

## **Check list for development appraisals involving affordable housing and other Section 106 Contributions;**

**It is important that a bespoke development appraisal is submitted. The information should cover the following information:**

### **Revenues**

- Open market selling prices for all the units in the development including those earmarked as affordable housing. These should be evidenced by an independent chartered surveyor or other suitably qualified professional.
- Estimates of affordable housing value (what RSLs would be likely to pay for each of the affordable tenures);
- Any other potential revenues to the scheme – grant, ground rents, cross contribution from a commercial element.

### **Costs**

- Estimate of build costs provided by a Quantity Surveyor or other suitably qualified professional. This will normally cover sub and super structure and any external works. Quote should ideally be based on a square metre Gross Internal Area basis. **Please provide the gross internal floor area of the development broken down by each unit OR the net internal area of the units and the gross internal area of the building.**
- Other development cost data. This should be set out under the headings below so that this can be cross referenced back to the toolkit data:
  - Professional fees;
  - Expectation of return (and basis – on market value or on build cost);
  - Internal overheads
  - Financing costs (including how these have been calculated);
  - Fees relating to the marketing and sale of the units;
  - Abnormal/exceptional development costs. These should always be substantiated by specialist reports/plans/surveys;
  - Other planning obligations where these are known
  - Any other costs the applicant believes are relevant.

### **Site value**

- An estimate of site value should be provided. Where there is an existing contractual relationship with a landowner, which an applicant believes limits their ability to accommodate planning obligations, the authority requires evidence to substantiate this. For example, where land is purchased outright a copy of the signed, dated transfer deed or where land is under option a copy of the option agreement.

### **Phasing**

- The anticipated build period should be stated. With this information should be provided an estimate of projected selling prices and projected development costs for the period of the build;
- The applicant should state whether s/he anticipates that the affordable housing or other Section 106 contributions have been front loaded in their appraisal.

### **Development process**

- The applicant should state how the development will be procured. Is the scheme being developed by a company that has its own building arm, or will the scheme be developed on a Design and Build basis.
- How is the affordable element being procured?