Supplementary Appendix 3

To the 2020 Viability Appraisal in support of the proposed Greater Norwich Local Plan

27 January 2022

Details regarding the author and accountabilities

This Supplementary Appendix has been prepared by Norse Consulting (NCGL) 5, Anson Road, Norwich, Norfolk, NR6 6ED on behalf of the Greater Norwich Development Partnership.

The parameters and terms of engagement for this assessment were agreed with the GNDP team on 21 January 2022.

The assessment has been prepared by Tracey Powell who is a member of the Royal Institution of Chartered Surveyors (RICS) and an RICS 'Registered Valuer' (the Practitioner).

The surveyor can confirm on behalf of NCGL that they have complied with the RICS professional standards and guidance, England – Financial viability in planning: conduct and reporting 1st edition, May 2019 as far as she was able to, and where any deviance may have occurred this is referred to within the body of the report

The practitioner can confirm that:

- They have remained objective, impartial and reasonable
- There are no known conflicts of interest
- Confirmation of instructions have been complied with
- There is no performance related or contingent fee relating to this commission
- With the exception of confidential material used to assess viability inputs the material used is available
- This is an assessment of sites specific
- Where possible the practitioner has provided commentary with justification and evidence with regard to the agent's appraisal inputs but where a high degree of practitioner judgement has been made, this has been stated
- Commentary regarding the land value including the approach to 'Benchmark Land Value' has been provided
- With regard to Sensitivity Analysis – where appropriate this will be undertaken.

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Date:	27 January 2022	Date:	

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Purpose of the Supplementary Appendix

1. This report has been prepared to support GNDP's response to Issue 1: Is the policy for affordable housing justified, effective and consistent with the evidence and national policy? Question 8.

   Is the requirement for specialist older people's accommodation, including care homes, to provide an affordable housing contribution justified and consistent with national policy? Have these requirements been subject to viability testing?

2. The GNDP response is as follows:

   - As is stated in the Homes Topic Paper (Document D3.6, paragraph 40), the Partnership applies the reasoning that older person's housing is still a dwelling even though it comes with care services, and consequently considers its approach to be justified and consistent with national policy. This approach reflects the judgment in Holgate J in Rectory Homes Limited v Secretary of State for Housing, Communities and Local Government (case number: CO/4682/2019).

   - Viability testing has not been completed for specialist older people's accommodation. However, viability consultants working on the GNLP's behalf are now doing this work and the results will be ready at the end of January, in advance of the hearing sessions beginning. This work will focus upon the supported living/sheltered housing model, of which leaders in the market are McCarthy Stone and Churchill Retirement Living.

Background and Context

3. The 2020 Viability Appraisal and the 2021 Supplementary Appendix were prepared to support the Draft Greater Norwich Local Plan (GNLP) Strategy document. While the strategy document referred to the policy relating to Older Person Housing this was not assessed for viability and as a consequence was neither referred to or tested for impact on viability of qualifying/relevant Typologies.

4. Following the Inspectors review of the suite of documents relating to the Draft Greater Norwich Local Plan a variety of questions were raised. This Supplementary Appendix seeks to address one of the questions raised regarding the provision of Affordable Housing relating to Older Person Housing in so far as the practitioner is able within the time constraints manifest.

5. The Supplementary Appendix therefore seeks to demonstrate whether sufficient surplus can be generated to provide affordable housing off-site from a notional Older Persons Scheme. This could be considered as a Phase 1 assessment with further assessments dependant on the outcome of this initial assessment.

6. As a consequence, a Typology 12 has been created – Older Persons Housing.

7. When considering this Supplementary Appendix, reference should be made to the 2020 Viability Appraisal which will provide the rationale behind the general approach taken.

8. In order to place in context and for ease of reference:

   The original 'testing' was undertaken by reference to the NPPF viability guidance September 2019, Viability Testing Local Plans: Advice for planning practitioners June 2012 the 'Harman Guidance', the RICS Financial viability in planning guidance, the outcome of stakeholder consultation and continuing client consultation taking forward the recommendations of the Hamson Baron Smith GNLP Viability Appraisal August 2017 (the HBS Report).

   The 2019 Interim Viability Study prepared by NPS Property Consultants Ltd took the viability process a stage further by applying a cost to the proposed emerging policies and where possible sought to update the viability inputs to enable further testing of viability to be undertaken.

   In December 2020 the Viability Appraisal was published and in May 2021 a Supplementary Appendix was prepared to address a number of anomalies which arose from the findings of the 2020 Viability Appraisal.

   All documents can be found here https://www.gnlp.org.uk/index.php/local-plan-examination-local-plan-examination-document-library/b-evidence-library

Viability Assessment Framework

9. The key publications and guidance considered in the preparation of this Supplementary Appendix remain the same as those publications considered for the 2020 Viability Appraisal. These were:

- National Planning Policy Framework 2019 (NPPF) (previously 2012),
- Planning Policy Guidance 2019,
- Viability Testing Local Plans: Advice for planning practitioners. Local Housing Delivery Group chaired by Sir John Harman June 2012 (the Harman Report),
- RICS Professional Guidance, England 1st Edition: Financial viability in planning (GN 94/2012)
- RICS Financial viability in planning: conduct and reporting. 1st Edition, May 2019,
- Assessing viability in planning under the National Planning Policy Framework 2019 for England edition, March 2021.

Statement regarding impact of COVID19 and BREXIT

10. It is not the purpose of this document to update the impact on the economy on matters arising from either the current pandemic or Brexit.

General Approach Taken

11. In response to the question raised by the Inspectors with regard to affordable housing and Older Persons Housing, this further study has been commissioned to explore the impact of providing affordable housing with regard to a new Typology – Older Person Housing in so far is achievable at this time.

12. It is important to note that while the proposed notional Typology assessed is a market driven scheme, the provision of retirement homes has been generally accepted as being specialist housing for older people and as a consequence in certain circumstances deviation from standard modelling i.e. mainstream housing can be considered.

13. Where any deviation is made this will be stated.

14. This Supplementary Appraisal therefore seeks to assess Older Persons Housing or Accommodation meaning market driven independent Retirement Living primarily for the over 55's. A typical scheme might be a McCarthy & Stone or Churchill type development where facilities or benefits might be 24-hour staffing, communal gardens and lounges, Wi-Fi access, visitor flat and a bistro or restaurant.

15. Typical market led retirement schemes can vary from flatted developments of up to 5 may be 6 storeys but currently tend to be 3 storeys comprising 1 and 2 bed apartments.

16. There may also be developments which are a mixture of 1 and 2 bed apartments and 1 and 2 bed bungalows/cottage/coach houses.

17. What this notional Typology does not cover are developments for:

- Extra care housing,
- Housing with care,
- Sheltered housing,
- Supported living,
- Residential care home, or
- Nursing care homes.

18. The notional Typology will focus on:

Typology 12:	75 apartments with communal facilities
Site area of approximately:	1.0 Ha (2.47 acres)
Density of approximately:	75 dw per Ha (30 dw per acre)
Description:	Urban Fringe/Main Town
Notational location:	Bowthorpe Aylsham, Drayton, Hellesdon, Costessey Harleston, Wymondham
Apartment Sizes:	1 bed at 51 sqm 2 bed at 88 sqm

19. It is possible that further sub-Typologies are required to assess and test smaller or larger notional Older Person developments and / or differing locations.

20. A recent case the practitioner has been involved on behalf of South Norfolk Council has helped inform the Typology 12 criteria and assisted with regard to the data inputs. Where relevant this case will be referred to with commentary which may be in part subjective but will nonetheless provide the reader with context.

21. Appendix A assesses the recent case to enable Typology 12 criteria to be set at reasonable levels i.e. the apartment areas and the communal space.

Application

Background

22. The purpose of this Viability Appraisal for Older Persons Homes and the framework in which this appraisal will be undertaken have been set out in earlier in this Supplementary Appendix.

23. In this section the assumptions upon which the appraisal is made is provided. This is broadly in line with the 2020 Viability Appraisal, but where any divergence is made this will be stated.

24. The following statement was provided in the 2020 Viability Appraisal and is considered to remain important when considering the place of Typology assessments.

2020 VA: Some important points to note and to ensure these appraisals are placed in context are that:

- *The developer has relatively little control over costs associated with a development with perhaps the exception of economies of scale or a rapidly rising market and, to a lesser extent the choice with regard to the quality of a proposed development, and*

- *The assessment of land values is the most emotive of issues – what will landowner/s be prepared to sell/release land at, when development costs with little flexibility are known? Where development costs are too high, the development will simply not come forward.*

The debate and academic discussion regarding land value will no doubt continue nationally and play out locally, however, regarding these appraisals GNDP follow the accepted guidance and methodology.

This sentiment has not altered and may actually be more relevant than previously stated.

Methodology

25. The basic methodology or accepted practice has not altered. Given that this underpins the approach to the assessment of the Typology, this section is re stated below.

26. The RICS professional guidance Financial viability in planning: GN 94/2012 states:

‘*It is accepted practice that a residual valuation model is most often used.*

This approach uses various inputs to establish the Gross Development Value (GDV) from which the Gross Development Cost is deducted.

GDC can include a Site Value as a fixed figure resulting in the developer’s residual profit (return) becoming the output which is then considered against a benchmark to assess viability. Alternatively, the developer’s return (profit) is an adopted input to GDC, leaving a residual land value as an output from which to benchmark viability i.e. being greater or less than what would be considered an acceptable Site Value.

27. This Appraisal assesses:

- the site or land value as a fixed cost where the value assessed is the benchmark land value,
- the developers profit for market housing is assessed at 18.5% of revenue, and

once the above has been established, the workbook for the Typology will identify either a surplus or deficit.

Process Undertaken

28. There are broadly 3 stages undertaken these are:

Stage 1

Establish Typology input parameters including revenue and costs i.e.

The Assessment of Gross Development Value (Revenue)

i. Evidence based study of sales values for the Typology in the general locality, and
ii. Application of findings against each dwelling type considered.

The Assessment of Gross Development Costs

i. Evidence based assessment of all costs incurred where available i.e. land value, construction costs etc.,
ii. For elements of the GDC where no evidence is available, we used practitioner judgement in collaboration with industry professionals and the client,
iii. Application of planning policy costs against the notional Typology, and
iv. Assessment of an acceptable developers return (profit) for the Typology.

Stage 2

Identify the appropriate Benchmark Land Value for the notional Typology in accordance with current NPPF guidance that is to identify the minimum land value which must reasonably incentivise a landowner to release land for development.

Stage 3

The usual approach would be to assess various scenarios to assess/test the extent of viability. In this assessment the scenarios tested for the 2020 Viability Appraisal (a reduction in revenue and an increase in build costs) have not been tested. Additional assessment against certain criteria may require testing in due course.

Analysis of results

i. Establish whether the Typology assessed was viable,
ii. If not, why not?
iii. What are the sensitivity thresholds? (Subject to the comment made above).

Professional Input and Judgement

29. This has not altered.

Gross Development Value

Market Revenue - Residential Market, Research and Data Applied

30. This section discusses the Older Persons Housing or Retirement Housing only and will not refer to the 2020 Viability Appraisal although the practitioner is mindful of the consultee comments made regarding the approach to the assessment of the market revenue.

31. The valuation date is January 2022 as opposed to 2020.

32. The assessment of this market is undertaken on the basis that this is a specialised market when compared to general housing.

33. When this type of property for retirement living was first developed, it was generally accepted that market evidence in the locations where development was proposed for this type of property did not exist. As a consequence, the Retirement Housing Group and Three Dragons prepared a briefing note on viability in respect of sheltered housing and extra care (update February 2016) which effectively up lifted mainstream housing to reflect the market.

34. In more recent years and with the market for retirement housing widely accepted with a number of completed and proposed developments meaning that the available comparable information is greater than it has been in the past.

35. While the Retirement Housing Group methodology is still applied in many actual cases, with the available direct comparables now available particularly where a number of desirable developments perform better than the standard up lifts previously applied, the preferred assessment methodology is to compare with the current information available for retirement schemes.

Research

36. The following was undertaken within the GNLP area:

- Market overview,
- Assessment of the current asking prices in the second-hand market using Rightmove and developers own web sites for new build asking prices,
- Assessment of recently sold house price data from publicly accessible sources using Land Registry information (*not undertaken*), and
- Knowledge gained with regard to recent Critical Appraisals undertaken by landowners/developers/applicants.

Retirement Living Housing Market

37. The main developers operating in this market in Norfolk, north Suffolk and into Cambridgeshire are McCarthy & Stone and more recently Churchill.

38. There are a number of older McCarthy & Stone development as well as new developments which are available or are under construction.

39. Sunstone also has a development for Assisted Living in Diss but this development is understood to provide additional care and therefore not necessarily directly comparable to the assumption made in assessing the criteria for Typology 12.

40. Given the extent of development elsewhere in the country retirement living in Norfolk is perhaps under represented apart from say Holt in North Norfolk.

41. Anecdotally it is understood that the main players continue to be interested in potential retirement living developments in Norfolk and are actively looking for sites.

42. For general market commentary see Appendix 7.

Second-hand Market – Asking Prices Commentary

43. With regard to Rightmove there are a number of retirement properties currently on the market both apartments and bungalows or other dwelling type. With focus given to the apartments, approximately 50 dwellings were on the market as at the valuation date in the general GNDP area, however, only the apartment blocks were considered and these were originally built by McCarthy & Stone.

44. The apartments available were 1 and 2 bed with asking prices for the remaining lease ranging from £165,000 to £225,000, with one property of 70.9 sqm at £325,000 equating to £4,584 / sqm and another asking £225,000 for 75.4 sqm equating to £2,984 /sqm. The higher rate per sqm achieved was £5,100 /sqm for an apartment in Eaton.

See Appendix 5.

Developer New Build Market Commentary

45. The key comparable development is considered to be Foundry Place which although refers to retirement living 'Plus' it is considered that this can be directly comparable to Typology 12. The asking prices range from £222,950 for a 1 bed apartment to £331,95 for a 2 bed apartment.

46. The asking prices per sqm range from £3,909 /sqm to £4,582 /sqm. It should be noted that similar developments located in other parts of the County could be more desirable, such as Eaton, and therefore higher sales rates can be achieved. Conversely other parts of the County may not achieve the Foundry Place asking prices such as Stalham (North Norfolk).

47. The new development in Eaton unfortunately does not provide asking prices although these are expected to somewhat higher than the Beccles comparable.

48. While at a recent appeal the location of suitable comparable information was challenged, when assessing notional Typologies all locations should be considered.

Appendix 6 provides property information taken from the develops web sites.

2022 Assessment of Market Revenue for Typology 12 – Older Persons Housing

49. Both the new build and the secondhand market was considered for asking prices, as opposed to actual sales transactions which is always preferable. It is not particularly straightforward to gain such transactional material and as a consequence asking prices may be the only real source of material. Provided that asking prices are generally understood to be higher than the eventual sales prices, unless the market is extremely buoyant, then provided reasonable assumptions are made this is an acceptable approach.

50. It should be noted that asking prices considered are for long leasehold properties, with regard to the second-hand market these are likely to be for a shortened term than the new build properties and as a consequence are likely to achieve lower rates per sqm than new build. In addition, the new build properties will attract a new build premium.

51. In the assessment of the notional sales prices the following are disregarded:

- length of term,
- service charge,
- any additional property-based charge, and
- incentives.

52. Given the current buoyant market and provided the market is not flooded with retirement living apartments then the sales rates for the assessment of notional Typology 12 – Older person Housing of new build developments of a similar size will be greater than the second-hand market but perhaps not as high as the developer's current asking prices currently stated.

53. It is proposed to assess at £210,000 for a 1 bed apartment and £350,000 for a 2 bed apartment, this equates to £4,118 / sqm and £3,976 /sqm.

54. The notional sales rates applied to assess the GDV shown on the Base Data Sheet found in Appendix 3.

55. Please note that any income derived from the letting of a notional visitor apartment is disregarded. The comparable used to assess the basic criteria of this Typology included a visitor apartment.

Affordable Housing

56. For the purposes of this assessment, the Affordable Housing is assumed to be provided off-site and there any surplus generated will in theory be available for the provision of affordable housing elsewhere in accordance with relevant planning policies.

Gross Development Costs (GDC)

Predevelopment and Property Standards relating to Cost

57. No change, the same principles apply.

Core Build Costs

Interim Study – relating the apartments/flats only

58. The Interim Study proposed and applied build costs at £1,528 per m² to the notional GIA for each apartment.

The Study made a number of assumptions:

- The rate per m² applied to the flats/apartments were uplifted by 7½% to account for communal areas,
- Garages as a separate item of cost, were not applied to any of the Typologies, it was assumed that where they were likely to be constructed that the cost was contained within the Site and Infrastructure costs,
- That there were no significant onerous abnormal costs affecting the hypothetical Typology build costs, and

Consultation Comments

59. It was generally considered that the rates/m² appeared to be reasonable when referenced against the BCIS for each of the three council areas, however as build costs frequently changed over time, that the then latest BCIS data April 2020 showed costs to be 5% higher than stated in the Interim Study.

2020 Response

60. In line with the consultee comments and this report's revision, a further assessment of build costs was undertaken to bring the data used in line with the report's date; this included a review of the BCIS £/m² Study.

61. Consideration was also given to recent critical analysis of developer/applicants own appraisals, however, less weight will be given to this evidence due to their high reliance on the BCIS £/m² Study as at the date of their appraisals, although where developers own costs were expressed these tended to be marginally lower than the stated equivalent once preliminaries had been applied.

62. In addition, and to place construction costs in context, a review of the building forecast was also undertaken and this culminated in the following costs being applied.

63. *Table : 2020 Viability Appraisal Costs applied*

BCIS Classification (Median):	Norwich	Broadland	South Norfolk
Estate Housing Generally (810.1)	£1,116 / m²	£1,163 / m²	£1,128 /m²
Flats (apartments) Generally (816.) Flats 6 storey's or above	£1,305 / m² £1,444 / m²	£1,252 / m² £1,505 / m²	£1,265 /m² NA

- *Rebased to Norwich, South Norfolk and Broadland*
- *Dated November 2020*
- *Application of the Median*
- *Includes contractor preliminaries and Overhead and Profit but excludes external works*

64. With regard to the flats/apartments, as with the Interim Study, an additional 7.5% was applied to the build cost, although in practice a 7.5% increase could equally be applied to the GIA.

Build Costs Applied to Typology 12 – Older Persons Accommodation (2022)

65. Notwithstanding the above, it would be appropriate to apply the relevant BCIS cost rate per sqm for a Supported Housing Scheme although it is useful to also compare with a general market flatted development of the same size.

66. With regard to a recent comparable case the developer initially applied £1,348 / m² but increased to reflect to efflux of time between their report preparation and the decision date. The rate applied increased to £1,418 / m².

67. The current BCIS rate medium rate in January 2022 for a 3 storey flatted supported housing development for Norfolk £1,340 / m² although the sample size may be considered to be quite low. The rate is higher than that showing for South Norfolk but less than Broadland Council. See Appendix 2.

68. The corresponding general flat rate is £1,330 / m².

69. The reasons for the differences are due to the sample sizes.

70. For the purposes of this assessment £1,340 / sqm is applied to the total build area not just the saleable area.

Garage Costs of Construction

71. It will be assumed that garages will not be provided, although this may need to be readdressed in due course.

GNLP Policy 2 – Sustainable Communities, cost implications

Interim Study

72. The Interim Study referred to the 2017 Hamson report with regard to 'water, energy and access' and how GNDP were looking to incorporate national reviews such as the Housing Standards Review, Fixing the Foundations Productivity Report, BREEAM etc. with the objective of 'driving up standards leading to more sustainable communities'.

73. The reasoning behind these proposed new policies is well documented in the draft Local Plan. The Hamson report assessed what the impact on cost delivering these higher standards would be and these sums were incorporated into the Interim Study appraisals. The sums assessed were:

- Water at £9 per dwelling to achieve optional higher efficiency,
- Energy at £5,000 per dwelling to exceed Part L Building Regulations, and
- Access at £940 for 20% of dwellings only.

2020 Response

74. The level of cost attributed to 'water, energy and access' has been reviewed and is considered to meet current requirements for both Part L of the Building Regulations and GNDP policy requirements. It should be noted that costs associated with the 'water and energy' Policy have not altered since the initial Hamson report, the 'access' costs however have increased to £1,400 for 20% of dwellings per Typology.

75. While it is considered that the £5,000 per dwelling for energy efficiency measures was and continues to exceed the Part L requirements, nevertheless the following was considered:

- Would it be appropriate to increase the rate applied by inflation on the understanding the base price is an acceptable amount, or
- Should the sum remain the same on the basis that technologies will over time become part of the normal standard of construction cost and cheaper to install?

76. On balance it was considered that one would negate the other and therefore the cost implications in this section should not change and the following was applied to the 2020 Viability Appraisal Typology assessments.

	Water – 100% homes at £9.00 per dw
2020 Efficiency measures applied:	Energy – 100% homes at £5,000 per dw
	Access – 20% of homes at £1,400 per dw

Typology 12 – Older Persons Accommodation (2022)

77. The principle of the additional costs applied remains and it will be expected that suitable efficiency measures are provided within the fabric of the buildings constructed. While over time such efficiency standards will become implicit within the core build costs, it is nevertheless important to continue to identify such standards expected.

78. On the bass that the valuation date of this assessment is two years later than the preparation of the main Viability Appraisal and when the costs were effectively set, a 10% increase has been made to reflect potential additional costs whether through different technologies applied or inflation. It should be noted that this is not a scientific assessment rather than an attempt to acknowledge economic and technology changes overtime.

2022 Efficiency measures applied:	Water – 100% homes at £10.00 per dw Energy – 100% homes at £5,500 per dw

79. With regard to this Typology however 'access' is disregarded on then basis that all of the apartments developed would be fully accessible and costs associated with this will be contained within the core build cost applied.

External Works and Infrastructure (formerly Siteworks and Infrastructure)

Interim Study

80. In this section it was proposed to follow the Harman guidance with regard to site wide infrastructure costs by seeking to apply a suitable sum for the Typology being assessed where the sum included would cover:

- Site wide infrastructure,
- Off-site works,
- Site works per plot including garages,
- Landscaping,
- Additional utility connections such as sub stations, and
- Contractor overhead and profit.

The rate applied to the core build costs were assumed to be between 10% and 20% dependant on Typology.

Consultee Comments

81. There were several comments relating to Siteworks and Infrastructure, these were:

- It was more usual to refer to Infrastructure Costs as External Works,
- That the Interim Study applied between 10% and 20% dependant on Typology and essentially the larger the site the greater the infrastructure cost,
- It was also noted that the allowance included garages which if remained as stated would take up circa 30% of the infrastructure allowance,
- Garages are usually included in build costs but not infrastructure costs, but if to remain then the allowance should be increased,
- On the assumption that garages were not included in this allowance that 10% would only apply to the apartment schemes where external works are minimal,
- Any housing scheme would require roads, drives, drainage etc and only in exceptional cases would the infrastructure/external works costs fall below 15%, and
- No evidence was produced to support the estimate of infrastructure costs.

2020 Response

82. This element of the construction costs was reconsidered following the consultee comments, with attention to:

- Terminology and what is included within this section,
- Treatment of garages, and
- The percentage applied to each Typology.

83. It was particularly difficult to provide an accurate assessment of Site Works when the locations and type/mix of development is wide ranging. The percentage applied to build costs is therefore a broad approach.

84. The greater percentages used in the Interim Study for the larger notional developments was considered to go some way in accounting for the extensive sitewide infrastructure such as reinforcement of utilities and services at national level. Whereas the smaller sites would not require the same level of service and utilities input other than a typical semi-serviced site.

2020 Review

85. Several adjustments were made considering the consultee comments and review of the general approach in the assessment of External Works.

86. One of the key adjustments was to provide a separate line for costs associated with the construction of garages. With this adjustment however, the External Works percentage applied should be reduced to reflect this significant cost, bearing in mind that the percentage will also be applied to the garage costs.

87. However, costs associated with External Works also required adjusting in light of recent knowledge of developer appraisals, although as with the assessment of the GDV per sqm, due consideration is made to the objectives of the developer led appraisals in assessing what level the External Works percentage should be applied to the 11 Typologies.

Therefore:

- The relevant percentage was applied to all build costs – demolition, core build, garages and Policy requirements (where relevant),
- The larger sites incurred greater sitewide infrastructure costs including providing and equipping all or part of the on-site open space requirements,
- Typology's 4 and 7 are fully flatted schemes and therefore the External Works percentage would be reduced to reflect this (T7 would be say 25% based on size but reduced to 20% to reflect flats).

External Works are assumed to include:

- Site wide infrastructure,
- Off-site works,
- Site works per plot,
- Landscaping,
- Any utility connections,
- Contractor overhead and profit (although BCIS state this is included within the core build costs),
- SUDS,
- Establishment of any on-site open space, children's play area etc,
- Warranties and other registrations,
- This list is not necessarily exhaustive but to cover most costs of physical development.

In additional for the 2020 Viability Appraisal, it was assumed that:

- no government or quasi government funding is available to enable the wider site works to be developed particularly regarding the larger sites, if this was the case, then those Typologies should be reviewed,
- as build costs fluctuate so will the External Works sum, this may not always be the most appropriate way, however these are high level assessments of notional Typologies and is the general approach of consistency which is relevant, and
- that there are no abnormal or onerous costs associated with development of any of the Typologies.

Typology 12 – Older Persons Accommodation (2022)

88. To broadly follow the approach taken for Typologies 4 and 7 on the basis that these are fully flatted notional developments.

89. The rate applied will be 20% to cover costs as stated above although this would assume to exclude any on-site children's play areas etc.

90. A recent retirement living scheme proposed and applied 8% of base build costs for External Works. While this one case applied a rate somewhat less than the 2020 Viability Appraisal proposes, it is proposed to apply 20% to maintain consistency of approach with the flatted scheme assessed.

In practice a developer assess their proposed development holistically.

Specific assumptions relating to Brownfield sites

91. Assume this Typology is located on a greenfield site.

Contingency

Interim Study

92. The Interim Study applied a rate of 3% of construction costs where the construction costs included:

- Core build costs,
- Water policy costs,
- Energy policy costs,
- Access policy costs where relevant,
- Site and Infrastructure, and
- Brownfield costs if applicable.

Consultation Comments

93. It was noted that the contingency rate was reduced from 5% in the 2017 Hamson report to 3% in the Interim Study. It was noted that no justification was given although 3% is usually adopted for area wide and site-specific viability.

2020 Response

94. While there was a reduction from the initial Hamson report in 2017 to 3%, the basis of this reduction was to bring the rate in line with the general approach for area wide viability assessments, as a consequence of this, there will no change from the previous Interim Study. The following is assumed to be included within the Contingency costs, this is a slight change in assumptions made in the Interim Study:

- Brownfield allowance (where relevant),
- Core build costs,
- Garages,
- Water policy costs,
- Energy policy costs, and
- Access policy costs.

Typology 12 – Older Persons Accommodation (2022)

95. The developers of the comparable case applied 5% to the core build costs. While it could be said and has been said that this type of development has greater inherent risks, this risk is reflected in the increased developers profit; it is assumed that while the build costs will higher than general housing the risk is not with the construction process and should therefore remain in line with the 2020 Viability Appraisals.

96. No change apply 3%.

Professional Fees

Interim Study

97. The 2017 Hamson report applied fees at a total of 10% broken down as follows:

- Architectural fees at 6%,
- Planning Consultancy at 1%,
- Quantity Surveying fees at 0.5%, and
- other Consultancy fees at 2.5%

98. The Interim Study retained 10% although indicated that the level was considered higher than the then industry standard. The Study went onto comment that if the percentage also incorporated Enabling Fees such as Planning, Archaeology, Environmental and other specialist reports etc. to site commencement as well as the Statutory Development Fees, Design Fees, Project Management etc. then, 10% would be an acceptable level of Professional Fees.

Consultation Comments

99. There were no comments with regard to the level of professional fees.

2020 Review

100. In light of recent developer lead appraisals for critical assessment the level of fees range from 7% to 10% with the most frequent rate applied of 8%.

101. Although there is a range of professional fees expressed in practice which will be dependent on the specific scheme, the higher rate of 10% is applied to account for all fees rather than just consultancy. It is assumed that costs under this heading would be:

- Consultancy fees – planners, architects, QS etc
- Enabling costs and design development
- Other relevant fees incurred.

102. No change 10% was applied to all Typologies.

Typology 12 – Older Persons Housing (2022)

103. No change 10% applied.

GNLP Policy 3 – Environmental Protection and Enhancement

104. **Visitor Pressure Tariff (RAMS) - £205 per dwelling**
The Interim Study sought to reflect the impact of developments both individually and collectively on environmentally sensitive locations and Planning Authorities were expected to address this through the Local Plan. GNDP therefore proposed a Visitor Pressure Tariff to be levied on all new developments. Although this policy was not yet adopted, it was incorporated within the appraisals.

Payments would go towards organisations such as the RSPB or the Norfolk Wildlife Trust to maintain ecologically important sites that would otherwise be harmed by visitor pressure.

Assume that this payment will still be required for Typology 12 - Older Person Housing.

Proposed to apply the same rate at £205 per dwelling.

105. **Formal Open Space and Play Areas - 2.5 Ha per 1,000 population**
includes children's place space, older children's play, playing pitches, adult recreation space, and allotments

Assume not required to be provided.

106. **Informal Open Space – 2 Ha per 1,000 population or commuted sum**
incorporates informal open space and Suitable Alternative Natural Green Space (SANGS)

With regard to the **Interim Study** payments due under Policy EN3 of Broadland Development Managements Policies (2015), Broadland Council provided calculation tables (updated to June 2019).

The criteria of each Typology were applied and calculated accordingly; the resultant figures were applied to the viability assessments unless adjusted (manually) to account for all or some of the Suitable Alternative Natural Green Space (SANGS) to be provided on site.

While these planning obligations relate to Broadland Council, they apply to all Typologies wherever they may be located.

The payments were programmed to be paid on first occupation.

These planning obligations were not accounted for in the previous HBS report but were assessed as being a legitimate cost which each of the Typologies would incur.
Caveat: The figures will alter each year.

The **2020 Viability Appraisal** made two adjustments:

- The GNDP have adjusted this allowance to apply a consistent approach to each Local Authority area. In practice this policy only relates to Broadland at 4 Ha per 1000 head of population while South Norfolk and Norwich do not seek any commuted sum. Their proposals are to seek 2 Ha per 1000 head of population across all of the GNDP Council areas, and
- The Broadland base tables provided for the Interim Study are amended accordingly and updated to October 2020 by using the Consumer Prices Index indices (June 2019 to October 2020).

The same calculation tables will be used to assess the notional **Typology 12 – Older Persons Accommodation** on the basis that this payment will be a policy requirement.

GNLP Policy 4 – Strategic Infrastructure (Community Infrastructure Levy)

Draft Local Plan text

107. *[226] 'As set out in the vision and objectives of the Local Plan and the Delivery Statement, delivery of new infrastructure is a priority. It provides benefits for new and existing communities and is essential to ensure growth is sustainable'.*

[228] 'Needs may change over time, particularly because of technological changes, the delivery of development will not necessarily be dependent on the specific infrastructure identified'.

[229] 'To promote good local access to facilities, the policy set a requirement for development to provide or support local infrastructure, services and facilities. This can be directly through providing infrastructure or land, or indirectly through financial contributions which can include providing good access to existing services or facilities.

[230] 'Therefore covers strategic transport, energy, water, health and education needs with a cross reference to other polices which cover strategic green infrastructure and more local needs'.

Funds collected via Community Infrastructure Levy (CIL) will make an important contribution, and this obligation is fully costed in to the Viability Study.

Interim Study

108. CIL was calculated by multiplying the GIA of the market dwellings by the relevant CIL rate per m^2.

The relevant CIL rate per m^2 applied was a flat rate of £106.47/m^2 although this was the highest rate for the GNDP area.

The higher rate was applied for consistency of approach.

Consultee Comments

109. No comments made.

2020 Review

110. In line with other adjustments in light of general comments, the application of CIL was also adjusted to more adequately reflect the Typology locations. Where the Typology covers locations across the GNDP area the CIL allocated is considered to be the best fit with the higher rate taken, as a consequence the following are applied.

For clarification CIL was applied to the GIA of:

- All market dwellings,
- Affordable Homeownership dwellings, and
- Garages.

Application: Zone A - £111.83 per m²
Zone B - £74.55 per m²
Flats 6+ storey's - £106.00 per m²

111. The timing of payments within the appraisals are in accordance with the Instalment Schedule which can be found on the various Planning Portals and, in practice the tenure split within the affordable homeownership bracket may achieve exempt status. The above is considered to be the worst-case scenario.

Typology 12 – Older Persons Housing (2022)

112. On the basis that the build costs and revenue have been bought up to date, the relevant CIL multiplier for Zone A is shown in the table below.

Authority:	***CIL Location/Type:***	***Multiplier per sqm:***
Broadland	Zone A	£111.16
	Zone B	£ 74.11
South Norfolk	Zone A	£105.06
	Zone B	£ 70.04
Norwich	Dwellings	£111.17
	Flats 5+ storeys	*£ 96.34*

113. The assumption will be that the notional location for Typology 12 is likely to be more aligned with Zone A and therefore the higher multiplier is applied of the two Zone A rates shown above.

114. While not reassessed please note that the multipliers for CIL in 2022 is less in each Authority than the 2020 multiplier, in addition there is also a lower multiplier for flatted development in excess of 5 storeys as opposed to 6+.

Marketing

115. Generally the approach taken for the **Interim Study** was to make provision for 1 showroom to every 50 dwellings at a cost of £25,000 per showroom.

Consultee Comments

116. The comment made stated that while the Study did allow for showrooms in certain circumstances this was based on unjustified, incomprehensible and which bore no resemblance to reality of marketing costs on all sites.

2020 Response

117. In light of the consultee comments, further investigations were made to enable a more robust conclusion to be reached with regard to what the costs of marketing over and above the general agent's sale fees usually applied.

2020 Review

118. While it was not been possible to obtain the full cost of marketing for large scale development from major house builders, it has been possible from recent developer led assessments to glean what a typical marketing allowance might be for larger schemes.

119. With regard to smaller developments there is no additional marketing allowance on the basis that the sales agents fee will be levied at a higher rate that the larger development sites.

120. Taking into account the size of some Typologies and that Phasing has been disregarded, it was felt that there could be a degree of economies of scale.

Typology 12 – Older Person Housing (2022)

121. The approach to marketing is a little different to that of the assessed Typologies for the 2020 Viability Appraisal and goes someway to address a recent directly comparable case.

122. The case applied a 5% of GDV to cover marketing and sales which equated to £11,600 per dwelling for a 73 dwelling scheme.

The reasons provided for this approach were that:

- *'Sales and marketing for specialist housing proposals for older people are widely acknowledged to differ from mainstream housing. This is due to the restricted occupancy and longer than average sales periods often extending over several years, and*
- *This would include the employment of specialist staff to be on site to assist potential purchasers.'*

Please note that an investigation in detail with regard to this statement was not undertaken and therefore the costs cannot be fully verified at this time.

123. However, while the developer has stated their reasons it is considered that over time and as retirement living becomes a more widely accepted form of living in later life, such costs will dramatically reduce.

124. It is therefore accepted that costs associated with the marketing of retirement properties may be higher than mainstream housing at this time, however a degree of consistency is required in relation to the 2020 Viability Appraisal which would apply £50,000 for marketing.

125. It is proposed to apply £100,000 for Typology 12.

Direct Sales and Legal Fees

Interim Study

126. The Interim Study applied what was considered to be general industry standard rates at:

- Agent fees at 1.5% on market sales only,
- Legal fees at 0.25% for market sales, and
- Legal fees to cover the transfer of both the AHO and ART units is dependent on size of the transfer, these currently range from £5,000 to £12,500.

These fees were shown as being deducted directly from the capital receipts.

The previous Hamson report assumed 3.5% of all capital receipts. There was no direct analysis between the two reports as it is assumed that the inputs under 'Sales Fees' are relevant as at the date of the Interim Study.

Consultee Comments

127. The key comments were that:

- There was no justification for a 50% reduction in sales fees from the Hamson report which had an allowance of 3.5% and the Interim Study at 1.75%,
- The consultee considers that there should be a total of 3% to cover agents, marketing and legal costs of sale.

2020 Response

128. It was considered that the Hamson report levels of fees proposed were no longer current at the time the Interim Study was produced. The level of fees for the market dwellings was based on general industry practice of which could be broadly applied to all the assessed Typologies.

In order to ensure the sales and legal fees were considered to be fair and reasonable for both the market dwellings and the affordable housing disposals, further assessment of recent developer lead appraisal inputs was considered.

The conclusion was to apply two rates, the lower rate to Typologies which have additional marketing costs and a higher rate applied to those Typologies with no additional marketing costs.

129. The rates applied were:

Market sales agent fee at 1.25% or 1.5%
Market legal fees at 0.25%
Affordable house agent fees – nil
Affordable house legal fees at 0.35%

Typology 12 – Older Persons Housing (2022)

130. The direct comparable applied £600 per dwelling for legal fees which is not wholly inconsistent with the 2020 Viability Appraisal approach.

The direct sales fees at 1.25%.

Interest Rate Applied – 6%

Interim Study

131. 6.5% was applied to include bank arrangement costs.

The rate was applied quarterly on debt balances and assumes that each Typology assessed requires 100% funding i.e. no use of any equity funding which might be available to some developers.

In practice developers will be able to achieve more favourable or indeed less favourable rates depending on their own circumstances including track record.

In addition, applying the interest per month may also achieve a small saving and improve cash flow.

Appling an Accrual Rate may also achieve a small saving and improve cash flow.

While 6.5% may be considered high given the prevailing bank rates and the prospect of a further half point reduction. The assumption is to charge on all funds employed and therefore funding of the whole project could be considered risky.

Consultee Comments

132. No comments made.

2020 Review

133. Base interest rates continued to be at a record low, and with that in mind and the review of the Interim Study, the interest rate applied was reduced to 6%. While this is not as low as it could have been, there are bank arrangement and monitoring fees that are likely to be charged, this higher rate will incorporate any charges to be made.

To place in context the BCIS Summary and Forecast as at 1 December 2020 stated.

'In September 2020, the Bank of England Monetary Policy Committee (MPC) agreed to maintain interest rates at 0.1%.

The Treasury report that the average of independent forecasts for interest rates shows rates remaining at 0.1% in 2020, rising to 0.25% in 2021, 0.75% in 2022, 1.0% in 2023 and 1.25% in 2024.'

Typology 12 – Older Persons Housing (2022)

134. On the basis that this Typology has been assessed as at January 2022, due consideration ought to be given to the interest rate applied in light of the recent increase on 15th December 2021 in the Base Bank Rate up from 0.1% to 0.25%.

135. However, while an increase has been made by the Bank of England due to inflation, this is a small percentage increase and the impact of this rise on the construction industry is yet to be fully understood. It should be noted that this is different to the anecdotal evidence with regard to increases in construction costs. This later issue will however feed into the assessment of any Bank Interest rate in due course.

136. At this time it is proposed to maintain the interest rate at 6% and to be more consistent with a longer sales period apply an accrual rate at 2.75%.

Sales Disposal Programme for Typology 12 – Older Persons Housing (2022)

137. The directly comparable scheme cited different treatment on the basis that sales rates since 2016 had dropped to 1 per month exacerbated by the pandemic.

138. 1 sale per month was therefore proposed although this was subsequently split between an initial sales rate dropping back to a reduced sales rate per month.

139. This statement however was not independently verified.

140. While it is considered that the sales rate at this time may be longer than mainstream housing, again as time passes and this type of product become more mainstream sales rates are likely to reduce particularly in light of the current market commentary surrounding the retirement market.

141. This will be broadly in line but at the lower sales rate, with the 2020 Viability Appraisal treatment of the mainstream housing for developments of a similar size i.e., 2 – 4 dwellings per month following completion.

142. Any effect of the pandemic and sales 'off plan' are disregarded.

Empty Property Costs

143. The direct comparable introduced empty property costs as a legitimate cost associated with the development such as council tax, service charges and utility charges which need to be paid owing to longer than average sales periods.

144. It was stated that such costs are universally accepted by planning authorities and provided for in NPPG paragraph 7.

145. The empty property cost associated with the developers proposals equated to approximately £500,000 or an average of £6,850 per dwelling (this included cottages).

146. Clearly if the development is sold sooner than the developer contended then these costs would be reduced.

147. With this assessment of Typology 12 the sales rate proposed is less than the comparable development and therefore any costs associated with the empty property status would also reduce.

148. It is proposed to apply a notional average sum of £2,500 per dwelling. This is not a scientific assessment rather an acknowledgement that such a sum could be considered to be a legitimate cost and one which could vary significantly from scheme to scheme and over time.

Build Programme for Typology 12 – Older Persons Housing (2022)

149. This will be broadly in line with the 2020 Viability Appraisal treatment of the mainstream housing for developments of a similar size i.e., 2 – 4 dwellings per month following a suitable lead in period.

150. The directly comparable scheme indicated a construction program of 15 months following a 7 month lead in period.

151. A construction rate of 18 months is applied.

VAT relating to Typology 12 – Older Persons Housing (2022)

152. No change in the principles applied to the 2020 Viability Appraisal.

Developers Profit

General Explanation

153. Where Income exceeds Cost then a level of profit is achieved, this is either expressed as a percentage of Profit on Cost or Profit on Revenue.

The Developers Profit or Return on capital employed is usually assessed at a level suitable for the risks the development might incur.

Risks can be many and varied.

While there is no one industry standard developers profit percentage, historically 20% has been applied on Cost (a lower percentage would be applied against Revenue on the assumption Revenue is greater than Cost) developers do accept different profit levels depending on their own organisations requirements, financial arrangements and their response to prevailing market conditions.

In accordance with viability guidance, it is suggested that between 15 and 20% of the gross development value is an acceptable level of profit for Viability Appraisals.

Interim Study

154. With regard to the GNLP Interim Study, 20% profit on revenue of the market dwellings was applied together with a 6% return on the sale of the affordable dwellings.

Consultation Comments

155. There were no comments specifically relating to Developers Profit.

2020 Review

156. There continued to be a healthy debate across the industry around what represents an appropriate level of developers profit in viability appraisals. There is currently no definitive answer.

The 2018 guidance updated the PPG and NPPF guidance on viability to an assumption of 15% to 20% of GDV at the Plan making stage.

The market evidence suggested that developers were increasingly applying rates from 15% to 17.5% profit on market revenue rather than seek a full 20% margin with a rate of 6% being applied to all affordable units.

Th 2020 Viability Appraisal at the Plan making stage assessed developers profit as follows:

- maintain the 6% against the affordable revenue for all Typologies,
- maintain 20% against the market revenue for Typologies 1 – 4, and
- reduce the developers profit on revenue to 17.5% for Typologies 5 - 11

The reasoning is that evidence suggests developers accept the lower rate but in order to maintain a degree of balance the smaller notional developments of 20 dwellings or less should reflect the higher percentage.

Typology 12 – Older Persons Housing (2022)

157. A developer of a recent case falling within this Typology applied the Developers Profit at 20% of the Gross Development Value on the basis that:

- *'There are a number of inherent sector specific risks with the form of development which materially differ to that of general needs housing including an ability to phase and allow for risk reappraisal,*
- *Retirement living housing must be fully completed and operationally ready before sales commences as older people are less likely to buy 'off plan' without seeing for example the benefit of communal facilities,*
- *The above provides a slower return on investment and a longer period of uncertainty in the market and cost exposure,*
- *A restricted occupancy also limits the marketability of such housing in comparison to general needs development, and*
- *That NPPG recognises that viability for older peoples housing differs from general needs housing*.'

158. It should be noted that the developer made these points at two appeals which were upheld.

159. The practitioner considers that all but the penultimate point made are not statements which are necessarily disagreed with but it is the degree in which this type of development is affected.

160. As this type of property or product is developed further it is anticipated that the risks and uncertainties considered to be inherent will become less so, and, as a consequence it could be argued that the level of developers profit should be reduced.

161. On the basis that interest in developing Older Persons Housing will continue to be buoyant as the current 40/50 year old demographic become older and more willing to consider this type of property, certainly within the Plan Period, then it would not be unreasonable to consider a developers profit at 18.5% of Gross Development Value. This reflects that this type of property is not directly comparable to mainstream housing as assessed at 17.5% with a degree of risk as outlined above but in practice the higher sales values achieved will be higher and therefore the Developers Profit will also be significantly higher.

Benchmark Land Value

Approach taken

162. The principles which underpin the assessment of Benchmark Land Values remain as the 2020 Viability Appraisal where the GNDP approach was as follows:

163. There were three key elements identified which were influenced the land value benchmarking (Threshold Land Values) used within the viability assessments:

    1. The Harman and other guidance to the assessment of land values as indicated above,
    2. The outcome of a Workshop in February 2020, and
    3. Prevailing market conditions around the date of these viability assessments.

The assumptions made in assessing the benchmark land value for each Typology were that the:

- Sites were capable of achieving planning permission,
- That the land has been adequately assembled if relevant,
- That there are no onerous third-party rights required or interests which may create a ransom situation,
- That there were no onerous ground conditions or contamination etc. (notwithstanding comments regarding the brownfield allowances),
- That the land could be adequately serviced (notwithstanding costs associated with strategic infrastructure for the larger sites), and
- That there were no other matters which might impact on the sites value.

The findings and conclusion of the 2017 Hamson report concluded that £300,000 to £600,000 per acre would be used even though it was clearly indicated that:

- there were larger development sites which might only attract £150,000 per acre while other locations could achieve far higher than £600,000 per acre,
- there were inherent difficulties in applying the right land value to the particular Typology, and
- should the land value per acre be applied to the gross area or the net area?

It was agreed following consultation that:

- Further investigations and analysis regarding land values would be undertaken, these would continue to be a holistic approach given the nature of these viability assessments, the values were assessed per Typology,
- The benchmark land values would reflect the NPPF guidance 2019, and
- The benchmark land values would be applied to the Gross Area unless otherwise stated.

164. The Interim Study went on to consider the following in formulating the Benchmark Land Value which was considered to provide the landowner with an appropriate premium to existing use value and would reflect the minimum return at which a reasonable landowner would be willing to sell their land at:

- Actual land transactions and knowledge of unreported land deals or valuations,
- Land on the market at that time, and
- Market reports.

165. In considering what the appropriate benchmark land value (BLV) for each Typology was, the latest guidance contained within the NPPF has been applied and was established on the basis of the existing use value (EUV) of the land, plus a premium to the landowner. That is, the 'existing use value plus' approach.

166. It was assumed, other than for the Urban Typologies (2, 5 and 6) that the EUV is based upon agricultural values equating to £24,710 per Ha (£10,000 per acre). The premium was been assessed based upon a multiplier of the EUV of between 10 and 20 times. The multiplier applied to the EUV in each typology reflects the site size and density.

167. The Urban Typologies (2, 5 and 6) have been assessed based upon an assumed site value for each Typology to which a premium of 30% has been applied that is EUV+30%.

Consultee Response

168. These were as follows:

- Willingness of landowners to sell at a reduced rate had not been discussed,
- That the benchmark land values were unrealistic,
- The existing use value per acre for agricultural land was acceptable,
- Data evidence was not provided,
- No evidence to justify premiums applied was provided,
- The logic between applying a multiplier to some Typologies and a percentage uplift was not clear, and
- The BLV had reduced from £348,810 per acre to £247,000 per acre, why?

2020 Response and Review

169. Please see the 2020 Viability Appraisal to place the Existing Use Values applied in context.

Typology 12 – Older Persons Housing (2022)

170. In order to assess the Benchmark Land Value the proposed existing use value most aligned with this Typology is the approach taken for Typology 8 – Urban Fringe/Main Town was and uplifted agricultural value which in 2020 was assessed at £25,000/Ha (£10,117/acre) on the basis that Typology 12 is assumed to located on a greenfield site.

171. If this Typology is to be located within central locations or brownfield sites and Alternative Use assessment to achieve the Benchmark Land Value would be required. Such an assessment may be required in due course.

172. The multiplier or up lift in value for the notional Typology 8 was 17.5 x's and this will be applied to Typology 12.

173. The one change made for the Typology 12 assessment is to use the current agricultural rate per acre to ensure consistency of approach with regard to build costs, sales and revenue etc.

Current Market Commentary

174. Farmers Weekly January 2022 –

Results from the land agent's most recent Farmland Values Survey report the strongest annual growth since 2014, due to the sustained lack of supply and growing number of competing active buyers.

The market has been subdued due to political and economic uncertainty since the EU referendum, said Savills, but farmland's history of long-term stable returns remains appealing against the volatility of other asset classes in recent years.

Land supply in the East of England is generally low, with only small volumes being sold in 2021 on the open market, according to agents.

Meanwhile, the private market for land is growing both in the region and across the UK, with sellers often benefiting from a quick sale.

Demand remains firm across most land types and the best land is able to fetch a premium. There is a mixture of buyers in the market, with both farmers and environmental investors looking for opportunities.

The average land value in the East of England for all land types has increased by 3% year-on-year to £8,227/acre.

Strutt & Parker suggest that the supply of land in the East of England remains low, with the amount of land available on the open market more than 20% down on the five-year average.
However, we have seen a surge in the amount of land being sold privately.

Our team in the eastern region have sold more than 2,000 acres of land privately during 2021 as a result of sellers wanting a swift and discreet transaction, which we have been able to successfully deliver.

Strong demand coupled with the tight volumes has seen prices creep upward by approximately 2-3%, with a premium for larger blocks.

The average arable land price paid in the region is currently around £8,900/acre although this masks a wide range in values paid.
Buyers have been predominantly existing farmers keen to expand when opportunities arise, or those with funds from development land sales.

175. Land currently on the market is being offered for a variety of rates per acre but generally between £9,500 and £11,200 per acre.

The conclusion therefore is to leave the assessed agricultural rate at approximately £10,000 per acre on the basis that while there is now a surge in demand and fairly buoyant sales, the rate assessed for the 2020 Viability Appraisal was already a 'full' rate for good quality arable land.

Stamp Duty Land Tax (SDLT)

176. No change, standard Government assessment.

Land Payment (Acquisition) Fees

Interim Study

177. An allowance of 1.25% was applied, this was to cover legal, agent and other fees.

Consultation Comments

178. The fees had reduced from the original 2017 Hamson report from 1.75% to 1.25% in the Interim Study.

It was considered that no evidence or justification was given for the 30% decrease.

2020 Review

179. While the land acquisition fee had reduced from the initial 2017 report, the rate incorporated into the 2019 Viability Study was considered to reflect the then current industry practice.

1.25% was applied.

Typology 12 – Older Persons Housing (2022)

180. No change made. 1.25% applied.

Summary and in Conclusion

181. The appraisal undertaken in accordance with the framework and evidence provided in the sections above, identifies a surplus of £840,000 which could be made available for affordable housing or other off-site contribution as required.

182. Further analysis would be required in order to demonstrate what potential level of affordable housing this might equate to.

183. It should also be noted that sensitivity analysis has not been undertaken in this instance and may be required in due course.

184. The Typology assessed is limited in nature and in practice additional development such as cottages or bungalows which are more akin to mainstream housing but still attracting a premium, may go someway in creating a more sustainable and viable development with a greater return achievable for an investor.

185. In particular where cottages or bungalows are provided, the occupiers may pay a service charge and/or contribute towards shared facilities in an apartment block. While this is not directly accounted for within the capital assessment of a scheme in nonetheless may assist with viability.

186. Other specific elements of the approach to assessing accommodation for the older person may require further considerations such as:

- Number and scope of Typologies covering retirement schemes,
- Methodology for assessing revenue,
- How empty property costs are assessed if continue to be applicable, and
- Whether the treatment of this type of housing continues to be specialist in nature.

Gross Development Value	
Market Sales	1 bed apartments at £210,000 2 bed apartments at £350,000
Affordable Rent Tenure	NA assume off-site
Affordable Home Ownership	NA assume off-site
Sales Fees	Agent Fees at 1.25% on Market Sales Legal Fees at 0.25% for Market Sales
Program	Say 2 dwellings per month following completion

Development Costs	
Core Build Costs	Build costs of £1,340 per m² applied to the total development GIA
Energy Policy	The sum of £5,500 per dwelling is applied
Water Policy	The sum of £10.00 per dwelling is applied
Access Policy	NA
Site and Infrastructure	20% applied
Brownfield	NA assume greenfield site
Contingency on Build Costs	3% of total build costs as described in relevant section
Professional Fees	10% of total build costs as described in relevant section
Visitor Policy Payment	£205 per dwelling
CIL	The rate of £111.16/m² is applied to the gross development area
Planning Obligations	Informal Open Space calculated only
Marketing/Showrooms	Notional allowance of £100,000
Empty Property Costs	Notional average allowance of £2,500 per dwelling
Benchmark Land Values	£437,500 per Ha (£25,000 per Ha x's 17.5)
SDLT	Standard approach adopted
Land Payment Fees	Allowance of 1.25%
Interest rate	Interest Rate applied 6.0%, accrual 2.75%
Program/Timing of Payments	Approximately 2 per month
Developers Profit	Assessed at 18.5%

Comparable Older Persons Housing: Threadneedle, Diss

	Dw. No.s:	Average area per Flat:	sqm:	
Dwelling numbers	58			
I bed	40	**51.00**	2,040.00	69%
2 bed	18	**88.02**	1,584.30	31%
Saleable floor area		62.49	3,624.30	75%
Non saleable floor area		15.58	903.60	19%
Structure		5.21	302.20	6%
GIFA			**4,830.10**	100%

Proposed Typology 12 - Older Persons Housing

	Dw. No.s:	Average area per Flat:	sqm:	
Dwelling numbers	75			
I bed	52	**51.00**	2,637.93	69%
2 bed	23	**88.02**	2,048.66	31%
Saleable floor area		62.49	4,686.59	75%
Non saleable floor area		15.58	1,168.45	19%
Structure		5.21	390.78	6%
GIFA			**6,245.82**	100%

BCIS® RICS®

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.
Last updated: 15-Jan-2022 00:38

› Rebased to Broadland (99; sample 8)

Maximum age of results: 5 years

Building function (Maximum age of projects)	£/m² gross internal floor area Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	Sample
New build							
816. Flats (apartments)							
Generally (5)	1,477	837	1,221	1,381	1,662	3,287	202
1-2 storey (5)	1,425	925	1,187	1,338	1,505	2,119	45
3-5 storey (5)	1,471	837	1,225	1,371	1,648	3,287	130
6 storey or above (5)	1,593	1,153	1,364	1,602	1,740	2,325	27
843. Supported housing							
Generally (5)	1,675	1,067	1,400	1,519	1,985	2,999	28
Single storey (5)	1,530	-	-	-	-	-	1
2-storey (5)	1,774	1,067	1,429	1,519	2,074	2,999	12
3-storey (5)	1,440	1,100	1,305	1,382	1,507	2,019	8
4-storey or above (5)	1,664	1,162	1,416	1,771	1,808	2,163	5
843.1 Supported housing with shops, restaurants or the like (5)	1,537	1,288	-	1,382	-	2,095	4

BCIS®

RICS®

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 15-Jan-2022 00:38

› Rebased to South Norfolk (95; sample 11)

Maximum age of results: 5 years

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
816. Flats (apartments)							
Generally (5)	1,417	803	1,172	1,325	1,595	3,154	202
1-2 storey (5)	1,368	888	1,139	1,284	1,444	2,033	45
3-5 storey (5)	1,411	803	1,175	1,316	1,581	3,154	130
6 storey or above (5)	1,528	1,107	1,309	1,537	1,669	2,231	27
843. Supported housing							
Generally (5)	1,607	1,024	1,343	1,458	1,905	2,878	28
Single storey (5)	1,468	-	-	-	-	-	1
2-storey (5)	1,702	1,024	1,372	1,458	1,990	2,878	12
3-storey (5)	1,382	1,056	1,252	1,326	1,446	1,937	8
4-storey or above (5)	1,597	1,115	1,359	1,700	1,735	2,075	5
843.1 Supported housing with shops, restaurants or the like (5)	1,475	1,236	-	1,326	-	2,010	4

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 15-Jan-2022 00:38

› Rebased to Norfolk (96; sample 121)

Maximum age of results: 5 years

Building function (Maximum age of projects)	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	Sample
New build							
816. Flats (apartments)							
Generally (5)	1,432	812	1,184	1,339	1,611	3,187	202
1-2 storey (5)	1,382	897	1,151	1,298	1,459	2,055	45
3-5 storey (5)	1,426	812	1,187	1,330	1,598	3,187	130
6 storey or above (5)	1,544	1,119	1,322	1,553	1,687	2,255	27
843. Supported housing							
Generally (5)	1,624	1,035	1,357	1,473	1,925	2,908	28
Single storey (5)	1,483	-	-	-	-	-	1
2-storey (5)	1,720	1,035	1,386	1,473	2,011	2,908	12
3-storey (5)	1,396	1,067	1,265	1,340	1,461	1,958	8
4-storey or above (5)	1,614	1,127	1,374	1,718	1,754	2,097	5
843.1 Supported housing with shops, restaurants or the like (5)	1,490	1,249	-	1,340	-	2,031	4

TYPOLOGY 12: Urban fringe/Main Town Bowthorpe, Aylsham, Drayton, Hellesdon, Costessey, Harleston, Wymondham

Gross Notional Area:	1	Ha	2.47	acres
Net Notional Area:	*1*	*Ha*	*2.47*	*acres*
No. Dwellings:	75		75	
Gross Density:	75	/Ha	30	/acre
Net Density:	*75*	*/Ha*	*30*	*/acre*

EU Value:	25,000		Benchmark LV	437,500	
Equates to £:	25,000	Ha	EUV + £/Ha:	437,500	Ha
Equates to £:	*10,117*	*ac*	*EUV + £/ac:*	*177,048*	*acre*
EUV multiplyer:	17.5		£ per dwelling:	5,833	Dw

21

No:	House Type:	Beds:	No. G:	Area/unit m²:	Total m²:	Tenure:	Proposed Sales Price £:	Price per m²:	% Adjust for Tenure:	Net Proposed Income £:	Total income £:
52	Flat	1	0	51	2,652	Market	210,000	4,118	100%	210,000	10,920,000
23	Flat	2	0	88	2,024	Market	350,000	3,976	100%	350,000	8,050,000
75					*4,676*						***18,970,000***
0	Flat	1	0	51	-	ART	210,000	4,118	45%	94,500	-
0	Flat	2	0	88	-	ART	350,000	3,976	45%	157,500	-
0					-						-
										4 x's	**-**
0	Flat	1	0	51	-	AHO	210,000	4,118	75%	157,500	-
0	Flat	2	0	88	-	AHO	350,000	3,976	75%	262,500	-
0					-						**-**
75					**4,676**						**18,970,000**

Qualifying Area m²:	Garages:	Zone A CIL Rate £:	Total CIL £:
6,245		*111.16*	*694,245*
-			-
			694,245
Payment 1		25%	**173,561**
Payment 2		75%	**520,684**

NB CIL on whole area inc communal and structure

Min. Space Standards	GIA m²:
1 bed flat	51.00
2 bed flat	88.02

No. Dw:	Market	ART 75%	AHO 25%	Mix
52	52	0	0	69%
23	23	0	0	31%
75	75.00	0.00	0.00	100%
75	*50.00*	*18.75*	*6.25*	

Notional Sales £ / Dwelling:
210,000
350,000

Affordable Housing Policy Check

Tenure	No. Dw:	%age:
Market	75	
ART	0	
AHO	0	
	75	0%

Build Costs

m²:	£/m²:	Total £:
4,676	sales area	
1,168	communal	
391	structure	
10	area adjustmet	
6,245	1,340	**8,368,916**

Developers Profit on GDV:

	Amount £:	DP £:	%:
Market	18,970,000	**3,509,450**	18.5%
ART	-	**-**	6%
AHO	-	**-**	6%
	18,970,000	3,509,450	

Great Norwich Development Partnership: Retirement Living

Date: January 2022

Location:			Developer:	Status:	Development Details:	Area Acres/Dw:	Price £:	£ per acre:	£ Per Dw:
New retirement property developments by Churchill, Mccarthy & Stone and Sunstone Living in the Norfolk, Suffolk and Essex									
Foundry Place	Beccles	South Norfolk	McCarthy & Stone	9 remaining	55 - 1 and 2 bed apartments				
Elliott Garrood Gardens	Beccles	South Norfolk	McCarthy & Stone	2 remaining	27 - 1 and 2 bed bungalows, 3 bed cottages and 2 bed coach house				
Waveney Place	Harleston	South Norfolk	McCarthy & Stone	coming soon	mix of 1 and 2 bed apartments, cottages and bungalows				
Eaton Bungalows	Norwich	Norwich City	McCarthy & Stone	coming soon	36 - 1, 2 and 3 bed properties				
Louis Arthur Court	North Walsham	North Norfolk	McCarthy & Stone	rent only?	49 apartments				
Homestead Place	Stalham		McCarth & Stone	7 available	13 - 1 bed and 17 - 2 bed				
Risbygate Street	Bury St Edmunds		Churchill	under construction	48 - 1 and 2 bed apartments				
	Diss		Churchill	coming soon	58 - 1 and 2 bed apartments, 15 cottages				
	Diss		Sunstone Living		77 - 1 and 2 bed apartments, Assisted Living				
Weavers Lodge	Haverhill		Churchill	65% sold					
Coopers Lodge	Frinton on Sea		Churchill	80% sold	40 - 1 and 2 bed apartments				
	Clacton		Churchill	awaiting planning permission					
Established retirement apartments in the GNDP area for sale (long leasehold)									
Nelson Road	Diss				Assisted Living apartments		200,000		
Wherry Court	Thorpe				1 bed - McCarthy & Stone built 2012		165,000		
Wherry Court	Thorpe				2 bed apartment - McCarthy & Stone built	63.00	200,000		3,175
Daisy Hill Court	Eaton				McCarthy & Stone over 70's 995years remaining	70.90	325,000		4,584
Daisy Hill Court	Eaton				999 years from 2018	50.00	255,000		5,100
Warminger Court	Norwich				125 year from 2005, 2 bed over 60 apartment McCarthy & Stone development	75.40	225,000		2,984
Earlham Road	Norwich				2 bed over 55's		220,000		
Rumsey Place	Norwich				2 bed apartment, over 55's		180,000		
Earlham Road	Norwich				1 bed apartment, over 55's		180,000		
Warminger Court	Norwich				1 bed aprtment - McCarthy & Stone built	49.30	175,000		3,550
Warminger Court	Norwich				1 bed apartment - McCarthy & Stone built	49.90	165,000		3,307
Wherry Court	Thorpe				1 bed - McCarthy & Stone built 2012		165,000		

Source: Various web based sites and general knowledge of deals gained

NB: Please note many of the transactions can not be shared due to confidentiality

Information provided in the McCarthy & Stone Brochures

(downloaded 26.1.2022)

Foundry Place off the Gosford Road, Beccles, Suffolk, NR34 9SQ

‘Located at the former Ingate Ironworks on Gosford Road, McCarthy Stone are building a range of stylish Retirement Living PLUS properties, comprising of 55 apartments with a mixture of one and two bedrooms. These stunning new apartments at Foundry Place, are located right in the town centre, with a train station very close by.

Our homes in picturesque Suffolk provide the perfect opportunity to downsize, freeing you from the responsibility of maintaining a large family home. However, with our apartments, you won't feel like you're sacrificing anything, as the development features 24-hour staffing, communal gardens and lounges, Wi-Fi access and a bistro, among other great features.

Retirement Living PLUS homes allow you to live independently with support that suits your needs. This means that you can maintain your independence while also living with peace of mind, knowing that tailor-made care and support is available, should you need it.

With our homes in Foundry Place, you can also benefit from a hours domestic assistance each week and you can decide which chores you'd like some help with. This leaves you with more time to do everything you love. Whether that's socialising in communal areas, walking in the landscaped gardens or exploring Beccles, it's your choice.’

Service Charge – what’s included?

- Electricity, heating and lighting (communal areas)
- Water and sewage (communal areas and apartments)
- Professional fees
- Maintenance of building and gardens
- Emergency call system
- Building insurance
- Income to guest suites and sundry income
- Development staff
- Restaurant
- Domestic assistance

What's not included?

- Electricity, heating and lighting (apartments)
- Home and contents insurance
- Council Tax
- Phone / broadband
- TV licence / TV service

'*You'll find the costs at our developments vary and this reflects the range of facilities and services on offer.*

The Community Facilities Charge makes it easier for you to budget when choosing to make your move to a retirement development, as McCarthy Stone take care of any large and unexpected building and maintenance costs.

The Community Facilities Charge accounts for any structural, mechanical or electrical replacements, windows, lifts or internal decoration when required.

In addition to a monthly service charge, on the sale of your property, you'll make a contribution to the development's Community Facilities Charge at 1.5% of the resale value per year of ownership, capped at 15%.

Many of our homeowners are pleased to find that the service charges for their apartment tend to work out at less than what they were paying in like-for-like costs at their previous property.

Energy bills often turn out to be lower thanks to the modern construction methods we use at all our developments. Your new apartment is also likely to be a more manageable size and so cheaper to run.

When Customers discuss the purchase of a McCarthy Stone apartment with us, they receive a service charge leaflet and our Sales Executive sits down with them to help them fill in the costs, review what is covered in the management services and compare them to day-to-day running costs in their current home. Our Sales Executive ensures that they have a detailed knowledge of ongoing costs before a sale is completed.'

Retirement Living PLUS developments offer these added benefits for peace of mind:

- An onsite chef-run bistro or restaurant open 365 days a year
- A CQC registered manager and team onsite 24 hours/365 days a year
- One hour of domestic assistance a week
- The option of flexible domestic and personal care packages tailored to your needs*, for instance laundry, cleaning, grocery shopping and support.

*additional costs apply

Currently Available January 2022 – asking prices

Please note that McCarthy & Stone offer these properties off-plan and also state that some properties have not yet been released.

Plot 3	1 bed	£261,950	Ground Floor	Available	67.00 sqm	£3,909/sqm
Plot 5	1 bed	£222,950	Ground Floor	Available	53.00 sqm	£4,206/sqm
Plot 14	2 bed	£322,450	Ground Floor	Available	73.00 sqm	£4,417/sqm
Plot 20	1 bed	£227,950	First Floor	Available	54.00 sqm	£4,221/sqm
Plot 39	1 bed	£214,950	Second Floor	Available	52.00 sqm	£4,134/sqm
Plot 48	2 bed	£331,950	Third Floor	Available	78.00 sqm	£4,256/sqm
Plot 52	2 bed	£317,950	Third Floor	Available	79.00 sqm	£4,024/sqm
Plot 53	1 bed	£237,450	Third Floor	Available	55.00 sqm	£4,317/sqm
Plot 55	1 bed	£247,450	Third Floor	Available	54.00 sqm	£4,582/sqm
Plot 27	1 bed	£266,950	First Floor	Under Offer	66.00 sqm	£4,045/sqm

Adjacent to Foundry Place is Elliott Garrood Gardens

'Located at the former Ingate Ironworks on Gosford Road, McCarthy Stone are building a range of retirement bungalows, cottages and coach houses, including four one-bedroom bungalows, fifteen two-bedroom bungalows, four three-bedroom cottages and two two-bedroom coach houses. Each of the retirement bungalows and cottages at Elliott Garrood Gardens come with their own private garden and car parking IS also available on-site. All bungalows, cottages and coach houses are Freehold.

These retirement properties in Beccles will provide the perfect opportunity to downsize while also allowing residents to retain their independence.'

The same service charges appears to apply to the bungalows as for Foundry Place.

Of the 27 properties only 2 are remaining. In November 2021 of the 27 dwellings all were sold with the exception of 5 dwellings, 4 of which were on that market at that time.

Plot 5	2 bed	£372,950	78.60 sqm	£4,745 /sqm
Plot 27	2 bed	£391,950	78.60 sqm	£4,987 /sqm

In November 2021 these were the asking prices.

Plot 9	2 bed	£274,950	75.81 sqm	£3,626 /sqm
Plot 14	2 bed	£368,950	78.60 sqm	£4,694/sqm
Plot 18	2 bed	£368,950	78.60 sqm	£4,694/sqm
Plot 27	2 bed	£379,950	78.60 sqm	£4,834/sqm

Please note that Plot 27 has increased in price between November 2021 and January 2022.

Information provided in the McCarthy & Stone Brochures

(downloaded 26.1.2022)

Eaton Bungalows, Bluebell Road, Norwich – coming soon

'This development, exclusive to the over 60s, is located in the heart of the pretty village of Eaton on the outskirts of Norwich. It will offer a perfect mix of 36 purpose-built one, two- and three-bedroom retirement properties, all with private gardens. The development is in a stunning, peaceful and rural location, with amenities including a Waitrose supermarket, pubs, shops and leisure facilities just around the corner.

The development will feature a combination of stylish one, two or three-bedroom retirement bungalows, cottages and coach houses. There are three one-bed retirement bungalows,19 two-bed bungalows, four three-bedroom retirement cottages and three two-bedroom coach houses on offer, all will be intelligently designed to be a pleasure to live in, with high spec, high quality fixtures and fittings throughout. As well as private gardens, many properties will also have garages.

The development will also offer a Pavilion – a beautiful shared meeting space which will provide the social heart of this community. There will also be a hotel-style guest suite for visitors.'

There is currently no cost information available, however it is anticipated that given the location and facilities on offer that the sales rates will be significantly higher than the Beccles properties.

Waveney Place, Harleston – coming soon

'This attractive retirement development is in a tranquil location with easy access to Harleston town centre in stunning south Norfolk.

It will consist of a mix of spacious one and two-bedroom retirement apartments, as well as two three-bedroom cottages, two two-bedroom coach houses, plus a one and two-bedroom retirement bungalow, all exclusive to the over 60s.

All McCarthy Stone retirement properties are designed to be a pleasure to live in, with high spec, high quality fixtures and fittings throughout.

This retirement development will be designed to create a strong neighbourly feel with a beautiful shared garden to relax and socialise in and a hotel-style guest suite for when visitors come to stay. The apartments will also benefit from a luxurious communal lounge for homeowners to meet friends and family for a coffee or gin and tonic or two, and guest parking. Many of our light and spacious one or two-bedroom retirement apartments will benefit from balconies too.

If you are looking for property for sale in Harleston, McCarthy Stone developments are designed with safety and security at the fore. For your peace of mind, the 17 one-bedroom apartments and 20 two-bedroom apartments will all feature integrated security systems, including a 24-hour emergency call out system, fire detection and camera entry system, as well as a friendly House Manager on-site in office hours.'

Louis Arthur Court, New Road, North Walsham

'Our brand new development on New Road in North Walsham offers low-maintenance living close to the bustling town's shops and local amenities, within easy reach of the beautiful Norfolk Broads and coastline.

With only a few apartments remaining at Louis Arthur Court, it's the perfect time to Book your appointment to find out more about what life is like at this stunning new development.

Louis Arthur Court offers a stylish collection of 49 retirement apartments – designed and built to give you the highest specifications of space, comfort, security and style.

Every bright and spacious apartment comes perfectly finished with elegant and contemporary décor. You can expect to find the very latest in high-end integrated appliances, as well as energy efficient heating and a host of cleverly designed call-systems and security features. Selected apartments will also come with the added convenience of walk-in wardrobes and en-suite shower rooms.

Outdoors you'll enjoy the beautiful and fully-maintained landscaped gardens. Not forgetting the comfortable and congenial communal lounge where you can get-together with your friends and neighbours. There is also the peace of mind of our friendly and helpful on-site House Manager – always happy to assist with any enquiries or concerns.'

No pricing information is available, it appears that these properties may be for rent only.

Information provided in the McCarthy & Stone Brochures

(downloaded 26.1.2022)

Homestead Place, Staithe Gardens, Stalham, Norfolk, NR12 9FZ

'Located in the Norfolk town of Stalham on Upper Staithe Road, McCarthy Stone are building 30 Retirement Living apartments. There will be a range of 13 one bedroom apartments and 17 two bedroom apartments. These retirement properties are located close to the town centre with the beach just over 4 miles away.'

It is assumed that the facilities on offer will be on similar terms to the Beccles properties.

Plot 4	1 bed	£172,950	Ground Floor	44.63 sqm	£3,875 /sqm
Plot 10	1 bed	£190,950	First Floor	51.41 sqm	£3,714 /sqm
Plot 12	2 bed	£234,950	First Floor	68.46 sqm	£3,432 /sqm
Plot 14	1 bed	£160,950	First Floor	44.63 sqm	£3,606 /sqm
Plot 16	2 bed	£234,950	First Floor	71.22 sqm	£3,299 /sqm
Plot 23	1 bed	£195,950	Second Floor	51.41 sqm	£3,811 /sqm
Plot 25	2 bed	£219,950	Second Floor	66.33 sqm	£3,316 /sqm

Article regarding the Older person Housing Market

Why Are Investments In UK Retirement Communities Increasing?

Posted by Rachel Bashford Autmna September 30th, 2021

The retirement housing market is attracting the attention of big investors.

With a lack of housing stock to home the growing number of over-65s in the UK, we take a look at how investment is changing the face of retirement living.

Investment in Retirement Developments is on the increase in the UK

2021 has heralded a raft of investment announcements by big-hitting stakeholders in the property and retirement living world. Legal and General published a statement in August 2021, revealing that they were embarking on a 15-year joint venture with the pension trust fund arm of NatWest to develop a range of UK retirement communities with a £500m deal.

The aim of this project is to produce 5,100 homes for the over-65s on 34 different sites operated by Inspired Villages, part of L&G, who are predicting a value of £4bn for all completed sites on final development.

This fact alone reveals one of the driving forces behind the new investments - companies are aware that they can create housing for a rising portion of our population that are currently not provided for in the market.

According to Inside Housing, the company are preparing to cater for the exponential growth of UK seniors, as L&G estimates there will be an increase from 12m today to around 18m over-65s by 2040.

To house the expanding population of over-65s, property and construction companies are planning to intensify retirement home building over the next few years. Knight Frank has predicted a growth rate of around 9% by 2025. Even with this in place, there is a fear that there will be a shortfall with more over-65s looking for a suitable home than those being constructed.

Another key announcement this year was by the UK Retirement Living Fund. This is managed by Schroders Capital with Octopus Real Estate, who together with Elysian Residences, have launched a joint venture (JV) to acquire an appropriate site in Tunbridge Wells for a £55m development.

Plans are in place to create a purpose-built retirement complex with 89 luxury apartments, matched with hotel-style facilities on site. This type of retirement community is becoming more and more popular in the UK, with a variety of sites currently being developed or planned in a wide range of locations.

“This latest acquisition emphasises our belief that retirement communities provide investors with a strong return and an opportunity to create a positive impact for our ageing society through delivering beautifully designed and sustainable real estate.”

It’s true to say that there are a plethora of investment companies extending their presence within the retirement living industry. The Financial Times reports that the asset manager, BlackRock, has agreed to a £100m joint venture with Audley Group, a retirement living development firm. This partnership plans to create 1,000 homes, with the first being a 255-home development in Watford.

Why Are More Companies Investing In Retirement Living?

The big question is why are firms turning to retirement living for their future investments? What is it about this sector that is appealing? Well, it appears that they have noticed the large gap between the growing number of seniors and the availability of decent, desirable housing that people want to live in.

The Centre For Ageing Better has produced a short video revealing some worries and concerns older people have when faced with living by themselves or dealing with home repairs.

Having to struggle alone to find people to help repair poor housing or just to have a bit of company are key reasons behind over-65s looking for more sociable housing opportunities with the kind of leisure facilities that will improve their quality of life.

It would be fair to say that UK investment and property companies are beginning to take the opportunities that are becoming available to prepare for future senior housing need. Planning permission is being granted more often for retirement living developments as there is a recognition that the supply is not currently in existence in many areas.

Reporting about the state of the senior housing sector in 2021, Knight Frank revealed that future scheme approval is showing a rise in the amount of private retirement housing being agreed at 23% and private housing with care at 36% of the total.

Schemes with planned approval in 2020.

It appears that planners and construction firms are reacting to seniors and their desire for better homes with enjoyable, attractive facilities. Certainly, more and more older people are looking to continue their hobbies and interests, while gaining the safety and security that retirement communities provide.

How Are Investments Changing The Future Of Retirement Living?

There is no doubt that the Covid pandemic has altered the way both older people and construction companies view potential housing opportunities. Many older people have suffered a great deal of isolation and severe restriction as a result of lockdowns and other containments on ordinary life.

As a result, people are beginning to look ahead and plan for their retirement or for the next life stage. Many feel that all the things that they want to enjoy – leisure, hobbies, social activities, company at home – are missing from life right now. Combining attractive homes with safety, leisure facilities and support if needed is a realistic and achievable option.

With all the investments being secured within the sector, what is changing? Property Week has defined some future trends it sees developing in the market as a result of Covid and with the security of future funding:

Larger communities with flexible access to services and senior housing.

Independent living with greater availability of medical services.

Urban sites with proximity to metropolitan entertainment and culture.

Development of mixed-use schemes – those with retirement living apartments, guest accommodation and retail amenities.

Urban living is becoming a popular choice, both for developers and for seniors looking to enjoy their retirement years. Plenty of urban dwellers, who have lived in towns and cities all their lives, want to stay in the place they call home.

Paired with the opening up of vacant locations in town and city centres due to the pandemic, there has been an upsurge in older people searching for this type of retirement home.

The Guardian reported this upward trend, detailing how retirement communities are branching out into city apartment blocks to accommodate lifestyle choices. These new residences are purposely designed to maximise the city lifestyle as well as having access to the health, medical and security benefits you would expect from retirement living.

So, are property developers making the most of available space in towns and cities near your home? Many have been planning, preparing and building for some time to enhance retirement living for over-65s in metropolitan areas all over the UK.

One Housing has developed an urban retirement community in the heart of South London, enabling seniors to live locally, enjoy the life they are accustomed to and be near family and friends. Companies such as Birchgrove have added centrally-located retirement apartments to their portfolio, such as Queensgate Apartments in Sidcup, Kent.

The prediction is that retirement communities supplying housing with access to healthcare and support for emerging care needs could be a real solution to the potential housing issues looming for older people.

A recent report from the International Longevity Centre UK highlights the concerns which are preoccupying both seniors and the retirement living sector as a whole. Financially, people in this age group could have the capital to be able to make the best choices for their individual circumstances, which means they are able to choose a secure place to live while enjoying a varied lifestyle.

In addition, the report also implies that personalised approaches to housing are becoming ever more important, as people are searching for housing that enables them to age in place.

It’s also interesting to note that the over-65s are becoming clear about what requirements are necessary in their housing. Knight Frank surveyed a range of older people to discover their top 10 home amenities:

Map showing what people are willing to pay a premium for at different price points

75 Market Units					
1 bed apartments @ 51 sqm	52.00	units at	210,000.00		10,920,000
2 bed apartments @ 88 sqm	23.00	units at	350,000.00		8,050,000
Direct Sale Fees			1.25	%	-237,125
Direct Sale Legal Fees			0.25	%	-47,425
			Total		18,685,450
Construction Costs					
Construct 75 apartments	6,245.00	sq m at	1,340.00	psm	-8,368,300
Policy - water	75.00	units at	10.00		-750
Policy - energy	75.00	units at	5,500.00		-412,500
External Works			20.00	%	-1,756,310
Contingency			3.00	%	-263,447
Professional Fee			10.00	%	-878,155
			Total		-11,679,462
Planning Policy Payments					
Visitor Policy	75.00	units at	205.00	a	-15,375
CIL - payment 1 25%					-173,561
CIL - payment 2 75%					-520,684
PC - formal land pur (nil on site)					-1
PC - formal equip (nil on site)					-1
PC - formal maintenance (100%)					-1
PC - formal allotments (100%)					-1
PC - informal land purchase (100%)					-31,298
PC - informal equip & main (100%)					-71,173
			Total		-812,095
Other Outgoings					
Empty Property Costs	75.00	units at	2,500.00	a	-187,500
Marketing					-100,000
			Total		-287,500
Notional Land Purchase					
Benchmark Land Value	1.00	hectares at	437,500.00		-437,500
SDLT					-11,375
Professional Fees			1.25	%	-5,611
			Total		-454,486
Developers Profit on GDV					
Market @ 18.5%					-3,509,450
			Total		-3,509,450
Debt Interest - Overall	100.00	% of Cost	-17,027,542		(75.41% Used)
Charged Quarterly					
Compounded Quarterly	6.00	%pa	Interest		-1,223,672
Accrual Interest	2.75	%pa (apr)	Accrual Intr.		122,884
			Revenue		19,092,884
			Outgoings		-18,251,214
			Surplus		**841,669**

			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
			Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
75 Market Units	From	To																								
1 bed apartments @ 51 sqm	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	455,000	455,000	455,000	455,000	455,000	455,000
2 bed apartments @ 88 sqm	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	335,417	335,417	335,417	335,417	335,417	335,417
Direct Sale Fees	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880
Direct Sale Legal Fees	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976
Construction Costs	From	To																								
Construct 75 apartments	1	18	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	-464,906	0	0	0	0	0	0
Policy - water	1	18	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	-42	0	0	0	0	0	0
Policy - energy	1	18	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	-22,917	0	0	0	0	0	0
External Works	1	18	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	-97,573	0	0	0	0	0	0
Contingency	1	18	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	-14,636	0	0	0	0	0	0
Professional Fee	1	18	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	-48,786	0	0	0	0	0	0
Planning Policy Payments	From	To																								
Visitor Policy	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-641	-641	-641	-641	-641	-641
CIL - payment 1 25%	6	6	0	0	0	0	0	-173,561	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIL - payment 2 75%	18	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-520,684	0	0	0	0	0	0
PC - formal land pur (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1
PC - formal equip (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1
PC - formal maintenance (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1
PC - formal allotments (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1
PC - informal land purchase (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-31,298
PC - informal equip & main (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-71,173
Other Outgoings	From	To																								
Empty Property Costs	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813
Marketing	16	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167
Notional Land Purchase	From	To																								
Benchmark Land Value	1	1	-437,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SDLT	1	1	-11,375	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	1	1	-5,611	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developers Profit on GDV	From	To																								
Market @ 18.5%	40	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUMMARY																										
Revenue			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	790,417	790,417	790,417	790,417	790,417	790,417
Costs			-1,103,345	-648,859	-648,859	-648,859	-648,859	-822,420	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-653,026	-653,026	-1,173,710	-24,476	-24,476	-24,476	-24,476	-24,476	-126,951
Net Cashflow			-1,103,345	-1,752,204	-2,401,063	-3,049,922	-3,698,781	-4,521,201	-5,170,060	-5,818,919	-6,467,778	-7,116,637	-7,765,496	-8,414,355	-9,063,214	-9,712,073	-10,360,932	-11,013,957	-11,666,983	-12,840,692	-12,074,752	-11,308,811	-10,542,871	-9,776,930	-9,010,989	-8,347,524
Debt Interest - Overall			-1,103,345	-1,752,204	-2,401,063	-3,049,922	-3,698,781	-4,521,201	-5,170,060	-5,818,919	-6,467,778	-7,116,637	-7,765,496	-8,414,355	-9,063,214	-9,712,073	-10,360,932	-11,013,957	-11,666,983	-12,840,692	-12,074,752	-11,308,811	-10,542,871	-9,776,930	-9,010,989	-8,347,524
Interest Bal			-1,103,345	-1,752,204	-2,401,063	-3,076,173	-3,725,032	-4,547,452	-5,253,017	-5,901,876	-6,550,735	-7,288,090	-7,936,949	-8,585,808	-9,353,689	-10,002,548	-10,651,407	-11,454,439	-12,107,464	-13,281,174	-12,699,404	-11,933,463	-11,167,522	-10,580,622	-9,814,681	-9,151,215
Interest %pa			6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Interest			0	0	-26,251	0	0	-56,707	0	0	-88,496	0	0	-119,022	0	0	-150,006	0	0	-184,170	0	0	-179,040	0	0	-147,768
Balance B/F			0	-1,103,345	-1,752,204	-2,427,314	-3,076,173	-3,725,032	-4,604,158	-5,253,017	-5,901,876	-6,639,231	-7,288,090	-7,936,949	-8,704,830	-9,353,689	-10,002,548	-10,801,413	-11,454,439	-12,107,464	-13,465,344	-12,699,404	-11,933,463	-11,346,562	-10,580,622	-9,814,681
Period Total			-1,103,345	-648,859	-648,859	-648,859	-648,859	-822,420	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-648,859	-653,026	-653,026	-1,173,710	765,941	765,941	765,941	765,941	765,941	663,466
Interest			0	0	-26,251	0	0	-56,707	0	0	-88,496	0	0	-119,022	0	0	-150,006	0	0	-184,170	0	0	-179,040	0	0	-147,768
Accrual Intr.			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance C/F			-1,103,345	-1,752,204	-2,427,314	-3,076,173	-3,725,032	-4,604,158	-5,253,017	-5,901,876	-6,639,231	-7,288,090	-7,936,949	-8,704,830	-9,353,689	-10,002,548	-10,801,413	-11,454,439	-12,107,464	-13,465,344	-12,699,404	-11,933,463	-11,346,562	-10,580,622	-9,814,681	-9,298,983

			25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
			Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
75 Market Units	From	To																								
1 bed apartments @ 51 sqm	19	42	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	455,000	0	0	0	0	0	0
2 bed apartments @ 88 sqm	19	42	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	335,417	0	0	0	0	0	0
Direct Sale Fees	19	42	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	-9,880	0	0	0	0	0	0
Direct Sale Legal Fees	19	42	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	-1,976	0	0	0	0	0	0
Construction Costs	From	To																								
Construct 75 apartments	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Policy - water	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Policy - energy	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Works	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fee	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Planning Policy Payments	From	To																								
Visitor Policy	19	42	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	-641	0	0	0	0	0	0
CIL - payment 1 25%	6	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIL - payment 2 75%	18	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal land pur (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal equip (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal maintenance (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal allotments (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - informal land purchase (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - informal equip & main (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Outgoings	From	To																								
Empty Property Costs	19	42	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	-7,813	0	0	0	0	0	0
Marketing	16	39	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	-4,167	0	0	0	0	0	0	0	0	0
Notional Land Purchase	From	To																								
Benchmark Land Value	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SDLT	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developers Profit on GDV	From	To																								
Market @ 18.5%	40	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-3,509,450	0	0	0	0	0	0	0	0
SUMMARY																										
Revenue			790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	790,417	0	0	0	0	0	0
Costs			-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-24,476	-3,529,759	-20,309	-20,309	0	0	0	0	0	0
Net Cashflow			-7,581,583	-6,815,642	-6,049,702	-5,283,761	-4,517,821	-3,751,880	-2,985,939	-2,219,999	-1,454,058	-688,117	77,823	843,764	1,609,704	2,375,645	3,141,586	402,243	1,172,350	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458
Debt Interest - Overall			-7,581,583	-6,815,642	-6,049,702	-5,283,761	-4,517,821	-3,751,880	-2,985,939	-2,219,999	-1,454,058	-688,117	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Bal			-8,533,043	-7,767,102	-7,001,162	-6,351,765	-5,585,825	-4,819,884	-4,137,769	-3,371,828	-2,605,888	-1,890,563	-1,124,622	-358,681	0	0	0	-817,109	-47,002	0	0	0	0	0	0	0
Interest %pa			6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Interest			0	0	-116,545	0	0	-83,825	0	0	-50,615	0	0	-16,907	0	0	0	0	0	-4,319	0	0	0	0	0	0
Balance B/F			-9,298,983	-8,533,043	-7,767,102	-7,117,706	-6,351,765	-5,585,825	-4,903,710	-4,137,769	-3,371,828	-2,656,503	-1,890,563	-1,124,622	-375,589	391,235	1,159,795	1,930,094	-809,248	-39,141	728,291	729,940	731,592	733,248	734,907	736,570
Period Total			765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	765,941	-2,739,343	770,107	770,107	0	0	0	0	0	0
Interest			0	0	-116,545	0	0	-83,825	0	0	-50,615	0	0	-16,907	0	0	0	0	0	-4,319	0	0	0	0	0	0
Accrual Intr.			0	0	0	0	0	0	0	0	0	0	0	0	883	2,619	4,358	0	0	1,645	1,648	1,652	1,656	1,660	1,663	1,667
Balance C/F			-8,533,043	-7,767,102	-7,117,706	-6,351,765	-5,585,825	-4,903,710	-4,137,769	-3,371,828	-2,656,503	-1,890,563	-1,124,622	-375,589	391,235	1,159,795	1,930,094	-809,248	-39,141	728,291	729,940	731,592	733,248	734,907	736,570	738,237

			49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72
			Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	May 2027	Jun 2027	Jul 2027	Aug 2027	Sep 2027	Oct 2027	Nov 2027	Dec 2027
75 Market Units	From	To																								
1 bed apartments @ 51 sqm	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 bed apartments @ 88 sqm	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Fees	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Legal Fees	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Costs	From	To																								
Construct 75 apartments	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Policy - water	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Policy - energy	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Works	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fee	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Planning Policy Payments	From	To																								
Visitor Policy	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIL - payment 1 25%	6	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIL - payment 2 75%	18	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal land pur (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal equip (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal maintenance (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal allotments (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - informal land purchase (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - informal equip & main (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Outgoings	From	To																								
Empty Property Costs	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	16	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Notional Land Purchase	From	To																								
Benchmark Land Value	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SDLT	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developers Profit on GDV	From	To																								
Market @ 18.5%	40	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUMMARY																								
Revenue			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cashflow			1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458
Debt Interest - Overall			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Bal			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest %pa			6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Interest			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance B/F			738,237	739,908	741,583	743,261	744,944	746,630	748,319	750,013	751,711	753,412	755,117	756,826	758,539	760,256	761,976	763,701	765,429	767,162	768,898	770,638	772,383	774,131	775,883	777,639
Period Total			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrual Intr.			1,671	1,675	1,678	1,682	1,686	1,690	1,694	1,697	1,701	1,705	1,709	1,713	1,717	1,721	1,725	1,728	1,732	1,736	1,740	1,744	1,748	1,752	1,756	1,760
Balance C/F			739,908	741,583	743,261	744,944	746,630	748,319	750,013	751,711	753,412	755,117	756,826	758,539	760,256	761,976	763,701	765,429	767,162	768,898	770,638	772,383	774,131	775,883	777,639	779,399

Typology 12 - Urban Fringe / Main Towns (75 retirment dwellings) - (Cashflow) - Page 4

			73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
			Jan 2028	Feb 2028	Mar 2028	Apr 2028	May 2028	Jun 2028	Jul 2028	Aug 2028	Sep 2028	Oct 2028	Nov 2028	Dec 2028	Jan 2029	Feb 2029	Mar 2029	Apr 2029	May 2029	Jun 2029	Jul 2029	Aug 2029	Sep 2029	Oct 2029	Nov 2029	Dec 2029
75 Market Units	From	To																								
1 bed apartments @ 51 sqm	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 bed apartments @ 88 sqm	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Fees	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Sale Legal Fees	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Costs	From	To																								
Construct 75 apartments	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Policy - water	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Policy - energy	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Works	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fee	1	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Planning Policy Payments	From	To																								
Visitor Policy	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIL - payment 1 25%	6	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CIL - payment 2 75%	18	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal land pur (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal equip (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal maintenance (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - formal allotments (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - informal land purchase (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PC - informal equip & main (100%)	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Outgoings	From	To																								
Empty Property Costs	19	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	16	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Notional Land Purchase	From	To																								
Benchmark Land Value	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SDLT	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developers Profit on GDV	From	To																								
Market @ 18.5%	40	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUMMARY																										
Revenue			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cashflow			1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458
Debt Interest - Overall			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Bal			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest %pa			6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Interest			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance B/F			779,399	781,163	782,931	784,703	786,479	788,259	790,043	791,831	793,623	795,419	797,220	799,024	800,832	802,645	804,461	806,282	808,107	809,936	811,769	813,606	815,448	817,293	819,143	820,997
Period Total			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrual Intr.			1,764	1,768	1,772	1,776	1,780	1,784	1,788	1,792	1,796	1,800	1,804	1,808	1,813	1,817	1,821	1,825	1,829	1,833	1,837	1,841	1,846	1,850	1,854	1,858
Balance C/F			781,163	782,931	784,703	786,479	788,259	790,043	791,831	793,623	795,419	797,220	799,024	800,832	802,645	804,461	806,282	808,107	809,936	811,769	813,606	815,448	817,293	819,143	820,997	822,855

			97	98	99	100	101	102	103	104	105	106
			Jan 2030	Feb 2030	Mar 2030	Apr 2030	May 2030	Jun 2030	Jul 2030	Aug 2030	Sep 2030	Oct 2030
75 Market Units	From	To										
1 bed apartments @ 51 sqm	19	42	0	0	0	0	0	0	0	0	0	0
2 bed apartments @ 88 sqm	19	42	0	0	0	0	0	0	0	0	0	0
Direct Sale Fees	19	42	0	0	0	0	0	0	0	0	0	0
Direct Sale Legal Fees	19	42	0	0	0	0	0	0	0	0	0	0
Construction Costs	From	To										
Construct 75 apartments	1	18	0	0	0	0	0	0	0	0	0	0
Policy - water	1	18	0	0	0	0	0	0	0	0	0	0
Policy - energy	1	18	0	0	0	0	0	0	0	0	0	0
External Works	1	18	0	0	0	0	0	0	0	0	0	0
Contingency	1	18	0	0	0	0	0	0	0	0	0	0
Professional Fee	1	18	0	0	0	0	0	0	0	0	0	0
Planning Policy Payments	From	To										
Visitor Policy	19	42	0	0	0	0	0	0	0	0	0	0
CIL - payment 1 25%	6	6	0	0	0	0	0	0	0	0	0	0
CIL - payment 2 75%	18	18	0	0	0	0	0	0	0	0	0	0
PC - formal land pur (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0
PC - formal equip (nil on site)	24	24	0	0	0	0	0	0	0	0	0	0
PC - formal maintenance (100%)	24	24	0	0	0	0	0	0	0	0	0	0
PC - formal allotments (100%)	24	24	0	0	0	0	0	0	0	0	0	0
PC - informal land purchase (100%)	24	24	0	0	0	0	0	0	0	0	0	0
PC - informal equip & main (100%)	24	24	0	0	0	0	0	0	0	0	0	0
Other Outgoings	From	To										
Empty Property Costs	19	42	0	0	0	0	0	0	0	0	0	0
Marketing	16	39	0	0	0	0	0	0	0	0	0	0
Notional Land Purchase	From	To										
Benchmark Land Value	1	1	0	0	0	0	0	0	0	0	0	0
SDLT	1	1	0	0	0	0	0	0	0	0	0	0
Professional Fees	1	1	0	0	0	0	0	0	0	0	0	0
Developers Profit on GDV	From	To										
Market @ 18.5%	40	40	0	0	0	0	0	0	0	0	0	0
SUMMARY												
Revenue			0	0	0	0	0	0	0	0	0	0
Costs			0	0	0	0	0	0	0	0	0	0
Net Cashflow			1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458	1,942,458
Debt Interest - Overall			0	0	0	0	0	0	0	0	0	0
Interest Bal			0	0	0	0	0	0	0	0	0	0
Interest %pa			6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Interest			0	0	0	0	0	0	0	0	0	0
Balance B/F			822,855	824,717	826,584	828,455	830,330	832,209	834,093	835,980	837,873	839,769
Period Total			0	0	0	0	0	0	0	0	0	0
Interest			0	0	0	0	0	0	0	0	0	0
Accrual Intr.			1,862	1,867	1,871	1,875	1,879	1,884	1,888	1,892	1,896	1,901
Balance C/F			824,717	826,584	828,455	830,330	832,209	834,093	835,980	837,873	839,769	841,669