basis for differential rates according to scale, type and geography of development.

Sensitivity data

Sensitivity testing has not specifically been undertaken. However, the allowances for a 'buffer' take into account some changes on costs and values that may arise.

The council's viability consultants, Three Dragons, advise that since the July 2015 workshop, house prices overall in Basingstoke and Deane have increased by 18.7% (Land Registry House Price Index) and that build costs have increased by 10%-11% (BCIS). Sensitivity testing could be undertaken on this data and could also consider forecast changes in the future, if you feel that this would be helpful in examining the Borough Council's approach.

Detailed Residential Viability Assessments

Three Dragons have advised that they can supply screen shots of the detailed residential viability assessments to assist with this query. However, it should be noted that a total of 66 model runs were undertaken and each of these has multiple screenshots associated with it. For the strategic sites, this can amount to 35 screenshots per model run. Appendix 1 to this letter will assist in addressing this issue as it sets out the assumptions that were made and the base date for these. However, if you still feel it would be beneficial to see the detailed model runs, then these can be provided.

I hope that these assist in resolving your initial queries and look forward to hearing from you in respect of the agenda for the hearing session and the matters for consideration. If you have any queries or require clarification based on the responses provided, please do not hesitate to contact me.

Yours sincerely,

Mark Lambert
Design, Environment and Infrastructure Manager

Summary of Assumptions used in Basingstoke and Deane Residential and Non-Residential CIL Viability Studies 2013 and 2016

Residential Testing Assumptions

The assumptions applied to the residential viability assessments in the 2013 and 2016 studies are set out in annex 3 to each report. Table 1 provides a summary comparison of the differences in assumptions for residential (non-sheltered housing) development. See reports for full details of the assumptions applied.

Table 1: Residential Testing Assumptions

	2013 Study	2016 Study	Comment
Base date	May 2013	July 2015	The workshop date is nominally when the values/costs are set, although the data reviewed will inevitably relate to time periods prior to the workshop. For example, for the house prices Land Registry data from 2014 and 2015 was used (although this was then compared to dwellings for sale in July 2015 on rightmove).
House prices*	2 bed terrace in Basingstoke & Tadley = £200,000 3 Bed Semi-detached in Basingstoke and Tadley = £230,000 4 bed detached in Basingstoke & Tadley = £300,000 3 Bed Semi-detached in Market towns and villages = £240,000 For full details see figure 3.3	2 bed terrace in Basingstoke & Tadley = £221,000 3 Bed Semi-detached in Basingstoke and Tadley = £272,000 4 bed detached in Basingstoke & Tadley =£363,000 3 Bed Semi-detached in Market towns and villages = £313,000 For full details see figure 3.3	Based on analysis of Land Registry data for new house prices. House prices rose between the two studies. Overall Land Registry HPI suggests a rise of 17% May 13 to July 15. However, for individual house types the actual price paid data shows the change varies and for new build 2 bed terraces there has been a 10% increase, new build 3 bed semis an 18% increase and a 21 % increase for 4 bed detached. Please note that house prices have continued to rise since 2015.

Appendix 1

	2013 Study	2016 Study	Comment
Affordable rents*	1 bed flat in Basingstoke = £120.00 per week (£114/week in Rest of Brough) 2 bed terrace in Basingstoke = £150.50 per week (£143/week in Rest of Brough) For full details see figure 3.4	1 bed flat = £128.00 per week 2 bed terrace = £160.00 per week For full details see table on page 93	Affordable rent assumptions were based on a survey of Registered Providers in 2015, and rental values had increased between the two studies. Basingstoke & Tadley/Rest of Borough differential no longer applies
Social rents*	1 bed flat in Basingstoke = £95 per week (£90 in the rest of Borough) 2 bed terrace in Basingstoke = £116.00 per week (£110 in the rest of Borough) For full details see figure 3.4	1 bed flat = £100 per week 2 bed terrace = £130.00 per week For full details see table on page 93	Social rent assumptions were based on a survey of Registered Providers in 2015, and rental values had increased between the two studies. Basingstoke & Tadley/Rest of Borough differential no longer applies.
Voids / Bad debt	3%	3%	-
Management and Maintenance	£900 per annum	£1000 per annum	Increased to take account of rising costs.
Capitalisation (rented)	6.5%	5%	Decreased based on a survey of Registered Providers in 2015
Shared ownership average share size	50%	40%	Assumed that average share size decreased between 2013 and 2016
Rental factor	2.75% on the unbought share	2.75% on the unbought share	-
Capitalisation (shared ownership)	6.5%	5%	Decreased based on a survey of Registered Providers in 2015
Market dwelling sizes (square metres)*	2 bed flat = 56 2 bed terrace = 65 3 bed semi-detached = 95 4 bed detached = 125	2 bed flat = 61 2 bed terrace = 70 3 bed semi-detached = 100 4 bed detached = 130	Nationally Described Space Standards introduced in 2015 that suggested that the smaller dwellings needed to be larger. Further review of dwelling sizes in Basingstoke and elsewhere prompted change to 3 and 4 bed dwellings.

Appendix 1

	2013 Study	2016 Study	Comment
Affordable dwelling sizes (square metres)*	1 bed flat = 45 2 bed flat = 62 2 bed terrace = 73 3 bed semi-detached = 85 For full details see table on page 94	1 bed flat = 50 2 bed flat = 61 2 bed terrace = 70 3 bed semi-detached = 85 For full details see table on page 94	Nationally Described Space Standards introduced in 2015, and 1 and 2 bed dwellings amended to fit.
Market dwelling mix	Varies according to density. See table on pages 91-92.	Varies according to density. See table on page 92-93.	Mix altered to provide sufficient built floorspace per ha in line with industry standards (c3,100-3,500sq m/ha)
Affordable dwelling mix	See table on page 92	See table on pages 93-94	The affordable dwelling mix has a slightly higher % of 1 bed flats in Basingstoke and slightly lower % of 2-3 bed terrace in 2016 than 2013, to reflect the increase in housing need for 1 bed affordable accommodation as advised by B&D Housing Officer
Build costs – Flats	£1100 per sq m including 15% for external works	£1355 per sq m for 1-2 storeys including 15% for external works £1500 per sq m for 3-5 storeys including 15% for external works	Derived from BCIS data and adjusted to take into account the location factor for the borough
Build costs - Houses	£1033 per sq m including 15% for external works	£1195 per sq m including 15% for external works	Derived from BCIS data and adjusted to take into account the location factor for the borough
Single dwelling build costs	Same rate as houses	£2035 per sq m including 15% for external works In 2016, higher costs were tested for single dwelling developments.	Derived from BCIS data and adjusted to take into account the location factor for the borough
Professional fees	12% of build costs	10 units or less = 12% 11-50 units = 10% 51-100 units = 9% 101+ units = 8%	Change based on further general information about variable professional fees for different scale developments
Marketing	4%	3%	Reduced allowance based on stronger market
Legal fees	1.75%	1.75%	-

Appendix 1

	2013 Study	2016 Study	Comment
Finance rates	7.5%	6%	Reflects historically low finance rates
Residual S106 costs	£1500 per dwelling	£1500 per dwelling	-
Security costs	£500 per dwelling for compliance with 2013 Building Regulations	£320 per dwelling (Part Q)	Based on 2015 Housing Standards Review Impact Assessment
Water efficiency costs	£100 per dwelling	£9 per dwelling	Based on 2015 Housing Standards Review Impact Assessment
Developers return	20% of GDV	20% of GDV	-
Contractors return	6% of build costs	6% of build costs	-
Benchmark Land Values	Main benchmark £1million per hectare for urban/brownfield sites £400,000 per hectare for greenfield sites	Main benchmark £1million per hectare for urban/brownfield sites £400,000 per hectare for greenfield sites Sensitivity benchmarks of £0.7m for larger generic case studies; and £1.2m and £1.5m on 1 ha tiles to explore impact of higher BLVs	See separate note on BLVs for further detail (appendix 2)

* Examples of assumptions are given with further detail available in the reports.

Summary of the differences

Since the viability testing in 2013 there have been some significant changes in the values and costs for residential development. In particular, the values that are now achievable for new build market dwellings are considerably higher than in the 2013 testing (by around 10-20% depending on dwelling type). In addition to this the increased affordable rents and the capitalisation rate for affordable housing means that the affordable dwellings are also worth considerably more to the development. Set against this, there has been a significant increase in build costs, partly mitigated by a lower cost of finance and reduced allowance for marketing fees in a strong market.

Non-residential

The assumptions applied to the non-residential viability assessments in the 2013 and 2016 studies are set out in chapter 8 of the 2013 report and chapter 9 of the 2016 report. Table 2 provides a summary comparison the differences in assumptions for non-residential development.

Table 2: Non-Residential Testing Assumptions

	2013 Study	2016 Study	Comment
Base date	May 2013	July 2015	The workshop date is nominally when the values/costs are set, although the data reviewed will inevitably relate to time periods prior to the workshop.
Rents*	Offices = £151-£194 per sq m Industrial/warehouse = £86 per sq m Retail (e.g. town centre comparison) = £258 per sq m	Offices = £151-£156 per sq m Industrial/warehouse = £86 per sq m Retail (e.g. town centre comparison) = £213 per sq m	Values based on lease deals listed on CoStar and discussed at workshops.
Yield*	Out of centre office = 8.5% Industrial/warehouse = 9% Retail (e.g. town centre comparison) = 7%	Out of centre office = 7.5% Industrial/warehouse = 7.5% Retail (e.g. town centre comparison) = 6.02%	Values based on investment deals listed on CoStar and discussed at workshops.
Purchasers costs % of GDV	5.8%	5.8%	-
Build costs including water efficiency*	Offices = £1232-£1385 per sq m Industrial/warehouse = £563 per sq m Retail (e.g. town centre comparison) = £889 per sq m	Offices = £1439-£1836 per sq m Industrial/warehouse = £702-£826 per sq m Retail (e.g. town centre comparison) = £1264 per sq m	BCIS build costs have increased significantly for non-residential development
External works	10% of base build costs	10% of base build costs	-
Professional fees	12%	12%	-
Sales and letting costs	3% of GDV	3% of GDV	-

Appendix 1

Allowance for S106	Office/Industrial/Warehouse = £20,000/£50,000 Town centre retail/office = £0 Out of centre comparison retail = £500,000	Office/Industrial/Warehouse = £20,000 Town centre retail/office = £0 Out of centre comparison retail = £500,000	Based on discussions with B&DBC officers.
Finance costs	7.5%	6%	Reflects historically low finance rates
Build and void period*	Offices = 22-26 months Industrial/warehouse = 20 months Retail (e.g. town centre comparison) = 24 months	Offices = 46-50 months Industrial/warehouse = 20-32 months Retail (e.g. town centre comparison) = 24 months	Changes as advised in development industry workshop
Developer return	20% of GDV	20% of GDV	-
SDLT and agent fees	Generally £0 except retail and budget hotels	Generally £0 except for out of town retail and budget hotels	-
Benchmark Land Values	Vacant industrial or office land = £740,000 per hectare Out of centre comparison retail = £2million per hectare Superstores = £3million per hectare Supermarkets/small convenience retail = £1million per hectare Town centre retail = existing use value + demolition costs	Vacant industrial or office land = £740,000 per hectare Out of centre comparison retail = £2million per hectare Supermarkets = £4million per hectare Small convenience retail = £1million per hectare Town centre retail = existing use value + demolition costs	-

* Examples of assumptions are given with further detail available in the reports.

Summary of the differences

BCIS build costs have increased significantly for non-residential development. Finance costs have decreased and yields have improved.

Clarification of the basis on which the different Benchmark Land Values are to be used

Annex 4 of the Basingstoke and Deane Residential and Non-residential Viability Report 2016 (EV04) sets out an explanation of the benchmark land values (BLV) applied in the study.

Residential

Three types of viability testing were undertaken for residential development.

Firstly, Three Dragons tested a range of notional 1 hectare tiles of development at different densities, the results of which are explained in chapter 4 of the report. In all of the 1 hectare tiles, the main BLV of £1 million per hectare was used; and the testing also illustrated the impact of higher benchmarks using upper and higher sensitivity benchmarks of £1.3 million and £1.5 million per hectare respectively.

Secondly, a range of case study examples were tested for smaller sites in Basingstoke and Tadley (chapter 5) and the Rest of the Borough (chapter 6). Table 1 sets out the range of case studies that were tested and in all cases the main BLV used was £1million per hectare.

In a few examples (case studies 7, 8 and 9), a sensitivity test was undertaken applying a lower BLV of £0.7 million per hectare. These case studies represent larger generic case studies (90-100 dwellings) and the lower sensitivity benchmark recognises that a) sites for flatted and sheltered developments may have lower values as this type of development is less viable and b) the higher costs and poorer gross to net developable for larger lower density schemes (£100,000/net ha opening up and 85% net to gross for case study 7) means that logically the land benchmark would be lower.

Thirdly, for the strategic sites which are typically greenfield urban extensions, site specific testing was undertaken. This allowed the site-specific requirements established through Local Plan policy to be factored into the testing. In these case studies (19-23), a BLV of £400,000 per hectare was applied. This reflects most of the sites' existing use value as agricultural land, while allowing for a significant uplift. Table 2 illustrates the case studies for strategic sites and the BLVs applied. Sensitivity benchmarks of £0.7 million and £1.0 million per hectare were also used for the Basingstoke Golf Club in response to discussion with the site promoters.

Table 1: Benchmark Land Values for Small and Medium Case Studies

Case Study	Location	BLV per hectare	Comment
CS1: single dwelling	Basingstoke urban	£1million	Standard urban/edge of settlement benchmark
CS2: 2 dwellings	Basingstoke urban	£1million	Standard urban/edge of settlement benchmark
CS3: 3 dwellings	Basingstoke edge	£1million	Standard urban/edge of settlement benchmark
CS4: 4 dwellings	Basingstoke edge	£1million	Standard urban/edge of settlement benchmark
CS5: 10 dwellings	Basingstoke edge	£1million	Standard urban/edge of settlement benchmark
CS6: 55 dwellings	Basingstoke urban	£1million	Standard urban/edge of settlement benchmark
CS7: 100 dwellings	Basingstoke edge	£1million and sensitivity £700,000	Standard urban/edge of settlement benchmark plus sensitivity benchmark recognising that larger schemes can have higher costs and poorer net to gross

Appendix 2

Case Study	Location	BLV per hectare	Comment
CS8: 90 dwellings – high density flatted scheme	Basingstoke urban	£1million and sensitivity £700,000	Standard urban/edge of settlement benchmark plus sensitivity benchmark recognising that flatted schemes can have higher costs
CS9: sheltered housing scheme	Basingstoke urban	£1million and sensitivity £700,000	Standard urban/edge of settlement benchmark plus sensitivity benchmark recognising that sheltered schemes can have higher costs
CS10: 100 dwellings – flatted scheme	Basingstoke urban	£1million	Standard urban/edge of settlement benchmark
CS11: 100 dwellings – flatted scheme	Basingstoke urban	£1million	Standard urban/edge of settlement benchmark
CS12: single dwelling	Rest of Borough	£1million	Standard urban/edge of settlement benchmark
CS13: 2 dwellings	Rest of Borough	£1million	Standard urban/edge of settlement benchmark
CS14: 3 dwellings	Rest of Borough	£1million	Standard urban/edge of settlement benchmark
CS15: 4 dwellings	Rest of Borough	£1million	Standard urban/edge of settlement benchmark
CS16: 10 dwellings Edge of small town/village	Rest of Borough	£1million	Standard urban/edge of settlement benchmark
CS17: 55 dwellings	Rest of Borough	£1million	Standard urban/edge of settlement benchmark
CS18: 100 dwellings - Market town urban extension	Rest of Borough	£1million	Standard urban/edge of settlement benchmark

Table 2: Benchmark Land Values for Strategic Sites

Case Study	BLV	Comments
CS19: Manydown 3400 dwellings	£400,000	Standard strategic greenfield benchmark. Note that this case study is updated by Manydown Transport Briefing (EV03) Feb 2017 but same BLV applied
CS20: Basingstoke Golf Course	£400,000 and sensitivity £700,000 and £1million	Standard strategic greenfield benchmark with sensitivity tests (as this greenfield strategic site is not in agricultural use)
CS21: Hounsome Fields	£400,000	Standard strategic greenfield benchmark
CS22: Land East of Basingstoke	£400,000	Standard strategic greenfield benchmark
CS23: Upper Cufaude Farm	£400,000	Standard strategic greenfield benchmark

Non-residential

The following BLVs were applied to non-residential development scenarios

Table 3: Benchmark Land Values for Non-Residential Development

	BLV	Comments
Vacant industrial or office land	£740,000 per hectare	Standard industrial benchmark
Out of centre comparison retail	£2million per hectare	Higher value benchmark for more valuable uses
Supermarkets	£4million per hectare	Higher value benchmark for more valuable uses
Small convenience retail	£1million per hectare	Equivalent to standard residential benchmark
Town centre retail	Existing use value + demolition costs	Town centre retail sites will have a current use.

Summary

The main benchmark land value applied to residential development in urban and edge of urban sites is £1million per gross hectare. For greenfield sites, a BLV of £400,000 per gross hectare was applied. Higher and lower sensitivity benchmarks were applied to some sites as appropriate.

The main BLV applied to non-residential development was £740,000 per hectare, although higher BLVs were applied to retail developments.

How the figure of £1500 per dwelling for S106 requirements has been derived

After the Borough Council has commenced charging CIL, it is anticipated there will remain a residual S106/S278 cost for some planning applications, although it will be scaled back significantly. This is because much of the infrastructure that would previously have been funded through S106, will now be funded through CIL, particularly if it is for provision off-site. This means that the anticipated level of S106 financial contributions will be reduced on the vast majority of planning applications.

Since April 2015, Regulation 123 has restricted the council's ability to pool S106 contributions to five obligations for any infrastructure project or type. This means that the value of S106 contributions has already decreased in the borough since that time. This is supported by analysis of S106 Agreements before and after the introduction of the pooling restriction.

In the CIL viability testing, the value of future S106 contributions has been factored in at £1500 per dwelling. The figure of £1500 per dwelling for future S106 requirements has been derived from:

- Analysis of S106 Agreements entered into within the Borough, including a range of site sizes;
- Analysis of residual S106 contributions accepted by examiners elsewhere; and
- Three Dragons experience of the financial cost of residual S106 elsewhere in the country given the approach taken to provision of infrastructure.

Of the 34 sites that have entered into legal agreements to pay financial contributions between April 2015 and March 2017, the average per dwelling, for items that in future could still be required through S106 (transport, open space, equipped play and travel plans) was £1400 per dwelling, which is within the £1500 per dwelling assumption.

A Written Ministerial Statement sets out that affordable housing and tariff-style planning obligations cannot be sought from small scale developments of fewer than 11 dwellings (fewer than 6 within the Area of Outstanding Natural Beauty) or 1,000 square metres. This means that small sites are unlikely to incur any tariff-style planning obligations. Nonetheless, the £1500 residual S106 has been factored in to all residential viability assessments which has the effect of increasing the viability buffer for small developments.

It is recognised that some sites may incur S106 costs higher than those modelled, but this is anticipated to be rare and due to site specific considerations or infrastructure requirements. The occasions where this is most likely are at strategic sites and these have been modelled separately within case studies 19-23 of the Viability Study 2016 (EV04).

In summary, it is anticipated that in future S106 will be used for the following:

- Small sites (1-10 dwellings) – contributions rarely sought unless site-specific circumstances identify specific mitigation requirements;
- Medium sites (circa 11-100 dwellings) – local highways costs and on-site open space and equipped play areas; and
- Large sites (circa 100+ units) – S106 will still be used to secure contributions that meet the Reg 122 tests.

As such, the £1,500 on smaller sites represents another area of contingency within the appraisals. It provides more evidence that the viability is robust and reasonable and takes account of site variables.

Differential rates for housing based on both the scale of housing and its geographical distribution

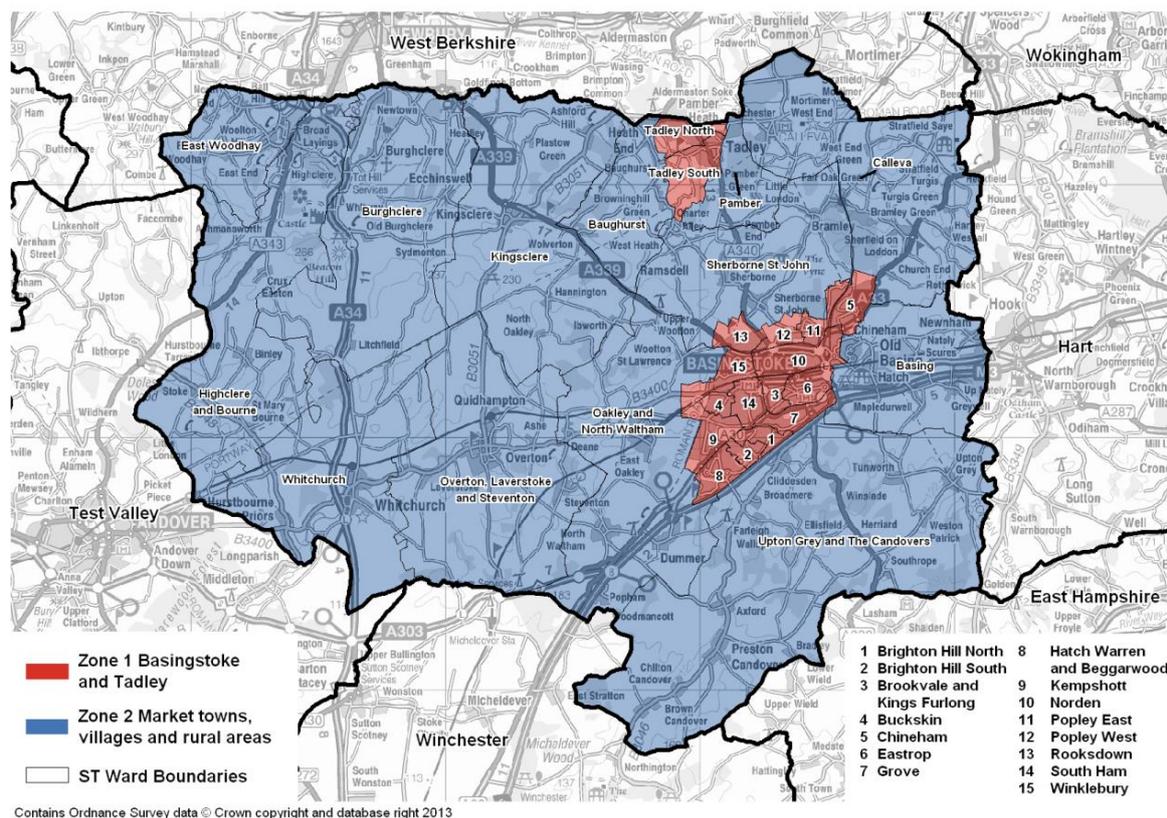
Summary

1. The basis for the proposed differential CIL rates in different locations in Basingstoke and Deane lies in the variation in house prices. While build costs on a like-for-like basis are the same irrespective of where the development is in the Borough, there are variations in values. Where values are higher (and since development costs are the same), there is more viability 'headroom' from which to draw CIL. On average, house prices are higher in the rural and market town locations than in Basingstoke and Tadley, which is why different geographical CIL rates are proposed.
2. The basis for the differential rate for single dwellings lies in higher build costs.
3. The basis for the differential rate for flatted developments lies in the relatively lower values for flatted units combined with higher construction costs for flats.
4. The basis for the differential rates for the strategic sites lies in the different on-site infrastructure costs for each site, along with the difference in undevelopable land to be provided for policy compliant green space and community infrastructure. The cash flow implications from different development periods and the required timing of infrastructure also have an impact on viability and this is included in the proposed CIL rates.

House prices

Land registry price paid data for new build dwellings was used to determine representative house prices in Basingstoke and Deane. Analysis of Land Registry data was also used to explore whether there were different values areas in the Borough. It is apparent that there are two broad sets of values in Basingstoke and Deane, with Basingstoke and Tadley having lower values than the rest of the borough (RoB). The house price value areas and new build house prices were tested as part of the July 2015 workshop and were agreed as follows:

Appendix 4



GIA SQ M	160	130	100	120	100	120	95	67	63	51
	Detached			Semi-detached		Terrace			Flats	
	5 Bed	4 Bed	3 Bed	4 Bed	3 Bed	4 Bed	3 Bed	2 Bed	2 Bed	1 Bed
Basingstoke & Tadley	£459,000	£363,000	£310,000	£328,000	£272,000	£324,000	£266,000	£221,000	£167,000	£145,000
Rest of Borough	£536,000	£425,000	£372,000	£377,000	£313,000	£355,000	£286,000	£244,000	£192,000	£167,000
Basingstoke & Tadley	£2,870	£2,790	£3,100	£2,730	£2,720	£2,700	£2,800	£3,300	£2,650	£2,840
Rest of Borough	£3,350	£3,270	£3,720	£3,140	£3,130	£2,960	£3,010	£3,640	£3,050	£3,270

This map and table can be found on page 20 of the 2016 report, and also in the workshop notes in the report annexes.

The table above shows that values on a £/sq m basis vary between £2,700/sq m and £3,300/sq m in Basingstoke and Tadley depending on the dwelling type. Values in the RoB vary between £2,960/sq m and £3,720/sq m. These differences in value are the basis for the variable CIL rates by geography.

It is notable that dwelling prices have increased between 2013 and 2016 – e.g. a three-bed semi was £230,000 on average in 2013, and £272,000 in 2016.

Single Dwellings

Single dwellings are subject to higher build costs and the BCIS data¹ used for the 2016 report shows that the construction rate/sq m is 56% higher than for standard housing. Whilst some allowance has been made for additional value for single dwellings (based on a 5% 'exclusivity' premium) this is not sufficient to mitigate the higher costs. This difference in build cost is the basis for the proposed differential CIL rate for single dwellings.

Flatted Developments

Flatted developments are subject to higher build costs and the BCIS data used for the 2016 report shows that the build cost per sq m for 1-2 storey flats is 15% higher than for standard housing. The additional cost over standard housing is 18% higher for 3-5 storey flats. Build costs for flats are further increased by the need to provide circulation space and we allow an additional 10% for 1-2 storey flats and 15% for 3-5 storey flats. Part of the viability testing includes examples of flatted schemes with additional parking costs.

The table of house prices above shows that the values per sq m for flats tend to be lower than for houses, and the combination of these lower values and higher build costs mean that viability is weaker than many of the other case studies tested. The capitalised ground rents included for flats do not mitigate the higher costs and lower sales values. These lower values and higher costs are the basis for the differential CIL rates proposed for flatted developments, which are £0 for wholly flatted developments.

Strategic sites

All of the strategic sites are part of the Basingstoke and Tadley value areas so differences in the proposed CIL rates are **not** due to house price differences. The viability testing of the strategic sites takes into account the high-level assessment of the site infrastructure that will be required from each of the strategic sites tested, as well as the proportion of non-developable land required for policy compliant open space and community infrastructure. In addition, the different development periods for the strategic sites along with the required timing of the infrastructure have an impact on cashflow. All of these factors combine to produce different estimates of viability for the strategic sites and these have been used to inform the proposed CIL rates.

The table overleaf is drawn from pages 48 and 49 of the viability report (EV04), with the proposed CIL rates added into the left-hand column. Please note that the report containing the original table was produced before arrangements were finalised for the Manydown Country Park and transport requirements in February 2017 and the revised costs are therefore shown in a separate additional row.

Please also note that the infrastructure cost per dwelling in the table will be in addition to the other allowances made for external works (including frontage roads etc.) as well as opening up costs for the larger sites.

¹ Using the BCIS 'One-off' housing construction rate

Appendix 4

Site	Total dwellings	Total self-build	Density	Net site size ha	Self-build proportion of net area ha	Gross site size ha	Net to gross	Housing Delivery Yr 0 = pre-delivery preparation. Yr 1 = 1 st year of delivery	Benchmark land value/gross ha	Opening up costs/net ha	Site specific infrastructure Yr 0 = pre-delivery preparation. Yr 1 = 1 st year of delivery
Manydown -- As modelled in March 2016 £60/sq m CIL proposed	3,400	68	30 dph	113.33	2.27	183.56	62%	50 in yr1, 200 in yr 2, 300 in yr3, 320pa thereafter then 310	£400,000	£200,000 25% in 1 st year and 25% in 2 nd year. Remainder spread year 4 onwards	£58,582,000 (£17,230/dwg) <ul style="list-style-type: none"> £1.5m strategic transport by 1st dwg Remaining £4.8m strategic transport over next five years £2.2m bus spread years 1-5 £9.6m education in yr1, £7.6m in yr4, £7.6m in yr7 and £11.2m in yr8 Remainder in line with development
Manydown – As modelled in February 2017 £50/sq m CIL proposed	3,400	68	30 dph	113.33	2.27	183.56	62%	50 in yr1, 200 in yr 2, 300 in yr3, 320pa thereafter then 310	£400,000	£200,000 25% in 1 st year and 25% in 2 nd year. Remainder spread year 4 onwards	£63,607,000 (£18,708/dwg) <ul style="list-style-type: none"> £2m strategic transport by 1st dwg Remaining £7.325m strategic transport over next five years £2.2m bus spread years 1-5 £9.6m education in yr1, £7.6m in yr4, £7.6m in yr7 and £11.2m in yr8 Remainder in line with development
Golf Course £80/ sq m CIL proposed	1,000	20	35 dph	28.57	0.57	46.95	62%	50 in yr1, 100 in yr2, 150pa thereafter then 100.	£400,000	£200,000 25% in 1 st year and 25% in 2 nd year. Remainder spread year 4 onwards	£11,620,000 (£11,620/dwg) <ul style="list-style-type: none"> £1.3m junction by 1st dwg £0.7m bus spread years 1-5 £2.5m education in yr1, £2.5 in yr2. Remainder in line with development

Appendix 4

Site	Total dwellings	Total self-build	Density	Net site size ha	Self-build proportion of net area ha	Gross site size ha	Net to gross	Housing Delivery Yr 0 = pre-delivery preparation. Yr 1 = 1 st year of delivery	Benchmark land value/gross ha	Opening up costs/net ha	Site specific infrastructure Yr 0 = pre-delivery preparation. Yr 1 = 1 st year of delivery
Hounsome Fields £30/sq m CIL proposed	750	15	35 dph	21.43	0.43	42.78	58%	50 in yr1, 70pa thereafter	£400,000	£200,000 25% in 1 st year and 25% in 2 nd year. Remainder spread year 4 onwards	£13,975,000 (£18,633/dwg) <ul style="list-style-type: none"> • £5.5m junction by 1st dwg • £0.525m bus spread years 1-5 • £1.9m education in yr1, £1.9m in yr2. Remainder in line with development
East of Basingstoke £80/sq m CIL proposed	450	9	30 dph	15.00	0.30	26.28	59%	60 in yr1, 110pa thereafter then 60	£400,000	£200,000 25% in 1 st year and 25% in 2 nd year. Remainder spread year 3 onwards	£6,547,000 (£14,549/dwg) <ul style="list-style-type: none"> • £1m junction by 1st dwg • £0.3m bus spread years 1-5 • £2.5 education in yr1. Remainder in line with development
Upper Cufaude Farm £80/sq m CIL proposed	390	0	30 dph	13.00	0.00	22.26	60%	50 in yr1, 70pa thereafter then 60.	£400,000	£150,000 25% in 1 st year and 25% in 2 nd year. Remainder spread year 3 onwards	£4,557,000 (£11,684/dwg) <ul style="list-style-type: none"> • £2.1m education in yr1 • £0.25m bus spread years 1-5 Remainder in line with development