

Spelthorne Borough Council

Local Plan & potential CIL review -

Viability Assessment

Appendix II: Commercial Results

Student Housing & Care Home

Typologies

Spelthorne Borough Council - Appendix IIe - Local Plan & potential CIL review Viability Assessment - Table 5a Residual Land Value Results - Student Accommodation (Cluster) by Yield, Value Level & CIL Rate

Use Class / Type:	C1 - Student Accommodation
Scheme Type:	100% Cluster Accommodation (400 rooms)
Site Size (Ha):	1.23

Trial CIL Testing Rate (£/sq. m.)	Residual Land Value (£)														
	5% Yield			5.5% Yield			6% Yield			6.5% Yield			7% Yield		
	Value Level			Value Level			Value Level			Value Level			Value Level		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
Indexed CIL Rate	£6,230,239	£13,184,398	£20,138,558	£4,002,241	£10,319,511	£16,636,780	£2,145,577	£7,932,104	£13,718,632	£548,878	£5,911,991	£11,249,430	-£866,257	£4,180,466	£9,132,970
£0/sq. m.	£7,220,760	£14,174,919	£21,129,078	£4,992,762	£11,310,031	£17,627,300	£3,136,097	£8,922,625	£14,709,152	£1,565,073	£6,902,512	£12,239,950	£217,574	£5,170,986	£10,123,491
£25/sq. m.	£7,053,713	£14,007,872	£20,962,031	£4,825,715	£11,142,984	£17,460,254	£2,969,050	£8,755,578	£14,542,105	£1,393,696	£6,735,465	£12,072,903	£34,791	-£5,003,939	£9,956,444
£50/sq. m.	£6,886,666	£13,840,825	£20,794,985	£4,658,668	£10,975,938	£17,293,207	£2,802,004	£8,588,531	£14,375,059	£1,222,320	£6,568,418	£11,905,856	-£147,992	-£4,836,892	£9,789,397
£75/sq. m.	£6,719,619	£13,673,779	£20,627,938	£4,491,622	£10,808,891	£17,126,160	£2,634,957	£8,421,484	£14,208,012	£1,050,943	£6,401,371	£11,738,810	-£330,775	-£4,669,846	£9,622,351
£100/sq. m.	£6,552,573	£13,506,732	£20,460,891	£4,324,575	£10,641,844	£16,959,113	£2,467,910	£8,254,438	£14,040,965	£879,567	£6,234,325	£11,571,763	-£513,558	-£4,502,799	£9,455,304
£125/sq. m.	£6,385,526	£13,339,685	£20,293,844	£4,157,528	£10,474,797	£16,792,067	£2,300,863	£8,087,391	£13,873,918	£708,190	£6,067,278	£11,404,716	-£696,341	-£4,335,752	£9,288,257
£150/sq. m.	£6,218,479	£13,172,638	£20,126,798	£3,990,481	£10,307,751	£16,625,020	£2,133,817	£7,920,344	£13,706,872	£536,814	£5,900,231	£11,237,669	-£879,124	-£4,168,705	£9,121,210
£175/sq. m.	£6,051,432	£13,005,592	£19,959,751	£3,823,435	£10,140,704	£16,457,973	£1,966,770	£7,753,297	£13,539,825	£365,437	£5,733,184	£11,070,623	-£1,061,908	-£4,001,659	£8,954,164
£200/sq. m.	£5,884,386	£12,838,545	£19,792,704	£3,656,388	£9,973,657	£16,290,926	£1,799,723	£7,586,251	£13,372,778	£194,060	£5,566,138	£10,903,576	-£1,244,691	-£3,834,612	£8,787,117
£225/sq. m.	£5,717,339	£12,671,498	£19,625,657	£3,489,341	£9,806,610	£16,123,880	£1,632,676	£7,419,204	£13,205,732	£22,684	£5,399,091	£10,736,529	-£1,427,474	-£3,667,565	£8,620,070
£250/sq. m.	£5,550,292	£12,504,451	£19,458,611	£3,322,294	£9,639,564	£15,956,833	£1,465,630	£7,252,157	£13,038,685	-£148,693	£5,232,044	£10,569,482	-£1,610,257	-£3,500,518	£8,453,023
£275/sq. m.	£5,383,245	£12,337,405	£19,291,564	£3,155,248	£9,472,517	£15,789,786	£1,298,583	£7,085,110	£12,871,638	-£320,069	£5,064,997	£10,402,436	-£1,793,040	-£3,333,472	£8,285,977
£300/sq. m.	£5,216,199	£12,170,358	£19,124,517	£2,988,201	£9,305,470	£15,622,739	£1,131,536	£6,918,064	£12,704,591	-£491,446	£4,897,951	£10,235,389	-£1,975,823	-£3,166,425	£8,118,930
	Residual Land Value (£/ha)														
Indexed CIL Rate	£5,065,235	£10,719,023	£16,372,811	£3,253,855	£8,389,846	£13,525,837	£1,744,371	£6,448,865	£11,153,359	£446,243	£4,806,497	£9,145,878	-£704,274	£3,398,752	£7,425,179
£0/sq. m.	£5,870,536	£11,524,324	£17,178,112	£4,059,156	£9,195,147	£14,331,139	£2,549,672	£7,254,166	£11,958,660	£1,272,417	£5,611,798	£9,951,179	£176,889	£4,204,054	£8,230,480
£25/sq. m.	£5,734,726	£11,388,514	£17,042,302	£3,923,346	£9,059,337	£14,195,328	£2,413,862	£7,118,356	£11,822,850	£1,133,087	£5,475,988	£9,815,368	£28,285	-£4,068,243	£8,094,670
£50/sq. m.	£5,598,916	£11,252,704	£16,906,492	£3,787,535	£8,923,527	£14,059,518	£2,278,052	£6,982,546	£11,687,040	£993,756	£5,340,177	£9,679,558	-£120,319	-£3,932,433	£7,958,860
£75/sq. m.	£5,463,105	£11,116,893	£16,770,681	£3,651,725	£8,787,716	£13,923,707	£2,142,241	£6,846,735	£11,551,229	£854,425	£5,204,367	£9,543,748	-£268,923	-£3,796,623	£7,823,049
£100/sq. m.	£5,327,295	£10,981,083	£16,634,871	£3,515,915	£8,651,906	£13,787,897	£2,006,431	£6,710,925	£11,415,419	£715,095	£5,068,557	£9,407,937	-£417,527	-£3,660,812	£7,687,239
£125/sq. m.	£5,191,484	£10,845,272	£16,499,060	£3,380,104	£8,516,095	£13,652,087	£1,870,621	£6,575,115	£11,279,609	£575,764	£4,932,746	£9,272,127	-£566,131	-£3,525,002	£7,551,429
£150/sq. m.	£5,055,674	£10,709,462	£16,363,250	£3,244,294	£8,380,285	£13,516,276	£1,734,810	£6,439,304	£11,143,798	£436,434	£4,796,936	£9,136,317	-£714,735	-£3,389,191	£7,415,618
£175/sq. m.	£4,919,864	£10,573,652	£16,227,440	£3,108,483	£8,244,475	£13,380,466	£1,599,000	£6,303,494	£11,007,988	£297,103	£4,661,125	£9,000,506	-£863,339	-£3,253,381	£7,279,808
£200/sq. m.	£4,784,053	£10,437,841	£16,091,629	£2,972,673	£8,108,664	£13,244,656	£1,463,190	£6,167,683	£10,872,177	£157,773	£4,525,315	£8,864,696	-£1,011,944	-£3,117,571	£7,143,997
£225/sq. m.	£4,648,243	£10,302,031	£15,955,819	£2,836,863	£7,972,854	£13,108,845	£1,327,379	£6,031,873	£10,736,367	£18,442	£4,389,505	£8,728,886	-£1,160,548	-£2,981,760	£7,008,187
£250/sq. m.	£4,512,433	£10,166,221	£15,820,009	£2,701,052	£7,837,044	£12,973,035	£1,191,569	£5,896,063	£10,600,557	-£120,888	£4,253,694	£8,593,075	-£1,309,152	-£2,845,950	£6,872,377
£275/sq. m.	£4,376,622	£10,030,410	£15,684,198	£2,565,242	£7,701,233	£12,837,224	£1,055,758	£5,760,252	£10,464,746	-£260,219	£4,117,884	£8,457,265	-£1,457,756	-£2,710,140	£6,736,566
£300/sq. m.	£4,240,812	£9,894,600	£15,548,388	£2,429,432	£7,565,423	£12,701,414	£919,948	£5,624,442	£10,328,936	-£399,550	£3,982,074	£8,321,454	-£1,606,360	-£2,574,329	£6,600,756

RLV beneath Viability Test 1 (RLV <£500,000/ha)
Viability Test 2 (RLV £500,000 to £1,500,000/ha)
Viability Test 3 (RLV £1,500,000 to £3,500,000/ha)
Viability Test 4 (RLV >£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Greenfield Enhancement (Upper)
£1,500,000	Industrial / Lower Commercial
£3,500,000	Upper Commercial

Source: Dixon Searle Partnership (2022)

Spelthorne Borough Council - Appendix Ilc - Local Plan & potential CIL review Viability Assessment - Table 5b Residual Land Value Results - Student Accommodation (Studio) by Yield, Value Level & CIL Rate

Use Class / Type:	C1 - Student Accommodation
Scheme Type:	100% Studio type Accomodation (150 Rooms)
Site Size (Ha):	1.04

Trial CIL Testing Rate (£/sq. m.)	Residual Land Value (£)														
	5% Yield Value Level			5.5% Yield Value Level			6% Yield Value Level			6.5% Yield Value Level			7% Yield Value Level		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
Indexed CIL Rate	Negative RLV			Negative RLV			Negative RLV			Negative RLV			Negative RLV		
£0/sq. m.	£1,246,882	£4,603,310		£352,356	£2,758,507				£1,221,170				£130,820		
£25/sq. m.	£2,085,283	£5,441,711		£547,874	£3,596,908				£2,059,571				£758,748		
£50/sq. m.	£1,943,890	£5,300,319		£396,055	£3,455,515				£1,918,179				£608,727		
£75/sq. m.	£1,802,498	£5,158,926		£244,235	£3,314,123				£1,776,786				£458,705		
£100/sq. m.	£1,661,105	£5,017,534		£92,415	£3,172,730				£1,635,394				£308,683		
£125/sq. m.	£1,519,713	£4,876,141		£59,405	£3,031,338				£1,494,001				£158,662		
£150/sq. m.	£1,378,320	£4,734,749		£211,224	£2,889,945				£1,352,609				£8,640		
£175/sq. m.	£1,236,928	£4,593,356		£363,044	£2,748,553				£1,211,216				£141,382		
£200/sq. m.	£1,095,535	£4,451,964		£514,864	£2,607,160				£1,069,824				£291,403		
£225/sq. m.	£954,143	£4,310,571		£666,684	£2,465,768				£928,431				£441,425		
£250/sq. m.	£812,750	£4,169,179		£818,503	£2,324,375				£787,039				£591,447		
£275/sq. m.	£671,358	£4,027,786		£970,323	£2,182,983				£645,646				£741,468		
£300/sq. m.	£529,965	£3,886,394		£1,122,143	£2,041,590				£504,254				£891,490		
	£388,573	£3,745,001		£1,273,962	£1,900,198				£362,861				£1,041,512		
	Residual Land Value (£/ha)														
Indexed CIL Rate	Negative RLV			Negative RLV			Negative RLV			Negative RLV			Negative RLV		
£0/sq. m.	£1,198,925	£4,426,260		£338,804	£2,652,410				£1,174,202				£125,789		
£25/sq. m.	£2,005,079	£5,232,414		£526,802	£3,458,565				£1,980,357				£729,566		
£50/sq. m.	£1,869,125	£5,096,460		£380,822	£3,322,611				£1,844,403				£585,314		
£75/sq. m.	£1,733,171	£4,960,506		£234,841	£3,186,656				£1,708,448				£441,062		
£100/sq. m.	£1,597,216	£4,824,552		£88,861	£3,050,702				£1,572,494				£296,811		
£125/sq. m.	£1,461,262	£4,688,597		£57,120	£2,914,748				£1,436,540				£152,559		
£150/sq. m.	£1,325,308	£4,552,643		£203,100	£2,778,793				£1,300,585				£8,308		
£175/sq. m.	£1,189,353	£4,416,689		£349,081	£2,642,839				£1,164,631				£135,944		
£200/sq. m.	£1,053,399	£4,280,734		£495,061	£2,506,885				£1,028,677				£280,195		
£225/sq. m.	£917,445	£4,144,780		£641,042	£2,370,930				£892,722				£424,447		
£250/sq. m.	£781,490	£4,008,826		£787,022	£2,234,976				£756,768				£568,699		
£275/sq. m.	£645,536	£3,872,871		£933,003	£2,099,022				£620,814				£712,950		
£300/sq. m.	£509,582	£3,736,917		£1,078,983	£1,963,067				£484,859				£857,202		
	£373,627	£3,600,963		£1,224,964	£1,827,113				£348,905				£1,001,453		

RLV beneath Viability Test 1 (RLV <£500,000/ha)
Viability Test 2 (RLV £500,000 to £1,500,000/ha)
Viability Test 3 (RLV £1,500,000 to £3,500,000/ha)
Viability Test 4 (RLV >£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Greenfield Enhancement (Upper)
£1,500,000	Industrial / Lower Commercial
£3,500,000	Upper Commercial

Source: Dixon Searle Partnership (2022)

Spelthorne Borough Council - Appendix IIe - Local Plan & potential CIL review Viability Assessment - Table 5c Residual Land Value Results - Residential Institution (Care/Nursing Home) by Yield, Value Level & CIL Rate

Use Class / Type:	C2 - Residential Institution - Care/Nursing Home
Scheme Type:	Extra Care (65 bed)
Site Size (Ha):	0.33

Trial CIL Testing Rate (£/sq. m.)	Residual Land Value (£)														
	5% Yield			5.5% Yield			6% Yield			6.5% Yield			7% Yield		
	Value Level			Value Level			Value Level			Value Level			Value Level		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
Indexed CIL Rate		£288,529	£1,340,698		-£221,233	£746,609			£250,990			-£178,332			
£0/sq. m.	Negative RLV	£569,936	£1,622,106	Negative RLV	£72,186	£1,028,017	Negative RLV		£532,943	Negative RLV		£114,034	Negative RLV		
£25/sq. m.		£522,478	£1,574,648		£22,702	£980,559			£485,392			£64,727			
£50/sq. m.		£475,020	£1,527,190		-£26,782	£933,101			£437,842			£15,421			
£75/sq. m.		£427,562	£1,479,732		-£76,266	£885,642			£390,292			-£33,885			
£100/sq. m.		£380,104	£1,432,273		-£125,749	£838,184			£342,742			-£83,191			
£125/sq. m.		£332,646	£1,384,815		-£175,233	£790,726			£295,192			-£132,497			
£150/sq. m.		£285,188	£1,337,357		-£224,717	£743,268			£247,642			-£181,803			
£175/sq. m.		£237,729	£1,289,899		-£274,201	£695,810			£200,092			-£231,110			
£200/sq. m.		£190,271	£1,242,441		-£323,684	£648,352			£152,542			-£280,416			
£225/sq. m.		£142,813	£1,194,983		-£373,168	£600,894			£104,992			-£329,722			
£250/sq. m.		£95,355	£1,147,525		-£422,652	£553,436			£57,442			-£379,028			
£275/sq. m.		£47,897	£1,100,067		-£472,136	£505,978			£9,892			-£428,334			
£300/sq. m.		£439	£1,052,609		-£521,620	£458,520			-£37,658			-£477,641			
Indexed CIL Rate		£874,329	£4,062,722		-£670,404	£2,262,452			£760,575			-£540,401			
£0/sq. m.	Negative RLV	£1,727,079	£4,915,472	Negative RLV	£218,745	£3,115,202	Negative RLV		£1,614,977	Negative RLV		£345,556	Negative RLV		
£25/sq. m.		£1,583,267	£4,771,660		£68,794	£2,971,390			£1,470,886			£196,144			
£50/sq. m.		£1,439,454	£4,627,848		-£81,157	£2,827,578			£1,326,795			£46,731			
£75/sq. m.		£1,295,642	£4,484,035		-£231,108	£2,683,765			£1,182,704			-£102,682			
£100/sq. m.		£1,151,830	£4,340,223		-£381,059	£2,539,953			£1,038,613			-£252,094			
£125/sq. m.		£1,008,017	£4,196,410		-£531,009	£2,396,140			£894,522			-£401,507			
£150/sq. m.		£864,205	£4,052,598		-£680,960	£2,252,328			£750,431			-£550,920			
£175/sq. m.		£720,392	£3,908,785		-£830,911	£2,108,515			£606,340			-£700,332			
£200/sq. m.		£576,580	£3,764,973		-£980,862	£1,964,703			£462,249			-£849,745			
£225/sq. m.		£432,767	£3,621,161		-£1,130,813	£1,820,891			£318,158			-£999,158			
£250/sq. m.		£288,955	£3,477,348		-£1,280,764	£1,677,078			£174,067			-£1,148,570			
£275/sq. m.		£145,143	£3,333,536		-£1,430,715	£1,533,266			£29,976			-£1,297,983			
£300/sq. m.		£1,330	£3,189,723		-£1,580,665	£1,389,453			-£114,115			-£1,447,396			

RLV beneath Viability Test 1 (RLV <£500,000/ha)
Viability Test 2 (RLV £500,000 to £1,500,000/ha)
Viability Test 3 (RLV £1,500,000 to £3,500,000/ha)
Viability Test 4 (RLV >£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Greenfield Enhancement (Upper)
£1,500,000	Industrial / Lower Commercial
£3,500,000	Upper Commercial

Source: Dixon Searle Partnership (2022)

Spelthorne Borough Council

Local Plan & potential CIL review -

Viability Assessment

Appendix II: Appraisal Summaries

Student Housing Typologies

Student Accommodation - Cluster (400 rooms)
MV / Indexed CIL @ 5% Yield

Spelthorne Borough Council

Student Accommodation - Cluster (400 rooms)

MV

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m ² Rent	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student Accommodation - Cluster	400	4,430.40	25.64	8,723	2,616,818	3,489,091	2,616,818

Investment Valuation

Student Accommodation - Cluster							
Current Rent	2,616,818	YP @	5.0000%	20.0000	52,336,368		

GROSS DEVELOPMENT VALUE 52,336,368

Purchaser's Costs	5.75%	3,009,341					
Effective Purchaser's Costs Rate	5.75%				3,009,341		

NET DEVELOPMENT VALUE 49,327,027

NET REALISATION 49,327,027

OUTLAY

ACQUISITION COSTS

Residualised Price (1.23 Ha @ 10,719,023.13 /Hect)				13,184,398			
Stamp Duty					648,720		
Effective Stamp Duty Rate		4.92%					
Agent Fee			1.50%	197,766			
Legal Fee			0.75%	98,883			
Site Survey & Prep Costs	1.23 ha	200,000.00 /ha		246,000			
							1,191,369

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost
Student Accommodation - Cluster	7,384.00	2,087.00	15,410,408
Contingency		5.00%	862,983
CIL	7,384.00 m ²	148.24	1,094,604
			17,367,995

Other Construction

Externals/Site Works		5.00%	770,520
Planning/Building Regs/Insurances		2.00%	308,208
Sustainability/BREEAM		5.00%	770,520
			1,849,249

PROFESSIONAL FEES

Professional Fees		10.00%	1,695,145
			1,695,145

MARKETING & LETTING

Letting Agent Fee		10.00%	261,682
Letting Legal Fee		1.00%	26,168
			287,850

DISPOSAL FEES

Sales Agent Fee		1.50%	739,905
Sales Legal Fee		0.75%	369,953
			1,109,858

FINANCE

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			3,482,298

TOTAL COSTS 40,168,162

PROFIT

9,158,864

Student Accommodation - Studio (150 rooms)
MV / Indexed CIL @ 5% Yield

Spelthorne Borough Council

**Student Accommodation - Studio (150 rooms)
MV**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m ² Rent	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student Accommodation - Studio	150	3,750.00	35.61	12,115	1,362,884	1,817,178	1,362,884

Investment Valuation

Student Accommodation - Studio							
Current Rent	1,362,884	YP @	5.0000%	20.0000	27,257,674		

GROSS DEVELOPMENT VALUE 27,257,674

Purchaser's Costs	5.75%	1,567,316	
Effective Purchaser's Costs Rate	5.75%		1,567,316

NET DEVELOPMENT VALUE 25,690,358

NET REALISATION 25,690,358

OUTLAY

ACQUISITION COSTS

Residualised Price (1.04 Ha @ 1,198,924.58 /Hect)			1,246,882	
Stamp Duty			51,844	1,246,882
Effective Stamp Duty Rate	4.16%			
Agent Fee	1.50%		18,703	
Legal Fee	0.75%		9,352	
Site Survey & Prep Costs	1.04 ha 200,000.00 /ha		208,000	
				287,899

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost	
Student Accommodation - Studio	6,250.00	2,087.00	13,043,750	
Contingency		5.00%	730,450	
CIL	6,250.00 m ²	148.24	926,500	
				14,700,700

Other Construction

Externals/Site Works	5.00%	652,188	
Planning/Building Regs/Insurances	2.00%	260,875	
Sustainability/BREEAM	5.00%	652,188	
			1,565,250

PROFESSIONAL FEES

Professional Fees	10.00%	1,434,813	
			1,434,813

MARKETING & LETTING

Letting Agent Fee	10.00%	136,288	
Letting Legal Fee	1.00%	13,629	
			149,917

DISPOSAL FEES

Sales Agent Fee	1.50%	385,355	
Sales Legal Fee	0.75%	192,678	
			578,033

FINANCE

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			956,772

TOTAL COSTS 20,920,265

PROFIT

4,770,093