
BRIEFING NOTE

SEFTON LOCAL PLAN – LAND AT MOSS LANE, CHURCHTOWN (MN6A) BUS CONTRIBUTION AND S278 WORKS CLARIFICATION RESPONSE

December | 2015

LIVERPOOL

Alabama House
6 Rumford Place
Liverpool L3 9BY

MANCHESTER

Hill Quays
14 Commercial Street
Manchester M15 4PZ

GLASGOW

272 Bath Street
Glasgow
G2 4JR

LONDON

26 York Street
London
W1U 6PZ

www.keppiemassie.com

Table of Contents

1.0 INTRODUCTION.....	1
2.0 BRIEFING NOTE DATED 25 NOVEMBER 2015	1

Appendices

Appendix 1 – WYG Construction Cost Assessment

Appendix 2 – Keppie Massie Summary Financial Appraisal

SEFTON LOCAL PLAN – LAND AT MOSS LANE, CHURCHTOWN (MN6A)

1.0 INTRODUCTION

At the Examination Hearing Session relating to the allocation of land at Moss Lane, Churchtown (MN6A) a question was raised regarding the inclusion of the financial contribution towards a subsidised bus service. In particular it was suggested that this contribution had not been included in our financial appraisal.

2.0 BRIEFING NOTE DATED 25 NOVEMBER 2015

Following the publication of the Local Plan Economic Viability Study (LPEVS) a new policy was introduced for this particular allocation. Based on this new policy we prepared a new viability assessment for the site and produced a briefing note dated 25 November 2015 containing details of the assessment and the results of the viability testing. Paragraphs 3.3 and 3.4 of the note contain the results of the viability testing.

At table 3.1 of the briefing note we provided details of the policy requirements and how these had been addressed in the viability testing. In particular table 3.1 contained details of the following matters:-

Widening of Moss Lane – this was included in WYGs cost assessment under S278 works.

Financial Contribution for Subsidised Bus Service for 5 years – a contribution of £500,000 is included in the viability assessment payable in 5 annual instalments following completion of the 150th dwelling.

In preparing our viability assessment of the site we included the construction costs that had been prepared by WYG and for completeness we have provided this assessment at Appendix 1. In addition our viability assessment also included a financial contribution of £500,000 for the subsidised bus service. A summary of our financial appraisal assuming the provision of 30% affordable housing measured by bedspaces is contained at Appendix 2. As outlined at paragraph 3.3 of 25 November briefing note, the appraisal shows that once all planning policy requirements are taken into account (including the bus subsidy and road widening) the development generates a surplus of £1,947,472. This surplus is after a developers profit of 20% of GDV is taken into account and is equivalent to 3% of GDV. It demonstrates that the development is viable, although the level of surplus at less than 5% of GDV indicates that the result would fall into the category of being marginal.

Keppie Massie

KEPPIE MASSIE

16 DECEMBER 2015

APPENDIX 1

WYG CONSTRUCTION COST ASSESSMENT



SR4.03 Land at Moss Lane, Churchtown South

Site area **19.67 ha**
 PoS % **25.0%**
 Net Dev area **147800 m2** Density 30.1 dph
 PoS Area **36950 m2**
 Sales rate **6 per month**
 Code
 Rainwater Harvesting
 No of dwellings **450 Nr**

22 November15

	Mix Data		GFA/unit	Total GFA
1 bed	5.00%	23 Nr	56 m2	1288 m2
2 bed	35.00%	158 Nr	65 m2	10270 m2
3 bed	50.00%	224 Nr	86 m2	19264 m2
4 bed	6.00%	27 Nr	116 m2	3132 m2
5 bed	4.00%	18 Nr	158 m2	2844 m2
		450 Nr		36798 m2

Substructures		£1,987,056	£4,415.68	£ 54.00 /m2
Superstructures		£20,920,435	£46,489.85	£ 568.52 /m2
External Works within curtilage costs		£2,195,886	£4,879.75	£ 59.67 /m2
External works beyond curtilage		£1,999,459	£4,443.24	£ 54.34 /m2
Drainage costs		£1,839,284	£4,087.30	£ 49.98 /m2
Inc Services costs		£1,463,067	£3,251.26	£ 39.76 /m2
Public Open Space		£454,793	£1,010.65	£ 12.36 /m2
Play area		£100,000	£222.22	£ 2.72 /m2
Code for Sustainable Homes level 3		£0	£0.00	£ 0.00 /m2
Rainwater Harvesting		£0	£0.00	£ 0.00 /m2
Preliminaries for 81 months		£1,680,193	£3,733.76	£ 45.66 /m2
SUBTOTAL		£32,640,173	£72,534	£ 887.01 /m2
Abnormals		£4,561,987	£10,137.75	£ 123.97 /m2
Fees	4.00%	£1,486,972	£3,304.38	£ 40.41 /m2
Contingencies	5.00%	£1,933,064	£4,295.70	£ 52.53 /m2
Total		£40,622,197	£90,272	£ 1,103.92 /m2

Abnormals

Piling	23328 m2	£ 75.00 /m2	£1,749,612
Section 278 works		Item	£500,000
Dynamic compaction	147800 m2	£ 10.00 /m2	£1,478,000
Substations	3 Nr	£60,000	£180,000
Allowance for turning loop for buses		Item	£25,000
Costs of 15m line of trees to Moss			
Lane frontage	5750 m2	£ 10.00 /m2	£57,500
Flood risk mitigation	450 Nr	£1,000	£450,000
Habitat creation	4250 m2	£ 7.50 /m2	£31,875
Compliance with BR M4(2)	90 Nr	£1,000	£90,000
Total of abnormals			£4,561,987

APPENDIX 2

KEPPIE MASSIE SUMMARY FINANCIAL APPRAISAL

APPRAISAL SUMMARY

KEPPIE MASSIE

Moss Lane, Churchtown - MN6A Appendix 2

Summary Appraisal for Phase 1

REVENUE

Sales Valuation	Units	m ²	Rate m ²	Unit Price	Gross Sales	Adjustment	Net Sales
1 bed	8	448.00	£2,153.00	£120,568	964,544	0	964,544
2 bed	88	5,720.00	£2,153.00	£139,945	12,315,160	0	12,315,160
3 bed	152	13,072.00	£2,153.00	£185,158	28,144,016	0	28,144,016
4 bed	27	3,132.00	£2,153.00	£249,748	6,743,196	0	6,743,196
5 bed	18	2,844.00	£2,153.00	£340,174	6,123,132	0	6,123,132
1 bed (social rent)	12	672.00	£2,153.00	£120,568	1,446,816	(868,090)	578,726
2 bed (social rent)	56	3,640.00	£2,153.00	£139,945	7,836,920	(4,702,152)	3,134,768
3 bed (social rent)	58	4,988.00	£2,153.00	£185,158	10,739,164	(6,443,498)	4,295,666
1 bed (intermediate)	3	168.00	£2,153.00	£120,568	361,704	(144,682)	217,022
2 bed (intermediate)	14	910.00	£2,153.00	£139,945	1,959,230	(783,692)	1,175,538
3 bed (intermediate)	14	1,204.00	£2,153.00	£185,158	2,592,212	(1,036,885)	1,555,327
Totals	450	36,798.00			79,226,094	(13,978,998)	65,247,096

NET REALISATION

65,247,096

OUTLAY

ACQUISITION COSTS

Development Surplus	1,947,472		
Fixed Price	5,474,183		
Total Acquisition		7,421,655	
Stamp Duty		4.00%	218,967
Agent Fee		1.00%	54,742
Legal Fee		0.75%	41,056
			7,736,421

CONSTRUCTION COSTS

Construction	m ²	Rate m ²	Cost
1 bed	448.00	£887.01	397,380
2 bed	5,720.00	£887.01	5,073,697
3 bed	13,072.00	£887.01	11,594,995
4 bed	3,132.00	£887.01	2,778,115
5 bed	2,844.00	£887.01	2,522,656
1 bed (social rent)	672.00	£887.01	596,071
2 bed (social rent)	3,640.00	£887.01	3,228,716
3 bed (social rent)	4,988.00	£887.01	4,424,406
1 bed (intermediate)	168.00	£887.01	149,018
2 bed (intermediate)	910.00	£887.01	807,179
3 bed (intermediate)	1,204.00	£887.01	1,067,960
Totals	36,798.00		32,640,194

Developers Contingency	5.00%	1,934,513
Bus Service		500,000
		2,434,513

Other Construction

Piling	1,749,612
Dynamic Compaction	1,478,000
Substations	180,000
S278 Works	500,000
Bus Turning	25,000
Moss Lane Tree Line	57,500
Flood Mitigation	450,000
Habitat Creation	31,875
Policy M4 (2)	90,000
	4,561,987

PROFESSIONAL FEES

Fees	4.00%	1,488,087
		1,488,087

DISPOSAL FEES

Marketing and Sales Agent Fee	3.50%	1,900,152	
Affordable Legal Fee	157.00 un	500.00 /un	78,500
		1,978,652	

FINANCE

Debit Rate 7.000% Credit Rate 0.000% (Nominal)		
Land		1,265,712
Construction		92,110
Total Finance Cost		1,357,823

TOTAL COSTS

52,197,677

PROFIT

13,049,419

Performance Measures

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%