

Draft Charging Schedules for Broadland, Norwich and South Norfolk:
Representations Form and Guidance Notes

The preparation of the Community Infrastructure Levy is a public process and your full representation will be made public for this purpose.	<i>For office use only:</i>
	<i>Date received:</i>
	<i>Rep no:</i>

**Greater Norwich
Development
Partnership**

**Community Infrastructure Levy
Draft Charging Schedules for Broadland,
Norwich and South Norfolk**

Representations Form

Please return to:

By email: cil@gndp.org.uk
By post: Greater Norwich Development Partnership
PO Box 3466
Norwich
NR7 0DU

All comments must be received by 5pm on Monday 5 March 2012

Please read the Statement of Representations Procedure and Guidance Notes before you complete this form.

1. Personal details:

**If an agent is appointed, please complete only the Title and Name boxes in column 1 below, but complete the full contact details of the agent in column 2.*

Title

First name

Last name

Job title

Organisation

Address

Postcode

Telephone no.

2. Agents details (if applicable)

Email address

carundel@savills.com

Q1. Do you consider the Council(s) has followed a correct approach in developing the Draft Charging Schedule as required by the Community Infrastructure Levy Regulations 2010 (as amended)?

Yes No

I would like my representation to be considered for (please tick all that apply):

Broadland District Council's Draft Charging Schedule.....

Norwich City Council's Draft Charging Schedule.....

South Norfolk Council's Draft Charging Schedule.....

If no:

a. Did you raise this issue at the Preliminary Draft Charging Schedule Consultation Stage?

Yes No

b. Please give details of what change(s) you consider are necessary, having regard to the legal requirements for a charging schedule and, if not raised previously, why not. You will need to say why you think this change will make the Draft Charging Schedule legally compliant. It will be very helpful if you could also put forward your suggested revised wording of any text. Please note your comment should briefly cover all the information, evidence and supporting information necessary to support or justify the representation and the suggested change as, after this stage, further submissions will only be possible at the request of the examiner, based on the matters and issues he/she identifies for examination. Please be as precise as possible. Only information that relates to the representation will be accepted.

Please add your comments here

Joint Core Strategy

In line with the Regulations, GNDP have, to date, based their intention to introduce CIL on an up to date development plan, i.e. the Joint Core Strategy (JCS), which all three authorities adopted in early 2022. However the subsequent challenge to this decision to adopt and the recent High Court ruling means, we believe, that the housing strategy for Broadland District Council will have to be reconsidered. Whilst it is possible that Norwich City Council and South Norfolk Council could argue that their housing strategy is unaffected by the ruling, it is unlikely that changes to Broadland Council's strategy could be effected without the need to re-examine the whole GNDP area. The reviewed JCS will have to be re-submitted to the Secretary of State before it can be adopted. The consequence of the ruling is therefore that the JCS is no longer adopted policy in terms of housing numbers and the CIL consultation is no longer based on an up to date development plan. Further, the challenge arose from opposition to the proposed housing numbers in the North East Growth Triangle, predicated on the delivery of the Northern Distributor Road, key infrastructure to be part funded by CIL. As this area is now to be reassessed, surely CIL must be delayed as a result?

In the event that GNDP believe they can keep CIL on track, we have responded to the Draft Charging Schedule.

CIL Regulations and Guidance

In setting the rate of CIL, Regulation 14(1) of the 2010 Community Infrastructure Levy, England and Wales Regulations (No. 948) states “that an appropriate balance” needs to be struck between “a) the desirability of funding from CIL (in whole or in part)” against “b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development”. The term ‘taken as a whole’ implies that it may be acceptable for some schemes to be rendered unviable by the level of CIL charge; however, there is a clear requirement to ensure that most developments are able to proceed. The Government provides further guidance on the meaning of the appropriate balance from paragraph 7 of the Community Infrastructure Levy Guidance – Charge Setting & Charging Schedule Procedures (March 2010).

Likewise, the purpose of CIL must be to positively fund the infrastructure required to enable growth. This is clearly outlined by Regulation 59(1) which states “**A charging authority must apply CIL to funding infrastructure to support the development of its area**”.

Section 216 of the Planning Act 2008 defines infrastructure as:

- a) roads and other transport facilities,**
- b) flood defences,**
- c) schools and other educational facilities,**
- d) medical facilities,**
- e) sporting and recreational facilities,**
- f) open spaces, and**
- g) affordable housing (being social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008 (c. 17) and such other housing as CIL regulations may specify)”**

There is a requirement under Regulation 123 to provide a list of “**relevant infrastructure**” to be wholly or partly funded by CIL. It is also possible also under Regulation 60(1) for CIL to be used to reimburse expenditure already incurred on infrastructure, a tool which could have useful implications. We therefore consider that it is imperative that the evidence supporting CIL:

- clearly outlines the key infrastructure projects required to support development (this being the key test of the Regulations)
- outlines an up to date, consistent and well informed evidence base of economic viability in order to test various scenarios against CIL rates.

It is clear from the available evidence base that GNDF has produced extensive documentation on the infrastructure needs. It is however the evidence of economic viability which Savills as representatives of both land owners and house builders are most concerned, as outlined in this representation.

Given the focus of CIL as being supportive of development it is also important that the test of viability considers those sites/ areas which are central to the delivery of the each authoritys’ vision for the city and Joint Core Strategy policy objectives. It would not be acceptable to simply dismiss some sites as being rendered unviable purely because some are considered to be viable without due consideration of wider planning and corporate objectives of the relevant authority. The consequences of this could well be unplanned development at the expense of those areas where regeneration is planned.

The emerging National Planning Policy Framework (NPPF) is clear on the requirement that the planning system “does everything it can to support sustainable economic growth” (paragraph 13). Further, paragraph 39 makes clear the fundamental principle of ensuring development viability is not constrained by burdens of obligations or policy, and with regard to CIL the NPPF specifically states that CIL “should support and incentivise new development” (paragraph 40).

The Guidance states at paragraph 7 that “**CIL is expected to have a positive economic effect on development across an area in the medium to long term**”. The Government also makes clear that it is up to Local Authorities to decide ‘how much’ potential development they are willing to put at risk through CIL. Clearly, whilst this judgement needs to consider the wider planning priorities; it does seem obvious that a large degree of discretion is being afforded to charging authorities in making the judgement. It is therefore imperative that the viability of CIL is robustly tested against sites which are most likely to bring forward the housing numbers currently set out in the JCS.

The Guidance also makes clear the evidently narrow focus of the CIL Examination process permitted by the Regulations, paragraph 9 states: “The Independent Examiner should check that:

- The charging authority has complied with the required procedures set out in the Planning Act 2008 and the CIL Regulations;
- The charging authority draft charging schedule is supported by background documents containing appropriate available evidence;
- The proposed rates or rates are informed by and consistent with, the evidence on economic viability across the charging authority’s area; and
- Evidence has been provided that shows the proposed rate would not put at serious risk overall development of the area

Having considered these key points from the Regulations and other guidance, we do not believe that GNDP has provided clear evidence of viability at the levels of CIL proposed. We summarise our reasons below and provide detail in the next section of this response.

- GNDP commenced their CIL consultation using a flawed viability document, prepared by their agents, GVA.
- GNDP have failed to listen to the concerns of housebuilders, landowners and agents throughout the consultation process.
- Post the Preliminary Draft Charging Schedule consultation, Savills, alongside Norfolk Homes Ltd, attended meetings with GNDP, to again raise the serious misgivings of developers and other agents to the proposed levels of CIL. We were told that GNDP were being encouraged to keep CIL as high as possible by the Members of the three charging authorities as they were convinced, via hearsay and anecdotal evidence, that “super profits” were still being enjoyed by land owners and house builders alike.
- GNDP have set out their formula for calculating CIL, which allows them to increase the tariff in line with BCIS Tender Price Index. We make further comment on house price –v- build cost inflation below but, as CIL is to be indexed in this way, the only market to have account of is now. 2007 is irrelevant.
- It is acknowledged that some sites will not be viable under the CIL regulations or will require a reduction of the affordable provision in order to ensure viability. GVA have however made recommendations in the knowledge that CIL has been set at such a level whereby only 20% affordable housing can be provided. This does not accord with policy and surely should not be the starting point for CIL.

We consider that this failure to address viability from a robust evidence base will result in the following:

- The affordable housing provision will be severely compromised at the proposed level of CIL. Many sites are unlikely to be able to support any affordable homes; and
- Development will stall, either though sites not coming forward due to the land values being unpalatable to land owners or house builders being unable to afford the “upfront” payment of CIL, as the phasing proposals bear no resemblance to a development timeline.

The consequences of the latter point above will be both economic and social, as follows:

- The charging authorities will fail to adhere to policy in relation to housing numbers and their five year land supplies and
- Charging authorities will be left with enormous debt from forward funding the infrastructure without CIL coming in at a level sufficient to pay it back. They will also forego significant money that would have been received as New Homes Bonus. This will put local authority services and new investment at risk.

It is not clear from this question if you are inviting us to respond more fully in this section. We therefore set out the detail of our response to this Draft Charging Schedule in the following section. As Savills' response primarily relates to viability based on a residual valuation, we have dealt with each input separately and have commented on where the approach by GVA/GNDP does not reflect the workings of the market. Our input sections as set out below are:

1. Gross Development Value (GDV) (Open market and affordable housing)
2. Timing/phasing
3. Land acquisition costs
4. Build costs (Flats, houses/garages and Code for Sustainable Homes)
5. Warranties/EPCs
6. Site servicing
7. Planning
8. Abnormals (demolition/remediation etc)
9. Professional fees
10. Section 106 costs
11. Marketing/agents and legal fees
12. Finance
13. Profit
14. Land values

Q2. Please state in the table below which part of the Draft Charging Schedule(s) you have further comment on.

I would like my representation to be considered for (please tick):

Broadland District Council's Draft Charging Schedule..... **X**

Norwich City Council's Draft Charging Schedule..... **X**

South Norfolk Council's Draft Charging Schedule..... **X**

Paragraph e.g. 1.1	Comment																							
<i>Please enter the paragraph number here</i>	<i>Please enter your comment here</i>																							
<p>1.</p> <p><u>GVA Final Report 12/2010</u></p> <p><u>GVA Report 08/2011</u></p> <p><u>GVA Final Report 12/2010</u></p> <p><u>Draft Charging Schedule 02/2012</u></p>	<p><u>GROSS DEVELOPMENT VALUE</u></p> <p>GVA claim their advice is based on discussions with land owners, developers and agents but our own research revealed that they had not spoken to many of the parties indicated and that, where they had, the data produced bore no resemblance to the information offered. An example of this comes from Terry Harper of Norfolk Homes Ltd who spoke to GVA at length, providing them with his knowledge and experience of the market. He felt his answers were either not what they wanted, and therefore being dismissed, or that the GVA representative did not wholly understand. Their published results bear this out.</p> <p>It is clear from later documents that GVA actually relied heavily on data from the Land Registry, PROMIS, Rightmove, EGi and Focus. The only one of these that can be relied upon for sale prices is the Land Registry and that in itself is limited as it does not provide detail such as unit size, existence of a garage, specification, incentives etc. All of these data bases are a good starting point but nothing can beat obtaining evidence from agents or developers. Savills were agents on seven residential schemes in 2007 and five schemes in 2009, yet we were not contacted to discuss them.</p> <p>GVA recommended that CIL be set on “normal” market conditions and their view of normal is peak of the market as at 2007. We now have the benefit of hindsight but despite this GVA, in their latest report dated August 2011, still refer to the normal market and have not reviewed the sales rates they originally adopted.</p> <p>CIL is to be index linked in line with the Regulations with the base line being the BCIS Tender Price Index at the date of the Charging Schedule. The CIL payable will then be referenced to the BCIS Tender Price Index at the date of planning permission. It is clear that, if CIL is to be indexed from the date of the charging schedule, the level has to be set on current values and pricing. We set out below a table showing the relationship between house prices (Halifax Index East Anglia) and tender costs (BCIS). It can be seen that the two have tracked relatively well but this is purely down to wage suppression and that may not be sustainable. The actual cost of building has risen much faster as can be seen from the BCIS Build Cost Trend data attached at Appendix 1.</p> <table border="1" data-bbox="536 1749 1378 1863"> <thead> <tr> <th>Item</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>House Prices</td> <td>9.7%</td> <td>-5.7%</td> <td>-13.4%</td> <td>4.0%</td> <td>0.6%</td> </tr> <tr> <td>Build Costs</td> <td>8.2%</td> <td>-4.4%</td> <td>-11.7%</td> <td>4.2%</td> <td>0.4%%</td> </tr> </tbody> </table>						Item	2007	2008	2009	2010	2011	House Prices	9.7%	-5.7%	-13.4%	4.0%	0.6%	Build Costs	8.2%	-4.4%	-11.7%	4.2%	0.4%%
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	<p>We understand that GVA took 2007 as normal market conditions as they believed that this would reflect an early return back to house price highs. GNDP have also followed this approach in their GNDP Supplementary Evidence 12/2011. However sensitivity to market improvement should be discounted for assessment of viability over the next five years. Regard should only be had to current values and costs, plus known increases in costs such as those seen to comply with the Building Regulations Part L and the Code for Sustainable Homes. Beyond that timescale it would be appropriate to build in growth but of both factors; value and cost. However, as it is intended to review the level of CIL on a regular basis it is not relevant to this response.</p>
<p><u>GVA Report 08/2011 Para 2.2</u></p>	<p>This report sets out GVA's review of the evidence, carried out to test how robust their December 2010 conclusions were, no doubt in the face of the very negative reaction to the level of CIL by those in the industry. Despite having the benefit of hindsight and a plethora of developer and agent based data to hand, GVA still found their pricing as at 2007 to be the correct approach.</p>
<p><u>GVA Final Report 12/2010</u></p>	<p>GVA's evidence does not distinguish between flats and houses and as at 2007, there was a high proportion of flats coming forward and this skewed the pricing.</p>
<p><u>Mott McDonald Report on Garages 09/2011</u></p>	<p>Mott McDonald found that when plotting the indicated value a garage adds to the sale price against the cost to construct, it appeared that, under most scenarios, the cost associated with constructing a detached garage actually surpasses the increased value which having a garage adds to the sale price.</p>
<p><u>GNDP Supplementary Evidence 12/2011</u></p>	<p>Despite the conclusions drawn by GVA in relation to house prices, GNDP have adopted a lower rate of £1,991 per sq m in their appraisals. Savills are aware from their meetings with GNDP that this rate had been verified to them by a number of parties and they therefore felt it appropriate to adopt it in their own calculations. This shows their lack of confidence in the GVA findings.</p>
<p><u>GNDP Draft Charging Schedule Publication 02/2012</u></p>	<p>Despite adopting £1,991 per sq m, a rate that Savills has no objection to in relation to an average house on the 250 greenfield development as was under discussion, GNDP have however continued to use GVA's recommended level of CIL as the starting point for their reductions in CIL to allow for garages and remaining Section 106 costs, as follows:</p> <ul style="list-style-type: none"> • The original Zone A figure of £170 per sq m was reduced to £160 per sq m and the Zone B from £85 per sq m to £75 per sq m, the £10 per sq m differential being the equivalent of £750 per market dwelling to account for ongoing "on-site" Section 106 liabilities. Two points arise from this; first their starting point was clearly too high in view of them conceding that GVA had got house pricing wrong and secondly Section 106 liabilities are attributed to all houses on a scheme not just the open market units. • In a contradictory fashion, just four paragraphs later, GNDP state that the CIL level in the Zone A area was reduced by 20% from the level proposed by GVA. This is because in the Preliminary Draft Charging Schedule they put in a range from £135 to £160 per sq m. However, in their next adjustment for

Paragraph e.g. 1.1	Comment
<p><u>GVA Final Report 12/2010</u></p>	<p>this current Draft Charging Schedule, they deducted a further £20 per sq m to allow for the fact that garages, other than shared user/decked parking, will fall within the higher CIL tariff. They do not set their approach out clearly but they have had to make this adjustment as GVA failed to consider it in their reports. As the Mott McDonald report concludes that garages cost more to build than the value they add, this adjustment from an artificially high starting point is insufficient.</p> <p>GVA have assumed that affordable housing is cost neutral. We have obtained an indication from two housing associations as to the level of bids they would make and we have adopted the higher of these.</p> <p><u>Conclusion</u></p> <p>We consider that GVA's conclusions in relation to residential values are lacking a robust evidence base and that their approach was severely flawed. We also consider that GNDP have realised this and have reduced their CIL to try and mitigate the effect the resulting high CIL rate will have on development in their area. However, as they continued to use the GVA rate as their headline rate, their own approach is also flawed.</p> <p>We have adopted a rate of £1,991 per sq m in our appraisal for average open market dwellings and an average of the housing association rates for the affordable dwellings.</p> <p>For Social Rented, we have adopted 50% of market value, 60% for affordable rent and 75% on shared ownership.</p>
<p>2.</p> <p><u>GNDP Draft Charging Schedule Publication 02/2012</u></p>	<p><u>PHASING</u></p> <p>We have reviewed the phasing proposals and consider that they are extremely onerous on developers and show a complete lack of understanding of build and sales rates by GNDP. We have been advised by local and regional house builders that they build and sell currently at about 25 to 30 units per year.</p> <p>Assuming a regional builder who would take on sites of say 300 units or less, we have calculated that on the phasing for a CIL liability of £2m +, this represents 183 open market units. Without even allowing for the fact that they would need to build a large proportion of the affordable housing in the first phases, this would take 6 or 7 years to complete. However on the proposed phasing, CIL would be payable within 2 years which is simply not equitable. It should be phased in line with development as affordable housing and other Section 106 costs currently are. GNDP should not assume that developers do not build in order to avoid their obligations as it is often only in the last phases that their profit is made. If they are not building, it generally means that they cannot secure funds or there is no demand. They should not be penalised for this.</p> <p>In relation to the larger schemes, which are likely to be developed by at least two national house builders, they may develop in the region of 40 units per year each. For a 1,000 unit scheme, such as those which will provide the bulk of the housing requirement in the GNDP</p>

Paragraph e.g. 1.1	Comment
<p style="text-align: center;"><u>GNDP Supplementary Evidence 12/2011</u></p>	<p>area, it will take at least 12 years to build the houses. Prior to that, these sites have to be serviced at a much higher cost and for a much longer period than the 250 unit schemes that have been considered to date in this consultation. The impact of CIL being paid within two years of commencement on site, will have a hugely detrimental effect on this type of development.</p> <p>We appreciate that for large schemes, developers can phase the planning permissions to ensure that they are not caught for the full CIL liability up front but this adds cost and they are also at risk in being subjected to higher CIL levels, if there has been a review in the interim.</p> <p>The appraisals run by GNDP are snapshots only and provide a two dimensional view of the development. During the meetings Savills attended after the Preliminary Draft Charging Schedule responses, we did inform them that developments are actually appraised using three dimensional modelling to take cash flow into account. It is very common for at least 40% of the overall development costs to be payable before a house even begins to take shape. The timing of costs and receipts are therefore crucial to a full appraisal of a site.</p> <p><u>Conclusion</u></p> <p>A site appraisal is not robust unless phasing has been taken into consideration. We have therefore carried out appraisals using Argus Developer software which allows a three dimensional approach. We consider, as a result, that our findings are more realistic and in line with market practises, than those provided by GNDP</p>
<p style="text-align: center;">3.</p> <p style="text-align: center;"><u>GVA Final Report 12/2011</u> Para 3.19 Table</p>	<p><u>SITE ACQUISITION COSTS</u></p> <p>GVA have provided summaries of their inputs but we consider this to be incomplete. When a developer purchases a site, they are liable for SDLT of up to 4.00% and legal fees. GVA have failed to incorporate these into their appraisals, which artificially enhances the level at which a site is viable for CIL.</p> <p><u>Conclusion</u></p> <p>GVA have not allowed for these standard costs which makes their appraisals unsafe. We have allowed for these costs at 0.5% of the purchase price in relation to legal fees and the appropriate level of SDLT.</p>
<p style="text-align: center;">4.</p> <p style="text-align: center;"><u>GVA Final Report 12/2010</u></p>	<p><u>BUILD COSTS AND CONTINGENCY</u></p> <p>GVA failed to take account of rising build costs as a result of both the Building Regulations and the Code for Sustainable Homes. Their view that the additional costs in achieving the required levels would be absorbed by higher house prices and falling costs of sustainable elements is wrong and makes their appraisal unsafe. We attach extracts from the CLG Cost Analysis of the Code for Sustainable Homes report at Appendix 2. This shows the impact on build costs both currently and going forward. Whilst developers hope that purchasers will be persuaded to pay a premium for a sustainable home, there is in fact no substantive evidence to show that this is the case. The extra cost therefore has to be absorbed by the house builder. This situation may change going forward but we</p>

Paragraph e.g. 1.1	Comment
<p><u>GVA Report</u> <u>08/2011</u></p>	<p>are dealing with the current market for the purposes of CIL.</p> <p>As commented on above, GVA assumed that affordable housing is cost neutral which is a totally unreasonable and is a clear indication that they did not have regard to the views of house builders or housing associations. We have demonstrated the current level at which housing associations are prepared to bid for various unit types and these sit at a significant discount to the open market value. The cost of building affordable homes is however just as high, if not higher, than open market dwellings as they have to be built to CfSH Level 3, rising to Level 4.</p> <p>The 250 unit scheme that has been appraised was Scenario 4 within GVA's final report and they adopted a cost of £860 per sq m for this. We consider this to be low generally, particularly bearing in mind the sustainable homes costs. Further, no distinction appears to have been made between the cost of flats and houses as £860 per sq m is low for an all house scheme and is certainly not an average to allow for some flats within the scheme.</p> <p>GVA have allowed 5% for contingency which is in line with the level we usually adopt, based on house builder evidence. We note that GNDP have reduced this to 2.50% as a result of their discussions with the HCA, a local RP and open book appraisals of real schemes by the district valuer. We have had regular dealings with the District Valuer in relation to viability and are aware that they take an approach which is out of kilter with the market on a number of inputs. Clearly when developers are at the stage of negotiating a Section 106 on viability, they have already invested heavily in the planning process and want to get approval. They are likely therefore to concede certain points in order to achieve this. It does not mean that it is how they would necessarily appraise the site for purchase purposes. We have however taken a view on this and adopted a mid way figure.</p> <p>GVA's advice does not allow for garages, which will, if forming part of the house, be charged at the full CIL rate. Mott McDonald's findings show that it costs more to build a garage than the value of it, so to exclude these from the appraisal, again, artificially increases the level of CIL that a site can support.</p> <p><u>Conclusions</u></p> <p>Although we consider GVA's build cost of £860 per sq m to be light, we have adopted it for the purposes of our appraisal. We have however added in for sustainability and garages to ensure that the full build cost is taken into account to provide a truer reflection of the viability.</p> <p>We have not added in any flats to the 250 unit appraisal, although we consider it likely that it would contain this type of dwelling. We have however carried out a separate appraisal for a central flatted scheme and as this is assumed to be six storeys or over, have adopted a build rate of £1,400 per sq m in line with tender prices we have seen as part of our loan security valuation work.</p> <p>We have adopted 3.00% contingency as reasonable for a straightforward greenfield site, which we assume the 250 unit to be.</p>

<p>5.</p>	<p><u>WARRANTIES/EPCS</u></p> <p>GVA has not mentioned these as an input and we therefore assume that they have excluded them, which is incorrect. They are a cost to a house builder and should be included. We are aware that house builders can purchase these at varying costs, depending on their buying power so we have adopted the rate that we know a regional sized operation can achieve, as follows:</p> <p>EPCs - £95 per unit Warranties - £140 per unit</p>
<p>6.</p> <p><u>GVA Final Report 12/2011</u></p>	<p><u>SITE SERVICING</u></p> <p>GVA have indicated that site servicing costs are included in their base build cost of £860 per sq m. Site servicing includes everything necessary to create a site that is ready to develop, including items such as ground works, connecting services and estate roads. These sit outside the items that are attributable to the actual dwelling. In our experience a cost of £247,097 per hectare (£100,000 per acre) is appropriate for a 250 unit scheme but clearly, the rate to be adopted is very much dependent upon the size of the development and what works are required. For large strategic sites, the cost rises to at least £617,742 per hectare (£250,000 per acre).</p> <p>By omitting these additional site costs, GVA have produced appraisals that are fundamentally wrong. With each input that they disregard or deflate, they are enhancing the viability to ensure that they can recommend a high level of CIL. This must be at odds with the instruction given as the Regulations are clear that CIL needs to be at a level that will support and incentivise new development. It appears that they have done their best to try and fill the funding gap as opposed to focusing on viability.</p> <p>We note that in their appraisals, GNDP have allowed for site servicing costs, which would indicate that they disagree with the approach taken by their advisor.</p> <p><u>Conclusions</u></p> <p>It is standard practice to allow for site servicing costs in an appraisal and so we have in this exercise. We have adopted £247,097 per hectare (£100,000 per acre) for the standard 250 unit scheme but increased this to £617,742 per hectare (£250,000 per acre) to show how a strategic site will fare under the CIL system.</p>
<p>7.</p>	<p><u>PLANNING</u></p> <p>GVA are clear in their report that the benchmark land values are for sites which are pre planning permission. Despite this they have omitted to include the cost of obtaining planning in their appraisal. Yet again this shows the extreme short comings of their approach. The cost of planning can of course vary from site to site but the planning fee we have adopted has been calculated in accordance with the Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1989.</p> <p><u>Conclusions</u></p> <p>If we are benchmarking against land values on the assumption of no planning then the cost of obtaining planning must be incorporated</p>

	<p>into the appraisal. The planning fee we have adopted has been calculated in accordance with the Town and Country Planning (Fees for Applications and Deemed Applications) Regulations 1989 as amended.”</p>
8.	<p><u>PROFESSIONAL FEES</u></p> <p>GVA have adopted 10% as their input for fees but we consider this to be high. We have adopted 8% to allow for architectural services and project management.</p>
9.	<p><u>SECTION 106 COSTS</u></p> <p>GVA appear to have omitted any further liability in their appraisal other than CIL and affordable housing. Section 106 obligations will still exist for onsite matters. GNDP have indicated that they have allowed for £750 per open market unit in a £10 per sq m reduction in CIL but their reasoning behind this is not clear and we don't know which standard Section 106 items they have included in this. Norfolk Homes Ltd have recently been negotiating a Section 106 Agreement on a site, not incomparable to our 250 unit scheme. In this they not only have the costs of setting out open space but also commuted maintenance. They also have a travel plan, commuted maintenance on Section 278 Agreements and potentially Section 38 Agreements plus fees. Their view is that this will cost closer to £2,000 per unit, which would make a substantial difference to the level of CIL that could be payable.</p> <p>The situation is worse for strategic sites where you will typically need a new primary school and, if this is on site, CIL won't cover this. A new school would cost in the region of 5million, which on a 1,000 unit site would result in a Section 106 contribution of £5,000 per unit for that element alone.</p> <p>Having regard to the extraordinary costs in developing strategic sites, the appraisals are woefully light in almost every regard. As most of development coming forward in the GNDP area is tied up in large sites then delivery is going to be a major issue unless CIL is reduced to a viable level.</p>
10.	<p><u>MARKETING AND SALES COSTS</u></p> <p>GVA have adopted 3.5% of GDV as an over all input to cover these items. We would normally allow 1.5% for agents' fees and 0.5% for legal fees, which would leave just 1% for marketing in this instance which we consider to be light. We have however adopted this in our appraisal.</p>
11.	<p><u>FINANCE</u></p> <p>GVA have adopted a finance rate of 6.75%. We would normally adopted 6% to 7% so we are in agreement with this input. We have adopted 6% as we assume a house builder taking on a scheme of this size would have a track record and therefore should be able to obtain a more favourable rate of funding.</p>
12.	<p><u>PROFIT</u></p> <p>GVA have adopted a profit margin of 20% on GDV. This is in line with the market. GNDP have adopted 20% on cost, which would reduce the profit on GDV down to 15%. House builders always align</p>

	<p>profit to GDV and in view of the risks inherent in house building at the present time, are generally seeking profit of between 20% and 25%. Unless the scheme was a prime location and oven ready in terms of planning, no house builder would consider a profit margin as low as 15%.</p> <p><u>Conclusion</u></p> <p>GNDP have ignored the advice given by GVA, Savills/Norfolk Homes and no doubt others when adopting a profit on cost methodology. We have adopted 20% on GDV in line with market expectations.</p>
<p>13.</p> <p><u>GNDP CIL Viability Advice on CIL/Tariff by GVA: Errata June 2011</u></p>	<p><u>LAND VALUES</u></p> <p>We are concerned at GVA's reaction to the inconsistency in their advice in relation to minimum land values. In their December 2010 report they stated that evidence showed land values along the A11 corridor were on a par with city centre land values but they adopted an A11 corridor rate in line with the lower values achieved in the inner area. GVA's response to this was to merely change the wording to match their adopted rates with no supporting commentary on their failure to take into account the evidence provided by local agents. The benchmark rates are therefore £520,000 per hectare (£210,000 per acre) for the central/inner/A11 corridor area (Zone A) and £495,000 per hectare (£200,000 per acre) for the outer area (Zone B). Viability for CIL was tested against these and it was considered that if the land value was at 25% below these benchmarks or better, then land owners would be minded to sell.</p> <p>The benchmark values are lower than the values put forward by agents at the time of consultation but it is accepted that, with current policy, rising build costs due to CfSH and Building Regulations etc, the agents' views may be too historic to be of great use. However land owners do have expectations that must be managed effectively if land is going to be released in sufficient quantity to allow development to keep up with anticipated housing numbers. They will not necessarily have regard to policy, affordable housing numbers etc, but will make their decision in relation to minimum land value on anecdotal evidence. If the Councils' Members have this approach, it is not unreasonable to assume that others won't.</p> <p>Minimum land values are particularly relevant to bear in mind for strategic land, which will provide a significant proportion of the housing supply to 2026. Their extraordinary servicing costs, phasing and generally lower densities make viability on sites such as these fragile, even before CIL. If GNDP want these sites to come forward they need to have more regard to the sensitivity of these to additional cost than any other scenario.</p> <p>In our experience, a residual appraisal often results in a land value that falls below the level we know the market is prepared to pay. In relation to sites of 300 units or less there is demand for them and we consider that bare land values could be as high as £500,000 per acre, depending on densities and location. A residual, taking into account all the inputs we have listed above would not support this however. In relation to strategic sites, there is no evidence of what the market level would be post 2007. We are therefore having to work on estimates and, on this basis, we consider that the benchmark levels put forward by GVA are as good an estimate as any. We have therefore had regard to these.</p>

	<p><u>APPRAISALS</u></p> <p>We have run two scenarios (with and without CIL) for two appraisals for the 250 unit scheme, one assuming costs relevant to a scheme of this size and the other having regard to strategic costs. The appraisals have been run on Argus Developer software and the reports for each are attached at Appendix 3.</p> <p>The site is assumed to have a gross area of 7.19 hectares, which shows a density of 35 units to the hectare. The open market units extend to 15,030 sq m, allowing for circulation cores within the blocks of flats.</p> <p>Both appraisals assume the following inputs:</p> <ol style="list-style-type: none">1. Although we know it to be too low in relation to the market, we have adopted an average unit size of 90 sq m in line with GVA. It should be noted that we believe this to be smaller than the market would adopt but have adopted it to be consistent with GVA's approach where possible. Using a smaller average does however skew the results.2. We have adopted 33% affordable housing in line with policy.3. Social rented has been priced at 50% of market value, affordable rent at 60% and shared ownership at 75%. We are aware that some RPs will not make bids at this level as they simply cannot afford to. This element of our appraisal is therefore optimistic.4. Build costs are at £80 per sq ft on the housing and £110 per sq ft on the flats. We consider this to be low as it does not account for increases due to CfSH and Building Regulations.5. Market value on the houses has been assessed at £190 per sq ft with flats at £210 per sq ft.6. NHBC warranties are at £140 per dwelling and EPCs at £95 per dwelling.7. Contingency at 3%.8. Profit on GDV at 20%.9. We have allowed for a net minimum land value of £389,177 per hectare (£157,500 per acre) which is 25% below the benchmark adopted by GVA for the merged central, inner and A11 corridor area. Allowing for netting down at 85%, this gives a gross figure of £133,875 per acre, although this is obviously open to interpretation, depending on open space provision etc. This gives a minimum value across the site of £2,378,958. <p>For the standard 250 unit scheme we have allowed the following:</p> <ol style="list-style-type: none">1. Site servicing costs at £100,000 per acre.2. Section 106 costs at £750 per dwelling. <p>For the strategic site, we have adopted the following:</p> <ol style="list-style-type: none">1. Site servicing costs at £250,000 per acre.2. Section 106 costs at £5,000 per unit. <p><u>Conclusions</u></p> <ul style="list-style-type: none">• A standard site without CIL shows a land value of just over £3 million. This means that there is capacity for a low level CIL if we are to achieve a minimum land value of £2.3 million
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	<p>and sustain a 33% affordable provision. If there is a need to increase CIL to plug a bigger proportion of the funding gap then clearly the affordable housing provision will fall.</p> <ul style="list-style-type: none">• Assuming strategic site costs, even without CIL, at 33% affordable the scheme is unviable, our appraisal showing a negative land value. With CIL the situation obviously gets worse. In order to sustain any level of CIL the provision of affordable housing would have to be very low.• It is well known that residual appraisals are only as reliable as the inputs that go in and we are currently at a stage in the market where there are many changes that have not been tested. Whilst we are not saying at this stage what the level of CIL should be, we consider we have provided sufficient evidence to show that the level proposed in the Draft Charging Schedule is excessive and will have a very detrimental effect on the housing numbers coming forward.

Supporting documents

You can support your comment with documents. Please refer to the guidance notes if you wish to submit documents. Please list any documents that you are sending to support your comment.

<p><i>Please add your comments here</i></p> <p>Appendix 1 – BCIS Tender Data Appendix 2 - Extracts from the CLG Cost Analysis of the Code for Sustainable Homes report Appendix 3 – Residual Appraisals</p>

Notification requests

In line with the Statement of Representations procedure, please indicate if you wish to be:

- heard by the Examiner (please reserve a place for Savills)
- notified that the Draft Charging Schedule has been submitted to the Examiner in accordance with Section 212 of the Planning Act 2008
- notified of the publication of the recommendations of the Examiner and the reasons for those recommendations
- notified of the approval of the Charging Schedule by the Charging Authority(s)

Signature:

Signature: 	Date: 05/03/2011
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NB: A signature is not required on forms returned electronically

Please email to cil@gndp.org.uk or post to Greater Norwich Development Partnership, PO Box 3466, Norwich, NR7 0DU

Savills

Development Appraisal

GNDP CIL

Norfolk

Report Date: 05 March 2012

Prepared by Savills

**GNDP CIL
Norfolk**

Timescale (Duration in months)

Project commences Apr 2012

Phase 1: Phase 1 (Open Mkt 44 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Pre-Construction	5	Apr 2012	Aug 2012	Purchase	End	0
Construction	18	Sep 2012	Feb 2014	Pre-Construction	End	0
Sale	24	Apr 2013	Mar 2015	Income Flow	End	-11
Phase End		Mar 2015				
Phase Length	36					

Phase 2: Phase 1 (Affordables - 60 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	18	Apr 2012	Sep 2013	Pre-Construction	End	0
Sale	1	Oct 2013	Oct 2013	Income Flow	End	0
Phase End		Oct 2013				
Phase Length	19					

Phase 3: Phase 2 (Open Mkt 84 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	30	Apr 2012	Sep 2014	Pre-Construction	End	0
Sale	42	Dec 2013	May 2017	Income Flow	End	-10
Phase End		May 2017				
Phase Length	62					

Phase 4: Phase 3 (Open Mkt 39 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	12	Apr 2012	Mar 2013	Pre-Construction	End	0
Sale	20	Apr 2013	Nov 2014	Income Flow	End	0
Phase End		Nov 2014				
Phase Length	32					

Phase 5: Phase 3 (Affordables 23 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	9	Apr 2012	Dec 2012	Pre-Construction	End	0
Sale	1	Jan 2013	Jan 2013	Income Flow	End	0
Phase End		Jan 2013				
Phase Length	10					

Project Length 62 (Merged Phases - Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off
- Growth starts from lease start date Off
- Deduct Ground Rent from Stepped Rent, On

**GNDP CIL
Norfolk**

Assumptions

Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Lease Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Arrears
Receipts	In Advance

Initial IRR Guess Rate	8.00%
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000

Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	Rent at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2012)
VAT Calculations in Cash Flow	On
GST Margin Calculations in Cash Flow	Off

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Phase 1 (Open Mkt 44 plots)	20.00%	No	No
2. Phase 1 (Affordables - 60 plots)	20.00%	No	No
3. Phase 2 (Open Mkt 84 Plots)	20.00%	No	No
4. Phase 3 (Open Mkt 39 Plots)	20.00%	No	No
5. Phase 3 (Affordables 23 plots)	20.00%	No	No

**GNDP CIL
Norfolk**

Assumptions

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
6.000%	0.000%	Perpetuity	Apr 2012

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2012

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

**GNDP CIL
Norfolk**

Summary Appraisal for Merged Phases 1 2 3 4 5

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Phase 1 Open Mkt Houses	32	30,656	£190.00	£182,020	5,824,640
Phase 1 Open Mkt Flats	15	9,344	£210.00	£130,817	1,962,250
Phase 1 Affordable Houses (A)	28	26,824	£72.00	£68,976	1,931,328
Phase 1 Affordable Flats (Aff)	19	11,311	£72.00	£42,862	814,370
Phase 1 Affordable Houses (In	8	7,664	£111.00	£106,338	850,704
Phase 2 Open Market Houses	79	75,682	£190.00	£182,020	14,379,580
Phase 2 Open Mkt Flats	5	3,237	£210.00	£135,946	679,728
Phase 3 Open Mkt Houses	42	40,236	£190.00	£182,020	7,644,840
Phase 3 Affordable Flats (Aff)	7	4,097	£72.00	£42,136	294,953
Phase 3 Affordable Houses (A)	11	10,538	£72.00	£68,976	758,736
Phase 3 Affordable Houses (In	4	3,832	£111.00	£106,338	425,352
Totals	250	223,420			35,566,482

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 Ground Rents	15	£150	2,250	2,250
Phase 2 Flats Ground Rents	5	£150	750	750
Totals	20		3,000	3,000

Investment Valuation

Phase 1 Ground Rents

Market Rent	2,250	YP @	5.0000%	20.0000	
		PV 0y 11m @	5.0000%	0.9563	43,032

Phase 2 Flats Ground Rents

Market Rent	750	YP @	5.0000%	20.0000	
		PV 0y 10m @	5.0000%	0.9602	14,402
					57,434

GROSS DEVELOPMENT VALUE

35,623,916

NET REALISATION

35,623,916

OUTLAY

ACQUISITION COSTS

Residualised Price			(490,136)	
Stamp Duty		4.00%	101,468	
Legal Fee		0.50%	12,683	
Town Planning			36,565	
				(339,419)

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Phase 1 Open Mkt Houses	30,656	£80.00	2,452,480	
Phase 1 Open Mkt Flats	10,993	£110.00	1,209,230	
Phase 1 Affordable Houses (A)	26,824	£80.00	2,145,920	
Phase 1 Affordable Flats (Aff)	13,307	£110.00	1,463,738	
Phase 1 Affordable Houses (In	7,664	£80.00	613,120	
Phase 2 Open Market Houses	75,682	£80.00	6,054,560	
Phase 2 Open Mkt Flats	3,808	£110.00	418,880	
Phase 3 Open Mkt Houses	40,236	£80.00	3,218,880	
Phase 3 Affordable Flats (Aff)	4,820	£110.00	530,145	
Phase 3 Affordable Houses (A)	10,538	£80.00	843,040	
Phase 3 Affordable Houses (In	3,832	£80.00	306,560	
Totals	228,359		19,256,553	19,256,553
Contingency		3.00%	451,013	
3		3.00%	126,683	
CIL			450,900	
				1,028,597
Other Construction				
NHBC Certification	47 un	140.00 /un	6,580	
EPCs	47 un	95.00 /un	4,465	

GNDP CIL

Norfolk

NHBC Certification	47 un	140.00 /un	6,580	
EPCs	55 un	95.00 /un	5,225	
NHBC Certification	84 un	140.00 /un	11,760	
EPCs	84 un	95.00 /un	7,980	
NHBC Certification	42 un	140.00 /un	5,880	
EPCs	42 un	95.00 /un	3,990	
NHBC Certification	18 un	140.00 /un	2,520	
EPCs	22 un	95.00 /un	2,090	
				57,070

PROFESSIONAL FEES

Architect		4.00%	771,360	
Project Manager		4.00%	771,360	
				1,542,719

DISPOSAL FEES

Sales Agent Fee		1.50%	534,359	
Sales Legal Fee		0.50%	178,120	
				712,478

Additional Costs

MISCELLANEOUS FEES

s.106	47 un	5,000.00 /un	235,000	
Site Servicing	7 ac	250,000 /ac	1,835,000	
s.106	84 un	5,000.00 /un	420,000	
Site Servicing	6 ac	250,000 /ac	1,500,000	
s.106	42 un	5,000.00 /un	210,000	
Site Servicing	4 ac	250,000 /ac	1,107,500	
				5,307,500

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,707,490

TOTAL COSTS

29,272,988

PROFIT

6,350,928

Performance Measures

Profit on Cost%	21.70%
Profit on GDV%	17.83%
Profit on NDV%	17.83%
Development Yield% (on Rent)	0.01%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	19.58%
Rent Cover	2116 yrs 12 mths
Profit Erosion (finance rate 6.000%)	3 yrs 4 mths

RENT & SALES SCHEDULE

SAVILLS

GNDP CIL

Norfolk

RENT AND CAPITALISATION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Rent £ ft ²	Gross MRV £ pa	Adjustment	Net MRV £ pa	Yield%	YP	Net Capital Value
Phase 1 (Open Mkt 44 plots)										
Phase 1 Ground Rents	15	0	0	0.00	2,250	0	2,250	5.00	20.0000	43,032
Phase 2 (Open Mkt 84 Plots)										
Phase 2 Flats Ground Rents	5	0	0	0.00	750	0	750	5.00	20.0000	14,402

SALES

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Sales £ pf ²	Per Unit £ pa	Gross Sales £ pa	Adjustment	Net Sales £ pa
Phase 1 (Open Mkt 44 plots)								
Phase 1 Open Mkt Houses	32	958	30,656	190.00	182,020	5,824,640	0	5,824,640
Phase 1 Open Mkt Flats	15	623	9,344	210.00	130,817	1,962,250	0	1,962,250
Totals			40,000			7,786,891	0	7,786,891
Phase 1 (Affordables - 60 plots)								
Phase 1 Affordable Houses (Af	28	958	26,824	72.00	68,976	1,931,328	0	1,931,328
Phase 1 Affordable Flats (Aff	19	595	11,311	72.00	42,862	814,370	0	814,370
Phase 1 Affordable Houses (In	8	958	7,664	111.00	106,338	850,704	0	850,704
Totals			45,799			3,596,402	0	3,596,402
Phase 2 (Open Mkt 84 Plots)								
Phase 2 Open Market Houses	79	958	75,682	190.00	182,020	14,379,580	0	14,379,580
Phase 2 Open Mkt Flats	5	647	3,237	210.00	135,946	679,728	0	679,728
Totals			78,919			15,059,308	0	15,059,308
Phase 3 (Open Mkt 39 Plots)								
Phase 3 Open Mkt Houses	42	958	40,236	190.00	182,020	7,644,840	0	7,644,840
Phase 3 (Affordables 23 plots)								
Phase 3 Affordable Flats (Aff	7	585	4,097	72.00	42,136	294,953	0	294,953
Phase 3 Affordable Houses (Af	11	958	10,538	72.00	68,976	758,736	0	758,736
Phase 3 Affordable Houses (In	4	958	3,832	111.00	106,338	425,352	0	425,352
Totals			18,467			1,479,041	0	1,479,041

CONSTRUCTION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 (Open Mkt 44 plots)									

RENT & SALES SCHEDULE

SAVILLS

GNDP CIL

Norfolk

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 Open Mkt Hous	32	958	30,656	80.00	76,640	2,452,480	0.000%	0	2,452,480
Phase 1 Open Mkt Flats	15	733	10,993	110.00	80,615	1,209,230	0.000%	0	1,209,230
Totals			41,649			3,661,710		0	3,661,710
Phase 1 (Affordables - 60 plots)									
Phase 1 Affordable Hou	28	958	26,824	80.00	76,640	2,145,920	0.000%	0	2,145,920
Phase 1 Affordable Flats	19	700	13,307	110.00	77,039	1,463,738	0.000%	0	1,463,738
Phase 1 Affordable Hou	8	958	7,664	80.00	76,640	613,120	0.000%	0	613,120
Totals			47,795			4,222,778		0	4,222,778
Phase 2 (Open Mkt 84 Plots)									
Phase 2 Open Market H	79	958	75,682	80.00	76,640	6,054,560	0.000%	0	6,054,560
Phase 2 Open Mkt Flats	5	762	3,808	110.00	83,776	418,880	0.000%	0	418,880
Totals			79,490			6,473,440		0	6,473,440
Phase 3 (Open Mkt 39 Plots)									
Phase 3 Open Mkt Hous	42	958	40,236	80.00	76,640	3,218,880	0.000%	0	3,218,880
Phase 3 (Affordables 23 plots)									
Phase 3 Affordable Flats	7	689	4,820	110.00	75,735	530,145	0.000%	0	530,145
Phase 3 Affordable Hou	11	958	10,538	80.00	76,640	843,040	0.000%	0	843,040
Phase 3 Affordable Hou	4	958	3,832	80.00	76,640	306,560	0.000%	0	306,560
Totals			19,190			1,679,745		0	1,679,745

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

MonthlyB/F		001:Apr 2012	002:May 2012	003:Jun 2012	004:Jul 2012	005:Aug 2012
		0	(1,046,409)	(2,256,489)	(3,953,188)	(5,884,334)
Phase	1 Costs	123,215	(239,673)	(326,932)	(363,509)	(349,402)
Phase	1 Revenues	0	0	0	0	0
Phase	2 Costs	1,798,292	(116,485)	(174,276)	(224,433)	(266,955)
Phase	2 Revenues	0	0	0	0	0
Phase	3 Costs	(2,318,871)	(325,263)	(438,825)	(484,069)	(460,995)
Phase	3 Revenues	0	0	0	0	0
Phase	4 Costs	(1,263,374)	(370,066)	(513,905)	(589,527)	(596,931)
Phase	4 Revenues	0	0	0	0	0
Phase	5 Costs	614,328	(158,591)	(226,247)	(269,609)	(288,679)
Phase	5 Revenues	0	0	0	0	0
Period Total Before Finance		(1,046,409)	(1,210,079)	(1,680,185)	(1,931,146)	(1,962,962)
	Debit Rate 6.000%	6.000	6.000	6.000	6.000	6.000
	Credit Rate 0.000%	0.000	0.000	0.000	0.000	0.000
	Finance Costs (All Sets)	0	(5,232)	(11,282)	(19,766)	(29,422)
Period Total After Finance		(1,046,409)	(1,215,311)	(1,691,468)	(1,950,912)	(1,992,383)
Cumulative Total C/f Monthly		(1,046,409)	(2,261,721)	(3,953,188)	(5,904,100)	(7,896,484)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

006:Sep 2012 (7,847,296)	007:Oct 2012 (10,206,538)	008:Nov 2012 (11,699,790)	009:Dec 2012 (13,050,288)	010:Jan 2013 (14,541,236)	011:Feb 2013 (14,293,250)	012:Mar 2013 (15,465,640)	013:Apr 2013 (16,786,623)
(779,798)	(270,170)	(151,153)	(194,655)	(231,536)	(261,795)	(285,433)	(320,232)
0	0	0	0	0	0	0	889,100
(301,844)	(329,098)	(348,718)	(360,703)	(365,055)	(361,772)	(350,855)	(332,304)
0	0	0	0	0	0	0	0
(369,603)	(223,160)	(245,790)	(265,892)	(283,465)	(298,509)	(311,025)	(321,013)
0	0	0	0	0	0	0	0
(536,118)	(416,883)	(404,705)	(372,884)	(321,420)	(250,313)	(159,564)	(10,921)
0	0	0	0	0	0	0	546,060
(283,456)	(253,940)	(200,132)	(122,031)	(29,581)	0	0	0
0	0	0	0	1,479,041	0	0	0
(2,270,818)	(1,493,252)	(1,350,498)	(1,316,165)	247,985	(1,172,390)	(1,106,878)	450,690
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(39,236)	(51,033)	(58,499)	(65,251)	(65,311)	(71,466)	(77,328)	(76,757)
(2,310,054)	(1,544,284)	(1,408,997)	(1,381,416)	182,674	(1,243,856)	(1,184,206)	373,932
(10,206,538)	(11,750,822)	(13,159,819)	(14,541,236)	(14,358,561)	(15,602,417)	(16,786,623)	(16,412,691)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

014:May 2013 (16,335,934)	015:Jun 2013 (16,389,714)	016:Jul 2013 (16,828,937)	017:Aug 2013 (16,994,084)	018:Sep 2013 (17,100,548)	019:Oct 2013 (17,375,215)	020:Nov 2013 (13,216,006)	021:Dec 2013 (13,057,029)
(320,162)	(323,936)	(321,089)	(311,620)	(295,531)	(283,285)	(243,487)	(203,893)
365,833	365,833	365,833	365,833	365,833	889,100	365,833	183,813
(306,119)	(272,299)	(230,846)	(181,758)	(125,036)	(71,928)	0	0
0	0	0	0	0	3,596,402	0	0
(328,472)	(333,403)	(335,805)	(335,678)	(333,023)	(327,840)	(320,128)	(319,894)
0	0	0	0	0	0	0	500,329
(10,921)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)
546,060	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(53,781)	(207,046)	(165,147)	(106,464)	(30,997)	4,159,209	158,977	517,113
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(77,120)	(78,299)	(80,495)	(81,321)	(81,853)	(62,628)	(62,431)	(60,044)
(130,901)	(285,345)	(245,642)	(187,785)	(112,851)	4,096,580	96,546	457,069
(16,543,592)	(16,828,937)	(17,074,579)	(17,262,364)	(17,375,215)	(13,278,634)	(13,182,088)	(12,725,019)

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

022:Jan 2014 (12,725,019)	023:Feb 2014 (12,285,789)	024:Mar 2014 (11,782,065)	025:Apr 2014 (11,322,350)	026:May 2014 (10,159,198)	027:Jun 2014 (9,485,966)	028:Jul 2014 (8,791,953)	029:Aug 2014 (8,065,369)
(161,318)	(112,122)	(3,676)	(14,142)	(3,676)	(3,676)	(3,676)	(3,676)
183,813	183,813	183,813	707,080	183,813	183,813	183,813	183,813
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(304,406)	(289,109)	(271,283)	(250,929)	(228,046)	(205,354)	(174,695)	(144,227)
364,383	364,383	364,383	364,383	364,383	500,329	364,383	364,383
(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)
364,040	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
439,230	503,724	629,996	1,163,151	673,233	831,871	726,584	757,052
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(59,064)	(56,868)	(54,349)	(49,434)	(46,235)	(42,189)	(39,399)	(35,766)
380,167	446,856	575,647	1,113,717	626,998	789,682	687,185	721,287
(12,344,853)	(11,897,996)	(11,322,350)	(10,208,633)	(9,581,635)	(8,791,953)	(8,104,767)	(7,383,481)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

030:Sep 2014 (7,308,316)	031:Oct 2014 (6,625,412)	032:Nov 2014 (5,346,820)	033:Dec 2014 (4,452,828)	034:Jan 2015 (3,849,990)	035:Feb 2015 (3,312,758)	036:Mar 2015 (2,775,526)	037:Apr 2015 (2,279,762)
(3,676)	(11,525)	(3,676)	(3,676)	(3,676)	(3,676)	(3,676)	0
183,813	576,263	183,813	183,813	183,813	183,813	183,813	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(111,230)	(7,288)	(7,288)	(10,007)	(7,288)	(7,288)	(7,288)	(7,288)
364,383	364,383	364,383	500,329	364,383	364,383	364,383	364,383
(7,281)	(7,281)	(7,281)	0	0	0	0	0
364,040	364,040	364,040	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
790,049	1,278,592	893,991	670,459	537,232	537,232	537,232	357,095
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(31,980)	(26,604)	(22,173)	(18,843)	(16,509)	(13,823)	(11,137)	(9,577)
758,069	1,251,989	871,818	651,615	520,723	523,409	526,095	347,518
(6,625,412)	(5,373,423)	(4,501,605)	(3,849,990)	(3,329,267)	(2,805,857)	(2,279,762)	(1,932,244)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

038:May 2015 (1,922,667)	039:Jun 2015 (1,565,572)	040:Jul 2015 (1,097,944)	041:Aug 2015 (740,849)	042:Sep 2015 (383,754)	043:Oct 2015 (32,305)	044:Nov 2015 324,790	045:Dec 2015 681,885
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(7,288)	(10,007)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(10,007)
364,383	500,329	364,383	364,383	364,383	364,383	364,383	500,329
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
357,095	490,322	357,095	357,095	357,095	357,095	357,095	490,322
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(7,791)	(5,326)	(3,668)	(1,882)	(97)	0	0	0
349,304	484,996	353,427	355,213	356,998	357,095	357,095	490,322
(1,582,940)	(1,097,944)	(744,517)	(389,304)	(32,305)	324,790	681,885	1,172,207

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

046:Jan 2016	047:Feb 2016	048:Mar 2016	049:Apr 2016	050:May 2016	051:Jun 2016	052:Jul 2016	053:Aug 2016
1,172,207	1,529,302	1,886,398	2,243,493	2,600,588	2,957,683	3,314,779	3,671,874
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)
364,383	364,383	364,383	364,383	364,383	364,383	364,383	364,383
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	357,095	357,095	357,095	357,095
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	357,095	357,095	357,095	357,095
1,529,302	1,886,398	2,243,493	2,600,588	2,957,683	3,314,779	3,671,874	4,028,969

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

054:Sep 2016	055:Oct 2016	056:Nov 2016	057:Dec 2016	058:Jan 2017	059:Feb 2017	060:Mar 2017	061:Apr 2017
4,028,969	4,386,064	4,743,160	5,100,255	5,457,350	5,636,066	5,814,781	5,993,497
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(7,288)	(7,288)	(7,288)	(7,288)	(3,647)	(3,647)	(3,647)	(3,647)
364,383	364,383	364,383	364,383	182,363	182,363	182,363	182,363
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	178,716	178,716	178,716	178,716
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	178,716	178,716	178,716	178,716
4,386,064	4,743,160	5,100,255	5,457,350	5,636,066	5,814,781	5,993,497	6,172,213

**GNDP CIL
Norfolk****Phased Cash Flow (Merged Phases)**

Page A 9

062:May 2017
6,172,213
0
0
0
0
(3,647)
182,363
0
0
0
0
178,716
6.000
0.000
0
178,716
6,350,928

Savills

Development Appraisal

GNDP CIL

Norfolk

Report Date: 05 March 2012

Prepared by Savills

**GNDP CIL
Norfolk**

Timescale (Duration in months)

Project commences Apr 2012

Phase 1: Phase 1 (Open Mkt 44 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Pre-Construction	5	Apr 2012	Aug 2012	Purchase	End	0
Construction	18	Sep 2012	Feb 2014	Pre-Construction	End	0
Sale	24	Apr 2013	Mar 2015	Income Flow	End	-11
Phase End		Mar 2015				
Phase Length	36					

Phase 2: Phase 1 (Affordables - 60 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	18	Apr 2012	Sep 2013	Pre-Construction	End	0
Sale	1	Oct 2013	Oct 2013	Income Flow	End	0
Phase End		Oct 2013				
Phase Length	19					

Phase 3: Phase 2 (Open Mkt 84 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	30	Apr 2012	Sep 2014	Pre-Construction	End	0
Sale	42	Dec 2013	May 2017	Income Flow	End	-10
Phase End		May 2017				
Phase Length	62					

Phase 4: Phase 3 (Open Mkt 39 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	12	Apr 2012	Mar 2013	Pre-Construction	End	0
Sale	20	Apr 2013	Nov 2014	Income Flow	End	0
Phase End		Nov 2014				
Phase Length	32					

Phase 5: Phase 3 (Affordables 23 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	9	Apr 2012	Dec 2012	Pre-Construction	End	0
Sale	1	Jan 2013	Jan 2013	Income Flow	End	0
Phase End		Jan 2013				
Phase Length	10					

Project Length 62 (Merged Phases - Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off
- Growth starts from lease start date Off
- Deduct Ground Rent from Stepped Rent, On

**GNDP CIL
Norfolk**

Assumptions

Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Lease Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Arrears
Receipts	In Advance

Initial IRR Guess Rate	8.00%
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000

Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	Rent at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2012)
VAT Calculations in Cash Flow	On
GST Margin Calculations in Cash Flow	Off

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Phase 1 (Open Mkt 44 plots)	20.00%	No	No
2. Phase 1 (Affordables - 60 plots)	20.00%	No	No
3. Phase 2 (Open Mkt 84 Plots)	20.00%	No	No
4. Phase 3 (Open Mkt 39 Plots)	20.00%	No	No
5. Phase 3 (Affordables 23 plots)	20.00%	No	No

**GNDP CIL
Norfolk**

Assumptions

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
6.000%	0.000%	Perpetuity	Apr 2012

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2012

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

**GNDP CIL
Norfolk**

Summary Appraisal for Merged Phases 1 2 3 4 5

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Phase 1 Open Mkt Houses	32	30,656	£190.00	£182,020	5,824,640
Phase 1 Open Mkt Flats	15	9,344	£210.00	£130,817	1,962,250
Phase 1 Affordable Houses (A)	28	26,824	£72.00	£68,976	1,931,328
Phase 1 Affordable Flats (Aff)	19	11,311	£72.00	£42,862	814,370
Phase 1 Affordable Houses (In	8	7,664	£111.00	£106,338	850,704
Phase 2 Open Market Houses	79	75,682	£190.00	£182,020	14,379,580
Phase 2 Open Mkt Flats	5	3,237	£210.00	£135,946	679,728
Phase 3 Open Mkt Houses	42	40,236	£190.00	£182,020	7,644,840
Phase 3 Affordable Flats (Aff)	7	4,097	£72.00	£42,136	294,953
Phase 3 Affordable Houses (A)	11	10,538	£72.00	£68,976	758,736
Phase 3 Affordable Houses (In	4	3,832	£111.00	£106,338	425,352
Totals	250	223,420			35,566,482

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 Ground Rents	15	£150	2,250	2,250
Phase 2 Flats Ground Rents	5	£150	750	750
Totals	20		3,000	3,000

Investment Valuation

Phase 1 Ground Rents

Market Rent	2,250	YP @	5.0000%	20.0000	
		PV 0y 11m @	5.0000%	0.9563	43,032

Phase 2 Flats Ground Rents

Market Rent	750	YP @	5.0000%	20.0000	
		PV 0y 10m @	5.0000%	0.9602	14,402
					57,434

GROSS DEVELOPMENT VALUE

35,623,916

NET REALISATION

35,623,916

OUTLAY

ACQUISITION COSTS

Residualised Price			(49,686)	
Stamp Duty		4.00%	101,468	
Legal Fee		0.50%	12,683	
Town Planning			36,565	
				101,030

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Phase 1 Open Mkt Houses	30,656	£80.00	2,452,480	
Phase 1 Open Mkt Flats	10,993	£110.00	1,209,230	
Phase 1 Affordable Houses (A)	26,824	£80.00	2,145,920	
Phase 1 Affordable Flats (Aff)	13,307	£110.00	1,463,738	
Phase 1 Affordable Houses (In	7,664	£80.00	613,120	
Phase 2 Open Market Houses	75,682	£80.00	6,054,560	
Phase 2 Open Mkt Flats	3,808	£110.00	418,880	
Phase 3 Open Mkt Houses	40,236	£80.00	3,218,880	
Phase 3 Affordable Flats (Aff)	4,820	£110.00	530,145	
Phase 3 Affordable Houses (A)	10,538	£80.00	843,040	
Phase 3 Affordable Houses (In	3,832	£80.00	306,560	
Totals	228,359		19,256,553	19,256,553

Contingency		3.00%	451,013	
3		3.00%	126,683	
				577,697

Other Construction

NHBC Certification	47 un	140.00 /un	6,580
EPCs	47 un	95.00 /un	4,465
NHBC Certification	47 un	140.00 /un	6,580

GNDP CIL

Norfolk

EPCs	55 un	95.00 /un	5,225	
NHBC Certification	84 un	140.00 /un	11,760	
EPCs	84 un	95.00 /un	7,980	
NHBC Certification	42 un	140.00 /un	5,880	
EPCs	42 un	95.00 /un	3,990	
NHBC Certification	18 un	140.00 /un	2,520	
EPCs	22 un	95.00 /un	2,090	
				57,070

PROFESSIONAL FEES

Architect		4.00%	771,360	
Project Manager		4.00%	771,360	
				1,542,719

DISPOSAL FEES

Sales Agent Fee		1.50%	534,359	
Sales Legal Fee		0.50%	178,120	
				712,478

Additional Costs

MISCELLANEOUS FEES

s.106	47 un	5,000.00 /un	235,000	
Site Servicing	7 ac	250,000 /ac	1,835,000	
s.106	84 un	5,000.00 /un	420,000	
Site Servicing	6 ac	250,000 /ac	1,500,000	
s.106	42 un	5,000.00 /un	210,000	
Site Servicing	4 ac	250,000 /ac	1,107,500	
				5,307,500

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,718,690

TOTAL COSTS

29,273,737

PROFIT

6,350,179

Performance Measures

Profit on Cost%	21.69%
Profit on GDV%	17.83%
Profit on NDV%	17.83%
Development Yield% (on Rent)	0.01%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	19.50%
Rent Cover	2116 yrs 9 mths
Profit Erosion (finance rate 6.000%)	3 yrs 4 mths

RENT & SALES SCHEDULE

SAVILLS

GNDP CIL

Norfolk

RENT AND CAPITALISATION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Rent £ ft ²	Gross MRV £ pa	Adjustment	Net MRV £ pa	Yield%	YP	Net Capital Value
Phase 1 (Open Mkt 44 plots)										
Phase 1 Ground Rents	15	0	0	0.00	2,250	0	2,250	5.00	20.0000	43,032
Phase 2 (Open Mkt 84 Plots)										
Phase 2 Flats Ground Rents	5	0	0	0.00	750	0	750	5.00	20.0000	14,402

SALES

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Sales £ pf ²	Per Unit £ pa	Gross Sales £ pa	Adjustment	Net Sales £ pa
Phase 1 (Open Mkt 44 plots)								
Phase 1 Open Mkt Houses	32	958	30,656	190.00	182,020	5,824,640	0	5,824,640
Phase 1 Open Mkt Flats	15	623	9,344	210.00	130,817	1,962,250	0	1,962,250
Totals			40,000			7,786,891	0	7,786,891
Phase 1 (Affordables - 60 plots)								
Phase 1 Affordable Houses (Af	28	958	26,824	72.00	68,976	1,931,328	0	1,931,328
Phase 1 Affordable Flats (Aff	19	595	11,311	72.00	42,862	814,370	0	814,370
Phase 1 Affordable Houses (In	8	958	7,664	111.00	106,338	850,704	0	850,704
Totals			45,799			3,596,402	0	3,596,402
Phase 2 (Open Mkt 84 Plots)								
Phase 2 Open Market Houses	79	958	75,682	190.00	182,020	14,379,580	0	14,379,580
Phase 2 Open Mkt Flats	5	647	3,237	210.00	135,946	679,728	0	679,728
Totals			78,919			15,059,308	0	15,059,308
Phase 3 (Open Mkt 39 Plots)								
Phase 3 Open Mkt Houses	42	958	40,236	190.00	182,020	7,644,840	0	7,644,840
Phase 3 (Affordables 23 plots)								
Phase 3 Affordable Flats (Aff	7	585	4,097	72.00	42,136	294,953	0	294,953
Phase 3 Affordable Houses (Af	11	958	10,538	72.00	68,976	758,736	0	758,736
Phase 3 Affordable Houses (In	4	958	3,832	111.00	106,338	425,352	0	425,352
Totals			18,467			1,479,041	0	1,479,041

CONSTRUCTION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 (Open Mkt 44 plots)									

RENT & SALES SCHEDULE**SAVILLS****GNDP CIL****Norfolk**

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 Open Mkt Hous	32	958	30,656	80.00	76,640	2,452,480	0.000%	0	2,452,480
Phase 1 Open Mkt Flats	15	733	10,993	110.00	80,615	1,209,230	0.000%	0	1,209,230
Totals			41,649			3,661,710		0	3,661,710
Phase 1 (Affordables - 60 plots)									
Phase 1 Affordable Hou	28	958	26,824	80.00	76,640	2,145,920	0.000%	0	2,145,920
Phase 1 Affordable Flats	19	700	13,307	110.00	77,039	1,463,738	0.000%	0	1,463,738
Phase 1 Affordable Hou	8	958	7,664	80.00	76,640	613,120	0.000%	0	613,120
Totals			47,795			4,222,778		0	4,222,778
Phase 2 (Open Mkt 84 Plots)									
Phase 2 Open Market H	79	958	75,682	80.00	76,640	6,054,560	0.000%	0	6,054,560
Phase 2 Open Mkt Flats	5	762	3,808	110.00	83,776	418,880	0.000%	0	418,880
Totals			79,490			6,473,440		0	6,473,440
Phase 3 (Open Mkt 39 Plots)									
Phase 3 Open Mkt Hous	42	958	40,236	80.00	76,640	3,218,880	0.000%	0	3,218,880
Phase 3 (Affordables 23 plots)									
Phase 3 Affordable Flats	7	689	4,820	110.00	75,735	530,145	0.000%	0	530,145
Phase 3 Affordable Hou	11	958	10,538	80.00	76,640	843,040	0.000%	0	843,040
Phase 3 Affordable Hou	4	958	3,832	80.00	76,640	306,560	0.000%	0	306,560
Totals			19,190			1,679,745		0	1,679,745

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

MonthlyB/F		001:Apr 2012	002:May 2012	003:Jun 2012	004:Jul 2012	005:Aug 2012
		0	(1,486,859)	(2,696,938)	(4,398,042)	(6,329,188)
Phase	1 Costs	(317,234)	(239,673)	(326,932)	(363,509)	(349,402)
Phase	1 Revenues	0	0	0	0	0
Phase	2 Costs	1,798,292	(116,485)	(174,276)	(224,433)	(266,955)
Phase	2 Revenues	0	0	0	0	0
Phase	3 Costs	(2,318,871)	(325,263)	(438,825)	(484,069)	(460,995)
Phase	3 Revenues	0	0	0	0	0
Phase	4 Costs	(1,263,374)	(370,066)	(513,905)	(589,527)	(596,931)
Phase	4 Revenues	0	0	0	0	0
Phase	5 Costs	614,328	(158,591)	(226,247)	(269,609)	(288,679)
Phase	5 Revenues	0	0	0	0	0
Period Total Before Finance		(1,486,859)	(1,210,079)	(1,680,185)	(1,931,146)	(1,962,962)
	Debit Rate 6.000%	6.000	6.000	6.000	6.000	6.000
	Credit Rate 0.000%	0.000	0.000	0.000	0.000	0.000
	Finance Costs (All Sets)	0	(7,434)	(13,485)	(21,990)	(31,646)
Period Total After Finance		(1,486,859)	(1,217,514)	(1,693,670)	(1,953,136)	(1,994,608)
Cumulative Total C/f Monthly		(1,486,859)	(2,704,372)	(4,398,042)	(6,351,178)	(8,345,786)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

006:Sep 2012 (8,292,150)	007:Oct 2012 (10,207,165)	008:Nov 2012 (11,700,416)	009:Dec 2012 (13,050,914)	010:Jan 2013 (14,541,872)	011:Feb 2013 (14,293,886)	012:Mar 2013 (15,466,276)	013:Apr 2013 (16,787,269)
(328,898)	(270,170)	(151,153)	(194,655)	(231,536)	(261,795)	(285,433)	(320,232)
0	0	0	0	0	0	0	889,100
(301,844)	(329,098)	(348,718)	(360,703)	(365,055)	(361,772)	(350,855)	(332,304)
0	0	0	0	0	0	0	0
(369,603)	(223,160)	(245,790)	(265,892)	(283,465)	(298,509)	(311,025)	(321,013)
0	0	0	0	0	0	0	0
(536,118)	(416,883)	(404,705)	(372,884)	(321,420)	(250,313)	(159,564)	(10,921)
0	0	0	0	0	0	0	546,060
(283,456)	(253,940)	(200,132)	(122,031)	(29,581)	0	0	0
0	0	0	0	1,479,041	0	0	0
(1,819,918)	(1,493,252)	(1,350,498)	(1,316,165)	247,985	(1,172,390)	(1,106,878)	450,690
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(41,461)	(51,036)	(58,502)	(65,255)	(65,314)	(71,469)	(77,331)	(76,761)
(1,861,379)	(1,544,288)	(1,409,000)	(1,381,419)	182,671	(1,243,859)	(1,184,209)	373,929
(10,207,165)	(11,751,452)	(13,160,452)	(14,541,872)	(14,359,200)	(15,603,060)	(16,787,269)	(16,413,340)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

014:May 2013 (16,336,579)	015:Jun 2013 (16,390,360)	016:Jul 2013 (16,829,592)	017:Aug 2013 (16,994,739)	018:Sep 2013 (17,101,203)	019:Oct 2013 (17,375,880)	020:Nov 2013 (13,216,671)	021:Dec 2013 (13,057,694)
(320,162)	(323,936)	(321,089)	(311,620)	(295,531)	(283,285)	(243,487)	(203,893)
365,833	365,833	365,833	365,833	365,833	889,100	365,833	183,813
(306,119)	(272,299)	(230,846)	(181,758)	(125,036)	(71,928)	0	0
0	0	0	0	0	3,596,402	0	0
(328,472)	(333,403)	(335,805)	(335,678)	(333,023)	(327,840)	(320,128)	(319,894)
0	0	0	0	0	0	0	500,329
(10,921)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)
546,060	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(53,781)	(207,046)	(165,147)	(106,464)	(30,997)	4,159,209	158,977	517,113
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(77,123)	(78,302)	(80,499)	(81,324)	(81,857)	(62,632)	(62,434)	(60,048)
(130,904)	(285,348)	(245,645)	(187,788)	(112,854)	4,096,577	96,543	457,066
(16,544,244)	(16,829,592)	(17,075,237)	(17,263,026)	(17,375,880)	(13,279,303)	(13,182,760)	(12,725,694)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

022:Jan 2014 (12,725,694)	023:Feb 2014 (12,286,464)	024:Mar 2014 (11,782,740)	025:Apr 2014 (11,323,035)	026:May 2014 (10,159,884)	027:Jun 2014 (9,486,651)	028:Jul 2014 (8,792,648)	029:Aug 2014 (8,066,064)
(161,318)	(112,122)	(3,676)	(14,142)	(3,676)	(3,676)	(3,676)	(3,676)
183,813	183,813	183,813	707,080	183,813	183,813	183,813	183,813
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(304,406)	(289,109)	(271,283)	(250,929)	(228,046)	(205,354)	(174,695)	(144,227)
364,383	364,383	364,383	364,383	364,383	500,329	364,383	364,383
(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)	(7,281)
364,040	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
439,230	503,724	629,996	1,163,151	673,233	831,871	726,584	757,052
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(59,067)	(56,871)	(54,353)	(49,438)	(46,238)	(42,192)	(39,402)	(35,769)
380,163	446,853	575,643	1,113,714	626,995	789,679	687,182	721,283
(12,345,531)	(11,898,678)	(11,323,035)	(10,209,321)	(9,582,327)	(8,792,648)	(8,105,466)	(7,384,183)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

030:Sep 2014 (7,309,012)	031:Oct 2014 (6,626,118)	032:Nov 2014 (5,347,525)	033:Dec 2014 (4,453,534)	034:Jan 2015 (3,850,706)	035:Feb 2015 (3,313,474)	036:Mar 2015 (2,776,242)	037:Apr 2015 (2,280,489)
(3,676)	(11,525)	(3,676)	(3,676)	(3,676)	(3,676)	(3,676)	0
183,813	576,263	183,813	183,813	183,813	183,813	183,813	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(111,230)	(7,288)	(7,288)	(10,007)	(7,288)	(7,288)	(7,288)	(7,288)
364,383	364,383	364,383	500,329	364,383	364,383	364,383	364,383
(7,281)	(7,281)	(7,281)	0	0	0	0	0
364,040	364,040	364,040	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
790,049	1,278,592	893,991	670,459	537,232	537,232	537,232	357,095
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(31,984)	(26,607)	(22,176)	(18,847)	(16,513)	(13,826)	(11,140)	(9,581)
758,065	1,251,985	871,815	651,612	520,719	523,406	526,092	347,515
(6,626,118)	(5,374,133)	(4,502,318)	(3,850,706)	(3,329,987)	(2,806,581)	(2,280,489)	(1,932,975)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

038:May 2015 (1,923,394)	039:Jun 2015 (1,566,299)	040:Jul 2015 (1,098,682)	041:Aug 2015 (741,587)	042:Sep 2015 (384,492)	043:Oct 2015 (33,055)	044:Nov 2015 324,041	045:Dec 2015 681,136
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(7,288)	(10,007)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(10,007)
364,383	500,329	364,383	364,383	364,383	364,383	364,383	500,329
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
357,095	490,322	357,095	357,095	357,095	357,095	357,095	490,322
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(7,795)	(5,330)	(3,671)	(1,886)	(101)	0	0	0
349,300	484,992	353,424	355,209	356,995	357,095	357,095	490,322
(1,583,674)	(1,098,682)	(745,259)	(390,049)	(33,055)	324,041	681,136	1,171,458

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

046:Jan 2016	047:Feb 2016	048:Mar 2016	049:Apr 2016	050:May 2016	051:Jun 2016	052:Jul 2016	053:Aug 2016
1,171,458	1,528,553	1,885,648	2,242,744	2,599,839	2,956,934	3,314,029	3,671,125
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)	(7,288)
364,383	364,383	364,383	364,383	364,383	364,383	364,383	364,383
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	357,095	357,095	357,095	357,095
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	357,095	357,095	357,095	357,095
1,528,553	1,885,648	2,242,744	2,599,839	2,956,934	3,314,029	3,671,125	4,028,220

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

054:Sep 2016	055:Oct 2016	056:Nov 2016	057:Dec 2016	058:Jan 2017	059:Feb 2017	060:Mar 2017	061:Apr 2017
4,028,220	4,385,315	4,742,410	5,099,506	5,456,601	5,635,317	5,814,032	5,992,748
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(7,288)	(7,288)	(7,288)	(7,288)	(3,647)	(3,647)	(3,647)	(3,647)
364,383	364,383	364,383	364,383	182,363	182,363	182,363	182,363
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	178,716	178,716	178,716	178,716
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
357,095	357,095	357,095	357,095	178,716	178,716	178,716	178,716
4,385,315	4,742,410	5,099,506	5,456,601	5,635,317	5,814,032	5,992,748	6,171,463

**GNDP CIL
Norfolk****Phased Cash Flow (Merged Phases)**

Page A 9

062:May 2017
6,171,463
0
0
0
0
(3,647)
182,363
0
0
0
0
178,716
6.000
0.000
0
178,716
6,350,179

Savills

Development Appraisal

GNDP CIL

Norfolk

Report Date: 05 March 2012

Prepared by Savills

**GNDP CIL
Norfolk**

Timescale (Duration in months)

Project commences Apr 2012

Phase 1: Phase 1 (Open Mkt 44 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Pre-Construction	5	Apr 2012	Aug 2012	Purchase	End	0
Construction	18	Sep 2012	Feb 2014	Pre-Construction	End	0
Sale	24	Apr 2013	Mar 2015	Income Flow	End	-11
Phase End		Mar 2015				
Phase Length	36					

Phase 2: Phase 1 (Affordables - 60 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	18	Apr 2012	Sep 2013	Pre-Construction	End	0
Sale	1	Oct 2013	Oct 2013	Income Flow	End	0
Phase End		Oct 2013				
Phase Length	19					

Phase 3: Phase 2 (Open Mkt 84 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	30	Apr 2012	Sep 2014	Pre-Construction	End	0
Sale	42	Dec 2013	May 2017	Income Flow	End	-10
Phase End		May 2017				
Phase Length	62					

Phase 4: Phase 3 (Open Mkt 39 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	12	Apr 2012	Mar 2013	Pre-Construction	End	0
Sale	20	Apr 2013	Nov 2014	Income Flow	End	0
Phase End		Nov 2014				
Phase Length	32					

Phase 5: Phase 3 (Affordables 23 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	9	Apr 2012	Dec 2012	Pre-Construction	End	0
Sale	1	Jan 2013	Jan 2013	Income Flow	End	0
Phase End		Jan 2013				
Phase Length	10					

Project Length 62 (Merged Phases - Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off
- Growth starts from lease start date Off
- Deduct Ground Rent from Stepped Rent, On

**GNDP CIL
Norfolk**

Assumptions

Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Lease Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Arrears
Receipts	In Advance

Initial IRR Guess Rate	8.00%
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000

Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	Rent at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2012)
VAT Calculations in Cash Flow	On
GST Margin Calculations in Cash Flow	Off

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on GDV

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Phase 1 (Open Mkt 44 plots)	20.00%	No	No
2. Phase 1 (Affordables - 60 plots)	20.00%	No	No
3. Phase 2 (Open Mkt 84 Plots)	20.00%	No	No
4. Phase 3 (Open Mkt 39 Plots)	20.00%	No	No
5. Phase 3 (Affordables 23 plots)	20.00%	No	No

**GNDP CIL
Norfolk**

Assumptions

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
6.000%	0.000%	Perpetuity	Apr 2012

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2012

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

**GNDP CIL
Norfolk**

Summary Appraisal for Merged Phases 1 2 3 4 5

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Phase 1 Open Mkt Houses	32	30,656	£190.00	£182,020	5,824,640
Phase 1 Open Mkt Flats	15	9,344	£210.00	£130,817	1,962,250
Phase 1 Affordable Houses (A)	28	26,824	£72.00	£68,976	1,931,328
Phase 1 Affordable Flats (Aff)	19	11,311	£72.00	£42,862	814,370
Phase 1 Affordable Houses (In)	8	7,664	£111.00	£106,338	850,704
Phase 2 Open Market Houses	79	75,682	£190.00	£182,020	14,379,580
Phase 2 Open Mkt Flats	5	3,237	£210.00	£135,946	679,728
Phase 3 Open Mkt Houses	42	40,236	£190.00	£182,020	7,644,840
Phase 3 Affordable Flats (Aff)	7	4,097	£72.00	£42,136	294,953
Phase 3 Affordable Houses (A)	11	10,538	£72.00	£68,976	758,736
Phase 3 Affordable Houses (In)	4	3,832	£111.00	£106,338	425,352
Totals	250	223,420			35,566,482

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 Ground Rents	15	£150	2,250	2,250
Phase 2 Flats Ground Rents	5	£150	750	750
Totals	20		3,000	3,000

Investment Valuation

Phase 1 Ground Rents

Market Rent	2,250	YP @ 5.0000%	20.0000	
		PV 0y 11m @ 5.0000%	0.9563	43,032

Phase 2 Flats Ground Rents

Market Rent	750	YP @ 5.0000%	20.0000	
		PV 0y 10m @ 5.0000%	0.9602	14,402
				57,434

GROSS DEVELOPMENT VALUE 35,623,916

NET REALISATION 35,623,916

OUTLAY

ACQUISITION COSTS

Residualised Price (17.77 Acres £76,333.89 pAcre)			1,356,453	
Stamp Duty		4.00%	166,369	
Legal Fee		0.50%	20,796	
Town Planning			36,565	
				1,580,184

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Phase 1 Open Mkt Houses	30,656	£80.00	2,452,480	
Phase 1 Open Mkt Flats	10,993	£110.00	1,209,230	
Phase 1 Affordable Houses (A)	26,824	£80.00	2,145,920	
Phase 1 Affordable Flats (Aff)	13,307	£110.00	1,463,738	
Phase 1 Affordable Houses (In)	7,664	£80.00	613,120	
Phase 2 Open Market Houses	75,682	£80.00	6,054,560	
Phase 2 Open Mkt Flats	3,808	£110.00	418,880	
Phase 3 Open Mkt Houses	40,236	£80.00	3,218,880	
Phase 3 Affordable Flats (Aff)	4,820	£110.00	530,145	
Phase 3 Affordable Houses (A)	10,538	£80.00	843,040	
Phase 3 Affordable Houses (In)	3,832	£80.00	306,560	
Totals	228,359		19,256,553	19,256,553
Contingency		5.00%	962,828	
CIL			450,900	
				1,413,728
Other Construction				
NHBC Certification	47 un	140.00 /un	6,580	
NHBC Certification	47 un	140.00 /un	6,580	
NHBC Certification	84 un	140.00 /un	11,760	

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NHBC Certification	42 un	140.00 /un	5,880	
NHBC Certification	18 un	140.00 /un	2,520	
				33,320

PROFESSIONAL FEES

Architect		4.00%	771,360	
Project Manager		4.00%	771,360	
				1,542,719

MARKETING & LETTING

Marketing	173 un	750.00 /un	129,750	
				129,750

DISPOSAL FEES

Sales Agent Fee		1.50%	534,359	
Sales Legal Fee		0.50%	178,120	
				712,478

Additional Costs

MISCELLANEOUS FEES

s.106	47 un	750.00 /un	35,250	
Site Servicing	7 ac	100,000 /ac	734,000	
s.106	84 un	750.00 /un	63,000	
Site Servicing	6 ac	100,000 /ac	600,000	
s.106	42 un	750.00 /un	31,500	
Site Servicing	4 ac	100,000 /ac	443,000	
				1,906,750

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,478,984

TOTAL COSTS

28,054,466

PROFIT

7,569,450

Performance Measures

Profit on Cost%	26.98%
Profit on GDV%	21.25%
Profit on NDV%	21.25%
Development Yield% (on Rent)	0.01%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	23.60%
Rent Cover	2523 yrs 2 mths
Profit Erosion (finance rate 6.000%)	4 yrs

RENT & SALES SCHEDULE

SAVILLS

GNDP CIL

Norfolk

RENT AND CAPITALISATION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Rent £ ft ²	Gross MRV £ pa	Adjustment	Net MRV £ pa	Yield%	YP	Net Capital Value
Phase 1 (Open Mkt 44 plots)										
Phase 1 Ground Rents	15	0	0	0.00	2,250	0	2,250	5.00	20.0000	43,032
Phase 2 (Open Mkt 84 Plots)										
Phase 2 Flats Ground Rents	5	0	0	0.00	750	0	750	5.00	20.0000	14,402

SALES

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Sales £ pf ²	Per Unit £ pa	Gross Sales £ pa	Adjustment	Net Sales £ pa
Phase 1 (Open Mkt 44 plots)								
Phase 1 Open Mkt Houses	32	958	30,656	190.00	182,020	5,824,640	0	5,824,640
Phase 1 Open Mkt Flats	15	623	9,344	210.00	130,817	1,962,250	0	1,962,250
Totals			40,000			7,786,891	0	7,786,891
Phase 1 (Affordables - 60 plots)								
Phase 1 Affordable Houses (Af	28	958	26,824	72.00	68,976	1,931,328	0	1,931,328
Phase 1 Affordable Flats (Aff	19	595	11,311	72.00	42,862	814,370	0	814,370
Phase 1 Affordable Houses (In	8	958	7,664	111.00	106,338	850,704	0	850,704
Totals			45,799			3,596,402	0	3,596,402
Phase 2 (Open Mkt 84 Plots)								
Phase 2 Open Market Houses	79	958	75,682	190.00	182,020	14,379,580	0	14,379,580
Phase 2 Open Mkt Flats	5	647	3,237	210.00	135,946	679,728	0	679,728
Totals			78,919			15,059,308	0	15,059,308
Phase 3 (Open Mkt 39 Plots)								
Phase 3 Open Mkt Houses	42	958	40,236	190.00	182,020	7,644,840	0	7,644,840
Phase 3 (Affordables 23 plots)								
Phase 3 Affordable Flats (Aff	7	585	4,097	72.00	42,136	294,953	0	294,953
Phase 3 Affordable Houses (Af	11	958	10,538	72.00	68,976	758,736	0	758,736
Phase 3 Affordable Houses (In	4	958	3,832	111.00	106,338	425,352	0	425,352
Totals			18,467			1,479,041	0	1,479,041

CONSTRUCTION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 (Open Mkt 44 plots)									

RENT & SALES SCHEDULE

SAVILLS

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Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 Open Mkt Hous	32	958	30,656	80.00	76,640	2,452,480	0.000%	0	2,452,480
Phase 1 Open Mkt Flats	15	733	10,993	110.00	80,615	1,209,230	0.000%	0	1,209,230
Totals			41,649			3,661,710		0	3,661,710
Phase 1 (Affordables - 60 plots)									
Phase 1 Affordable Hou	28	958	26,824	80.00	76,640	2,145,920	0.000%	0	2,145,920
Phase 1 Affordable Flats	19	700	13,307	110.00	77,039	1,463,738	0.000%	0	1,463,738
Phase 1 Affordable Hou	8	958	7,664	80.00	76,640	613,120	0.000%	0	613,120
Totals			47,795			4,222,778		0	4,222,778
Phase 2 (Open Mkt 84 Plots)									
Phase 2 Open Market H	79	958	75,682	80.00	76,640	6,054,560	0.000%	0	6,054,560
Phase 2 Open Mkt Flats	5	762	3,808	110.00	83,776	418,880	0.000%	0	418,880
Totals			79,490			6,473,440		0	6,473,440
Phase 3 (Open Mkt 39 Plots)									
Phase 3 Open Mkt Hous	42	958	40,236	80.00	76,640	3,218,880	0.000%	0	3,218,880
Phase 3 (Affordables 23 plots)									
Phase 3 Affordable Flats	7	689	4,820	110.00	75,735	530,145	0.000%	0	530,145
Phase 3 Affordable Hou	11	958	10,538	80.00	76,640	843,040	0.000%	0	843,040
Phase 3 Affordable Hou	4	958	3,832	80.00	76,640	306,560	0.000%	0	306,560
Totals			19,190			1,679,745		0	1,679,745

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

MonthlyB/F		001:Apr 2012	002:May 2012	003:Jun 2012	004:Jul 2012	005:Aug 2012
		0	(2,059,799)	(2,870,946)	(4,047,001)	(5,417,627)
Phase	1 Costs	(593,914)	(95,869)	(130,773)	(145,403)	(139,761)
Phase	1 Revenues	0	0	0	0	0
Phase	2 Costs	1,990,412	(118,449)	(177,214)	(228,217)	(271,456)
Phase	2 Revenues	0	0	0	0	0
Phase	3 Costs	(2,587,232)	(174,570)	(241,753)	(280,049)	(289,458)
Phase	3 Revenues	0	0	0	0	0
Phase	4 Costs	(1,561,749)	(260,994)	(371,601)	(442,804)	(474,603)
Phase	4 Revenues	0	0	0	0	0
Phase	5 Costs	692,684	(161,264)	(230,060)	(274,153)	(293,544)
Phase	5 Revenues	0	0	0	0	0
Period Total Before Finance		(2,059,799)	(811,147)	(1,151,401)	(1,370,626)	(1,468,823)
	Debit Rate 6.000%	6.000	6.000	6.000	6.000	6.000
	Credit Rate 0.000%	0.000	0.000	0.000	0.000	0.000
	Finance Costs (All Sets)	0	(10,299)	(14,355)	(20,235)	(27,088)
Period Total After Finance		(2,059,799)	(821,446)	(1,165,756)	(1,390,861)	(1,495,911)
Cumulative Total C/f Monthly		(2,059,799)	(2,881,245)	(4,047,001)	(5,437,862)	(6,933,773)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

006:Sep 2012 (6,886,449)	007:Oct 2012 (8,534,378)	008:Nov 2012 (9,948,467)	009:Dec 2012 (11,321,732)	010:Jan 2013 (12,884,259)	011:Feb 2013 (12,656,531)	012:Mar 2013 (13,848,688)	013:Apr 2013 (15,238,932)
(234,027)	(170,390)	(153,703)	(273,089)	(235,442)	(266,212)	(365,399)	(326,803)
0	0	0	0	0	0	0	889,100
(306,932)	(334,646)	(354,597)	(366,784)	(371,209)	(367,871)	(356,770)	(337,906)
0	0	0	0	0	0	0	0
(269,980)	(226,923)	(249,934)	(270,375)	(288,244)	(303,542)	(316,269)	(326,425)
0	0	0	0	0	0	0	0
(466,999)	(423,910)	(411,526)	(379,169)	(326,837)	(254,532)	(162,254)	(12,496)
0	0	0	0	0	0	0	546,060
(288,233)	(258,220)	(203,505)	(124,087)	(29,581)	0	0	0
0	0	0	0	1,479,041	0	0	0
(1,566,173)	(1,414,089)	(1,373,265)	(1,413,504)	227,728	(1,192,157)	(1,200,691)	431,529
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(34,432)	(42,672)	(49,742)	(56,609)	(57,026)	(63,283)	(69,243)	(69,019)
(1,600,605)	(1,456,761)	(1,423,007)	(1,470,113)	170,702	(1,255,440)	(1,269,935)	362,510
(8,534,378)	(9,991,139)	(11,414,146)	(12,884,259)	(12,713,557)	(13,968,997)	(15,238,932)	(14,876,421)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

014:May 2013 (14,807,403)	015:Jun 2013 (14,880,204)	016:Jul 2013 (15,390,245)	017:Aug 2013 (15,573,282)	018:Sep 2013 (15,696,647)	019:Oct 2013 (16,040,776)	020:Nov 2013 (11,894,618)	021:Dec 2013 (11,748,066)
(326,909)	(405,897)	(327,851)	(318,223)	(377,012)	(289,233)	(248,941)	(283,890)
365,833	365,833	365,833	365,833	365,833	889,100	365,833	183,813
(311,280)	(276,890)	(234,737)	(184,822)	(127,143)	(71,928)	0	0
0	0	0	0	0	3,596,402	0	0
(334,010)	(339,023)	(341,466)	(341,337)	(338,638)	(333,367)	(325,525)	(325,119)
0	0	0	0	0	0	0	500,329
(12,496)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)
546,060	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(72,801)	(300,793)	(183,037)	(123,365)	(121,776)	4,146,158	146,552	430,317
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(69,478)	(70,752)	(73,302)	(74,217)	(74,834)	(55,956)	(55,824)	(53,499)
(142,279)	(371,544)	(256,339)	(197,582)	(196,610)	4,090,202	90,728	376,818
(15,018,700)	(15,390,245)	(15,646,584)	(15,844,166)	(16,040,776)	(11,950,574)	(11,859,846)	(11,483,028)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

022:Jan 2014 (11,483,028)	023:Feb 2014 (11,054,510)	024:Mar 2014 (10,560,411)	025:Apr 2014 (10,089,716)	026:May 2014 (8,933,716)	027:Jun 2014 (8,267,248)	028:Jul 2014 (7,561,188)	029:Aug 2014 (6,840,470)
(165,447)	(115,420)	(5,145)	(15,610)	(5,145)	(5,145)	(5,145)	(5,145)
183,813	183,813	183,813	707,080	183,813	183,813	183,813	183,813
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(309,416)	(293,860)	(275,734)	(255,036)	(231,768)	(208,647)	(177,517)	(146,535)
364,383	364,383	364,383	364,383	364,383	500,329	364,383	364,383
(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)
364,040	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
428,518	494,099	622,501	1,156,000	666,467	825,534	720,718	751,700
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(52,854)	(50,711)	(48,241)	(43,271)	(40,107)	(36,095)	(33,245)	(29,641)
375,664	443,388	574,260	1,112,729	626,360	789,438	687,473	722,059
(11,107,364)	(10,663,976)	(10,089,716)	(8,976,987)	(8,350,627)	(7,561,188)	(6,873,715)	(6,151,656)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

030:Sep 2014 (6,088,770)	031:Oct 2014 (5,392,286)	032:Nov 2014 (4,118,770)	033:Dec 2014 (3,229,855)	034:Jan 2015 (2,612,096)	035:Feb 2015 (2,078,365)	036:Mar 2015 (1,544,634)	037:Apr 2015 (1,033,856)
(5,145)	(12,994)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	0
183,813	576,263	183,813	183,813	183,813	183,813	183,813	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(112,982)	(9,320)	(9,320)	(12,039)	(9,320)	(9,320)	(9,320)	(9,320)
364,383	364,383	364,383	500,329	364,383	364,383	364,383	364,383
(8,856)	(8,856)	(8,856)	0	0	0	0	0
364,040	364,040	364,040	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
785,253	1,273,516	888,915	666,958	533,731	533,731	533,731	355,063
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(25,883)	(20,438)	(16,033)	(12,729)	(10,320)	(7,651)	(4,982)	(3,347)
759,370	1,253,078	872,883	654,229	523,411	526,080	528,749	351,716
(5,392,286)	(4,139,208)	(3,266,325)	(2,612,096)	(2,088,685)	(1,562,605)	(1,033,856)	(682,140)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

038:May 2015 (678,793)	039:Jun 2015 (323,730)	040:Jul 2015 159,641	041:Aug 2015 514,704	042:Sep 2015 869,767	043:Oct 2015 1,224,830	044:Nov 2015 1,579,893	045:Dec 2015 1,934,956
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(9,320)	(12,039)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(12,039)
364,383	500,329	364,383	364,383	364,383	364,383	364,383	500,329
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
355,063	488,290	355,063	355,063	355,063	355,063	355,063	488,290
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(1,572)	0	0	0	0	0	0	0
353,491	488,290	355,063	355,063	355,063	355,063	355,063	488,290
(328,649)	159,641	514,704	869,767	1,224,830	1,579,893	1,934,956	2,423,245

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

046:Jan 2016	047:Feb 2016	048:Mar 2016	049:Apr 2016	050:May 2016	051:Jun 2016	052:Jul 2016	053:Aug 2016
2,423,245	2,778,308	3,133,371	3,488,434	3,843,497	4,198,560	4,553,623	4,908,686
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)
364,383	364,383	364,383	364,383	364,383	364,383	364,383	364,383
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	355,063	355,063	355,063	355,063
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	355,063	355,063	355,063	355,063
2,778,308	3,133,371	3,488,434	3,843,497	4,198,560	4,553,623	4,908,686	5,263,749

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

054:Sep 2016	055:Oct 2016	056:Nov 2016	057:Dec 2016	058:Jan 2017	059:Feb 2017	060:Mar 2017	061:Apr 2017
5,263,749	5,618,812	5,973,875	6,328,938	6,684,001	6,860,685	7,037,368	7,214,051
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(9,320)	(9,320)	(9,320)	(9,320)	(5,680)	(5,680)	(5,680)	(5,680)
364,383	364,383	364,383	364,383	182,363	182,363	182,363	182,363
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	176,683	176,683	176,683	176,683
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	176,683	176,683	176,683	176,683
5,618,812	5,973,875	6,328,938	6,684,001	6,860,685	7,037,368	7,214,051	7,390,735

**GNDP CIL
Norfolk****Phased Cash Flow (Merged Phases)**

Page A 9

062:May 2017
7,390,735
0
0
0
0
(3,647)
182,363
0
0
0
0
178,716
6.000
0.000
0
178,716
7,569,450

Savills

Development Appraisal

GNDP CIL

Norfolk

Report Date: 05 March 2012

Prepared by Savills

**GNDP CIL
Norfolk**

Timescale (Duration in months)

Project commences Apr 2012

Phase 1: Phase 1 (Open Mkt 44 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Pre-Construction	5	Apr 2012	Aug 2012	Purchase	End	0
Construction	18	Sep 2012	Feb 2014	Pre-Construction	End	0
Sale	24	Apr 2013	Mar 2015	Income Flow	End	-11
Phase End		Mar 2015				
Phase Length	36					

Phase 2: Phase 1 (Affordables - 60 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	18	Apr 2012	Sep 2013	Pre-Construction	End	0
Sale	1	Oct 2013	Oct 2013	Income Flow	End	0
Phase End		Oct 2013				
Phase Length	19					

Phase 3: Phase 2 (Open Mkt 84 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	30	Apr 2012	Sep 2014	Pre-Construction	End	0
Sale	42	Dec 2013	May 2017	Income Flow	End	-10
Phase End		May 2017				
Phase Length	62					

Phase 4: Phase 3 (Open Mkt 39 Plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	12	Apr 2012	Mar 2013	Pre-Construction	End	0
Sale	20	Apr 2013	Nov 2014	Income Flow	End	0
Phase End		Nov 2014				
Phase Length	32					

Phase 5: Phase 3 (Affordables 23 plots)

Stage Name	Duration	Start Date	End Date	Anchored To	Aligned	Offset
Phase Start		Apr 2012				
Construction	9	Apr 2012	Dec 2012	Pre-Construction	End	0
Sale	1	Jan 2013	Jan 2013	Income Flow	End	0
Phase End		Jan 2013				
Phase Length	10					

Project Length 62 (Merged Phases - Includes Exit Period)

Assumptions

Expenditure

- Professional Fees are based on Construction
- Purchaser's Costs are based on Gross Capitalisation
- Purchaser's Costs Deducted from Sale (Not added to Cost)
- Sales Fees are based on Net Capitalisation
- Sales Fees Added to Cost (Not deducted from Sale)

Receipts

- Show tenant's true income stream On
- Offset income against development costs Off
- Rent payment cycle Quarterly (Adv)
- Apply rent payment cycle to all tenants On
- Renewal Void and Rent Free apply to first renewal only Off
- Growth starts from lease start date Off
- Deduct Ground Rent from Stepped Rent, On

**GNDP CIL
Norfolk**

Assumptions

Initial Yield Valuation Method	Off
Default Capitalisation Yield	0.0000%
Apply Default Capitalisation to All Tenants	Off
Default stage for Sale Date	Off
Align end of income stream to Sale Date	Off
Apply align end of income stream to all tenants	On
When the Capital Value is modified in the cash flow	Recalculate the Yield
Valuation Tables are	Annually in Arrears
Deduct Post-Sale TI Costs & Lease Comm. from Cap. Value	Off
Rent Free method	Defer start of Tenant's Rent

Finance

Financing Method	Basic (Interest Sets)
Interest Compounding Period	Quarterly
Interest Charging Period	Monthly
Nominal rates of interest used	
Calculate interest on Payments/Receipts in final period	Off
Include interest and Finance Fees in IRR Calculations	Off
Automatic Inter-account transfers	Off
Manual Finance Rate for Profit Erosion	Off

Calculation

Site Payments	In Arrears
Other Payments	In Arrears
Negative Land	In Arrears
Receipts	In Advance

Initial IRR Guess Rate	8.00%
Minimum IRR	-100%
Maximum IRR	99999%
Manual Discount Rate	Off
IRR Tolerance	0.001000

Letting and Rent Review Fees are calculated on	Net of Deductions
Development Yield and Rent Cover are calculated on	Rent at Sale Date(s)
Include Tenants with no Capital Value	On
Include Turnover Rent	Off
Net of Non-Recoverable costs	On
Net of Ground Rent deductions	On
Net of Rent Additions/Costs	On
Leasing Commissions are calculated	After Non-Recoverable cost deductions For the First Term of the lease only

Value Added Tax

Global VAT Rate	0.00%
Global Recovery Rate	0.00%
Recovery Cycle every	2 months
1st Recovery Month	2 (May 2012)
VAT Calculations in Cash Flow	On
GST Margin Calculations in Cash Flow	Off

Residual

Land Cost Mode	Residualised Land Value
Multi-Phasing	Separate Land Residual for each phase
Target Type	Profit on Cost

Phase Number	Target Value	Locked Value	Treat Neg Land as Revenue
1. Phase 1 (Open Mkt 44 plots)	20.00%	No	No
2. Phase 1 (Affordables - 60 plots)	20.00%	No	No
3. Phase 2 (Open Mkt 84 Plots)	20.00%	No	No
4. Phase 3 (Open Mkt 39 Plots)	20.00%	No	No
5. Phase 3 (Affordables 23 plots)	20.00%	No	No

**GNDP CIL
Norfolk**

Assumptions

Distribution

Construction Payments are paid on	S-Curve
Sales Receipts are paid on	Single curve
Sales Deposits are paid on	Monthly curve

Interest Sets

Interest Set 1

Debit Rate	Credit Rate	Months	Start Date
6.000%	0.000%	Perpetuity	Apr 2012

Loan Set 1

Debit Rate	Credit Rate	Months	Start Date
0.000%	0.000%	Perpetuity	Apr 2012

Inflation and Growth

Growth Sets

Growth Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

Inflation Sets

Inflation Set 1

Inflation/Growth for this set is calculated in arrears
This set is not stepped

Rate	Months	Start Date
0.000%	Perpetuity	Apr 2012

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Norfolk**

Summary Appraisal for Merged Phases 1 2 3 4 5

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Phase 1 Open Mkt Houses	32	30,656	£190.00	£182,020	5,824,640
Phase 1 Open Mkt Flats	15	9,344	£210.00	£130,817	1,962,250
Phase 1 Affordable Houses (A)	28	26,824	£72.00	£68,976	1,931,328
Phase 1 Affordable Flats (Aff)	19	11,311	£72.00	£42,862	814,370
Phase 1 Affordable Houses (In)	8	7,664	£111.00	£106,338	850,704
Phase 2 Open Market Houses	79	75,682	£190.00	£182,020	14,379,580
Phase 2 Open Mkt Flats	5	3,237	£210.00	£135,946	679,728
Phase 3 Open Mkt Houses	42	40,236	£190.00	£182,020	7,644,840
Phase 3 Affordable Flats (Aff)	7	4,097	£72.00	£42,136	294,953
Phase 3 Affordable Houses (A)	11	10,538	£72.00	£68,976	758,736
Phase 3 Affordable Houses (In)	4	3,832	£111.00	£106,338	425,352
Totals	250	223,420			35,566,482

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Phase 1 Ground Rents	15	£150	2,250	2,250
Phase 2 Flats Ground Rents	5	£150	750	750
Totals	20		3,000	3,000

Investment Valuation

Phase 1 Ground Rents

Market Rent	2,250	YP @ 5.0000%	20.0000	
		PV 0y 11m @ 5.0000%	0.9563	43,032

Phase 2 Flats Ground Rents

Market Rent	750	YP @ 5.0000%	20.0000	
		PV 0y 10m @ 5.0000%	0.9602	14,402
				57,434

GROSS DEVELOPMENT VALUE 35,623,916

NET REALISATION 35,623,916

OUTLAY

ACQUISITION COSTS

Residualised Price (17.77 Acres £173,730.81 pAcre)		3,087,196	
Stamp Duty	4.00%	224,411	
Legal Fee	0.50%	28,051	
Town Planning		36,565	
			3,376,224

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Phase 1 Open Mkt Houses	30,656	£80.00	2,452,480	
Phase 1 Open Mkt Flats	10,993	£110.00	1,209,230	
Phase 1 Affordable Houses (A)	26,824	£80.00	2,145,920	
Phase 1 Affordable Flats (Aff)	13,307	£110.00	1,463,738	
Phase 1 Affordable Houses (In)	7,664	£80.00	613,120	
Phase 2 Open Market Houses	75,682	£80.00	6,054,560	
Phase 2 Open Mkt Flats	3,808	£110.00	418,880	
Phase 3 Open Mkt Houses	40,236	£80.00	3,218,880	
Phase 3 Affordable Flats (Aff)	4,820	£110.00	530,145	
Phase 3 Affordable Houses (A)	10,538	£80.00	843,040	
Phase 3 Affordable Houses (In)	3,832	£80.00	306,560	
Totals	228,359		19,256,553	19,256,553
Contingency		3.00%	577,697	577,697
Other Construction				
NHBC Certification	47 un	140.00 /un	6,580	
NHBC Certification	47 un	140.00 /un	6,580	
NHBC Certification	84 un	140.00 /un	11,760	
NHBC Certification	42 un	140.00 /un	5,880	

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NHBC Certification	18 un	140.00 /un	2,520	
				33,320

PROFESSIONAL FEES

Architect		4.00%	771,360	
Project Manager		4.00%	771,360	
				1,542,719

MARKETING & LETTING

Marketing	173 un	750.00 /un	129,750	
				129,750

DISPOSAL FEES

Sales Agent Fee		1.50%	534,359	
Sales Legal Fee		0.50%	178,120	
				712,478

Additional Costs

MISCELLANEOUS FEES

s.106	47 un	750.00 /un	35,250	
Site Servicing	7 ac	100,000 /ac	734,000	
s.106	84 un	750.00 /un	63,000	
Site Servicing	6 ac	100,000 /ac	600,000	
s.106	42 un	750.00 /un	31,500	
Site Servicing	4 ac	100,000 /ac	443,000	
				1,906,750

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,739,763

TOTAL COSTS

29,275,254

PROFIT

6,348,662

Performance Measures

Profit on Cost%	21.69%
Profit on GDV%	17.82%
Profit on NDV%	17.82%
Development Yield% (on Rent)	0.01%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR	19.34%
Rent Cover	2116 yrs 3 mths
Profit Erosion (finance rate 6.000%)	3 yrs 4 mths

RENT & SALES SCHEDULE

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RENT AND CAPITALISATION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Rent £ ft ²	Gross MRV £ pa	Adjustment	Net MRV £ pa	Yield%	YP	Net Capital Value
Phase 1 (Open Mkt 44 plots)										
Phase 1 Ground Rents	15	0	0	0.00	2,250	0	2,250	5.00	20.0000	43,032
Phase 2 (Open Mkt 84 Plots)										
Phase 2 Flats Ground Rents	5	0	0	0.00	750	0	750	5.00	20.0000	14,402

SALES

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Sales £ pf ²	Per Unit £ pa	Gross Sales £ pa	Adjustment	Net Sales £ pa
Phase 1 (Open Mkt 44 plots)								
Phase 1 Open Mkt Houses	32	958	30,656	190.00	182,020	5,824,640	0	5,824,640
Phase 1 Open Mkt Flats	15	623	9,344	210.00	130,817	1,962,250	0	1,962,250
Totals			40,000			7,786,891	0	7,786,891
Phase 1 (Affordables - 60 plots)								
Phase 1 Affordable Houses (Af	28	958	26,824	72.00	68,976	1,931,328	0	1,931,328
Phase 1 Affordable Flats (Aff	19	595	11,311	72.00	42,862	814,370	0	814,370
Phase 1 Affordable Houses (In	8	958	7,664	111.00	106,338	850,704	0	850,704
Totals			45,799			3,596,402	0	3,596,402
Phase 2 (Open Mkt 84 Plots)								
Phase 2 Open Market Houses	79	958	75,682	190.00	182,020	14,379,580	0	14,379,580
Phase 2 Open Mkt Flats	5	647	3,237	210.00	135,946	679,728	0	679,728
Totals			78,919			15,059,308	0	15,059,308
Phase 3 (Open Mkt 39 Plots)								
Phase 3 Open Mkt Houses	42	958	40,236	190.00	182,020	7,644,840	0	7,644,840
Phase 3 (Affordables 23 plots)								
Phase 3 Affordable Flats (Aff	7	585	4,097	72.00	42,136	294,953	0	294,953
Phase 3 Affordable Houses (Af	11	958	10,538	72.00	68,976	758,736	0	758,736
Phase 3 Affordable Houses (In	4	958	3,832	111.00	106,338	425,352	0	425,352
Totals			18,467			1,479,041	0	1,479,041

CONSTRUCTION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 (Open Mkt 44 plots)									

RENT & SALES SCHEDULE

SAVILLS

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Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Phase 1 Open Mkt Hous	32	958	30,656	80.00	76,640	2,452,480	0.000%	0	2,452,480
Phase 1 Open Mkt Flats	15	733	10,993	110.00	80,615	1,209,230	0.000%	0	1,209,230
Totals			41,649			3,661,710		0	3,661,710
Phase 1 (Affordables - 60 plots)									
Phase 1 Affordable Hou	28	958	26,824	80.00	76,640	2,145,920	0.000%	0	2,145,920
Phase 1 Affordable Flats	19	700	13,307	110.00	77,039	1,463,738	0.000%	0	1,463,738
Phase 1 Affordable Hou	8	958	7,664	80.00	76,640	613,120	0.000%	0	613,120
Totals			47,795			4,222,778		0	4,222,778
Phase 2 (Open Mkt 84 Plots)									
Phase 2 Open Market H	79	958	75,682	80.00	76,640	6,054,560	0.000%	0	6,054,560
Phase 2 Open Mkt Flats	5	762	3,808	110.00	83,776	418,880	0.000%	0	418,880
Totals			79,490			6,473,440		0	6,473,440
Phase 3 (Open Mkt 39 Plots)									
Phase 3 Open Mkt Hous	42	958	40,236	80.00	76,640	3,218,880	0.000%	0	3,218,880
Phase 3 (Affordables 23 plots)									
Phase 3 Affordable Flats	7	689	4,820	110.00	75,735	530,145	0.000%	0	530,145
Phase 3 Affordable Hou	11	958	10,538	80.00	76,640	843,040	0.000%	0	843,040
Phase 3 Affordable Hou	4	958	3,832	80.00	76,640	306,560	0.000%	0	306,560
Totals			19,190			1,679,745		0	1,679,745

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

MonthlyB/F		001:Apr 2012	002:May 2012	003:Jun 2012	004:Jul 2012	005:Aug 2012
		0	(3,851,716)	(4,653,334)	(5,833,297)	(7,186,498)
Phase	1 Costs	(1,312,678)	(95,869)	(130,773)	(145,403)	(139,761)
Phase	1 Revenues	0	0	0	0	0
Phase	2 Costs	1,793,183	(116,356)	(174,082)	(224,183)	(266,659)
Phase	2 Revenues	0	0	0	0	0
Phase	3 Costs	(3,098,265)	(173,275)	(239,824)	(277,532)	(286,398)
Phase	3 Revenues	0	0	0	0	0
Phase	4 Costs	(1,846,284)	(257,704)	(366,765)	(436,775)	(467,734)
Phase	4 Revenues	0	0	0	0	0
Phase	5 Costs	612,329	(158,414)	(225,994)	(269,308)	(288,356)
Phase	5 Revenues	0	0	0	0	0
Period Total Before Finance		(3,851,716)	(801,618)	(1,137,438)	(1,353,201)	(1,448,908)
	Debit Rate 6.000%	6.000	6.000	6.000	6.000	6.000
	Credit Rate 0.000%	0.000	0.000	0.000	0.000	0.000
	Finance Costs (All Sets)	0	(19,259)	(23,267)	(29,166)	(35,932)
Period Total After Finance		(3,851,716)	(820,877)	(1,160,705)	(1,382,368)	(1,484,840)
Cumulative Total C/f Monthly		(3,851,716)	(4,672,592)	(5,833,297)	(7,215,665)	(8,700,505)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

006:Sep 2012 (8,635,406)	007:Oct 2012 (10,212,476)	008:Nov 2012 (11,602,772)	009:Dec 2012 (12,951,770)	010:Jan 2013 (14,440,310)	011:Feb 2013 (14,190,993)	012:Mar 2013 (15,362,085)	013:Apr 2013 (16,680,309)
(158,082)	(168,575)	(150,988)	(194,442)	(231,282)	(261,508)	(285,120)	(321,369)
0	0	0	0	0	0	0	889,100
(301,508)	(328,732)	(348,330)	(360,302)	(364,649)	(361,370)	(350,465)	(331,935)
0	0	0	0	0	0	0	0
(266,423)	(222,913)	(245,518)	(265,597)	(283,151)	(298,179)	(310,681)	(320,658)
0	0	0	0	0	0	0	0
(459,643)	(416,419)	(404,254)	(372,468)	(321,062)	(250,035)	(159,386)	(12,496)
0	0	0	0	0	0	0	546,060
(283,139)	(253,656)	(199,908)	(121,894)	(29,581)	0	0	0
0	0	0	0	1,479,041	0	0	0
(1,468,795)	(1,390,296)	(1,348,998)	(1,314,704)	249,317	(1,171,092)	(1,105,653)	448,702
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(43,177)	(51,062)	(58,014)	(64,759)	(64,806)	(70,955)	(76,810)	(76,226)
(1,511,972)	(1,441,358)	(1,407,012)	(1,379,463)	184,510	(1,242,047)	(1,182,463)	372,477
(10,212,476)	(11,653,835)	(13,060,847)	(14,440,310)	(14,255,799)	(15,497,846)	(16,680,309)	(16,307,833)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

014:May 2013 (16,231,607)	015:Jun 2013 (16,287,385)	016:Jul 2013 (16,727,067)	017:Aug 2013 (16,894,286)	018:Sep 2013 (17,002,886)	019:Oct 2013 (17,278,277)	020:Nov 2013 (13,121,458)	021:Dec 2013 (12,964,912)
(321,288)	(325,058)	(322,214)	(312,756)	(296,684)	(284,463)	(244,697)	(205,143)
365,833	365,833	365,833	365,833	365,833	889,100	365,833	183,813
(305,778)	(271,997)	(230,589)	(181,556)	(124,896)	(71,928)	0	0
0	0	0	0	0	3,596,402	0	0
(328,108)	(333,033)	(335,433)	(335,307)	(332,655)	(327,477)	(319,774)	(319,551)
0	0	0	0	0	0	0	500,329
(12,496)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)
546,060	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(55,778)	(209,071)	(167,218)	(108,601)	(33,217)	4,156,819	156,546	514,632
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(76,599)	(77,788)	(79,986)	(80,822)	(81,365)	(62,144)	(61,958)	(59,584)
(132,376)	(286,858)	(247,204)	(189,423)	(114,583)	4,094,675	94,588	455,048
(16,440,209)	(16,727,067)	(16,974,272)	(17,163,694)	(17,278,277)	(13,183,602)	(13,089,014)	(12,633,965)

**GNDP CIL
Norfolk**

Phased Cash Flow (Merged Phases)

022:Jan 2014 (12,633,965)	023:Feb 2014 (12,197,277)	024:Mar 2014 (11,696,166)	025:Apr 2014 (11,237,875)	026:May 2014 (10,077,497)	027:Jun 2014 (9,407,064)	028:Jul 2014 (8,714,653)	029:Aug 2014 (7,990,927)
(162,614)	(113,472)	(5,145)	(15,610)	(5,145)	(5,145)	(5,145)	(5,145)
183,813	183,813	183,813	707,080	183,813	183,813	183,813	183,813
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(304,077)	(288,797)	(270,991)	(250,659)	(227,802)	(205,137)	(174,509)	(144,075)
364,383	364,383	364,383	364,383	364,383	500,329	364,383	364,383
(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)	(8,856)
364,040	364,040	364,040	364,040	364,040	364,040	364,040	364,040
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
436,688	501,111	627,244	1,160,378	670,434	829,043	723,726	754,160
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(58,609)	(56,425)	(53,920)	(49,012)	(45,826)	(41,794)	(39,012)	(35,393)
378,080	444,686	573,325	1,111,366	624,607	787,249	684,714	718,767
(12,255,885)	(11,811,200)	(11,237,875)	(10,126,509)	(9,501,902)	(8,714,653)	(8,029,939)	(7,311,173)

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

030:Sep 2014 (7,236,767)	031:Oct 2014 (6,555,675)	032:Nov 2014 (5,282,159)	033:Dec 2014 (4,393,243)	034:Jan 2015 (3,792,936)	035:Feb 2015 (3,259,205)	036:Mar 2015 (2,725,474)	037:Apr 2015 (2,232,408)
(5,145)	(12,994)	(5,145)	(5,145)	(5,145)	(5,145)	(5,145)	0
183,813	576,263	183,813	183,813	183,813	183,813	183,813	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(111,115)	(9,320)	(9,320)	(12,039)	(9,320)	(9,320)	(9,320)	(9,320)
364,383	364,383	364,383	500,329	364,383	364,383	364,383	364,383
(8,856)	(8,856)	(8,856)	0	0	0	0	0
364,040	364,040	364,040	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
787,120	1,273,516	888,915	666,958	533,731	533,731	533,731	355,063
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(31,623)	(26,255)	(21,850)	(18,546)	(16,224)	(13,555)	(10,886)	(9,340)
755,498	1,247,261	867,066	648,412	517,507	520,176	522,845	345,723
(6,555,675)	(5,308,413)	(4,441,348)	(3,792,936)	(3,275,428)	(2,755,253)	(2,232,408)	(1,886,685)

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

038:May 2015 (1,877,345)	039:Jun 2015 (1,522,282)	040:Jul 2015 (1,056,007)	041:Aug 2015 (700,944)	042:Sep 2015 (345,881)	043:Oct 2015 4,041	044:Nov 2015 359,104	045:Dec 2015 714,167
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(9,320)	(12,039)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(12,039)
364,383	500,329	364,383	364,383	364,383	364,383	364,383	500,329
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
355,063	488,290	355,063	355,063	355,063	355,063	355,063	488,290
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(7,565)	(5,110)	(3,458)	(1,683)	0	0	0	0
347,498	483,180	351,605	353,380	355,063	355,063	355,063	488,290
(1,539,187)	(1,056,007)	(704,402)	(351,022)	4,041	359,104	714,167	1,202,457

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

046:Jan 2016	047:Feb 2016	048:Mar 2016	049:Apr 2016	050:May 2016	051:Jun 2016	052:Jul 2016	053:Aug 2016
1,202,457	1,557,520	1,912,583	2,267,646	2,622,709	2,977,772	3,332,835	3,687,898
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)	(9,320)
364,383	364,383	364,383	364,383	364,383	364,383	364,383	364,383
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	355,063	355,063	355,063	355,063
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	355,063	355,063	355,063	355,063
1,557,520	1,912,583	2,267,646	2,622,709	2,977,772	3,332,835	3,687,898	4,042,961

GNDP CIL

Norfolk

Phased Cash Flow (Merged Phases)

054:Sep 2016	055:Oct 2016	056:Nov 2016	057:Dec 2016	058:Jan 2017	059:Feb 2017	060:Mar 2017	061:Apr 2017
4,042,961	4,398,024	4,753,087	5,108,150	5,463,213	5,639,896	5,816,580	5,993,263
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(9,320)	(9,320)	(9,320)	(9,320)	(5,680)	(5,680)	(5,680)	(5,680)
364,383	364,383	364,383	364,383	182,363	182,363	182,363	182,363
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	176,683	176,683	176,683	176,683
6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0	0	0	0	0	0	0	0
355,063	355,063	355,063	355,063	176,683	176,683	176,683	176,683
4,398,024	4,753,087	5,108,150	5,463,213	5,639,896	5,816,580	5,993,263	6,169,946

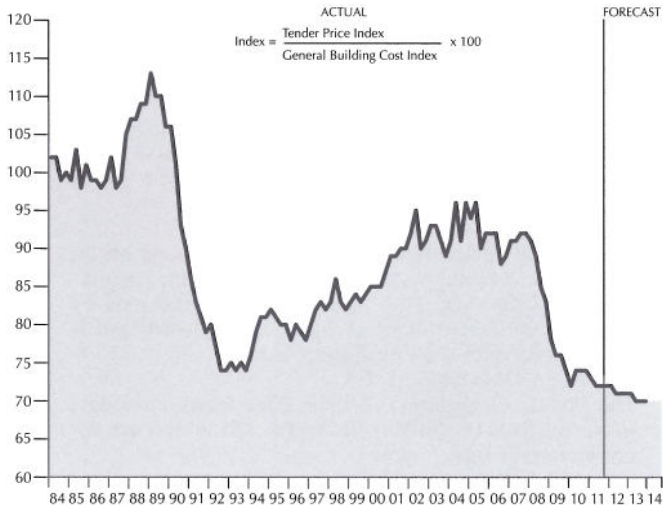
**GNDP CIL
Norfolk****Phased Cash Flow (Merged Phases)**

Page A 9

062:May 2017
6,169,946
0
0
0
0
(3,647)
182,363
0
0
0
0
178,716
6.000
0.000
0
178,716
6,348,662

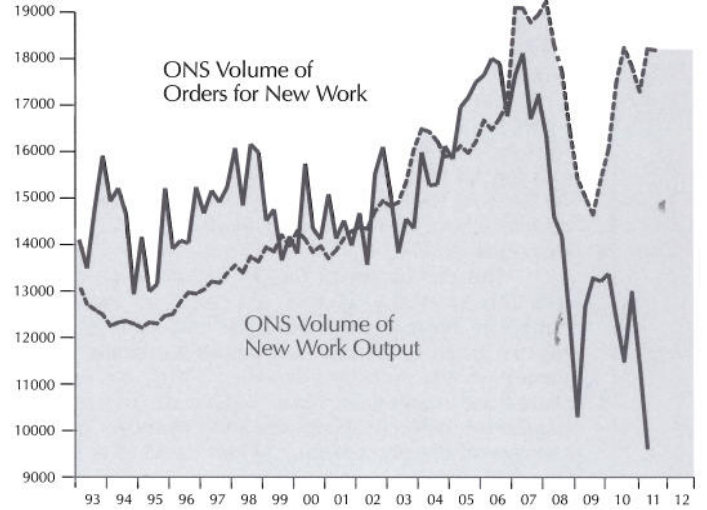
BUILDING COST TRENDS

Market Conditions Index

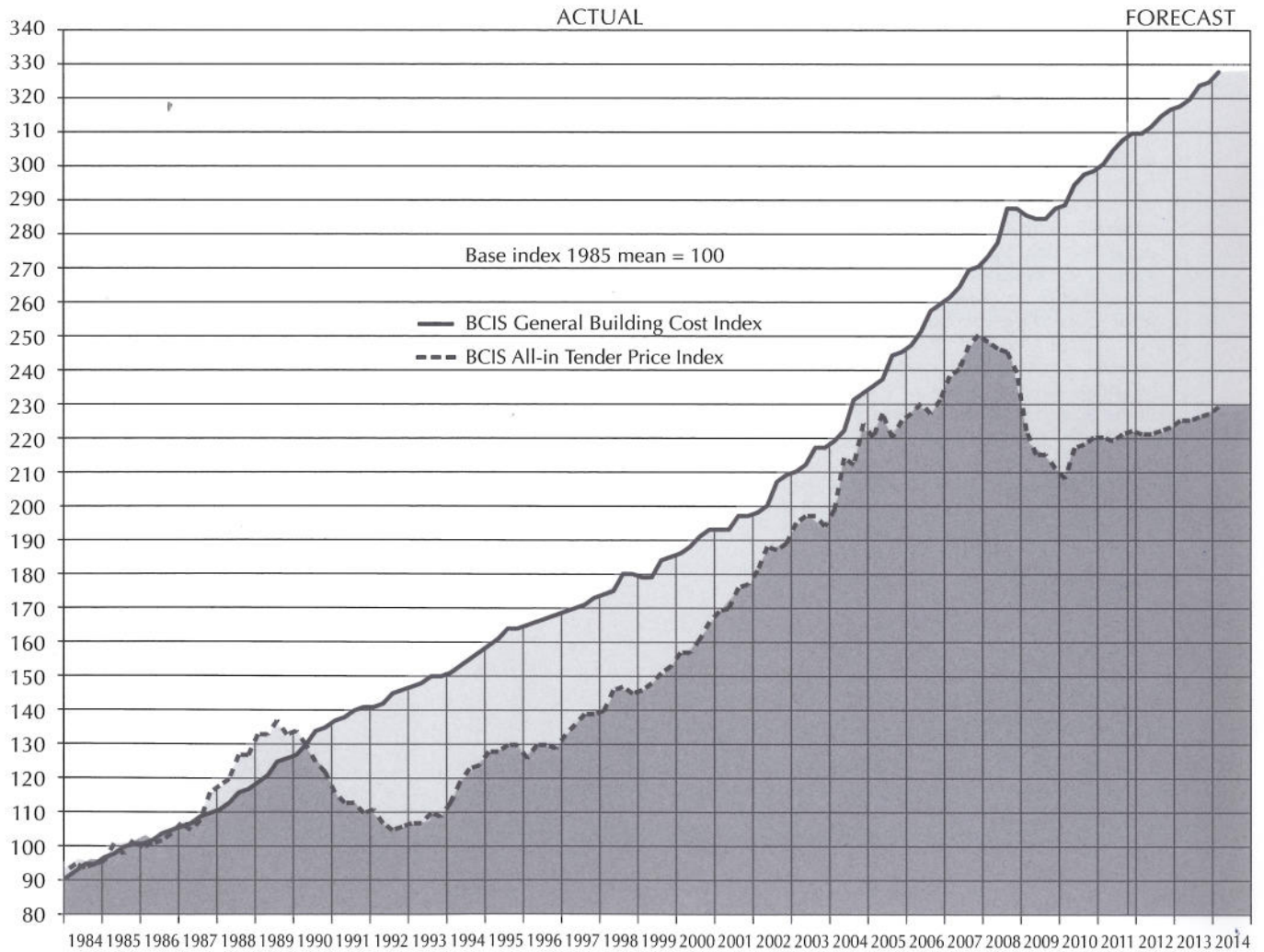


Activity Indicators

Constant 2005 prices seasonally adjusted (£BN)



Building Cost Trends



Chapter 6

Conclusions

This update to previous analysis of the costs of associated with achieving different standards of the Code for Sustainable Homes refines the analysis by:

- Considering the relative costs on four discrete development scenarios
- Incorporating a more detailed analysis of the costs associated with achieving the minimum energy standards required at each level including for Code Level 6.
- Adjusting the analysis of some Code categories to reflect the detail of the September 2007 Code technical guide
- Assessing the potential for reduction in cost over time

This revised analysis shows that the costs of achieving the higher code levels can vary quite substantially as a result of dwelling type, development type and site characteristics (e.g. ecological value and flood risk). The range in per dwelling cost estimates varies from £19k to £47k per unit. Lowest costs are typically seen for those developments where there is potential to use site wide carbon saving technologies (e.g. CHP systems), these are typically sites with relatively high numbers and densities of development. Nonetheless, in the absence of medium/large scale wind solutions it is necessary to make extensive use of microgeneration technologies (e.g. PV) to achieve the standards required at level 6.

The costs of achieving the specific energy standards required level 6 are typically higher than those associated with achieving zero carbon status (without the need for a heat loss parameter of less than 0.8 w/m² K). This is because of the cost associated with the additional thermal efficiency measures and the impact of reduced heat demand on the carbon savings arising from CHP systems. Where it is possible to utilise medium/large scale wind turbines on site (or connected via a private wire) costs are expected to be substantially lower than for the approaches detailed in this analysis (assuming the distance of private wire required is not prohibitively expensive).

It is expected that costs of compliance will fall over time and that by 2016 they could have reduced by between 16 and 25 per cent depending on Code level.

Table 5.2: End terraced house cost estimate for 2016							
CSH Level	Mandatory (£)	Energy (£)	Water (£)	Flexible (£)	Total cost (£)	Cost £ per m²	Percentage increase on 2006 Building Regs
Best Case (Market Town scenario with low ecological value and low flood risk)							
1	£490	£248	£0	£0	£738	£7	1%
2	£490	£1,483	£0	£0	£1,973	£20	3%
3	£490	£3,323	£101	£20	£3,934	£39	5%
4	£490	£6,404	£101	£860	£7,855	£78	10%
5	£490	£10,624	£2,126	£1,150	£14,390	£142	19%
6	£490	£18,368	£2,126	£1,490	£22,475	£223	30%
Medium Case (Market town scenario with medium ecological value and low flood risk)							
1	£490	£248	£0	£0	£738	£7	1%
2	£490	£1,483	£0	£0	£1,973	£20	3%
3	£490	£3,323	£101	£70	£3,984	£39	5%
4	£490	£6,404	£101	£860	£7,855	£78	10%
5	£490	£10,624	£2,126	£1,490	£14,730	£146	20%
6	£490	£18,368	£2,126	£2,700	£23,685	£235	31%
Worst Case (Small scale scenario with high ecological value and medium/high flood risk)							
1	£490	£248	£0	£0	£738	£7	1%
2	£490	£1,483	£0	£70	£2,043	£20	3%
3	£490	£3,524	£113	£860	£4,987	£49	7%
4	£490	£5,292	£113	£1,150	£7,045	£70	9%
5	£490	£11,431	£2,363	£2,700	£16,984	£168	23%
6	£490	£21,751	£2,363	£3,690	£28,293	£280	38%

This predictive (and therefore uncertain) analysis suggests that while substantial cost reductions are achievable by 2016 there will still be a sizeable increase in overall capital costs in comparison to the current benchmark. In 2016, the majority of the additional costs are still likely to be associated with the achievement of energy standards. The proportion of these total costs directly attributable to the Code (rather than to Building Regulations) will reduce as building regulations become progressively tighter.

Chapter 4

Estimated costs in 2008

Tables 4.1 to 4.3 show the estimated 2008 costs of compliance for each level of the Code for the detached house, end terraced house and flat under the best, medium and worst case scenarios described in Section 3, in all cases it is assumed that no electricity generation from wind turbines is possible at any scale⁹. The results for the mid terrace house are very similar to those for the end terrace and are not presented separately.

As well as presenting the overall costs of compliance, the costs are broken down into the mandatory entry level code requirements, the minimum standards for energy and for water and the remaining flexible credits required to achieve the credits threshold at each Code level.

Table 4.1: Detached house							
CSH Level	Mandatory (£)	Energy (£)	Water (£)	Flexible (£)	Total cost (£)	Cost £ per m²	Percentage increase on 2006 Building Regs
Best Case (Market town scenario with low ecological value and low flood risk)							
1	£490	£275	£0	£0	£765	£7	1%
2	£490	£1,648	£0	£50	£2,188	£19	2%
3	£490	£3,916	£125	£220	£4,751	£41	5%
4	£490	£9,868	£125	£1,110	£11,593	£100	13%
5	£490	£17,132	£2,625	£1,600	£21,847	£188	24%
6	£490	£32,752	£2,625	£1,950	£37,817	£326	41%
Medium Case (Market town scenario with medium ecological value and low flood risk)							
1	£490	£275	£0	£0	£765	£7	1%
2	£490	£1,648	£0	£120	£2,258	£19	2%
3	£490	£3,916	£125	£460	£4,991	£43	5%
4	£490	£9,868	£125	£1,250	£11,733	£101	13%
5	£490	£17,132	£2,625	£1,950	£22,197	£191	24%
6	£490	£32,752	£2,625	£2,950	£38,817	£335	43%
Worst Case (Small scale scenario with high ecological value and medium/high flood risk)							
1	£490	£275	£0	£30	£795	£7	1%
2	£490	£1,648	£0	£585	£2,723	£23	3%
3	£490	£3,916	£125	£1,110	£5,641	£49	6%
4	£490	£10,914	£125	£2,000	£13,529	£117	15%
5	£490	£22,367	£2,625	£3,350	£28,832	£249	32%
6	£490	£40,228	£2,625	£4,190	£47,533	£410	52%

⁹ On sites where medium or large scale wind technologies are suitable overall compliance costs would be expected to be significantly lower.



Cost Analysis of The Code for Sustainable Homes

Final Report

Addendum to Response

To

GNDP CIL: NORWICH CITY COUNCIL DRAFT CHARGING SCHEDULE

By

SAVILLS

On Behalf Of

**Easton Land Owners Consortium
Norfolk Homes Ltd
Endurance Estates Ltd**

Dated: 5 March 2012

-
1. The Norwich City Council Draft Charging Schedule differs from the other charging schedules within the GNDP area in that it provides an extra tariff for flats in blocks of six storeys and over. The tariff is reduced from £115 per sq m to £100 per sq m.
 2. There is no accompanying commentary to explain why the flat tariff has been set at this level but we assume it has stemmed from concerns that this type of scheme is generally developed in the central area on brownfield land with the accompanying high costs.
 3. There are potentially a number of larger flatted schemes coming forward within the central area, some of which already have a permission but are likely to revise it so CIL will be a factor. These are:
 - Carrow Quarter – Broadland Housing Associations mixed tenure scheme of 200 units.
 - Westlegate Tower – 16 units, potentially from an additional two floors so there will be some net gain.
 - St Ann's Wharf – 400+ units plus A1 and A3 uses.
 - Wherry Road – 66 units
 - Anglia Square – 93 units
 - Dukes Wharf – current scheme is mainly commercial but likely to seek revision to residential scheme – possibly 200 units.

In addition to these, there are some smaller schemes around the city, including King Street, Bishops Bridge Road and Rosary Road. The Deal Ground should also be considered within this section.

4. From the above, it is clear that there is a substantial housing provision at risk if the tariff is set too high.
5. These are all brownfield sites but some have been cleared of buildings and will therefore be subject to CIL on the total developed area. They may however still be subject to remediation and site clearance (i.e. concrete), which will add to the overall construction cost.
6. We would query why the rate has been reduced for blocks of six storeys or more as, in reality, once a steel or concrete frame is required, build costs increase substantially. This relates to blocks of four or more storeys. The inclusion of lifts is also a significant cost.
7. Some of the schemes above will include blocks that are six or more storeys but there will be a range across the site. It is not clear if it is intended to charge one overall rate for a scheme such as this or apportion the tariff according to specific blocks.

8. It is our opinion that the CIL tariff proposed is too high and will stall the development of these brownfield sites in the central area. Even at the height of the market, the affordable housing provision was based on viability and many schemes were approved at sub 20%. If Norwich City Council is seeking, in line with policy, to maintain the level of affordable housing coming forward then, in this more subdued market, it is clear there is very little capacity for additional payments for CIL.
9. In order to support this view, we have carried out an appraisal on an actual central scheme that is currently going through the planning system. The viability has therefore been the subject of discussion with the planning authority and we are aware that it has been recommended for approval at just 7.5% affordable provision. It is a 66 unit scheme with blocks of up to 7 storeys on a site with a net area of 0.22 hectares (0.54 acres). We have run the viability of this on three bases:
- With the recommended affordable provision without CIL
 - With the recommended affordable provision with CIL
 - With CIL but no affordable

Our inputs and assumptions are generally in line with the agreed viability and are summarised below:

- GDV based on £2,500 per sq m for the open market units and £1,252 per sq m for the affordable units.
- Ground rents on all units at £200 per annum, capitalised at 6%.
- Build costs at £1,292 per sq m plus £15,000 per undercroft parking space.
- Finance at 7.00% (higher than the housing schemes to reflect the greater risk that lenders perceive in this sector)
- Recommended Section 106 contributions totalling £52,621.
- Contingency at 3% (lower than agreed viability – 5%)
- Professional fees at 8%.
- Sales and agents fees at 1.5%
- Profit at 20% on GDV.
- 21 month construction period with 24 months of sales (optimistic)

10. We attach the three appraisals to this addendum and summarise the results below

Scheme	Residual Land Value	Rate per Hectare (Per Acre)
7.5% AH/No CIL	£123,531	£561,504 (£228,761)
7.5% AH/With CIL	-£467,068	£- (£-)
0% AH/With CIL	-£262,315	£- (£-)

11. The GVA report placed a minimum land value of £1,235,500 per hectare (£500,000 per acre) in the central area so it can be seen that at current values and with the higher build costs attributable to apartment blocks, the viability is very fragile, even on the best case scenario as recommended. If this scheme were larger and required demolition or remediation, it is anticipated the picture would be significantly worse. We have carried out a sensitivity test in relation to profit, although for these higher risk developments, profit margins tend to be higher. We have reduced it to 17.5% on GDV (21.21% on cost) and, for the first scenario, this pushes the land value out to £1,600,192 per hectare (£647,598 per acre), a level at which a land owner would be minded to sell. The other two scenarios remain in negative value territory, thus making them unviable.
12. We realise that you are not able to look at specific sites but we thought, in selecting this relatively straight forward site, it would set a clear picture on the impact of CIL to developments such as these. We consider that greater investigation needs to be made into

this sector so an appropriate level can be adopted. We also consider that the reduced rate should be applied on all schemes of 4 storeys and over.

Savills

Development Appraisal

6 Storey Flatted Scheme

Norwich

Without CIL

Report Date: 06 March 2012

Prepared by VEH

**6 Storey Flatted Scheme
Norwich**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Open Market Apartments	61	45,140	£232.06	£171,721	10,475,000
Affordable Apartments	<u>5</u>	<u>3,450</u>	£135.00	£93,150	<u>465,750</u>
Totals	66	48,590			10,940,750

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rents	61	£200	12,200	12,200

Investment Valuation

Ground Rents					
Market Rent	12,200	YP @	6.0000%	16.6667	
		PV 1y @	6.0000%	0.9434	191,824

GROSS DEVELOPMENT VALUE 11,132,574

NET REALISATION 11,132,574

OUTLAY

ACQUISITION COSTS

Residualised Price			123,531	
Stamp Duty		4.00%	4,941	
Legal Fee		0.50%	618	
				129,090

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost	
Open Market Apartments	51,850	£120.00	6,222,000	
Open Market Apartments (Par)	53	£15,000.00	795,000	
Affordable Apartments	3,970	£120.00	476,400	
Totals	<u>55,820</u>		<u>7,493,400</u>	7,493,400

Contingency 3.00% 224,802 224,802

Section 106 Costs

Section 106			52,621	52,621
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PROFESSIONAL FEES

Architect		4.00%	299,736	
Project Manager		4.00%	299,736	
				599,472

DISPOSAL FEES

Sales Agent Fee		1.00%	111,326	
Sales Legal Fee		0.50%	55,663	
				166,989

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)				
Total Finance Cost				239,686

TOTAL COSTS 8,906,059

PROFIT

2,226,515

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
Development Yield% (on Rent)	0.14%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%

**6 Storey Flatted Scheme
Norwich**

IRR	45.29%
Rent Cover	182 yrs 6 mths
Profit Erosion (finance rate 7.000%)	3 yrs 3 mths

RENT & SALES SCHEDULE**SAVILLS****6 Storey Flatted Scheme****Norwich****RENT AND CAPITALISATION**

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Rent £ ft ²	Gross MRV £ pa	Adjustment	Net MRV £ pa	Yield%	YP	Net Capital Value
Ground Rents	61	0	0	0.00	12,200	0	12,200	6.00	16.6667	191,824

SALES

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Sales £ pf ²	Per Unit £ pa	Gross Sales £ pa	Adjustment	Net Sales £ pa
Open Market Apartments	61	740	45,140	232.06	171,721	10,475,000	0	10,475,000
Affordable Apartments	5	690	3,450	135.00	93,150	465,750	0	465,750
Totals			48,590			10,940,750	0	10,940,750

CONSTRUCTION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Parking Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Open Market Apartment	61	850	51,850	120.00	102,000	6,222,000	795,000	0.000%	0	7,017,000
Affordable Apartments	5	794	3,970	120.00	95,280	476,400	0	0.000%	0	476,400
Totals			55,820			6,698,400	795,000		0	7,493,400

Savills

Development Appraisal

6 Storey Flatted Scheme With CIL

Norwich

With CIL

Report Date: 06 March 2012

Prepared by VEH

**6 Storey Flatted Scheme With CIL
Norwich**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	Units	ft ²	Rate ft ²	Unit Price	Gross Sales
Open Market Apartments	61	45,140	£232.06	£171,721	10,475,000
Affordable Apartments	<u>5</u>	<u>3,450</u>	£135.00	£93,150	<u>465,750</u>
Totals	66	48,590			10,940,750

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rents	61	£200	12,200	12,200

Investment Valuation

Ground Rents				
Market Rent	12,200	YP @	6.0000%	16.6667
		PV 1y @	6.0000%	0.9434
				191,824

GROSS DEVELOPMENT VALUE 11,132,574

NET REALISATION 11,132,574

OUTLAY

ACQUISITION COSTS

Residualised Price	(467,068)
	(467,068)

CONSTRUCTION COSTS

Construction	ft ²	Rate ft ²	Cost
Open Market Apartments	51,850	£120.00	6,222,000
Open Market Apartments (Par)	53	£15,000.00	795,000
Affordable Apartments	3,970	£120.00	476,400
Totals	<u>55,820</u>		<u>7,493,400</u>

Contingency		3.00%	224,802
CIL	55,820 ft ²	10.68 pf ²	596,158
			820,960

Section 106 Costs

Section 106	52,621
	52,621

PROFESSIONAL FEES

Architect	4.00%	299,736
Project Manager	4.00%	299,736
		599,472

DISPOSAL FEES

Sales Agent Fee	1.00%	111,326
Sales Legal Fee	0.50%	55,663
		166,989

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)	
Total Finance Cost	239,686

TOTAL COSTS 8,906,059

PROFIT

2,226,515

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
Development Yield% (on Rent)	0.14%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	45.29%

**6 Storey Flatted Scheme With CIL
Norwich**

Rent Cover	182 yrs 6 mths
Profit Erosion (finance rate 7.000%)	3 yrs 3 mths

RENT & SALES SCHEDULE**SAVILLS****6 Storey Flatted Scheme With CIL****Norwich****RENT AND CAPITALISATION**

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Rent £ ft ²	Gross MRV £ pa	Adjustment	Net MRV £ pa	Yield%	YP	Net Capital Value
Ground Rents	61	0	0	0.00	12,200	0	12,200	6.00	16.6667	191,824

SALES

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Sales £ pf ²	Per Unit £ pa	Gross Sales £ pa	Adjustment	Net Sales £ pa
Open Market Apartments	61	740	45,140	232.06	171,721	10,475,000	0	10,475,000
Affordable Apartments	5	690	3,450	135.00	93,150	465,750	0	465,750
Totals			48,590			10,940,750	0	10,940,750

CONSTRUCTION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Parking Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Open Market Apartment	61	850	51,850	120.00	102,000	6,222,000	795,000	0.000%	0	7,017,000
Affordable Apartments	5	794	3,970	120.00	95,280	476,400	0	0.000%	0	476,400
Totals			55,820			6,698,400	795,000		0	7,493,400

Savills

Development Appraisal

6 Storey Flatted Scheme With CIL

Norwich

With CIL/No Affordable

Report Date: 06 March 2012

Prepared by VEH

**6 Storey Flatted Scheme With CIL
Norwich**

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	Units	ft²	Rate ft²	Unit Price	Gross Sales
Open Market Apartments	66	48,840	£232.06	£171,721	11,333,607

Rental Area Summary

	Units	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Rents	66	£200	13,200	13,200

Investment Valuation

Ground Rents					
Market Rent	13,200	YP @	6.0000%	16.6667	
		PV 1y @	6.0000%	0.9434	207,547

GROSS DEVELOPMENT VALUE 11,541,154

NET REALISATION 11,541,154

OUTLAY

ACQUISITION COSTS

Residualised Price	(262,315)	(262,315)
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CONSTRUCTION COSTS

Construction	ft²	Rate ft²	Cost
Open Market Apartments	56,100	£120.00	6,732,000
Open Market Apartments (Par)	53	£15,000.00	795,000
			7,527,000
Contingency		3.00%	225,810
CIL	56,100 ft ²	10.68 pf ²	599,148
			824,958

Section 106 Costs

Section 106	52,621	52,621
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PROFESSIONAL FEES

Architect	4.00%	301,080
Project Manager	4.00%	301,080
		602,160

DISPOSAL FEES

Sales Agent Fee	1.00%	115,412
Sales Legal Fee	0.50%	57,706
		173,117

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)		
Total Finance Cost		315,381

TOTAL COSTS 9,232,923

PROFIT 2,308,231

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
Development Yield% (on Rent)	0.14%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	39.83%
Rent Cover	174 yrs 10 mths
Profit Erosion (finance rate 7.000%)	3 yrs 3 mths

**6 Storey Flatted Scheme With CIL
Norwich**

RENT & SALES SCHEDULE**SAVILLS****6 Storey Flatted Scheme With CIL****Norwich****RENT AND CAPITALISATION**

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Rent £ ft ²	Gross MRV £ pa	Adjustment	Net MRV £ pa	Yield%	YP	Net Capital Value
Ground Rents	66	0	0	0.00	13,200	0	13,200	6.00	16.6667	207,547

SALES

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Net Area ft ²	Sales £ pf ²	Per Unit £ pa	Gross Sales £ pa	Adjustment	Net Sales £ pa
Open Market Apartments	66	740	48,840	232.06	171,721	11,333,607	0	11,333,607

CONSTRUCTION

Areas (Sq Feet)	Units	Area/Unit ft ²	Total Gross Area ft ²	Cost £ pf ²	Unit Cost £	Gross Cost £	Parking Cost £	Inflation Rate %	Inflation Amount £	Total Cost £
Open Market Apartment	66	850	56,100	120.00	102,000	6,732,000	795,000	0.000%	0	7,527,000