

LOCAL PLAN AND CIL VIABILITY MODEL

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Local Authority	Royal Borough of Greenwich
Area(s)	Royal Borough of Greenwich Area
Author	Sacha Winfield-Ferreira
Date	16 March 2023
Reference	RB Greenwich Community Infrastructure Levy Viability Testing

Local Plan Test Step 1

Values:
Sales values 3 (vlookup) 7,104 psm

Affordable housing percentage	35%	8 (vlookup)
of which social rented	70%	
of which intermediate	30%	
of which starter homes	0%	
Policy extra over costs		Level
Cost allowance - all tenures (% of base costs)	5.20%	5 (vlookup)

Grant available check box

CIL rate 6 (vlookup)

Cil rates - LP Testing	Rate per sqm	
1	£0	1
2	£95	2
3	£100	3
4	£125	4
5	£135	5
6	£157	6
7	£165	7
8	£175	8
9	£190	9
10	£200	10
11	£225	11
12	£235	12
13	£250	13
14	£265	14
15	£275	15
16	£300	16

Typology description	Residual Land Values	Total units	Total floor area	Private floor area	Ave unit size	CIL as % of dev costs
T1 - 9 Houses	£1,088,200	9	797	518	89	2.4%
T2 - 25 Low Density Flats	£22,328	25	1,721	1,002	69	2.8%
T3 - 50 Medium Density Flats	£440,988	50	3,141	1,889	63	2.9%
T4 - 150 Flats and Houses	£3,376,015	150	9,550	6,058	64	2.8%
T5 -250 High Density Flats	-£13,721,156	250	15,367	9,423	61	3.3%
T6 - 500 High Density Flats	-£24,276,666	500	29,446	17,925	59	3.3%

Benchmark Land Values

BLV no	Description	£s per ha
BLV1	Secondary Offices	£11,629,000
BLV2	Secondary Industrial (Higher)	£7,545,000
BLV3	Secondary Industrial (Lower)	£3,941,000
BLV4	Open storage	£3,746,000

1 (vlookup)

Growth	
Value growth	0.00%
Cost growth	0.00%

Discount to Chargeable Floorspace for Existing floorspace (occupied for 6 months in last 3 years)

0%

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SITE TYPOLOGIES

Total number of units identified from Site Details

Typology descriptions and total units		No of units
Description		
T1 - 9 Houses		9
T2 - 25 Low Density Flats		25
T3 - 50 Medium Density Flats		50
T4 - 150 Flats and Houses		150
T5 -250 High Density Flats		250
T6 - 500 High Density Flats		500
Total number of units identified		984

TOTAL UNIT MIX enter for each typology identified

	Flats (percent of units)				Houses (percent of units)			Totals
	1 bed flat	2 bed flat	3 bed flat	4 bed flat	2 bed house	3 bed house	4 bed house	
	0.00%	0.00%	0.00%	0.00%	40.00%	55.00%	5.00%	100%
	3.50%	45.63%	46.81%	4.06%	0.00%	0.00%	0.00%	100%
	10.07%	54.10%	35.83%	0.00%	0.00%	0.00%	0.00%	100%
	18.53%	47.03%	20.67%	0.00%	3.93%	7.87%	1.97%	100%
	23.22%	46.88%	23.90%	6.00%	0.00%	0.00%	0.00%	100%
	32.81%	42.11%	20.08%	5.00%	0.00%	0.00%	0.00%	100%

DESCRIPTION (for results sheet)

Flats
Flats
Flats
Flats
Flats
Flats

DENSITY AND NET SITE AREA

Units per ha	Gross to net
100	100%
130	100%
175	100%
150	100%
250	100%
500	100%

UNIT SIZES enter for each unit type (net sellable area) - square metres

	Flats				Houses		
	1 bed flat	2 bed flat	3 bed flat	4 bed flat	2 bed house	3 bed house	4 bed house
Private	39.0 sqm	50.0 sqm	70.0 sqm	97.0 sqm	79.0 sqm	93.0 sqm	115.0 sqm
Affordable	50.0 sqm	70.0 sqm	97.0 sqm	108.0 sqm	79.0 sqm	93.0 sqm	115.0 sqm

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SALES AND AFFORDABLE HOUSING VALUES

VALUE BANDS for private sales

Sub Market	£ per sq metre
A £550 per sq ft	£5,920
B £640 per sq ft	£6,889
C £660 per sq ft	£7,104
D £725 per sq ft	£7,804
E £800 per sq ft	£8,611
F £850 per sq ft	£9,149
G £900 per sq ft	£9,688
H	
I	

Select affordable value option from drop down box

Option 1: User defined capital values per unit

AFFORDABLE HOUSING CAPITAL VALUES (price paid to developer)

Option 1 User defined capital values per unit

	Social rent			NBHB		
	Capitalised rent per unit	Indicative HCA funding per unit	Value per unit	Equity + rent	Indicative HCA funding per unit	Value per unit
One bed flats	£182,697	£0	£182,697	£230,950	£0	£230,950
Two bed flats	£192,621	£0	£192,621	£298,072	£0	£298,072
Three bed flats	£201,666	£0	£201,666	£369,163	£0	£369,163
Four bed flats	£0	£0	£0	£0	£0	£0
Two bed house	£191,474	£0	£191,474	£296,575	£0	£296,575
Three bed house	£202,175	£0	£202,175	£357,957	£0	£357,957
Four bed house	£211,857	£0	£211,857	£346,532	£0	£346,532
Five bed Huse	£0	£0	£0	£0	£0	£0

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BUILD COSTS

TIMINGS *for cash flow*

PLANNING OBLIGATIONS / CIL

Typology	Build costs (flats) per gross sq m	Build costs (houses) per gross sq m	External works and other costs	Gross to net adjustment for flats	Build start	Build period	Sales period	Sales period start	S106 payments		CIL Charges				Fees
					Quarters	Quarters	Quarters	Quarters from start on site	£s per unit all tenures	Quarter paid	£s p sq m private sales only	Instal-ment 1 - Qtr paid	Instal-ment 2 - Qtr paid	Instal-ment 3 - Qtr paid	% of build cost
T1 - 9 Houses	£0	£1,828	£305	100.0%	2	4	1	7	£3,000	2	£157	1	1	1	10%
T2 - 25 Low Density Flats	£2,148	£0	£342	80.0%	2	5	1	7	£3,000	2	£157	1	2	2	10%
T3 - 50 Medium Density Flats	£2,148	£0	£344	80.0%	2	6	2	7	£3,000	2	£157	1	3	3	10%
T4 - 150 Flats and Houses	£2,148	£1,828	£345	80.0%	2	8	4	9	£3,000	2	£157	1	4	6	10%
T5 - 250 High Density Flats	£2,550	£0	£403	75.0%	2	10	6	9	£3,000	2	£157	1	4	6	10%
T6 - 500 High Density Flats	£2,550	£0	£404	75.0%	2	16	12	9	£3,000	2	£157	1	4	6	10%

Vlookup from build costs table (AA27) ----->

Vlookup from Test variables Y40

OTHER COSTS

Developer return % GDV	Private	17.50%	
	Affordable	6.00%	
Policy extra over costs	All tenures	5.20%	From test variables
Contingency		5%	
Marketing costs % of sales values		2.50%	
Legal Fees % of GDV		0.25%	
Site acquisition costs % land value		6.80%	
Development Finance		6.50%	

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Date	18 March 2023
Reference	RB Greenwich Community Infrastructure Levy Viability Testing

DEVELOPMENT PERIOD CASHFLOW	
dev heiclarage	0.280
dev acreage	0.715
Revenue per Qtr	
Revenue	
T1 - 9 Houses	£ 3,678,043
Investment value of ground rents	£ -
Starter Homes	£ -
GDV before costs of sale	Sub Total
Costs of Sale	
Marketing costs	2.50%
Legal fees	0.25%
Sub Total	
Net commercial investment value	
Retail A1-A5	£ -
B1 office	£ -
B2 industrial	£ -
B8 storage	£ -
C1 Hotel	£ -
G2 resi institution	£ -
D1	£ -
D2	£ -
Sub Total	
Total commercial value	Sub Total
Speculative NDV	
Affordable Housing Revenue	
No fees on sale	
T1 - 9 Houses	£ 636,590
Grant	£ -
NDV	Total
	28.72%
Standard Costs	
Demolition	£ -
T1 - 9 Houses	£ 1,774,290
Retail A1-A5	£ -
B1 office	£ -
B2 industrial	£ -
B8 storage	£ -
C1 Hotel	£ -
G2 resi institution	£ -
D1	£ -
D2	£ -
Contingency	£ 88,715
Sub Total	
Other Costs	
Professional fees	10.00%
Sub Total	
CIL	
CIL Payment 1	£ 40,525
Payment 2	£ 20,262
Payment 3	£ 20,262
Sub Total	
Section 106 Costs	
T1 - 9 Houses	£ 27,000
Sub Total	
Total Other Costs	Sub Total
Total Costs	
Developer's profit on GDV	
% of GDV market	17.50%
% of GDV affordable	6%
% of GDV commercial	15%
Residual Sum before interest	
Cumulative residual balance for interest calculation	
Interest	6.50%
Residual Sum for quarter after interest	

Project Totals	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7
	Year 1 1	Year 1 2	Year 1 3	Year 1 4	Year 2 1	Year 2 2	Year 2 3
Revenue	0	0	0	0	0	0	3,678,043
Investment value of ground rents	0	0	0	0	0	0	0
Starter Homes	0	0	0	0	0	0	0
GDV before costs of sale	0	0	0	0	0	0	3,678,043
Marketing costs	0	0	0	0	0	0	91,951
Legal fees	0	0	0	0	0	0	9,195
Sub Total	0	0	0	0	0	0	101,146
Net commercial investment value	£ -	£ -	£ -	£ -	£ -	£ -	£ -
B1 office	0	0	0	0	0	0	0
B2 industrial	0	0	0	0	0	0	0
B8 storage	0	0	0	0	0	0	0
C1 Hotel	0	0	0	0	0	0	0
G2 resi institution	0	0	0	0	0	0	0
D1	0	0	0	0	0	0	0
D2	0	0	0	0	0	0	0
Sub Total	0	0	0	0	0	0	0
Total commercial value	£ 3,576,896	£ 0	£ 0	£ 0	£ 0	£ 0	£ 3,576,896
Speculative NDV							
Affordable Housing Revenue							
No fees on sale	0	0	0	0	0	0	0
T1 - 9 Houses	0	159,147	159,147	159,147	159,147	0	0
Grant	0	0	0	0	0	0	0
NDV	£ 4,213,486	0	159,147	159,147	159,147	159,147	0
Standard Costs							
Demolition	0	0	0	0	0	0	0
T1 - 9 Houses	0	443,573	443,573	443,573	443,573	0	0
Retail A1-A5	0	0	0	0	0	0	0
B1 office	0	0	0	0	0	0	0
B2 industrial	0	0	0	0	0	0	0
B8 storage	0	0	0	0	0	0	0
C1 Hotel	0	0	0	0	0	0	0
G2 resi institution	0	0	0	0	0	0	0
D1	0	0	0	0	0	0	0
D2	0	0	0	0	0	0	0
Contingency	0	22,179	22,179	22,179	22,179	0	0
Sub Total	£ 1,863,005	0	465,751	465,751	465,751	465,751	0
Other Costs							
Professional fees	0	46,575	46,575	46,575	46,575	0	0
Sub Total	£ 186,300	0	46,575	46,575	46,575	46,575	0
CIL							
CIL Payment 1	0	40,525	0	0	0	0	0
Payment 2	0	20,262	0	0	0	0	0
Payment 3	0	20,262	0	0	0	0	0
Sub Total	£ 81,050	0	0	0	0	0	0
Section 106 Costs							
T1 - 9 Houses	0	27,000	0	0	0	0	0
Sub Total	£ 27,000	0	0	0	0	0	0
Total Other Costs	£ 108,050	27,000	0	0	0	0	0
Total Costs	£ 2,187,355	81,050	539,326	512,326	512,326	0	0
Developer's profit on GDV							
% of GDV market	0	0	0	0	0	0	643,657
% of GDV affordable	0	0	0	0	38,195	0	0
% of GDV commercial	0	0	0	0	0	0	0
Residual Sum before interest	£ 1,374,278	-81,050	-386,179	-353,179	-353,179	-391,374	0
Cumulative residual balance for interest calculation							
Interest	-88,115	-1,237	-7,056	-12,553	-18,133	-24,382	-24,754
Residual Sum for quarter after interest	£ 1,286,164	-82,287	-387,235	-365,732	-371,312	-415,756	2,933,239

Land Value	
per developable acre	£1,521,580
per developable hectare	£3,755,304
Residual land value	
Site acquisition costs	6.80%
MV (Residual Sum available to offer for Development Opportunity)	

Residual land value	£ 1,167,597
Site acquisition costs	£ 79,397
MV (Residual Sum available to offer for Development Opportunity)	£ 1,088,200

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Address	Royal Borough of Greenwich Area
Author	Julian Smith/Mark Fennell
Date	18 March 2023
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DEVELOPMENT PERIOD CASHFLOW

Govt Inheritance	£ 0.290
Govt Inheritance	£ 0.715
Revenue	Revenue per Qtr
TS -250 High Density Flats	£ 66,939,701
Investment value of ground rents	£ -
Starter Homes	£ -
GDV before costs of sale	Sub Total
Costs of Sale	
Marketing costs	2.50%
Legal fees	0.22%
Sub Total	
Net commercial investment value	
R2 industrial	£ -
B1 office	£ -
B2 industrial	£ -
B8 storage	£ -
C1 hotel	£ -
C2 resi institution	£ -
D1	£ -
D2	£ -
Sub Total	£0
Total commercial value	£0
Speculative NDV	£ 65,098,860
Affordable Housing Revenue	Revenue per Qtr
No fees on sale	£ -
TS -250 High Density Flats	£ 13,269,940
Grant	£ -
NDV	Total
Standard Costs	Cost per Qtr
Demolition	£ -
TS -250 High Density Flats	£ 65,562,099
R2 industrial	£ -
B1 office	£ -
B2 industrial	£ -
B8 storage	£ -
C1 hotel	£ -
C2 resi institution	£ -
D1	£ -
D2	£ -
Contingency	£ 3,278,149
Sub Total	£ 68,841,139
Other Costs	
Professional fees	10.00%
Sub Total	£ 6,884,114
CIL	
CIL TS -250 High Density Flats	£ 983,395
Section 106 Costs	£ 750,000
Sub Total	£ 1,733,395
Total Other Costs	£ 2,716,790
Total Costs	£ 78,442,039
Developer's profit on GDV	% of GDV market 17.50%
% of GDV affordable 6%	£ 796,164
% of GDV commercial 15%	£ -
Residual Sum before interest	£ 12,584,391
Cumulative residual balance for interest calculation	
Interest	£ 5,985,024
Residual Sum for quarter after interest	£ 18,445,415
Land Value	983394.9167
per developable acre	£19,188,671
per developable hectare	£47,388,658
Residual land value	£ 14,722,270
Site acquisition costs	£ 1,001,114
MV (Residual Sum available to offer for Development Opportunity)	£ 13,721,156

Project Totals	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12	Qtr 13	Qtr 14
Year 1	Year 2	Year 3	Year 4	Year 2	Year 2	Year 2	Year 2	Year 3	Year 3	Year 3	Year 3	Year 4	Year 4	
Revenue	0	0	0	0	0	0	0	0	11,156,617	11,156,617	11,156,617	11,156,617	11,156,617	
Costs of Sale	0	0	0	0	0	0	0	0	278,915	278,915	278,915	278,915	278,915	
Net commercial investment value	0	0	0	0	0	0	0	0	306,807	306,807	306,807	306,807	306,807	
Speculative NDV	0	0	0	0	0	0	0	0	10,849,810	10,849,810	10,849,810	10,849,810	10,849,810	
Affordable Housing Revenue	0	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	0	0	
NDV	0	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	1,326,940	12,176,750	12,176,750	12,176,750	10,849,810	10,849,810	
Standard Costs	0	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	6,556,299	
Other Costs	0	688,411	688,411	688,411	688,411	688,411	688,411	688,411	688,411	688,411	688,411	688,411	688,411	
CIL	0	983,395	0	0	0	0	0	0	0	0	0	0	0	
Section 106 Costs	0	750,000	0	0	0	0	0	0	0	0	0	0	0	
Total Costs	0	8,322,825	7,872,825	8,064,222	7,872,825	8,064,222	7,872,825	7,872,825	7,872,825	7,872,825	7,872,825	7,872,825	7,872,825	
Developer's profit on GDV	0	0	0	0	0	0	0	0	0	0	0	0	11,714,448	
Interest	0	-16,008	-121,974	-219,132	-323,274	-425,534	-534,920	-638,282	-743,318	-848,407	-954,588	-1,070,024	-1,194,264	
Residual Sum before interest	-983,395	-6,995,685	-4,245,685	-6,737,282	-6,245,685	-6,737,282	-6,245,685	-6,245,685	-4,604,225	-4,604,225	-3,000,061	-10,849,810	-10,849,810	
Cumulative residual balance for interest calculation	-983,395	-7,993,085	-14,361,543	-21,317,907	-27,888,916	-35,051,632	-41,832,042	-48,715,910	-44,855,003	-40,935,189	-37,751,722	-27,477,936	-17,047,990	
Interest	0	-16,008	-121,974	-219,132	-323,274	-425,534	-534,920	-638,282	-743,318	-848,407	-954,588	-1,070,024	-1,194,264	
Residual Sum for quarter after interest	£ 18,445,415	-986,400	-7,117,859	-4,464,716	-7,062,856	-6,671,116	-7,272,100	-6,883,967	-6,388,303	-3,919,818	-3,978,627	3,232,037	16,430,846	

