

## Addendum Report

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CIL Viability Assessment

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South Oxfordshire District Council



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June 2022

## Quality Assurance

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- Appendix 2 – Residential Market Paper
- Appendix 3 – Residential Appraisals
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## Executive Summary

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- ES 1 AspinallVerdi has been appointed by South Oxfordshire District Council (SODC, the Council, the Local Planning Authority (LPA) as the context requires) to provide a review of the CIL Charging Schedule having regard to the cumulative impact on development of Local Plan policies. The objective is to determine whether there is any scope to review the CIL Charging Schedule in order to increase CIL rates to pay for infrastructure to support development across the District.
- ES 2 We were originally retained by SODC to provide Local Plan viability advice between May 2017 and May 2020. We have subsequently been retained to advise on this CIL review and prepared a CIL Viability Assessment dated December 2021 (the 'original' report / 'December 2021' report). The December 2021 report was the subject of public consultation in February to March 2022.
- ES 3 This Addendum report sets out how we have responded to feedback following the public consultation and highlights changes to our appraisals and recommendations that we have to made to reflect comments received on viability issues. In particular, this Addendum:
- includes new research and analysis in respect of Didcot flats/apartments;
  - updates the assumptions and appraisals in respect of older persons housing;
  - indexes the costs and value assumptions for the generic residential typologies.
- ES 4 The current Community Infrastructure Levy (CIL) charging schedule has been in place since April 2016. The Council currently charges CIL on residential development (in two zones – 1 and 2), and supermarkets, superstores and retail warehouses. The CIL charging rates have been the subject of indexation each year since 2016.

## National Policy Context

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- ES 5 Our financial viability appraisal (FVA) has been carried out having regard to the various statutory requirements comprising primary legislation, planning policy, statutory regulations and guidance. This is contained in the December 2021 report.
- ES 6 There are no substantive changes to national policy which impact this Addendum. We set out in Section 2 the current situation in respect of a proposed Infrastructure Levy in the Levelling Up and Regeneration Bill.

## Local Policy Context

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- ES 7 This is set out in our December 2021 report.

ES 8 This has not changed for the purposes of this Addendum report.

ES 9 South Oxfordshire has an existing CIL Charging Schedule dated February 2016 which came into effect on 1 April 2016. The current (2021) CIL charging rates are:

- Residential Development Zone 1 District - £181.09 psm
- Residential Development Zone 2 Didcot and Berinsfield - £102.62 psm
- Supermarkets, superstores and retail warehouses - £84.51 psm

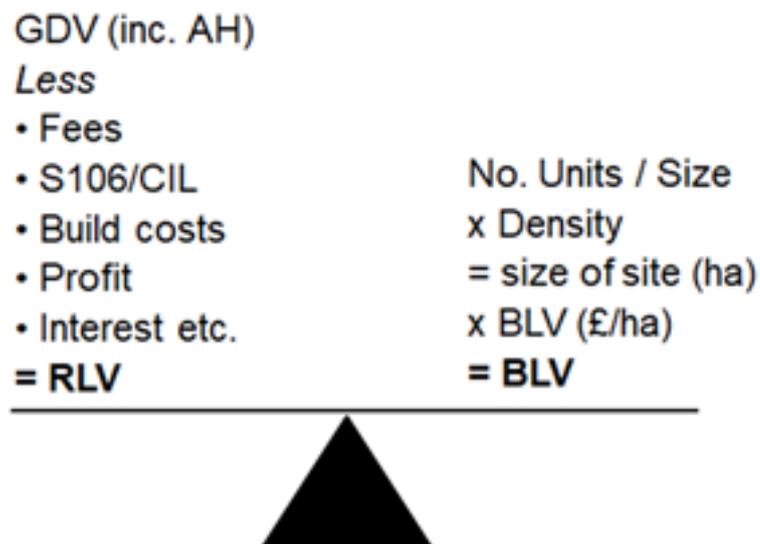
ES 10 There is currently no higher value charging zone.

## Viability Assessment Method

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ES 11 Our general approach is illustrated on the diagram below (Figure ES.1). This is explained in more detail in Section 4 – Viability Assessment Method, of the December 2021 report.

**Figure ES.1 – Balance between RLV and BLV**



Source: AspinallVerdi © Copyright

ES 12 We have carried out residual appraisals to establish the Residual Land Value (RLV). This is a traditional model having regard to: the gross development value (GDV) of the scheme; including Affordable Housing; and deducting all costs; including CIL; to arrive at the RLV. A scheme is viable if the RLV is positive for a given level of profit. We describe this situation herein as being ‘fundamentally’ viable.

ES 13 We have had regard to the cumulative impact of the Local Plan policies. The impact of each of the policies (either direct or indirect) is set out in the policies matrix.

- ES 14 This is then compared to the Benchmark Land Value (BLV). The BLV is the price at which a landowner will be willing to sell their land for development and is derived from benchmark Market Values and Existing Use Values (EUV), the size of the hypothetical scheme and the development density assumption.
- ES 15 The RLV less BLV results in an appraisal 'balance' which should be interpreted as follows:
- If the 'balance' is positive ( $RLV > BLV$ ), then the CIL is viable. We describe this as being 'viable for plan making / CIL rate setting purposes herein'.
  - If the 'balance' is negative ( $RLV < BLV$ ), then the CIL is 'not viable for plan making purposes / CIL rate setting' and the CIL rates/planning obligations and/or affordable housing targets should be reviewed.
  - Thirdly, if the RLV is positive, but the appraisal is not viable due to the BLV assumed – we refer to this as being 'marginal'. In this case more scrutiny may be required of the BLV and the sensitivity analysis.
- ES 16 In this respect we have 'back-solved' the appraisal to ensure that each of the typologies is 'just viable' i.e. balance in surplus by £1. This is to calculate the maximum CIL rate which could be applicable for the scheme and to calculate the viability 'buffer' between the recommended rate of CIL and the maximum 'headroom'.
- ES 17 In addition to the RLV appraisals and BLV analysis, we have also prepared a series of sensitivity scenarios for each of the typologies. This is to assist in the analysis of viability and to appreciate the sensitivity of the appraisals to key variables (such as: Affordable Housing %; infrastructure costs; density; BLV and profit) and to consider the impact of rising construction costs. It also de-emphasises the BLV in each typology and helps to consider viability 'in-the-round' i.e. in the context of sales values, development costs, contingency and developer's profit, which make up the appraisal inputs.
- ES 18 ***It is important to note that the BLV's contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications. Where sites have obvious abnormal costs (e.g. sloping topography or limited access etc.) these costs should be deducted from the value of the land. The land value for site specific viability appraisals should be thoroughly evidenced having regard to the existing use value of the site in accordance with the PPG. This report is for plan-making purposes and is 'without prejudice' to future site-specific planning applications.***

## Appraisal Assumptions

ES 19 Our detailed appraisal assumptions for residential and older persons housing are set out in sections 5 and 7 below. We have not updated the assumptions and appraisals for the other typologies.

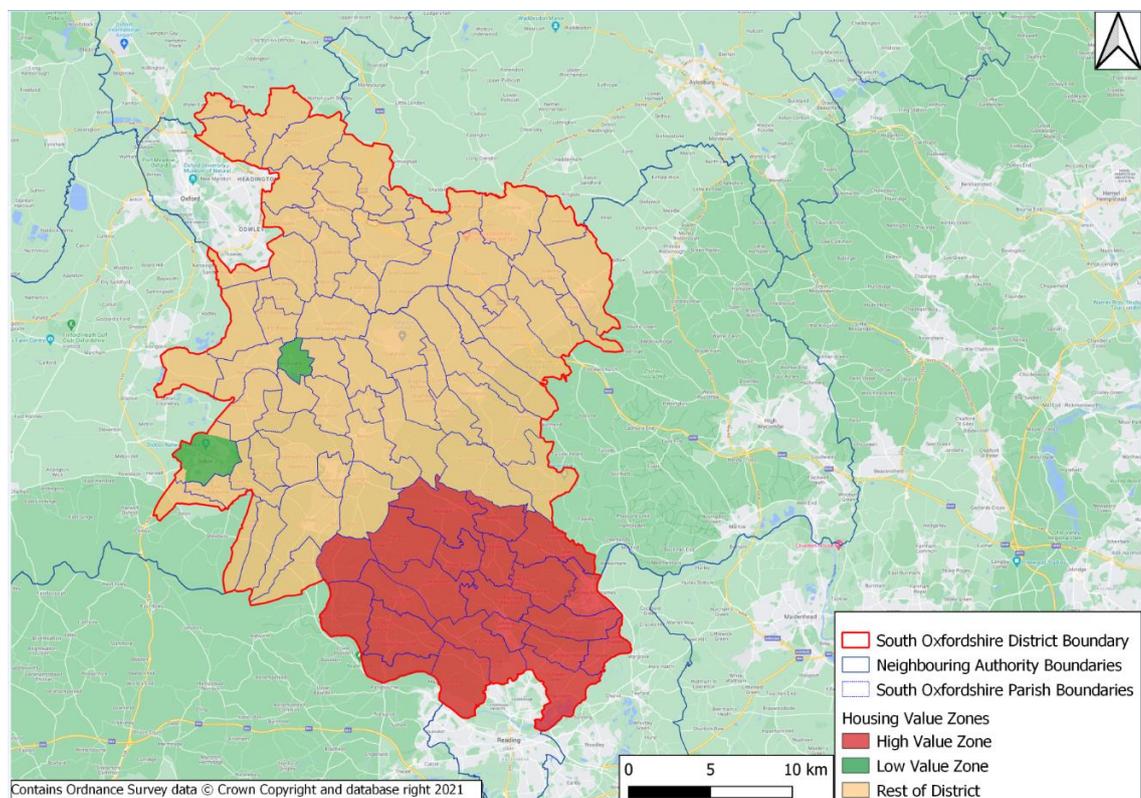
## Residential Assumptions

ES 20 We have developed a series of residential typologies based on:

- site allocations and likely development in Plan period – from the Local Plan viability assessment (2020)
- Housing mix based on the Oxfordshire SHMA, April 2014
- Density assumptions from the STRAT5 Local Plan policy (45 dph)
- Unit sizes based on Nationally Described Space Standards – and Market Evidence.

ES 21 These are appraised by reference to three housing value zones as follows:

**Figure ES.2 – AspinallVerdi Housing Value Zones by Parish, 2021**



Source: AspinallVerdi 2021

- ES 22 For the lower value charging zone, we would recommend drawing the boundary tightly around the settlements. This is because proposed large scale/new build greenfield developments have the potential to create their own property markets, which we consider would result in values more akin to the rest of the district rather than the existing urban areas.
- ES 23 Our appraisals include 40% affordable housing and the following breakdown of tenure mix (and associated transfer values) – see Table ES1 below.

**Table ES.1 – Affordable Housing Assumptions**

Affordable Housing Tenure	% Mix	Transfer Value (% of OMV)
Affordable Housing %	40%	
Of which...		
Affordable Rent	25%	60%
Social Rent	35%	44%
Intermediate	15%	76%
First Homes	25%	70% [30% discount capped at £250,000]

- ES 24 We have also allowed for the following policy design requirement costs within our appraisal assumptions.

**Table ES.2 – Design Requirement Cost Assumptions**

Item	Cost	Comments
Net Biodiversity Costs (BNG)	£1027 per unit for greenfield sites £244 per unit for brownfield sites	DEFRA Biodiversity net gain and local nature recovery strategies Impact Assessment (15/10/2019) (Reference No: RPC-4277(1)-DEFRA-EA).
M4(2) Category 2 – Accessible and Adaptable housing	+£521 per unit (all AH units + 15% of Market Units)	DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157
M4(3) Category 3 - Wheelchair Adaptable dwellings	+£10,111 per unit (5% of AH units)	As above

Carbon / Energy Reduction	£7,500 per unit	From Local Plan viability
EV Charging	£1,000 per unit house £10,000 per 4 flats	Industry standard costs
Water Efficiency	£10 per unit	SODC WCS (v4.3, 15/01/2018).

ES 25 The main changes to the assumptions from the December 2021 report to this current Addendum (as explained in Section 5) are:

- A new additional typology – Typology CC. This represents a 30-unit 3-5 storey 100% flatted development in the lower value zone (e.g. Didcot).
- Residential values have been index linked from the December 2021 values. We have also carried out further specific market research in respect of apartment values in Didcot.
- BCIS construction costs have been updated for May 2022.

### Older Persons Housing Assumptions

ES 26 In terms of Older Persons Housing, we have appraised both Age Restricted / Sheltered Housing and Assisted Living / Extra Care Housing. These typologies are set out on the following table.

**Table ES.3 - Older Persons Housing Typology Assumptions**

	Age Restricted / Sheltered Housing	Assisted Living / Extra-Care Housing
No. of units	50	40
Development Density (dph)	100	80
1 Bed unit size (sqm)	55	65
2 Bed unit size (sqm)	75	80
Non-chargeable communal space (net-to-gross)	73%	65%

ES 27 The main changes to the assumptions from the December 2021 report to this current Addendum (as explained in Section 7) are:

- Typology changes to the number of units, development density, 1-bed units sizes and net-to-gross ratios (see Table 7.1 – Older Persons Housing Typology Assumptions)

- Residential values have been index linked from the December 2021 values. We have also carried out further specific market research in respect of older persons housing values.
- BCIS construction costs have been updated for May 2022.
- Empty Property Costs (EPC) introduced for council tax payable on finished unsold and empty property as well as the service charge which must be paid owing to longer than average sales periods for this type of proposal.
- Sales and marketing costs increased to 5%.
- Sales period extended to 1 unit per month.

## Stakeholder Consultation

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ES 28 Section 10 sets out the details of the stakeholder consultation. This included a developer engagement session held on 20 September 2021. We have also reviewed the feedback from public consultation on the Draft Charging Schedule, which ran from 15 February to 22 March 2022.

## Appraisal Results

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ES 29 The results of our appraisal modelling are contained in Section 11.

ES 30 All of the residential typologies in the *medium* and *higher* value zones are viable including a healthy buffer at the proposed uplifted CIL rates (see below).

ES 31 The Typologies in the *lower* value zone are all generally viable at the current CIL rate, with the exception of CC 3-5 storey 100% flatted development.

ES 32 The medium and large-scale brownfield typologies (BB and B) are viable with a calculated maximum CIL rate of over £576 psm. This is due to the lower quartile BCIS costs which have been applied to schemes of this scale.

ES 33 The greenfield typologies (C and CB) are both viable with a calculated maximum CIL rate of over £1,000 psm. The larger typology (C) has the benefit of lower quartile BCIS costs, whilst the minor development scheme (CB) has no affordable housing.

ES 34 The minor development brownfield typology (CA) is also viable with a calculated maximum CIL rate of over c £800 psm. This is because there is no affordable housing applicable to this type/scale of development.

ES 35 Typology A – Didcot Small 20 unit scheme – has a calculated maximum CIL rate of £294 psm. This smaller scheme attracts affordable housing and we have assumed BCIS costs at the median rate. This results in a buffer of 32% (which is still a good margin).

ES 36 We have tested a new CIL rate of £200 psm for these typologies for larger schemes (10+ dwellings) and £215 psm for smaller schemes (sub-10 units). In all cases, with the exception of Typology CC – Didcot 30 unit 100% flatted scheme, there is a healthy viability buffer of over 32% and up to 82%.

ES 37 The Didcot Small 30 unit 100% flatted scheme (Typology CC) is not viable. Based upon our calculations, even with £0 psm CIL the scheme still results in a negative RLV. Accordingly, there is no development surplus (allowing for a BLV) for CIL. This is due to the fact that there is a limited market for apartment living in Didcot to date (from which to draw comparable evidence); and the BCIS costs are higher for higher density flatted development including the communal areas.

## Recommendations

ES 38 We outline below our recommended CIL rates for the uses that we have tested in our study.

### Residential

ES 39 We recommend the following CIL rates for residential:

**Table ES.4 - Recommended Residential CIL Rates**

Development Type	CIL Rate (£ psm)		
	Henley on Thames / Sonning Common / Goring / Woodcote & Rotherfield / Kidmore End & Whitchurch – Higher Value area	Rest of District – Medium Value Area	Didcot and Berinsfield - Lower Value Area
<b>Major Schemes (&gt;10 units)</b>	£325	£225	£200*
<b>Minor Schemes (&lt; 9 units)</b>	£360	£260	£215

ES 40 \* We found that 100% flatted schemes in the lower value market area were not viable. We consider that this is due to the fact that there is a limited established market for apartment living in this area to date (which increases the sales value risk) and the BCIS costs are higher for higher density flatted development, including the communal areas. We recommend that CIL is set at a lower rate (i.e. no change to the existing CIL rate in the adopted Charging Schedule) in this zone.

- ES 41 The above rates reflect the pattern of values across the District. They also reflect the scheme economics for different sizes of scheme. Smaller schemes have higher costs (no economies of scale), but have no/reduced affordable housing requirements (<10 units). Larger schemes have construction economies of scale, but include affordable housing planning gain costs. The buffer ranges are shown explicitly for each typology on Table 11.10 – Residential and Older Persons – Viability Buffers Summary.
- ES 42 Some schemes are greater than 10 units but not large enough for volume housebuilders (<75 units) so have higher construction costs and affordable housing.

### Older Persons Housing

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- ES 43 See Table 12.1 - Recommended Residential CIL Rates. The recommended CIL rates include Older Persons Housing rates set at the same level as general needs housing for ease of application. This is with the exception of flatted schemes in the lower value market area, which have been found to be not viable. As with general needs flats, we found that older person's housing (flatted typologies) in the lower value market zone were not viable. This is due to the factors highlighted in paragraph 11.28.
- ES 44 We therefore recommend that CIL is set at a lower rate (i.e. no change to the existing CIL rate in the adopted Charging Schedule) in this zone.
- ES 45 Extra Care rates are set the same as for Age Restricted and general needs housing. This is unusual and often Extra Care rates are set at a lower level to reflect building economics. However, SODC is a particularly high value area for older persons housing and therefore there are adequate buffers for both typologies.
- ES 46 These viability buffers are similar to the buffers for general needs housing and therefore we are content that applying the same rate does not constitute any competitive advantage (to either sector).

### Best Practice

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- ES 47 We recommend that, in accordance with best practice, CIL viability is reviewed on a regular basis to ensure that CIL rates remain relevant as the property market cycle(s) change. This includes monitoring any changes to national planning policy that are relevant to CIL.
- ES 48 Furthermore, to facilitate the process of review, we recommend that the Council monitors the development appraisal parameters herein, in particular the data on land values within the area.

# 1 Introduction

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- 1.1 AspinallVerdi has been appointed by South Oxfordshire District Council (SODC, the Council, the Local Planning Authority (LPA) as the context requires) to provide a review of the Community Infrastructure Levy (CIL) Charging Schedule having regard to the cumulative impact on development of Local Plan policies. The objective is to determine whether there is any scope to review the CIL Charging Schedule in order to increase CIL rates to pay for infrastructure to support development across the District.
- 1.2 We were originally retained by SODC to provide Local Plan viability advice between May 2017 and May 2020. We have subsequently been retained to advise on this CIL review and prepared a CIL Viability Assessment dated December 2021 (the 'original' report / 'December 2021' report). The December 2021 was the subject of public consultation in February/March 2022.
- 1.3 This Addendum report sets out how we have responded to feedback following the public consultation and changes to our appraisals and recommendations, which we have made to reflect comments received on viability issues. In particular this Addendum:
- includes new research and analysis in respect of Didcot apartments
  - updates the assumptions and appraisals in respect of older persons housing
  - indexes the costs and value assumptions for the generic residential typologies.
- 1.4 The current Community Infrastructure Levy (CIL) charging schedule has been in place since April 2016. The Council currently charges CIL on residential development (in two zones – 1 and 2), and supermarkets, superstores and retail warehouses. The CIL charging rates have been the subject of indexation each year since 2016.
- 1.5 In carrying out our review of the Local Plan, we have had regard to the cumulative impact on development of the Local Plan policies.
- 1.6 This Addendum report follows the same structure as the December 2021 report for ease of cross referencing, as follows:

**Section:**

**Contents:**

Section 2 -  
National Policy  
Context

This section sets out the statutory requirements for the Local Plan and CIL viability including the NPPF, CIL Regulations and PPG website.

Section 3 - Local  
Policy Context

This section sets out the details of the existing evidence base and the Local Plan policies which will have a direct impact on viability. The

**Section:**

**Contents:**

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assumptions we have made to mitigate such policies are set out in the following sections.

Section 4 –  
Viability  
Assessment  
Methodology

This section describes our generic methodology for appraising the viability of development which is based on the residual approach as required by guidance and best practice.

Sections 5 – 9

We set out the development typologies that are to be tested as part of the study and summarise the cost and value assumptions made in the financial appraisals – for each of residential; build to rent and student accommodation (investment typologies); older persons housing; retail and commercial.

Section 10 –  
Stakeholder  
Consultation

This section sets out the details of the stakeholder consultation that has taken place.

Section 11 –  
Appraisal Results

This section sets out the results of our appraisal modelling for each of the sectors.

Section 12 -  
Recommendations

This section sets out our recommended CIL rates in respect of the updated CIL Charging Schedule.

## 2 National Policy Context

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- 2.1 Our financial viability appraisal has been carried out having regard to the various statutory requirements comprising primary legislation, planning policy, statutory regulations and guidance.
- 2.2 We identify in the December 2021 report the key cross-references in the NPPF and PPG and our comments in respect of viability and deliverability. This includes sections on:
- National Planning Policy Framework
  - Planning Practice Guidance for Viability
  - Planning Practice Guidance for CIL
  - PPG for Housing for older & disabled people
  - PPG for Build to Rent
  - PPG for First Homes
- 2.3 None of the above has particularly changed with the exception of the Levelling Up and Regeneration Bill.

### Levelling Up and Regeneration Bill

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- 2.4 The Planning for the Future White Paper included proposals to reform CIL and the current system of planning obligations as a nationally set, value-based flat rate charge (the 'Infrastructure Levy'). The aim is for the new Levy to raise more revenue than under the current system of developer contributions, and deliver at least as much – if not more – on-site affordable housing as at present. The reform is to capture a greater share of the uplift in land value that comes with development.
- 2.5 DLUHC has now published the Levelling Up and Regeneration Bill which includes proposals for the Infrastructure Levy (11 May 2022).
- 2.6 The Bill sets out the framework for the new Levy and the detailed design will be delivered through Regulations<sup>1</sup> (to follow).
- 2.7 The Levy will be charged on the value of property when it is sold and applied above a minimum threshold. Levy rates and minimum thresholds will be set and collected locally, and local authorities will be able to set different rates within their area. The rates will be set as a percentage of gross development value rather than based on floorspace.
- 2.8 The detail of different elements of the new Infrastructure Levy will need to be set in Regulations, following consultation which is still to take place. The aim is to introduce the Levy through a 'test

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<sup>1</sup> Policy paper, Levelling Up and Regeneration: further information, Published 11 May 2022 - <https://www.gov.uk/government/publications/levelling-up-and-regeneration-further-information/levelling-up-and-regeneration-further-information>

and learn' approach. This means it will be rolled out nationally over several years, allowing for careful monitoring and evaluation, in order to design the most effective system possible.

- 2.9 Sites permitted before the introduction of the new Levy will continue to be subject to their CIL and Section 106 requirements.
- 2.10 For the purposes of our viability assessment, we have ignored the proposed reforms as it is too early to take them into account but they will need to be kept under review.

## 3 Local Policy Context

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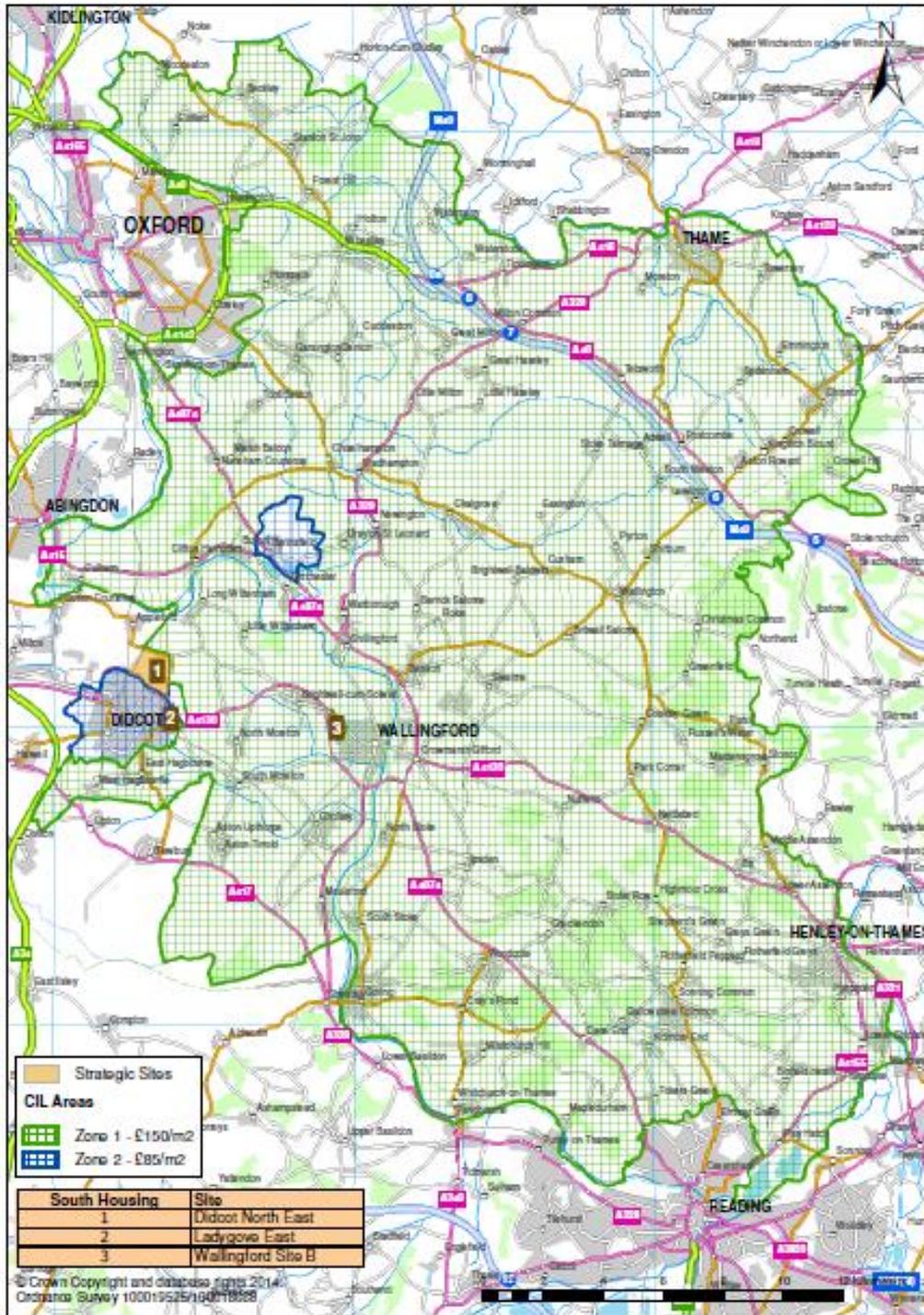
- 3.1 This section of our December 2021 report sets out the local policy context for our viability assessment.
- 3.2 This has not changed for the purposes of this report and is not repeated here.
- 3.3 A detailed analysis of all the policies, together with our response in terms of this economic assessment, is set out in the policies matrix appended to the December 2021 report.
- 3.4 We set out below in section 5 and 7 changes to our cost (and value) assumptions as a result of the consultation feedback.

### Existing Community Infrastructure Levy Charging Schedule

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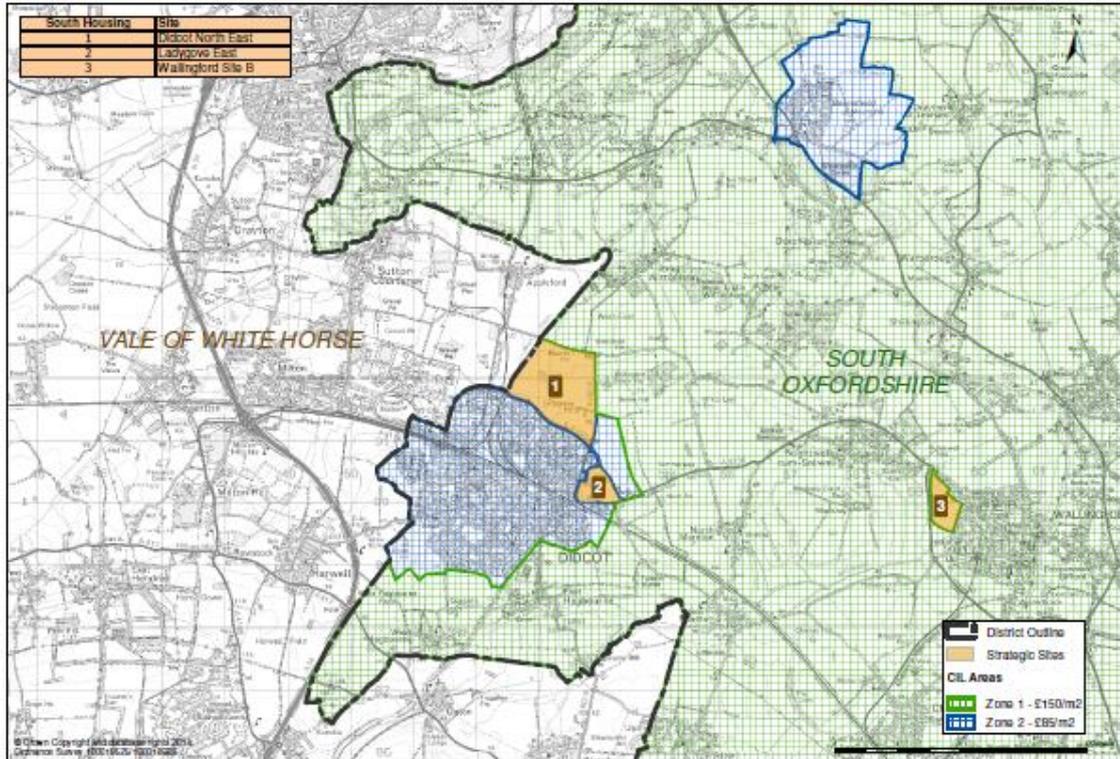
- 3.5 South Oxfordshire District Council's CIL Charging Schedule dated February 2016 came into effect on 1 April 2016.
- 3.6 The CIL rates are indexed linked and the current rates for 2022 are:
- Residential Development Zone 1 District - £181.09 psm
  - Residential Development Zone 2 Didcot and Berinsfield - £102.62 psm
  - Supermarkets, superstores and retail warehouses - £84.51 psm
- 3.7 The aforementioned zones are illustrated on the following maps (Figure 3.1 and Figure 3.2).

Figure 3.1 - CIL Adopted Charging Zones Map



Source: South Oxfordshire District Council, CIL Charging Schedule 2016

Figure 3.2 - CIL Charging Zones (Inset Map)



Source: South Oxfordshire District Council, CIL Charging Schedule 2016

## 4 Viability Assessment Method

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4.1 In this section of the December 2021 report, we set out our methodology to establish the viability of the various land uses and development typologies under the following sub-headings:

- Viability Modelling Best Practice
- Benchmark Land Value (BLV) Approach
- Guidance on Premiums/Land Value Adjustments
- Land Market for Development in Practice
- Land Economics
- Hope Value
- Conclusions on BLV
- BLV Caveats for Decision-Making
- How to Interpret the Viability Appraisals
- Sensitivity Analysis

### BLV Caveats for Decision Making

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4.2 It is worth restating the BLV caveats for decision making here.

4.3 The BLVs contained herein are for 'high-level' CIL viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). The BLVs included herein are generic and include healthy premiums to provide a viability buffer for plan making purposes.

4.4 In the majority of circumstances, we would expect the RLV of a scheme on a policy compliant basis to be greater than the EUV (and also the BLV including premium) herein and therefore viable.

4.5 However, there may be site specific circumstances (e.g. brownfield sites or sites with particularly challenging demolition, contamination or other constraints) which result in a RLV which is less than the BLV herein. It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications where these constraints exist. In these circumstances, the site-specific BLV should be thoroughly evidenced having regard to the EUV of the site in accordance with the PPG. This report is for plan-making purposes and is without prejudice to future site-specific planning applications.

## 5 Residential Assumptions

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- 5.1 This section of the December 2021 report set out our assumptions in relation to the costs and values for the residential typologies to be appraised. This has been updated, as appropriate, for this current Addendum report.
- 5.2 This section primarily deals with the rationale behind the costs assumed within our residential typologies (see Appendix 1 – Typologies Matrix).
- 5.3 In terms of values, we append an updated Residential Market Paper which updates the evidence base and market analysis to inform our current market value assumptions (see Appendix 2).
- 5.4 We set out in Section 11 our updated appraisal results and findings in respect of revised CIL rates.

### Residential Existing Evidence Base

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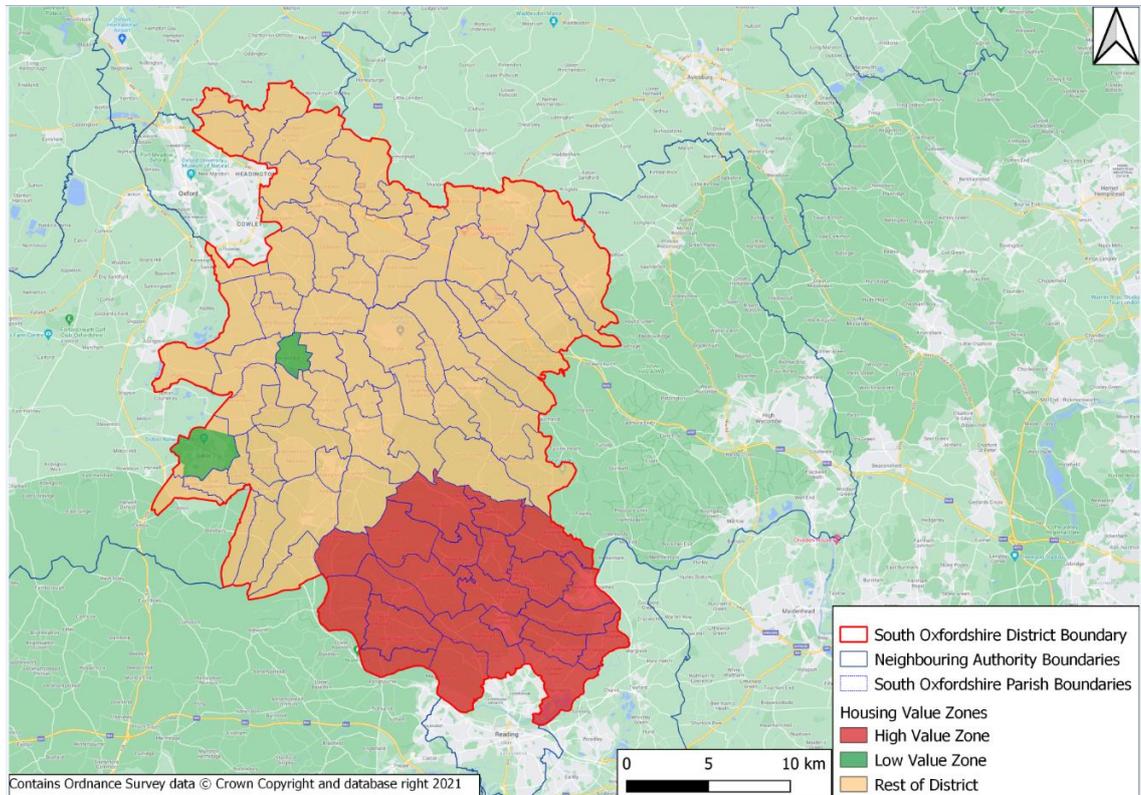
- 5.5 There is a significant amount of existing available evidence from previous viability studies and work AspinallVerdi has undertaken in respect of the SODC Local Plan Viability. This can be found in our Residential Market Paper at Appendix 2.

### Housing Market Value Zones

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- 5.6 We received no feedback on the housing market values zones map from December 2021 and therefore this is unchanged.
- 5.7 We have adopted a 3-value zone approach. Figure 5.1 below shows our housing value zones.

**Figure 5.1 - AspinalVerdi Housing Value Zones by Parish, 2021**



Source: AspinalVerdi 2021

5.8 We have provided a breakdown of Parishes by value zone in the table below:

**Table 5.1 - Parishes by Value Zone**

<b>Higher/High Value Zone Parishes</b>	Binfield Heath, Bix and Assendon, Checkendon, Eye and Dunsden, Goring Heath, Goring-on-Thames, Harpsden, Henley-on-Thames, Highmoor, Ipsden, Kidmore End, Mapledurham, Nettlebed, Nuffield, Rotherfield Greys, Rotherfield Peppard, Shiplake, Sonning Common, South Stoke, Stoke Row, Whitchurch-on-Thames, Woodcote
<b>Lower/Low Value Zone Parishes</b>	Berinsfield, Didcot
<b>Rest of District</b>	All other parishes

Source: AspinalVerdi 2021

- 5.9 For the lower value charging zone, we would recommend drawing the boundary tightly around the settlements. This is because proposed large scale/new build greenfield developments have the potential to create their own property markets, which we consider would result in values more akin to the rest of the district rather than the existing urban areas.
- 5.10 Note that Strategic Sites are exempt from CIL under the current CIL Charging Schedule and the current Strategic Sites should also be exempt.

## Residential Typology Assumptions

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- 5.11 The detailed typologies are set out in the matrix appended (see Appendix 1 – Typologies Matrix).
- 5.12 For the purposes of this update, we have inserted a new additional typology – Typology CC. This represents a 30-unit 3-5 storey 100% flatted development in the lower value zone (e.g. Didcot). This typology has been introduced following feedback from Homes England.
- 5.13 All the other typology details (number of units, mix; unit sizes) remain unchanged.

## Residential Value Assumptions

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- 5.14 The Residential Market Paper appended (Appendix 2) provides the background to the updated market housing value assumptions presented below.
- 5.15 These have been index linked from the December 2021 values. We have also carried out further specific market research in respect of apartment values in Didcot.
- 5.16 Table 5.2 sets out our absolute value (£) assumptions for each property type across the different value areas.

**Table 5.2 - Residential Market Value Assumptions (£) (May 2022)**

Dwelling Type	Henley on Thames / Sonning Common / Goring / Woodcote & Rotherfield / Kidmore End & Whitchurch – Higher Value area	Rest of District – Medium Value Area	Didcot and Berinsfield - Lower Value Area
1 bed Flat	£351,744	£265,000	£230,000
2 bed Flat	£467,160	£325,000	£300,000
1 bed House	£417,696	£335,256	£318,768
2 bed House	£467,160	£379,224	£360,538
3 bed House	£582,576	£450,672	£417,696
4 bed House	£654,024	£538,608	£512,227
5 bed House	£824,400	£725,472	£689,198

Source: AspinallVerdi (220511 Value Assumptions Gross Up from HPI\_v2' 2022)

5.17 Table 5.3 sets out our value (£ psm) assumptions for each property type across the value areas.

**Table 5.3 - Residential Value Assumptions (£ psm) (May 2022)**

Dwelling Type	Henley on Thames / Sonning Common / Goring / Woodcote & Rotherfield / Kidmore End & Whitchurch – Higher Value area	Rest of District – Medium Value Area	Didcot and Berinsfield - Lower Value Area
1 bed Flat	£7,035	£5,300	£4,600
2 bed Flat	£6,673	£4,643	£4,286
1 bed House	£6,737	£5,407	£5,141
2 bed House	£5,914	£4,800	£4,564
3 bed House	£5,826	£4,507	£4,177
4 bed House	£5,687	£4,684	£4,454
5 bed House	£4,996	£4,397	£4,177

Source: AspinallVerdi (220511 Value Assumptions Gross Up from HPI\_v2' 2022)

5.18 The above market values allow for garages.

### Affordable Housing Transfer Values

5.19 Our transfer value assumptions are set at below.

**Table 5.4 - Transfer Value Assumptions**

Affordable Housing Tenure	% Mix	Transfer Value (% of OMV)
Affordable Housing %	40%	
Of which...		
Affordable Rent	25%	60%
Social Rent	35%	44%
Intermediate	15%	76%
First Homes	25%	70% [30% discount capped at £250,000]

5.20 The percentages have not changed, but the values will have risen in line with the market values.

## Residential Cost Assumptions

5.21 The development costs applied within our appraisals are evidenced (where necessary) and set out below. **The changes between the December 2021 report and the June 2022 Addendum are highlighted in bold.**

## Initial Payments

5.22 Table 5.5 below shows the 'up-front' costs prior-to or at start-on-site.

**Table 5.5 - Residential Appraisals Initial Cost Assumptions**

Item	Assumption	Comments
Planning Application Professional Fees and reports	Allowance for typology	Generally, x 3 Statutory Planning fees
Statutory Planning Fees	Based on national formula	
CIL	<i>Calculated the Max £ psm</i>	with sensitivities up and down
Site Specific S106	£0 - £25,839 per dwelling for residential (median £20,839 per unit)  £3,686 per dwelling – student accommodation  £3,686 per dwelling – Older persons accommodation	Provided by Council, including: OCC Nursery; OCC Primary + Secondary; OCC 6 <sup>th</sup> form; SEN; Public Transport; Strategic Transport; Street Names; Recycling - (see Typologies Matrix)

## Construction Costs

5.23 Table 5.6 below summarises our build cost assumptions.

**Table 5.6 - Build Cost Assumptions**

Item	Cost	Comments
Demolition / Site Clearance	£50,000 per acre	For brownfield typologies we have made an allowance for site clearance / demolition
Site Infrastructure Costs	Inc. in External Works	Strategic Sites not appraised
Estate Housing	<b>£1,191 – 1,342 psm</b>	<b>These have been updated for May 2022.</b> Oxfordshire (5 years) Lower – Median BCIS depending on scale.  The lower quartile was adopted for schemes over 50 units as volume house builders are likely to deliver these schemes at a lower rate due to economies of scale.
Flats	<b>£1,280 – 1,450 psm</b>	As above. <b>These have been updated for May 2022.</b>
Flats 3-5 Storey	<b>£1,502 psm</b>	Oxfordshire (5 years) Median BCIS. <b>This has been included for the new (in this Addendum) flatted typology reference CC.</b>
Garages	£6,000 per garage	
External Works	15%	For the purposes of our appraisal, we have used 15% for external works, which we consider is a more than sufficient enough allowance for a plan-wide/CIL study (given we have also included 3% contingency).

## Design Requirement Cost Assumptions

5.24 Table 5.7 below summarises the additional cost assumptions which we have built into the model as a consequence of Local Plan policy requirements in respect of design standards, energy efficiency etc.

**Table 5.7 – Design Requirements Cost Assumptions**

Item	Cost	Comments
Net Biodiversity Costs (BNG)	£1027 per unit for greenfield sites £244 per unit for brownfield sites	DEFRA Biodiversity net gain and local nature recovery strategies Impact Assessment (15/10/2019) (Reference No: RPC-4277(1)-DEFRA-EA).
M4(2) Category 2 – Accessible and Adaptable housing	+£521 per unit (all AH units + 15% of Market Units)	DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157
M4(3) Category 3 - Wheelchair Adaptable dwellings	+£10,111 per unit (5% of AH units)	As above
Carbon / Energy Reduction	£7,500 per unit	From Local Plan viability
EV Charging	£1,000 per unit house £10,000 per 4 flats	Industry standard costs
Water Efficiency	£10 per unit	SODC WCS (v4.3, 15/01/2018).

## Other Cost Assumptions

5.25 Table 5.8 below summarises all the other costs which have factored into the appraisals.

**Table 5.8 - Other Cost Assumptions**

Item	Cost	Comments
Contingency	+ 3% / 5%	Contingency on greenfield and brownfield respectively
Professional Fees	6.5%	Based on the average of FVA evidence.
OMS Marketing and Promotion	3% (Marketing & Disposal)	% of OMS GDV. Note that the marketing and promotion costs have to be considered 'in-the-round' with the sales values and gross profit (where developers have internal sales functions).
Sale Agent	1%	as above
Sale Legal	0.25%	as above

Item	Cost	Comments
Affordable Housing Legal	£10,000	This is for the bulk transfer of the S106 units from the developer to the Registered Provider.

## Profit Assumptions

5.26 Table 5.9 below sets out the overhead and profit assumptions for the appraisals.

**Table 5.9 – Profit and Finance Assumptions**

Item	Cost	Comments
Profit on Market Sales	20%	With sensitivities between 15% and 21%
Profit on Affordable Housing	6%	

## Interest and Timing Assumptions

5.27 Table 5.10 below sets out the interest and timing assumptions for the appraisals.

**Table 5.10 – Profit and Finance Assumptions**

Item	Cost / Timing	Comments
Debit Interest	6.25%	Applies to 100% of cashflow to include Finance Fees etc.
Site acquisition	day-one	In reality for larger sites the land will be drawn-down in phases/tranches. Therefore, interest is only calculated on land for 1 year.
Initial payments	c 6 months	for 6 months after site acquisition to start on site depending on the size of the typology.
Construction	4 per month	assumed build out rate – per outlet.
Sales rates	4 per month	lagging construction by 3 months for OMS and 1 month for affordable housing.

## Benchmark Land Value Assumptions

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5.28 The benchmark land values (BLV) have not changed. Our benchmark land values (BLV) assumptions are set out for reference on the next page.

**Table 5.11 – Benchmark Land Value Assumptions**

Typology	Location	Existing Use	EUV -					Uplift Multiplier	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net:Gross (%)	(per acre) (net)	(per ha) (net)		x [X] or %(rounded)	(per acre) (net developable) (rounded)
Residential < 50 units	Henley-on-Thames Market Area (H)	Greenfield	£17,500	£43,243	75%	£23,333	£57,657	24	£550,000	£1,359,000
Residential > 50 units	Henley-on-Thames Market Area (H)	Greenfield	£15,000	£37,065	75%	£20,000	£49,420	24	£470,000	£1,161,000
Residential < 50 units	Rest of the District (M)	Greenfield	£15,000	£37,065	75%	£20,000	£49,420	23	£460,000	£1,137,000
Residential > 50 units	Rest of the District (M)	Greenfield	£12,500	£30,888	75%	£16,667	£41,183	24	£400,000	£988,000
Residential < 50 units	Didcot and Bernisfield (L)	Greenfield	£15,000	£37,065	75%	£20,000	£49,420	22	£440,000	£1,087,000
Residential > 50 units	Didcot and Bernisfield (L)	Greenfield	£12,500	£30,888	75%	£16,667	£41,183	23	£380,000	£939,000
Residential	Henley-on-Thames Market Area (H)	Brownfield	£900,000	£2,223,900	100%	£900,000	£2,223,900	20%	£1,080,000	£2,669,000
Residential	Rest of the District (M)	Brownfield	£700,000	£1,729,700	100%	£700,000	£1,729,700	20%	£840,000	£2,076,000
Residential	Didcot and Bernisfield (L)	Brownfield	£700,000	£1,729,700	100%	£700,000	£1,729,700	15%	£805,000	£1,989,000

The above values are for area wide viability purposes only. This table should be read in conjunction with our Financial Viability Assessment Report and the caveats therein.

No responsibility is accepted to any other party in respect of the whole or any part of its contents.

## 6 Build to Rent and Student

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- 6.1 We have received no consultation representations in respect of Build to Rent (BTR) and purpose-built student accommodation (PBSA) (investment typologies). There are, therefore, no changes to the December 2021 report.

## 7 Older Persons Housing Assumptions

- 7.1 This section sets out our specific assumptions in respect of older persons housing where these are different to the general needs housing in Section 5.
- 7.2 These assumptions have been updated as a result of the public consultation feedback. **The changes are highlighted in bold.**

### Existing Evidence Base

- 7.3 This remains unchanged.

### Housing Market Value Zones

- 7.4 For the purposes of our appraisals, we have appraised Older Persons typologies in each of the housing market zones set out in Figure 5.1 - AspinallVerdi Housing Value Zones by Parish, 2021 and in Table 5.1 - Parishes by Value Zone.

### Older Persons Typology Assumptions

- 7.5 Table 7.1 outlines our typology assumptions for older persons housing. Note that we have appraised both greenfield and brownfield typologies.

**Table 7.1 – Older Persons Housing Typology Assumptions**

	Age Restricted / Sheltered Housing	Assisted Living / Extra-Care Housing
No. of units	<b>50</b>	<b>40</b>
Development Density (dph)	<b>100</b>	<b>80</b>
1 Bed unit size (sqm)	<b>55</b>	<b>65</b>
2 Bed unit size (sqm)	75	80
Non-chargeable communal space (net-to-gross)	<b>73%</b>	65%

- 7.6 The changes to the typologies between the December 2021 report and this June 2022 Addendum are **highlighted within the above table**. These changes are as a result of consultation feedback from a number of specialist older persons housing developers and operators.

## Tenure Mix

- 7.7 Note that in this iteration we have assumed that there are no First Homes within the tenure mix.
- 7.8 The First Homes have been allocated to Intermediate Housing (see Typologies Matrix Appendix 1).

## Older Persons Value Assumptions

- 7.9 We have updated our market research in respect of Older Persons housing in South Oxfordshire. This is set out in Section 10 of the Residential Market Paper (Appendix 2).
- 7.10 Based on the market research we have adopted the following values:

**Table 7.2 - Retirement Living / Sheltered Housing Value Assumptions (May 2022)**

Market Zone	No. of Beds	Unit Price (£)	Area (sqm)	Price (£ psm)
<b>High</b>	1-Bed	£410,000	55	£7,454
	2-Bed	£580,000	75	£7,733
<b>Medium</b>	1-Bed	£350,000	55	£6,363
	2-Bed	£510,000	75	£6,800
<b>Lower</b>	1-Bed	£225,000	55	£4,090
	2-Bed	£310,000	75	£4,133

Source: AspinallVerdi 2022 (220510 Retirement Market Research\_v4)

- 7.11 Based on the above values, we have applied a 25% premium to establish a value for the extra-care housing.

**Table 7.3 - Extra Care Housing Value Assumptions (May 2022)**

Market Zone	No. of Beds	Unit Price (£)	Area (sqm)	Price (£ psm)
<b>High</b>	1-Bed	£512,500	55	£9,318
	2-Bed	£725,000	75	£9,666
<b>Medium</b>	1-Bed	£437,500	55	£7,954
	2-Bed	£637,500	75	£8,500
<b>Lower</b>	1-Bed	£281,250	55	£4,327
	2-Bed	£387,500	75	£4,844

Source: AspinallVerdi 2022 (220510 Retirement Market Research\_v4)

## Older Persons Cost Assumptions

7.12 The table below outlines the cost assumptions (where different from general needs housing – section 5 above):

**Table 7.4 - Older Persons Housing Construction Cost Assumptions**

Typologies	Build Cost	Comments
Sheltered Housing	<b>£1,645 psm</b>	<b>These have been updated for May 2022.</b> Median BCIS Oxfordshire last 5 years
Extra Care Housing	<b>£1,711 psm</b>	<b>These have been updated for May 2022.</b> +4%, Based on Retirement Housing Group Viability Base Data evidence <sup>2</sup> .
External Works	+10%	These schemes generally have less external areas (e.g. less car parking). This is consistent with the higher density assumptions.
<b>Empty Property Costs (EPC) – Sheltered</b>	<b>£195 pcm–1B</b> <b>£553 pcm–1B</b>	<b>These costs have been introduced for this June 2022 Addendum.</b> <b>Empty property costs are a function of council tax payable on finished unsold and empty property as well as the service charge which must be paid owing to longer than average sales periods for this type of proposal.</b> <b>These costs are based on consultation feedback from industry.</b>
<b>Empty Property Costs (EPC) – Extra Care</b>	<b>£293 pcm–1B</b> <b>£737 pcm–1B</b>	<b>As above</b>
Sales and Marketing Costs	5%	<b>These costs have been increased to a total of 5% based on industry feedback.</b>  This includes evidence from Retirement Housing Group that costs are 6% and an appeal hearing where 5.3% was accepted. We have applied 5% and in the overall context of the sales values assumed. It is also assumed that many purchasers are downsizing with equity from family houses in South Oxfordshire (hence the premium values achieved).

7.13 The other cost assumptions are the same as for the residential appraisals above.

<sup>2</sup> RHG Retirement Housing Group, Retirement Housing Viability Base Data (April 2013) / Briefing Paper for CIL Practitioners Retirement Housing and the Community Infrastructure Levy (June 2013) by Churchill Retirement Living and McCarthy and Stone

## Profit Assumptions

7.14 Table 7.5 below sets out the overhead and profit assumptions for the appraisals.

**Table 7.5 – Older Person Profit and Finance Assumptions**

Item	Cost	Comments
Profit on Market Sales	20%	With sensitivities between 15% and 21%
Profit on Affordable Housing	6%	

## Interest and Timing Assumptions

7.15 Table 7.6 below sets out the interest and timing assumptions for the appraisals.

**Table 7.6 – Profit and Finance Assumptions**

Item	Cost / Timing	Comments
Debit Interest	6.25%	Applies to 100% of cashflow to include Finance Fees etc.
Site acquisition	day-one	In reality for larger sites the land will be drawn-down in phases/tranches. Therefore, interest is only calculated on land for 1 year.
Initial payments	c 6 months	for 6 months after site acquisition to start on site depending on the size of the typology.
Construction	<b>18 months</b>	
Sales rates	<b>1 per month</b>	<b>following completion. This has been updated based on consultation feedback from industry.</b>

## Benchmark Land Value Assumptions

7.16 The benchmark land values (BLV) have not changed. Our benchmark land values (BLV) assumptions are set out for reference in Table 5.11.

## 8 Retail Use Assumptions

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- 8.1 We have received no consultation representations in respect of retail. There are therefore no changes to the December 2021 report.

## 9 Commercial/Employment Uses Assumptions

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- 9.1 We have received no consultation representations in respect of commercial/employment uses retail. There are therefore no changes to the December 2021 report.

## 10 Stakeholder Consultation

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- 10.1 We have consulted with industry by way of a stakeholder consultation workshop held on Monday 20<sup>th</sup> September 2021. There were 100 invitations and fifteen attended.
- 10.2 A copy of the slide presentation is appended to our December 2021 report. There was no written feedback to the informal consultation.
- 10.3 SODC formally consulted on the Draft Charging Schedule between 15 February to 22 March 2022.
- 10.4 As a consequence of this, some representations have been received mainly in respect of flatted development typologies and older persons housing. We have analysed these representations alongside SODC.
- 10.5 The changes to the appraisal assumptions are set out above in Sections 5 and 7.

## 11 Appraisal Results

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11.1 This section sets out our updated appraisal modelling results and our approach to CIL rate setting.

### Residential Viability Results

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11.2 We set out below the results of our updated viability appraisals. The main changes to the assumptions from the December 2021 to this current Addendum report, highlighted in Section 5 above, are:

- A new additional typology – Typology CC. This represents a 30-unit 3-5 storey 100% flatted development in the lower value zone (e.g. Didcot).
- Residential values have been index linked from the December 2021 values. We have also carried out further specific market research in respect of apartment values in Didcot.
- BCIS construction costs have been updated for May 2022.

11.3 For ease of reference, the results are batched by market area and greenfield/brownfield typologies and follow our typologies matrix. We enclose a summary table for each batch of appraisals for comparison. Where necessary, we provide comment on any nuances in the results.

11.4 The residential appraisals are appended in full at Appendix 3. These include the summary table at the end of each batch of appraisals. These replace the appraisals in the December 2021 report.

11.5 Note that in the discussion below we have rounded the values for ease of interpretation.

**Table 11.1 - Typologies A-CC: Green and Brownfield - Lower Value Zone**

Appraisal Ref:	A Didcot Small	BB Didcot Med	B Didcot Large	C Didcot Greenfield	Additional Typology 1 (CA)	Additional Typology 2 (CB)	Additional Typology 3 (CC)
No Units:	20	75	300	75	4		30
Location / Value Zone:	Low	Low	Low	Low	Low	Low	Low
Greenfield/Brownfield:	Brownfield	Brownfield	Brownfield	Greenfield	Brownfield	Greenfield	Brownfield
Notes:							Additional 3-5 storey flatted scheme
Total GDV (£)	6,866,931	25,750,993	103,003,972	25,750,993	1,708,157	1,708,157	6,831,552
<b>Policy Assumptions</b>							
<b>AH Target % (&amp; mix):</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>0%</b>	<b>0%</b>	<b>40%</b>
Affordable Rent:	25%	25%	25%	25%	25%	25%	25%
Social Rent:	35%	35%	35%	35%	35%	35%	35%
First Homes:	25%	25%	25%	25%	25%	25%	25%
Other Intermediate (LCHO/Sub-Market etc.):	15%	15%	15%	15%	15%	15%	15%
Max CIL (£ psm)	294	576	604	1,118	798	1,083	-
Max CIL (£ per unit)	17,823	34,926	36,628	67,854	78,582	106,720	-
Site Specific S106 (£ per unit)	20,839	22,339	22,339	20,839	-	-	22,339
Sub-total CIL+S106 (£ per unit)	38,662	57,265	58,967	88,693	78,582	106,720	22,339
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
<b>Sub-total CIL+S106+Infrastructure (£ per unit)</b>	<b>38,662</b>	<b>57,265</b>	<b>58,967</b>	<b>88,693</b>	<b>78,582</b>	<b>106,720</b>	<b>22,339</b>
<b>Profit KPI's</b>							
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	16.57%	16.57%	16.57%	16.57%	20.00%	20.00%	16.03%
Developers Profit (% on costs)	24.06%	24.11%	24.12%	21.65%	29.05%	26.95%	19.13%
Developers Profit Total (£)	1,137,665	4,266,242	17,064,969	4,266,242	341,631	341,631	1,095,333
<b>Land Value KPI's</b>							
<b>RLV (£/acre (net))</b>	<b>805,001</b>	<b>805,001</b>	<b>805,001</b>	<b>380,001</b>	<b>805,001</b>	<b>440,001</b>	<b>36,259</b>
RLV (£/ha (net))	1,989,157	1,989,157	1,989,157	938,982	1,989,157	1,087,242	89,596
RLV (% of GDV)	12.87%	12.87%	12.87%	6.08%	10.35%	5.66%	0.28%
RLV Total (£)	884,070	3,315,262	13,261,050	1,564,971	176,814	96,644	19,199
<b>BLV (£/acre (net))</b>	<b>805,000</b>	<b>805,000</b>	<b>805,000</b>	<b>380,000</b>	<b>805,000</b>	<b>440,000</b>	<b>805,000</b>
BLV (£/ha (net))	1,989,155	1,989,155	1,989,155	938,980	1,989,155	1,087,240	1,989,155
BLV Total (£)	884,069	3,315,258	13,261,033	1,564,967	176,814	96,644	426,248
Surplus/Deficit (£/acre) [RLV-BLV]	1.00	1.00	1.00	1.00	1.00	1.00	(768,741.16)
Surplus/Deficit (£/ha)	2.47	2.47	2.47	2.47	2.47	2.47	(1,899,559.42)
Surplus/Deficit Total (£)	1.10	4.12	16.47	4.12	0.22	0.22	(407,048.45)
Recommended CIL (£ psm)	200.00	200.00	200.00	200.00	215.00	215.00	103.00
Buffer (% from Max)	32%	65%	67%	82%	73%	80%	N/A

Source: 220524 SODC Typologies A-C\_v7

**Table 11.2 - Typologies D-H: Brownfield - Rest of the District (Medium)**

Appraisal Ref:	D ROD Brownfield	E ROD Brownfield (AONB)	F ROD Brownfield	G ROD Brownfield	H ROD Brownfield
No Units:	4	9	20	140	500
Location / Value Zone:	Medium	Medium	Medium	Medium	Medium
Greenfield/Brownfield:	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield
Notes:	0	Commuted sum	0	0	0
Total GDV (£)	2,253,360	4,541,043	7,307,634	51,153,441	182,690,860
<b>Policy Assumptions</b>	-	-	-	-	-
<b>AH Target % (&amp; mix):</b>	<b>0%</b>	<b>0%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>
Affordable Rent:	25%	25%	25%	25%	25%
Social Rent:	35%	35%	35%	35%	35%
First Homes:	25%	25%	25%	25%	25%
Other Intermediate (LCHO/Sub-Market etc.):	15%	15%	15%	15%	15%
Max CIL (£ psm)	1,064	361	527	845	835
Max CIL (£ per unit)	131,715	40,065	31,953	51,242	50,634
Site Specific S106 (£ per unit)	-	-	20,839	22,339	23,929
Sub-total CIL+S106 (£ per unit)	131,715	40,065	52,792	73,581	74,563
Site Infrastructure (£ per unit)	-	-	-	-	-
<b>Sub-total CIL+S106+Infrastructure (£ per unit):</b>	<b>131,715</b>	<b>40,065</b>	<b>52,792</b>	<b>73,581</b>	<b>74,563</b>
<b>Profit KPI's</b>	-	-	-	-	-
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	20.00%	20.00%	16.59%	16.59%	16.59%
Developers Profit (% on costs)	28.11%	30.98%	24.00%	24.05%	24.05%
Developers Profit Total (£)	450,672	908,209	1,212,064	8,484,449	30,301,605
<b>Land Value KPI's</b>	-	-	-	-	-
<b>RLV (£/acre (net))</b>	<b>840,001</b>	<b>840,001</b>	<b>840,001</b>	<b>840,001</b>	<b>840,001</b>
RLV (£/ha (net))	2,075,642	2,075,642	2,075,642	2,075,642	2,075,642
RLV (% of GDV)	8.19%	13.71%	12.62%	12.62%	12.62%
RLV Total (£)	184,502	622,693	922,508	6,457,554	23,062,694
<b>BLV (£/acre (net))</b>	<b>840,000</b>	<b>840,000</b>	<b>840,000</b>	<b>840,000</b>	<b>840,000</b>
BLV (£/ha (net))	2,075,640	2,075,640	2,075,640	2,075,640	2,075,640
BLV Total (£)	184,501	622,692	922,507	6,457,547	23,062,667
Surplus/Deficit (£/acre) [RLV-BLV]	1.00	1.00	1.00	1.00	1.00
Surplus/Deficit (£/ha)	2.47	2.47	2.47	2.47	2.47
Surplus/Deficit Total (£)	0.22	0.74	1.10	7.69	27.46
<b>Recommended CIL (£ psm)</b>	<b>260.00</b>	<b>260.00</b>	<b>225.00</b>	<b>225.00</b>	<b>225.00</b>
<b>Buffer (% from Max)</b>	<b>76%</b>	<b>28%</b>	<b>57%</b>	<b>73%</b>	<b>73%</b>

Source: 220512 SODC Typologies D-H\_v5

**Table 11.3 - Typologies I-N: Greenfield - Rest of the District (Medium)**

Appraisal Ref:	I ROD Greenfield	J ROD Greenfield (AONB)	K ROD Greenfield	L ROD Greenfield	M ROD Greenfield	N ROD Greenfield
No Units:	4	9	30	75	110	210
Location / Value Zone:	Medium	Medium	Medium	Medium	Medium	Medium
Greenfield/Brownfield:	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield
Notes:	0	Commuted sum	0	0	0	0
Total GDV (£)	2,253,360	4,541,043	10,961,452	27,403,629	40,191,989	76,730,161
Policy Assumptions	-	-	-	-	-	-
AH Target % (& mix)	0%	0%	40%	40%	40%	40%
Affordable Rent:	0%	25%	25%	25%	25%	25%
Social Rent:	0%	35%	35%	35%	35%	35%
First Homes:	0%	25%	25%	25%	25%	25%
Other Intermediate (LCHO/Sub-Market etc.):	0%	15%	15%	15%	15%	15%
Max CIL (£ psm)	1,306	748	1,004	1,388	1,378	1,356
Max CIL (£ per unit)	161,564	82,950	60,916	84,229	83,616	82,245
Site Specific S106 (£ per unit)	-	-	20,839	20,839	22,339	25,339
Sub-total CIL+S106 (£ per unit)	161,564	82,950	81,755	105,068	105,955	107,584
Site Infrastructure (£ per unit)	-	-	-	-	-	-
Sub-total CIL+S106+Infrastructure (£ per unit)	161,564	82,950	81,755	105,068	105,955	107,584
Profit KPI's	-	-	-	-	-	-
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	20.00%	20.00%	16.59%	16.59%	16.59%	16.59%
Developers Profit (% on costs)	26.53%	27.91%	21.94%	21.66%	21.67%	21.67%
Developers Profit Total (£)	450,672	908,209	1,818,096	4,545,241	6,666,353	12,726,674
Land Value KPI's	-	-	-	-	-	-
RLV (£/acre (net))	460,001	460,001	460,001	400,001	400,001	400,001
RLV (£/ha (net))	1,136,662	1,136,662	1,136,662	988,402	988,402	988,402
RLV (% of GDV)	4.48%	7.51%	6.91%	6.01%	6.01%	6.01%
RLV Total (£)	101,037	340,999	757,775	1,647,337	2,416,095	4,612,545
BLV (£/acre (net))	460,000	460,000	460,000	400,000	400,000	400,000
BLV (£/ha (net))	1,136,660	1,136,660	1,136,660	988,400	988,400	988,400
BLV Total (£)	101,036	340,998	757,773	1,647,333	2,416,089	4,612,533
Surplus/Deficit (£/acre) [RLV-BLV]	1.00	1.00	1.00	1.00	1.00	1.00
Surplus/Deficit (£/ha)	2.47	2.47	2.47	2.47	2.47	2.47
Surplus/Deficit Total (£)	0.22	0.74	1.65	4.12	6.04	11.53
Recommended CIL (£ psm)	260.00	260.00	225.00	225.00	225.00	225.00
Buffer (% from Max)	80%	60%	78%	84%	84%	83%

Source: 220512 SODC Typologies I-N\_v5

**Table 11.4 - Typologies O-S: Brownfield - Henley market area (Higher)**

Appraisal Ref:	O Henley Brownfield	P Henley Brownfield (AONB)	Q Henley Brownfield	R Henley Brownfield	S Henley Brownfield
No Units:	4	9	20	40	140
Location / Value Zone:	High	High	High	High	High
Greenfield/Brownfield:	Brownfield	Brownfield in AONB	Brownfield	Brownfield	Brownfield
Notes:	0	Commuted sum	0	0	0
Total GDV (£)	2,715,024	5,572,614	9,069,285	18,138,569	63,484,993
<b>Policy Assumptions</b>	-	-	-	-	-
<b>AH Target % (&amp; mix):</b>	<b>0%</b>	<b>0%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>
Affordable Rent:	0%	25%	25%	25%	25%
Social Rent:	0%	35%	35%	35%	35%
First Homes:	0%	25%	25%	25%	25%
Other Intermediate (LCHO/Sub-Market etc.):	0%	15%	15%	15%	15%
Max CIL (£ psm)	1,644	766	1,433	1,440	1,753
Max CIL (£ per unit)	203,506	84,999	86,917	87,345	106,339
Site Specific S106 (£ per unit)	-	-	20,839	20,839	22,339
Sub-total CIL+S106 (£ per unit)	203,506	84,999	107,756	108,184	128,678
Site Infrastructure (£ per unit)	-	-	-	-	-
<b>Sub-total CIL+S106+Infrastructure (£ per unit):</b>	<b>203,506</b>	<b>84,999</b>	<b>107,756</b>	<b>108,184</b>	<b>128,678</b>
<b>Profit KPI's</b>	-	-	-	-	-
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	20.00%	20.00%	16.66%	16.66%	16.66%
Developers Profit (% on costs)	28.40%	31.37%	24.33%	24.35%	24.37%
Developers Profit Total (£)	543,005	1,114,523	1,511,158	3,022,317	10,578,109
<b>Land Value KPI's</b>	-	-	-	-	-
<b>RLV (£/acre (net))</b>	<b>1,080,001</b>	<b>1,080,001</b>	<b>1,080,001</b>	<b>1,080,001</b>	<b>1,080,001</b>
RLV (£/ha (net))	2,668,682	2,668,682	2,668,682	2,668,682	2,668,682
RLV (% of GDV)	8.74%	14.37%	13.08%	13.08%	13.08%
RLV Total (£)	237,216	800,605	1,186,081	2,372,162	8,302,568
<b>BLV (£/acre (net))</b>	<b>1,080,000</b>	<b>1,080,000</b>	<b>1,080,000</b>	<b>1,080,000</b>	<b>1,080,000</b>
BLV (£/ha (net))	2,668,680	2,668,680	2,668,680	2,668,680	2,668,680
BLV Total (£)	237,216	800,604	1,186,080	2,372,160	8,302,560
Surplus/Deficit (£/acre) [RLV-BLV]	1.00	1.00	1.00	1.00	1.00
Surplus/Deficit (£/ha)	2.47	2.47	2.47	2.47	2.47
Surplus/Deficit Total (£)	0.22	0.74	1.10	2.20	7.69
<b>Recommended CIL (£ psm)</b>	<b>360.00</b>	<b>360.00</b>	<b>325.00</b>	<b>325.00</b>	<b>325.00</b>
<b>Buffer (% from Max)</b>	<b>78%</b>	<b>53%</b>	<b>77%</b>	<b>77%</b>	<b>81%</b>

Source: 220512 SODC Typologies O-S\_v5

**Table 11.5 - Typologies T-X: Greenfield - Henley market area (higher)**

Appraisal Ref:	T Henley Greenfield	U Henley Greenfield (AONB)	V Henley Greenfield	W Henley Greenfield	X Henley Greenfield
No Units:	4	9	20	45	155
Location / Value Zone:	High	High	High	High	High
Greenfield/Brownfield:	Brownfield	Greenfield in AONB	Greenfield	Greenfield	Greenfield
Notes:	0	Commuted sum	0	0	0
Total GDV (£)	2,715,024	5,572,614	9,069,285	20,405,891	70,286,956
<b>Policy Assumptions</b>	-	-	-	-	-
<b>AH Target % (&amp; mix)</b>	<b>0%</b>	<b>0%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>
Affordable Rent:	0%	25%	25%	25%	25%
Social Rent:	0%	35%	35%	35%	35%
First Homes:	0%	25%	25%	25%	25%
Other Intermediate (LCHO/Sub-Market etc.):	0%	15%	15%	15%	15%
Max CIL (£ psm)	1,937	1,279	2,060	2,073	2,472
Max CIL (£ per unit)	239,716	141,914	124,987	125,778	149,948
Site Specific S106 (£ per unit)	-	-	20,839	20,839	22,339
Sub-total CIL+S106 (£ per unit)	239,716	141,914	145,826	146,617	172,287
Site Infrastructure (£ per unit)	-	-	-	-	-
<b>Sub-total CIL+S106+Infrastructure (£ per unit)</b>	<b>239,716</b>	<b>141,914</b>	<b>145,826</b>	<b>146,617</b>	<b>172,287</b>
<b>Profit KPI's</b>	-	-	-	-	-
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	20.00%	20.00%	16.66%	16.66%	16.66%
Developers Profit (% on costs)	26.55%	27.84%	21.97%	21.99%	21.69%
Developers Profit Total (£)	543,005	1,114,523	1,511,158	3,400,107	11,711,478
<b>Land Value KPI's</b>	-	-	-	-	-
<b>RLV (£/acre (net))</b>	<b>550,001</b>	<b>550,001</b>	<b>550,001</b>	<b>550,001</b>	<b>470,001</b>
RLV (£/ha (net))	1,359,052	1,359,052	1,359,052	1,359,052	1,161,372
RLV (% of GDV)	4.45%	7.32%	6.66%	6.66%	5.69%
RLV Total (£)	120,805	407,716	604,023	1,359,052	4,000,283
<b>BLV (£/acre (net))</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>470,000</b>
BLV (£/ha (net))	1,359,050	1,359,050	1,359,050	1,359,050	1,161,370
BLV Total (£)	120,804	407,715	604,022	1,359,050	4,000,274
Surplus/Deficit (£/acre) [RLV-BLV]	1.00	1.00	1.00	1.00	1.00
Surplus/Deficit (£/ha)	2.47	2.47	2.47	2.47	2.47
Surplus/Deficit Total (£)	0.22	0.74	1.10	2.47	8.51
Recommended CIL (£ psm)	360.00	360.00	325.00	325.00	325.00
Buffer (% from Max)	81%	72%	84%	84%	87%

Source: 220512 SODC Typologies T-X\_v5

**Table 11.6 - Typologies Y-Z: 9 units - Rural Exception Sites (RES)**

Appraisal Ref:	Rural Exception Site (RES)	First Homes (RES)
No Units:	9	9
Location / Value Zone:	Medium	Medium
Greenfield/Brownfield:	Greenfield	Greenfield
Notes:	100% affordable housing, no CIL	100% First Homes, no CIL
Total GDV (£)	2,056,338	2,250,000
<b>Policy Assumptions</b>	-	-
<b>AH Target % (&amp; mix)</b>	<b>100%</b>	<b>100%</b>
Affordable Rent:	25%	0%
Social Rent:	35%	0%
First Homes:	25%	100%
Other Intermediate (LCHO/Sub-Market etc.):	15%	0%
Max CIL (£ psm)	-	-
Max CIL (£ per unit)	-	-
Site Specific S106 (£ per unit)	-	-
Sub-total CIL+S106 (£ per unit)	-	-
Site Infrastructure (£ per unit)	-	-
<b>Sub-total CIL+S106+Infrastructure (£ per unit)</b>	<b>-</b>	<b>-</b>
<b>Profit KPI's</b>	-	-
Developers Profit (% on OMS)	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%
Developers Profit (% blended)	6.00%	6.00%
Developers Profit (% on costs)	8.59%	9.39%
Developers Profit Total (£)	123,380	135,000
<b>Land Value KPI's</b>	-	-
<b>RLV (£/acre (net))</b>	<b>897,205</b>	<b>1,216,206</b>
RLV (£/ha (net))	2,216,993	3,005,245
RLV (% of GDV)	21.56%	26.71%
RLV Total (£)	443,399	601,049
<b>BLV (£/acre (net))</b>	<b>460,000</b>	<b>460,000</b>
BLV (£/ha (net))	1,136,660	1,136,660
BLV Total (£)	227,332	227,332
Surplus/Deficit (£/acre) [RLV-BLV]	437,204.77	756,206.01
Surplus/Deficit (£/ha)	1,080,332.99	1,868,585.04
Surplus/Deficit Total (£)	216,066.60	373,717.01
Recommended CIL (£ psm)	-	-
Buffer (% from Max)	N/A	N/A

Source: 220512 SODC Typologies Y-Z RES and First Homes No CIL\_v2

## Typologies A-CC: Green and Brownfield - Lower Value Zone

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- 11.6 These typologies are all generally viable at the *current* CIL rate, with the exception of CC 3-5 storey 100% flatted development.
- 11.7 The medium and large-scale brownfield typologies (BB and B) are viable with a calculated maximum CIL rate of over £576 psm. This is due to the lower quartile BCIS costs which have been applied to schemes of this scale.
- 11.8 The greenfield typologies (C and CB) are both viable with a calculated maximum CIL rate of over £1,000 psm. The larger typology (C) has the benefit of lower quartile BCIS costs, whilst the minor development scheme (CB) has no affordable housing.
- 11.9 The minor development brownfield typology (CA) is also viable with a calculated maximum CIL rate of over c £800 psm. This is because there is no affordable housing applicable to these type/scale of development.
- 11.10 Typology A – Didcot Small 20 unit scheme – has a calculated maximum CIL rate of £294 psm. This smaller scheme attracts affordable housing and we have assumed BCIS costs at the median rate. This results in a buffer of 32% (which is still a good margin).
- 11.11 We have tested a new CIL rate of £200 psm for these typologies for larger schemes (10+ dwellings) and £215 psm for smaller schemes (sub-10 units). In all cases, with the exception of Typology CC – Didcot 30 unit 100% flatted scheme, there is a healthy viability buffer of over 32% and up to 82%.
- 11.12 The Didcot Small 30 unit 100% flatted scheme (Typology CC) is not viable. Based upon our calculations, even with £0 psm CIL the scheme still results in a negative RLV. Accordingly, there is no development surplus (allowing for a BLV) for CIL. This is due to the fact that there is a limited market for apartment living in Didcot to date (from which to draw comparable evidence); and the BCIS costs are higher for higher density flatted development including the communal areas.

## Typologies D-H: Brownfield - Rest of the District (Medium Value Zone)

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- 11.13 These typologies are all viable with a calculated *average* maximum CIL rate of over £725 psm. The lowest maximum calculated CIL rate is £361 psm for Typology E which is a small 9-unit scheme (Median BCIS) and includes affordable housing as a commuted sum<sup>3</sup>.

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<sup>3</sup> The commuted sum is calculated by the following steps (i) setting affordable housing to be on-site @40% with no commuted sum or CIL, to calculate the on-site RLV; (ii) set the affordable housing to be 0% on-site and calculated the equivalent commuted sum to the same RLV; (iii) calculate the maximum CIL with the commuted sum locked-in.

- 11.14 The 20 unit scheme has a maximum calculated CIL rate of £527 psm due to the Median BCIS cost assumption.
- 11.15 The highest maximum calculated CIL rate is over £1,000 psm for Typology D which is a 4 unit scheme and therefore has no affordable housing requirements.
- 11.16 We have tested a new CIL rate of £225 psm for these typologies for larger schemes (10+ dwellings) and £260 psm for smaller schemes (sub-10 units). There is an average viability buffer of 61% ranging between 28% for Typology E up to 76% for D. As previously, SODC are confident that there are only a limited number of minor development sites in the AONB between 5-10 units which would attract an affordable housing commuted sum payment as well as the CIL.

### Typologies I-N: Greenfield - Rest of the District (Medium Value Zone)

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- 11.17 These typologies are all viable with a calculated *average* maximum CIL rate of c £1,200 psm.
- 11.18 We have tested a new CIL rate of £225 psm for these typologies for larger schemes (10+ dwellings) and £260 psm for smaller schemes (sub-10 units). There is an average viability buffer of 79%.

### Typologies O-S: Brownfield - Henley Market Area (Higher Value Zone)

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- 11.19 These typologies are all viable with a calculated *average* maximum CIL rate of c £1,400 psm.
- 11.20 We have tested a new CIL rate of £325 psm for these typologies for larger schemes (10+ dwellings) and £360 psm for smaller schemes (sub-10 units). There is an average viability buffer of 73%.

### Typologies T-X: Greenfield - Henley Market Area (Higher Value Zone)

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- 11.21 These typologies are all viable with a calculated *average* maximum CIL rate of c £1,965 psm.
- 11.22 We have tested a new CIL rate of £325 psm for these typologies for larger schemes (10+ dwellings) and £360 psm for smaller schemes (sub-10 units). There is an average viability buffer of 82%.

### Typologies Y-Z: 9 units - Rural Exception Sites (RES)

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- 11.23 These typologies have been tested for completeness.
- 11.24 They do not include CIL as they are 100% affordable housing typologies.
- 11.25 They are both viable.

## BTR/PBSA Viability Results

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11.26 These have not been updated. Please see the December 2021 report.

## Older Persons Viability Results

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11.27 We set out below the results of our viability appraisals.

11.28 The main changes to the assumptions from the December 2021 to this current Addendum report, highlighted in Section 7 above, are:

- Typology changes to the number of units, development density, 1-bed unit sizes and net-to-gross ratios (see Table 7.1 – Older Persons Housing Typology Assumptions)
- Residential values have been index linked from the December 2021 values. We have also carried out further specific market research in respect of older persons housing values.
- BCIS construction costs have been updated for May 2022.
- Empty Property Costs (EPC) introduced for council tax payable on finished unsold and empty property as well as the service charge (which must be paid owing to longer than average sales periods for this type of proposal).
- Sales and marketing costs increased to 5%.
- Sales period extended to 1 unit per month.

11.29 The Older Persons Housing appraisals are appended in full at Appendix 4. These include the summary table at the end of each batch of appraisals.

11.30 Note that in the discussion below we have rounded the values for ease of interpretation.

**Table 11.7 - Typologies AE-AH: Older Persons - Green and Brownfield – Medium Value**

Appraisal Ref:	AE Age Restricted / Sheltered	AF Age Restricted / Sheltered	AG Assisted Living / Extra Care	AH Assisted Living / Extra Care
No Units:	50	50	40	40
Location / Value Zone:	Medium	Medium	Medium	Medium
Greenfield/Brownfield:	Greenfield	Brownfield	Greenfield	Brownfield
Notes:	0	0	0	0
Total GDV (£)	17,454,240	17,454,240	17,454,240	17,454,240
Policy Assumptions	-	-	-	-
<b>AH Target % (&amp; mix):</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>
Affordable Rent:	25%	25%	25%	25%
Social Rent:	35%	35%	35%	35%
First Homes:	0%	0%	0%	0%
Other Intermediate (LCHO/Sub-Market etc.)	40%	40%	40%	40%
Max CIL (£ psm)	1,300	976	1,149	825
Max CIL (£ per unit)	67,293	50,553	75,332	54,086
Site Specific S106 (£ per unit)	3,686	3,686	3,686	3,686
Sub-total CIL+S106 (£ per unit)	70,979	54,239	79,018	57,772
Site Infrastructure (£ per unit)	-	-	-	-
<b>Sub-total CIL+S106+Infrastructure (£ per unit)</b>	<b>70,979</b>	<b>54,239</b>	<b>79,018</b>	<b>57,772</b>
<b>Profit KPI's</b>	-	-	-	-
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	15.96%	15.96%	15.96%	15.96%
Developers Profit (% on costs)	19.74%	20.65%	19.74%	20.65%
Developers Profit Total (£)	2,786,054	2,786,054	2,786,054	2,786,054
<b>Land Value KPI's</b>	-	-	-	-
<b>RLV (£/acre (net))</b>	<b>400,001</b>	<b>840,001</b>	<b>400,001</b>	<b>840,001</b>
RLV (£/ha (net))	988,402	2,075,642	988,402	2,075,642
RLV (% of GDV)	2.83%	5.95%	2.83%	5.95%
RLV Total (£)	494,201	1,037,821	494,201	1,037,821
<b>BLV (£/acre (net))</b>	<b>400,000</b>	<b>840,000</b>	<b>400,000</b>	<b>840,000</b>
BLV (£/ha (net))	988,400	2,075,640	988,400	2,075,640
BLV Total (£)	494,200	1,037,820	494,200	1,037,820
Surplus/Deficit (£/acre) [RLV-BLV]	1.00	1.00	1.00	1.00
Surplus/Deficit (£/ha)	2.47	2.47	2.47	2.47
Surplus/Deficit Total (£)	1.24	1.24	1.24	1.24
<b>Recommended CIL (£ psm)</b>	<b>225.00</b>	<b>225.00</b>	<b>225.00</b>	<b>225.00</b>
<b>Buffer (% from Max)</b>	<b>83%</b>	<b>77%</b>	<b>80%</b>	<b>73%</b>

Source: 220512 SODC Typologies AE-AH Older Persons\_v5

**Table 11.8 - Typologies AI-AL: Older Persons - Green and Brownfield – Higher Value**

Appraisal Ref:	AI Age Restricted / Sheltered	AJ Age Restricted / Sheltered	AK Assisted Living / Extra Care	AL Assisted Living / Extra Care
No Units:	50	50	40	40
Location / Value Zone:	High	High	High	High
Greenfield/Brownfield:	Greenfield	Brownfield	Greenfield	Brownfield
Notes:	0	0	0	0
Total GDV (£)	20,152,480	20,152,480	20,152,480	20,152,480
<b>Policy Assumptions</b>				
AH Target % (& mix):	40%	40%	40%	40%
Affordable Rent:	25%	25%	25%	25%
Social Rent:	35%	35%	35%	35%
First Homes:	0%	0%	0%	0%
Other Intermediate (LCHO/Sub-Market etc.):	40%	40%	40%	40%
Max CIL (£ psm)	2,124	1,799	1,957	1,630
Max CIL (£ per unit)	109,998	93,139	128,236	106,810
Site Specific S106 (£ per unit)	3,686	3,686	3,686	3,686
Sub-total CIL+S106 (£ per unit)	113,684	96,825	131,922	110,496
Site Infrastructure (£ per unit)	-	-	-	-
Sub-total CIL+S106+Infrastructure (£ per unit)	113,684	96,825	131,922	110,496
<b>Profit KPI's</b>				
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	15.96%	15.96%	15.96%	15.96%
Developers Profit (% on costs)	19.64%	20.41%	19.64%	20.41%
Developers Profit Total (£)	3,216,749	3,216,749	3,216,749	3,216,749
<b>Land Value KPI's</b>				
RLV (£/acre (net))	400,001	840,001	400,001	840,001
RLV (£/ha (net))	988,402	2,075,642	988,402	2,075,642
RLV (% of GDV)	2.45%	5.15%	2.45%	5.15%
RLV Total (£)	494,201	1,037,821	494,201	1,037,821
BLV (£/acre (net))	400,000	840,000	400,000	840,000
BLV (£/ha (net))	988,400	2,075,640	988,400	2,075,640
BLV Total (£)	494,200	1,037,820	494,200	1,037,820
Surplus/Deficit (£/acre) [RLV-BLV]	1.00	1.00	1.00	1.00
Surplus/Deficit (£/ha)	2.47	2.47	2.47	2.47
Surplus/Deficit Total (£)	1.24	1.24	1.24	1.24
Recommended CIL (£ psm)	325.00	325.00	325.00	325.00
Buffer (% from Max)	85%	82%	83%	80%

Source: 220512 SODC Typologies AI-AL Older Persons\_v5

**Table 11.9 - Typologies AM-AP: Older Persons - Green and Brownfield – Lower Value**

Appraisal Ref:	AM Age Restricted / Sheltered	AN Age Restricted / Sheltered	AO Assisted Living / Extra Care	AP Assisted Living / Extra Care
No Units:	50	50	40	40
Location / Value Zone:	Low	Low	Low	Low
Greenfield/Brownfield:	Greenfield	Brownfield	Greenfield	Brownfield
Notes:	0	0	0	0
Total GDV (£)	10,919,440	10,919,440	10,919,440	10,919,440
<b>Policy Assumptions</b>				
AH Target % (& mix):	40%	40%	40%	40%
Affordable Rent:	25%	25%	25%	25%
Social Rent:	35%	35%	35%	35%
First Homes:	0%	0%	0%	0%
Other Intermediate (LCHO/Sub-Market etc.):	40%	40%	40%	40%
Max CIL (£ psm)	-	-	-	-
Max CIL (£ per unit)	-	-	-	-
Site Specific S106 (£ per unit)	3,686	3,686	3,686	3,686
Sub-total CIL+S106 (£ per unit)	3,686	3,686	3,686	3,686
Site Infrastructure (£ per unit)	-	-	-	-
Sub-total CIL+S106+Infrastructure (£ per unit)	3,686	3,686	3,686	3,686
<b>Profit KPI's</b>				
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	15.96%	15.96%	15.96%	15.96%
Developers Profit (% on costs)	16.64%	16.28%	16.11%	15.74%
Developers Profit Total (£)	1,742,966	1,742,966	1,742,966	1,742,966
<b>Land Value KPI's</b>				
RLV (£/acre (net))	(907,917)	(1,071,313)	(1,149,298)	(1,330,979)
RLV (£/ha (net))	(2,243,464)	(2,647,213)	(2,839,916)	(3,288,850)
RLV (% of GDV)	-10.27%	-12.12%	-13.00%	-15.06%
RLV Total (£)	(1,121,732)	(1,323,607)	(1,419,958)	(1,644,425)
<b>BLV (£/acre (net))</b>	<b>400,000</b>	<b>840,000</b>	<b>400,000</b>	<b>840,000</b>
BLV (£/ha (net))	988,400	2,075,640	988,400	2,075,640
BLV Total (£)	494,200	1,037,820	494,200	1,037,820
Surplus/Deficit (£/acre) [RLV-BLV]	(1,307,917.46)	(1,911,312.59)	(1,549,298.31)	(2,170,979.36)
Surplus/Deficit (£/ha)	(3,231,864.05)	(4,722,853.42)	(3,828,316.12)	(5,364,490.00)
Surplus/Deficit Total (£)	(1,615,932.02)	(2,361,426.71)	(1,914,158.06)	(2,682,245.00)
Recommended CIL (£ psm)				
Buffer (% from Max)	N/A	N/A	N/A	N/A

Source: 220512 SODC Typologies AM-AP Older Persons\_v5

### Typologies AE-AH: Older Persons - Green and Brownfield – Medium Value

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- 11.31 These Older Persons Housing typologies are not currently differentiated for CIL. It is a housing product which is emerging to prominence.
- 11.32 The following comments relate to the Older Persons Housing typologies in the *medium* housing value zone.
- 11.33 The Age Restricted / Sheltered Housing schemes on greenfield and brownfield site typologies are viable at a calculated maximum CIL rate of £1,300 psm and £976 psm respectively.
- 11.34 We have tested a new CIL rate of £225 psm for these typologies (consistent with the general needs housing for the medium value zone). These are both viable with a buffer of 83% to 77% on the green- and brownfield typologies.
- 11.35 The Assisted Living / Extra schemes on greenfield and brownfield site typologies are also viable with a calculated maximum CIL rate of £1,149 psm and £825 psm respectively.
- 11.36 We have tested the same new CIL rate of £225 psm for these typologies (consistent with the general needs housing for the medium value zone). These are both viable with a buffer of 80% to 73% on the green- and brownfield typologies.
- 11.37 These buffers are similar to the buffers for general needs housing and therefore we are content that applying the same rate does not constitute any competitive advantage.

### Typologies AI-AL: Older Persons - Green and Brownfield – Higher Value

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- 11.38 The following comments relate to the Older Persons Housing typologies in the *higher* housing value zone.
- 11.39 The Age Restricted / Sheltered Housing schemes on greenfield and brownfield site typologies are viable at a calculated maximum CIL rate of £2,124 psm and £1,799 psm respectively.
- 11.40 We have tested a new CIL rate of £325 psm for these typologies (consistent with the general needs housing for the medium value zone). These are both viable with a buffer of 85% to 82% on the green- and brownfield typologies. This is a slight change / reduction in the buffer from our December 2021 report due to higher costs / new costs (e.g. EPC) outweighing the increase in values.
- 11.41 The Assisted Living / Extra schemes on greenfield and brownfield site typologies are also viable at a calculated maximum CIL rate of £1,957 psm and £1,630 psm respectively.
- 11.42 We have tested the same new CIL rate of £325 psm for these typologies (consistent with the general needs housing for the medium value zone). These are both viable with a buffer of 83% to 83% on the green- and brownfield typologies.

11.43 Again, these buffers are similar to the buffers for general needs housing and therefore we are content that applying the same rate does not constitute any competitive advantage.

### Typologies AM-AP: Older Persons - Green and Brownfield – Lower Value

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11.44 The following comments relate to the Older Persons Housing typologies in the *lower* housing value zone.

11.45 All these schemes Age Restricted / Sheltered Housing and the Assisted Living / Extra schemes on both greenfield and brownfield site typologies are not viable following our review of values and costs. This is a change from our December 2021 report. In December 2021 we found that both Age Restricted / Sheltered Housing and the Assisted Living / Extra schemes (greenfield and brownfield) were viable in the lower value zone (see page 106 of the December 2021 report). The lack of viability that we have currently found is due to the factors set out in paragraph 11.28 above.

11.46 All the of the schemes result in a negative RLV.

11.47 This is similar with the findings for the 100% flatted general needs scheme in the Lower Value zone (Didcot) (Typology CC).

### Retail Viability Results

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11.48 These have not been updated. Please see the December 2021 report.

### Commercial Viability Results

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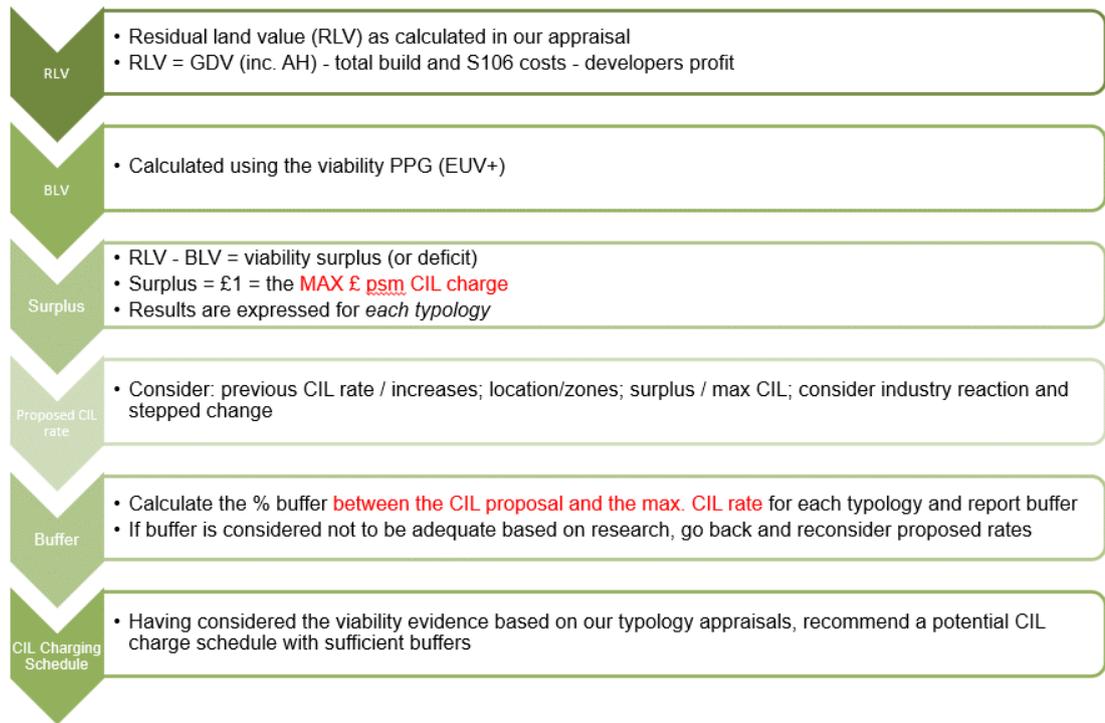
11.49 These have not been updated. Please see the December 2021 report.

### Approach to CIL Rate Setting

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11.51 Our decision-making process in Figure 11.1 explains how we have arrived at our proposed CIL charge schedules.

**Figure 11.1 - Decision making process for recommended CIL rate**



Source: AspinallVerdi

- 11.52 Setting a CIL rate and determining a buffer does not have an exact formula and a judgment needs to be formed (see our further comments on approach in the December 2021 report).
- 11.53 South Oxfordshire is generally a very high value area and has strong viability buffers (depending on the BLV (land value capture)) and the ability of developers to pass the CIL down to land-owners.
- 11.54 The table on the following page provides a summary of all the Residential and Older Persons Housing viability buffers.

**Table 11.10 – Residential and Older Persons – Viability Buffers Summary**

Ref.	Appraisal Title	# units	Market Area / Value Zone	Greenfield / Brownfield	Maximum CIL result (£ psm)	Recommended CIL Rate (£ psm)	Buffer %	Comments
A	Didcot small	20	Didcot and Berinsfield (L)	Brownfield	£294	£200	32%	Lower buffer due to assumed higher BCIS Median costs
BB	Didcot med	75	Didcot and Berinsfield (L)	Brownfield	£576	£200	65%	
B	Didcot large	300	Didcot and Berinsfield (L)	Brownfield	£604	£200	67%	
C	Didcot greenfield	75	Didcot and Berinsfield (L)	Greenfield	£1,118	£200	82%	Higher buffer due to greenfield (no remediation; lower contingency)
CA	Additional Typology 1 (CA)	4	Didcot and Berinsfield (L)	Brownfield	£798	£215	73%	
CB	Additional Typology 1 (CB)	4	Didcot and Berinsfield (L)	Greenfield	£1,083	£215	80%	Higher buffer due to greenfield (no remediation; lower contingency)
CC	Additional Typology 1 (CC)	30	Didcot and Berinsfield (L)	Brownfield	£0	£0	n/a	Higher density flats not viable due higher construction cost assumptions and limited market evidence
D	ROD Brownfield	4	Rest of District (M)	Brownfield	£1,064	£260	76%	Higher buffer as no affordable housing
E	ROD Brownfield (ANOB)	9	Rest of District (M)	Brownfield (in AONB)	£361	£260	28%	Lower buffer due to affordable housing commuted sum
F	ROD Brownfield	20	Rest of District (M)	Brownfield	£527	£225	57%	Lower buffer due to assumed higher BCIS Median costs

Ref.	Appraisal Title	# units	Market Area / Value Zone	Greenfield / Brownfield	Maximum CIL result (£ psm)	Recommended CIL Rate (£ psm)	Buffer %	Comments
G	ROD Brownfield	140	Rest of District (M)	Brownfield	£845	£225	73%	
H	ROD Brownfield	500	Rest of District (M)	Brownfield	£835	£225	73%	
I	ROD Greenfield	4	Rest of District (M)	Greenfield	£1,306	£260	80%	Highest buffer as no affordable housing and greenfield
J	ROD Greenfield (ANOB)	9	Rest of District (M)	Greenfield (in AONB)	£748	£260	65%	Includes affordable housing as commuted sum
K	ROD Greenfield	30	Rest of District (M)	Greenfield	£1,004	£225	78%	Healthy buffers as greenfield
L	ROD Greenfield	75	Rest of District (M)	Greenfield	£1,388	£225	84%	Same as above
M	ROD Greenfield	110	Rest of District (M)	Greenfield	£1,378	£225	84%	Same as above
N	ROD Greenfield	210	Rest of District (M)	Greenfield	£1,356	£225	83%	Same as above
O	Henley Brownfield	4	Henley on Thames etc. (H)	Brownfield	£1,644	£360	78%	BCIS Median build costs and no affordable housing
P	Henley Brownfield (ANOB)	9	Henley on Thames etc. (H)	Brownfield (in AONB)	£766	£360	53%	BCIS Median build costs and including affordable housing as a commuted sum

Ref.	Appraisal Title	# units	Market Area / Value Zone	Greenfield / Brownfield	Maximum CIL result (£ psm)	Recommended CIL Rate (£ psm)	Buffer %	Comments
Q	Henley Brownfield	20	Henley on Thames etc. (H)	Brownfield	£1,433	£325	77%	
R	Henley Brownfield	40	Henley on Thames etc. (H)	Brownfield	£1,440	£325	77%	
S	Henley Brownfield	140	Henley on Thames etc. (H)	Brownfield	£1,753	£325	81%	
T	Henley Greenfield	4	Henley on Thames etc. (H)	Greenfield	£1,937	£360	81%	
U	Henley Greenfield (ANOB)	9	Henley on Thames etc. (H)	Greenfield (in AONB)	£1,279	£360	72%	
V	Henley Greenfield	20	Henley on Thames etc. (H)	Greenfield	£2,060	£325	84%	
W	Henley Greenfield	45	Henley on Thames etc. (H)	Greenfield	£2,073	£325	84%	

Ref.	Appraisal Title	# units	Market Area / Value Zone	Greenfield / Brownfield	Maximum CIL result (£ psm)	Recommended CIL Rate (£ psm)	Buffer %	Comments
X	Henley Greenfield	155	Henley on Thames etc. (H)	Greenfield	£2,472	£325	87%	
AE	Age Restricted / Sheltered Housing	50	Rest of District (M)	Greenfield	£1,300	£225	83%	Buffers are similar for greenfield general needs housing
AF	Age Restricted / Sheltered Housing	50	Rest of District (M)	Brownfield	£976	£225	77%	Buffers are higher compared to brownfield general needs housing
AG	Assisted Living / Extra Care	40	Rest of District (M)	Greenfield	£1,149	£225	80%	
AH	Assisted Living / Extra Care	40	Rest of District (M)	Brownfield	£825	£225	73%	
AI	Age Restricted / Sheltered Housing	50	Henley on Thames etc. (H)	Greenfield	£2,124	£325	85%	Buffers are similar for greenfield general needs housing
AJ	Age Restricted / Sheltered Housing	50	Henley on Thames etc. (H)	Brownfield	£1,799	£325	82%	Buffers are higher compared to brownfield general needs housing
AK	Assisted Living / Extra Care	40	Henley on Thames etc. (H)	Greenfield	£1,957	£325	83%	
AL	Assisted Living / Extra Care	40	Henley on Thames etc. (H)	Brownfield	£1,630	£325	80%	

Ref.	Appraisal Title	# units	Market Area / Value Zone	Greenfield / Brownfield	Maximum CIL result (£ psm)	Recommended CIL Rate (£ psm)	Buffer %	Comments
AM	Age Restricted / Sheltered Housing	50	Didcot and Berinsfield (L)	Greenfield	£0	£0	n/a	Older persons flatted schemes not viable for CIL in lower value zone due to construction costs; net to gross; Empty Property Costs etc.
AN	Age Restricted / Sheltered Housing	50	Didcot and Berinsfield (L)	Brownfield	£0	£0	n/a	ditto
AO	Assisted Living / Extra Care	40	Didcot and Berinsfield (L)	Greenfield	£0	£0	n/a	ditto
AP	Assisted Living / Extra Care	40	Didcot and Berinsfield (L)	Brownfield	£0	£0	n/a	ditto

Source: 220512 CIL Summary Tables for Presentation\_v5

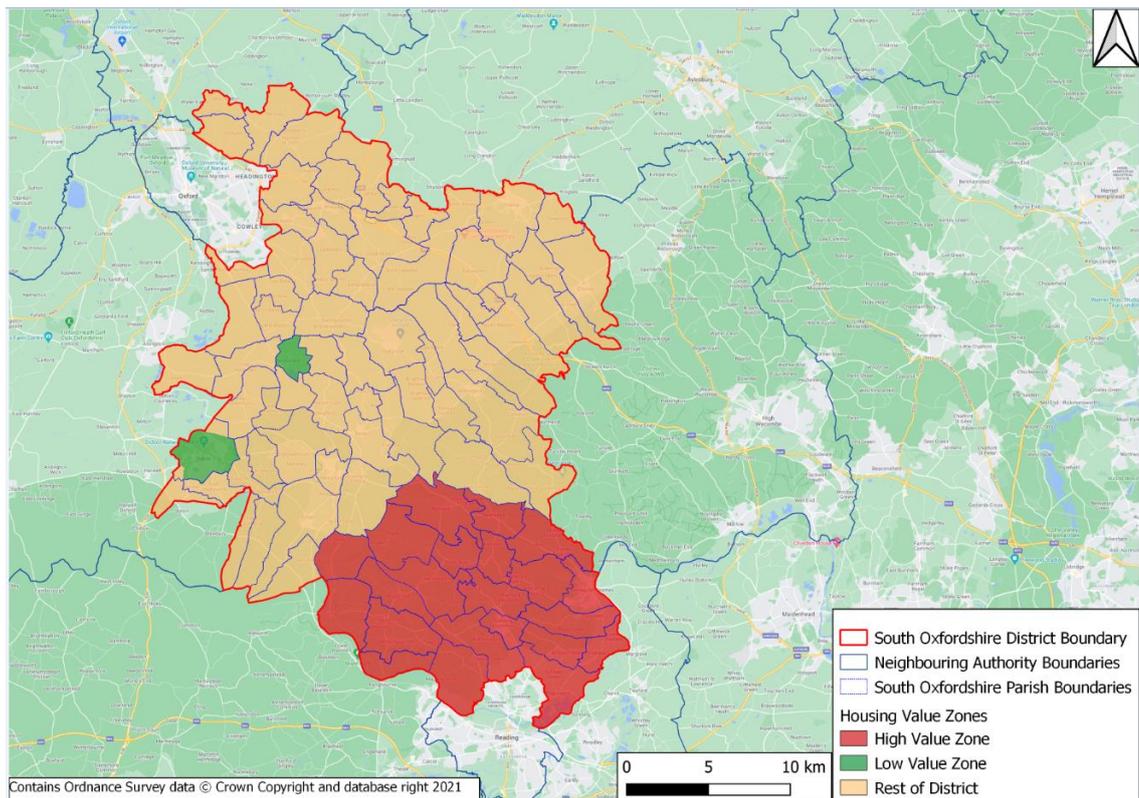
## 12 Recommendations

12.1 We outline below our recommended CIL rates for the uses that we have tested in our study.

### Recommended Residential CIL Rates

12.2 We propose the District is divided into three charging zones as defined in Figure 12.1.

**Figure 12.1 - Proposed CIL Residential charging zones**



Source: AspinallVerdi 2021

12.3 In determining these value zones, we have considered sale values and the proposed pattern of development.

12.4 Note that strategic sites are exempt from CIL under the current CIL Charging Schedule and the current strategic sites should also be exempt.

12.5 We recommend the following CIL rates for residential:

**Table 12.1 - Recommended Residential CIL Rates**

Development Type	CIL Rate (£ psm)		
	Henley on Thames / Sonning Common / Goring / Woodcote & Rotherfield / Kidmore End & Whitchurch – Higher Value area	Rest of District – Medium Value Area	Didcot and Berinsfield - Lower Value Area
Residential Development including Older Persons Housing			
<b>Major Schemes (&gt;10 units)</b>	£325	£225	£200*
<b>Minor Schemes (&lt; 9 units)</b>	£360	£260	£215

- 12.6 \* We found that 100% flatted schemes in the lower value market area were not viable. We consider that this is due to the fact that there is a limited established market for apartment living in this area to date (which increases the sales value risk); and the BCIS costs are higher for higher density flatted development including the communal areas. We recommend that CIL is set at a lower rate (i.e. no change to the existing CIL rate in the adopted Charging Schedule) in this zone.
- 12.7 The above rates reflect the pattern of values across the District. They also reflect the scheme economics for different sizes of scheme. Smaller schemes have higher costs (no economies of scale), but have no/reduced affordable housing (<10 units). Larger schemes have construction economies of scale, but include affordable housing planning gain costs.
- 12.8 Some schemes are greater than 10 units but not large enough for volume housebuilders (<75 units) so have higher construction costs *and* affordable housing.

## Recommended BTR and PBSA CIL Rates

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- 12.9 See December 2021 report.

## Recommended Older Persons Housing CIL Rates

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- 12.10 See Table 12.1 - Recommended Residential CIL Rates above.
- 12.11 The above recommended CIL rates include Older Persons Housing rates set at the same level as general needs housing for ease of application. This is with the exception of flatted schemes in the lower value market area, which have been found not to be viable. As with general needs

flats, we found that older person's housing (flatted typologies) in the lower value market zone were not viable. This is due to the factors set out in paragraph 11.28 above.

- 12.12 We therefore recommend that CIL is set at a lower rate (i.e. no change to the existing CIL rate in the adopted Charging Schedule) in this zone.
- 12.13 Extra Care rates are set the same as for Age Restricted and general needs housing. This is unusual and often Extra Care rates are set at a lower level to reflect building economics. However, SODC is a particularly high value area for older persons housing and therefore there are adequate buffers for both typologies.
- 12.14 These viability buffers are similar to the buffers for general needs housing and therefore we are content that applying the same rate does not constitute any competitive advantage (to either sector).

## Recommended Retail CIL Rates

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- 12.15 See December 2021 report.

## Recommended Commercial CIL Rates

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- 12.16 See December 2021 report.

## Best Practice

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- 12.17 We recommend that, in accordance with best practice, CIL viability is reviewed on a regular basis to ensure that the CIL rates remain relevant as the property market cycle(s) change.
- 12.18 Furthermore, to facilitate the process of review, we recommend that the Council monitors the development appraisal parameters herein, in particular data on land values within the area.

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