

Wisloe Development Viability & Deliverability Statement.

16th June 2023

It's critical that the plan delivers on creating connections, facilities and attractive open spaces with fantastic living conditions so that people want to live work and play in Stroud. This can only achieved if the adopted developments are viable.

Development at Wisloe is viable.



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1. Introduction

- a. Following the local plan hearing on the 5th May 2023, The Ernest Cook Trust & Gloucestershire County Council have commissioned additional works to supplement the information already issued as part of the Local Plan Examination process.
- b. The contents of this document demonstrate that Wisloe is commercially viable, and if adopted would create an inspiring environment for people to live, work and play in.



2. Cost.

- a. Additional commentary on "cost coverage", has been included within the Savills appraisal (below) and is intended to confirm that all capital costs, including all of the IDP costs have been sufficiently and appropriately budgeted for. This additional commentary is contained overleaf.
- b. Liaison with National Highways has been undertaken. A cost allowance for the M5 pedestrian bridge (included within the viable appraisal) is benchmarked against the pedestrian crossing at Michaelwood Service station provided by National Highways. This cost is c.£3.77m.
- c. The exact new route for the High Pressure Gas Main will be finalised during the development of detailed design proposals. But broadly, the estimated cost is considered to be appropriate at this state. Additional liaison with Wales & West to firm-up the diversion cost has been undertaken. This cost is £2.2m. A continency figure of +/- 30% has been noted in the quotation. For clarity this relates to the firming up of the route, accordingly, the cost will just as likely go up, as it will come down. With that in mind. +10% contingency has been allowed within the capital cost (Cost Plan).
- d. Capital Costs for the necessary infrastructure have been benchmarked against other contemporaneous developments in the district and region. Uplifted to Q2 2023 which is the Base Date for the viability appraisal



Summary of Viability Appraisal

We have prepared an internal appraisal to model and test the viability of the proposed scheme. We have adopted a traditional housebuilder model, whereby the Gross Development Value (GDV) of the completed development has been assessed, before deducting the associated costs of development, finance and a developer profit margin to derive a Residual Land Value (RLV) for the site.

A copy of our appraisal is attached at (Section 4). We would comment that at this stage our appraisal represents a high-level assessment of the proposed scheme, which we believe is appropriate given the site's current planning status c). Our appraisals will be updated as the site progresses through the planning application process and further information becomes available.

We have set out below an overview of the key assumptions included within our appraisal:

Input	Value / Cost	Commentary
Residential GDV (Private)	£330psf	Based on sales evidence
Residential GDV (Affordable)	£198psf	60% of private sales values (blended)
Employment GDV	£600,000 per net acre	Assumed serviced land receipt
Local Centre GDC	£600,000 per net acre	Assumed serviced land receipt
Residential Plot Construction	£140psf	Based on BCIS Lower Quartile and adjusted for scale and location. Figure includes 12.5% for externals
Net Zero Allowance £7,000 per plot		Based on discussions with several PLC housebuilders during recent marketing exercise
Developer Continency	5%	
Primary Infrastructure	£18,947,000	Site Preparation & Enabling Works @ £368k Spine Road (1,330m) @ £5,203k Main Street (260m) @ £1,427k Residential Street (990m) @ £3,931k Employment Road (265m) @ £978k Attenuation Ponds & Swales @ £2,750 Rain Gardens @ £483k Mains Foul Drainage; Incl Pumping Stations/ Rising Mains @ £997k Off-site Storm Drainage Works/ POC @ £110k Off-site Storm Drainage Works/ POC @ £110k Contractor Preliminaries (16%) @ £2,617 NB: (a) all costs are inclusive of 10% risk and, (b) all items have been measured and priced using contemporaneous rates and benchmarks derived from local strategic sites, suitably indexed. (c) A full capital works Cost Plan has been prepared by WWA and forms the basis of the appraisal.
Public Open Space	£6,330,000	Based on LHC drawings, this cost allows for all Public Open Spaces; including formal play areas, allotments and general site wide paths and planting.



		This figure is inclusive of the noise bund at £1.3m. NB: initial conversations with local groundworks firms have been undertaken by WWA and interest exists such organisations to bring clean soils into the site, that will realise a project credit. The cost of £1.3m reflects this intention, which is now "normal" practice for strategic sit earthwork strategies.
Section 278 Works	£3,899,000	A38 Junction (1) North @ £1,018k A38 Junction (2) South @ £627k A38 Employment Access @ £311k A4135 Junction @ £773k Contractor Preliminaries (18%) @ £1,170k
		NB: (a) all costs are inclusive of 10% risk and, (b) all items have been measured and priced using contemporaneous rates and benchmarks for GCC highway works, suitably indexed. (c) A full capital works Cost Plan has been prepared by WWA and forms the basis of the appraisal.
Bus Improvement Works	£1,050,000	As per Stagecoach EIP representation dated 26/04/23 to secure upgrade to existing 65 service to divert it through site and uplift it from 1 to at least 2 buses per hour between Dursley, Stonehouse and Gloucester during core operating hours, 0700-1930 Monday-Saturday.
M5 Bridge	£3,766,000	Based on dialogue with National Highways. Bridge is benchmarked against the new footbridge at Michaelwood Service Station (M5). It is inclusive of all construction and traffic management works.
Gas Main Diversion	£2,200,000	Based on Fingleton White and Wales and West Utilities 'Gas Feasibility Study' – included in Appendix D2 of the Wisloe Masterplan Report.
Indexation	£3,750,000	
IDP 2020	£15,345,000	Based on IDP 2020 figures but excluding items relating to school, POS and community facilities which have been costed separately by WWA
IDP 2022 Addendum	£13,626,392	Based on IDP 2022 Addendum figures, but excluding items relating to school & community facilities which have been costed separately by WWA
WWA Specific S106 Costings	£13,524,000	Figures provided by WWA and include 3FE Primary School, sports pitches & changing rooms
On Parcel Professional Fees	£8,778,000	4% of construction cost
Site Wide Professional Fees	£9,410,000	Priced using contemporaneous rates and benchmarks
Developer Profit margin	19% on GDV / 23.46% on cost	derived from strategic sites. Based on knowledge of similar land sales elsewhere

Our appraisal produces an indicative land value of circa £32.5m. On this basis we consider that the scheme is viable when assessed against the Council's benchmark land value.



3. Programme

- a. In summary the programme has been developed in detail and confirms that;
- Wisloe will be delivered before 2040.
- Wisloe could start on site in 2027.
- The M5 pedestrian bridge will be delivered at an early phase of the project to support sustainable travel and embedded low-carbon travel habits for residents (and the existing community).
- A Development Partner will be secured in 2024 (and this process is due to commence imminently)
- The delivery of place making, which is at the heart of the Wisloe philosophy, is heavily front loaded and will be embedded in the initial phases of work.
- b. The proposed Delivery Programme and Phasing Plans are included in Appendix 1.
- c. The Delivery Programme and Phasing Plans set out the proposed phasing for the delivery of Wisloe over the Local Plan period. We are confident that our programme is robust and realistic – and that the proposed timescales reflect the specific circumstances relating to the site, landowners and planning timescales.
- d. The Ernest Cook Trust and Gloucestershire County Council have been working together for a number of years to bring forward Wisloe and have committed to early production of technical reports to remove risk and ensure the proposed Masterplan and Design Code are realistic and deliverable. Archaeological Surveys (using ground penetration radar) are currently being commissioned, along with Minerals Assessments, to ensure we have a greater understanding of these issues to inform the development of a planning application for the site.

Proposed Planning & Delivery Process

- e. We are proposing to submit a Hybrid Planning Application (Outline plus Detail for Phase 1) in late 2024/early 2025. This allows for 12 months (2024) to prepare the planning application and Environmental Statement, drawing upon the extensive technical and design work already undertaken. We would propose to agree a Planning Performance Agreement with Stroud District Council to ensure the application is supported, facilitate pre-application discussions and ensure a prioritised planning process (for which we have allowed 12 months).
- f. A further 2 years has been allowed, for condition discharge and technical approvals and commencement of access and infrastructure works on site, before completion of first dwellings this accords with the Lichfields research which shows that a scheme of more than 500 dwellings delivers its home in approximately 3 years.



- g. Further Reserved Matters applications will be undertaken in advance of each subsequent phase.
- h. The Phasing Plans and Programme clearly show the proposed delivery sequence for delivery of Wisloe at deliverable rates. Ward Williams Associates have undertaken detailed work to underpin this programme carefully considering the programme for infrastructure delivery to ensure that this is financially achievable and meets developer requirements in relation to cashflow and work in progress.
- f. Phase Plans, supporting the programme have been created and are included within this submission pack. These plans aim to summarise the approach to executing the works at Wisloe, reinforcing the following;
- i. Clearly shows the direction of construction.
- ii. The emphasis on place making.
- iii. Multi-phased housing delivery.
 - i. The scheme has been split into several phases of work balancing the creation of place, with commercial necessity. The phase plans include a summary on the number of houses delivered in each phase, along with the cumulative total at the end of the phase.
 - j. Phases have been carefully considered to ensure the primary infrastructure and offsite improvements are delivered early. This will allow construction traffic to use the new road network. With the overall intention of minimising impact on the surrounding area as the development progresses.

Development Partner Selection

- k. The site is being proactively promoted by Ernest Cook Trust and Gloucestershire County Council; two institutional landowners with successful track records promoting land for development, including at Fairford Leys in Aylesbury, a pioneering scheme with legacy and placemaking at its heart.
- I. The landowners have a vision to deliver an exemplar development at Wisloe, and made an early, conscious and positive decision to promote the site through the Local Plan process using their own resources in order to retain control. This approach is common and appropriate for corporate and institutional landowners with the funding and ability to drive the process themselves.
- m. A full consultant team has been employed with significant experience, including planning advisors, masterplanners and cost consultants. Work on a hybrid planning application is therefore due to commence immediately.
- n. Going forward the intention has always been to identify a suitable development partner with the funding and track record work alongside the landowners in supporting the planning application process and ultimately delivering the consented scheme in line with the



landowners' vision. The landowners envisage receiving strong interest from housebuilders, developers and specialist promoters, and indeed have already received speculative expressions of interest and enquiries from interested parties.

o. A procurement process is due to commence imminently with the issuing of a Prior Information Notice (PIN) in July, followed by a formal marketing process which will run in tandem with the ongoing planning and technical work. The project team includes specialist public procurement experts well versed in running similar exercises for major strategic projects elsewhere including at Maidenhead Golf Course and Horsham, West Sussex. We are therefore confident that an appropriate party can be identified and contracted within 12 months as set out in the Proposed Delivery Programme.



4. Development Appraisal

- a. A copy of the Development Appraisal, produced by Savills, is included in Appendix 1 overleaf.
- b. This Appraisal is based on the Current Technical Reports and Masterplan, which are subject to future design development.
- c. The appraisal is based upon Savills extensive knowledge of the market, supplemented by Ward Williams Associates Cost Plan, which is benchmarked against local and regional strategic projects.
- d. S106 & IDP 2020 & 2022 costs within the appraisal amount to £42.46m. This is representative of the full cost advised by Stroud.
- e. The appraisal is conservatively constructed, but still results in a viable scheme returning 23.46% profit on cost.



Appendix 1 – Development Appraisal

Wisloe
Based on Current Technical Work & Masterplan

Development Appraisal Prepared by Savills Savills 14 June 2023

APPRAISAL SUMMARY

Wisloe

Based on Current Technical Work & Masterplan

Appraisal Summary for Phase 1

Currency in £

Sales Valuation	Units	ft²	Sales Rate ft ²	Unit Price	Gross Sales
Residentail Private	1,050	1,155,000	330.00	363,000	381,150,000
Residentail Affordable	450	337,500	198.00	148,500	66,825,000
Employment	7	0	0.00	600,000	4,200,000
Local Centre	<u>5</u>	<u>0</u>	0.00	600,000	3,000,000
Totals	1,512	1,492,500			455,175,000

NET REALISATION 455,175,000

OUTLAY

ACQUISITION COSTS

Residualised Price 32,467,566

32,467,566

Stamp Duty

1,612,878

4.97%

Effective Stamp Duty Rate Legal Fee

200,000

1,812,878

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
Residentail Private	1,155,000	140.00	161,700,000	
Residentail Affordable	337,500	140.00	47,250,000	
Totals	1,492,500 ft ²		208,950,000	
Plot build contingency		5.00%	10,447,500	
Net Zero extra build cost	1,500 un	7,000.00 /un	10,500,000	
Primary infrastructure			18,974,000	
POS			6,330,000	
S278			3,899,000	
Bus improvement proposal			1,050,000	
M5 Bridge			3,766,000	
Gas Main Diversion			2,200,000	
Indexation			3,750,000	
WWA S106 Works Budget			13,524,000	
S106 contributions IDP 2020	1,500 un	10,230.00 /un	15,345,000	
S106 contributions IDP 2022	1,500 un	9,084.00 /un	13,626,000	

312,361,500

PROFESSIONAL FEES

On-Parcel Professional Fees 4.00% 8,778,000
Sitewide Professional Fees 9,410,000

18,188,000

DISPOSAL FEES

 Sales Agent and Marketing Fee P
 2.00%
 7,623,000

 Sales Agent Fee A
 150,000

 Sales Legal Fee P
 1,050 un
 400.00 /un
 420,000

 Sales Legal Fee A
 150,000

8,343,000

FINANCE

Debit Rate 6.000%, Credit Rate 1.500% (Nominal)

 Land
 8,844,013

 Construction
 (12,053,186)

 Other
 (1,272,021)

Total Finance Cost (4,481,194)

TOTAL COSTS 368,691,750

PROFIT

86,483,250

Performance Measures

 Profit on Cost%
 23.46%

 Profit on GDV%
 19.00%

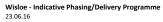
 Profit on NDV%
 19.00%

 IRR% (without Interest)
 35.14%

 Profit Erosion (finance rate 6.000)
 3 yrs 6 mths



Appendix 2 – Delivery Programme and Phasing Plans

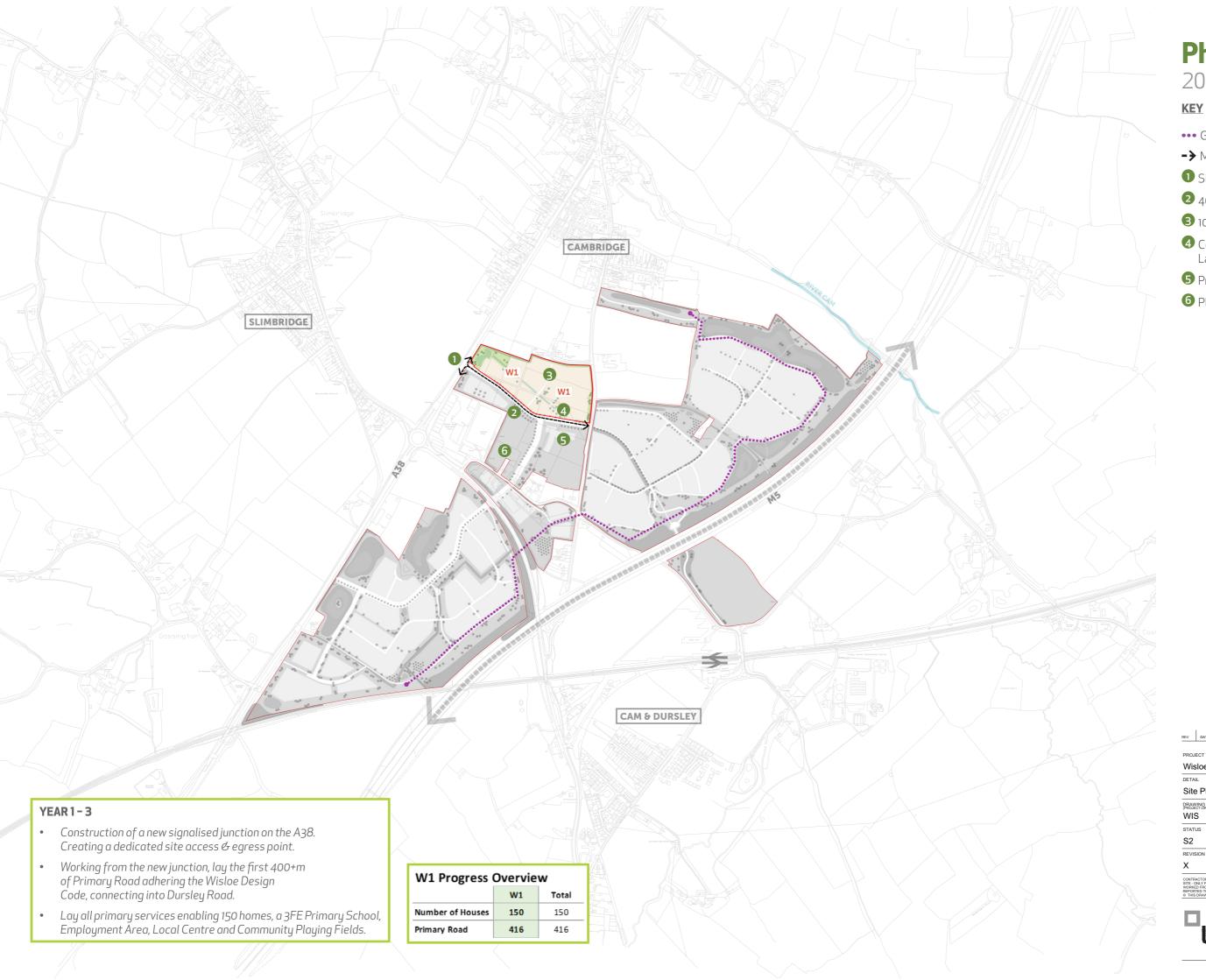




				Loc	al Plan A	Adoption	& Planni	na Annr	oval	W1			W2		W3		W4		W5				$\overline{}$
Task	Use	Area (Ha)	No of dwellings	2021			2024			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Pre Delivery		11100 (1107	and the same and t																				
Local Plan Submission																							
Local Plan Examination & Adoption																							
Design Code SPD Consultation and Adoption																							
Development Partner Appointed																							
Technical Reports and Surveys (Archaeology, Minerals)																							
Prepare Planning Application (including Env Statement)																							
Outline Planning (whole site) - RM Phase 1 (12 months, PPA)																							
Condition Discharge, Legal Agreements, S278 etc																							
Delivery (inc Reserved Matters Planning)																							
Northern Area - Wisloe Village																							
Gas Main Diversion (prior to first housing delivery)																							
Noise Bund (Wisloe)																						. 1	
W1 (includes local centre and A38 site access)	Housing/Mixed Use	3.85	150								60	90											
Strategic Green Infrastructure & Attenuation																							
W4	Housing	3.59	165										65	67	33								
M5 Bridge and Strategic Cycle/Pedestrian Link																							
W5 (inc later living block)	Housing	3.39	190										65	66	59								
W1E	Employment	0.7																					
W6	Housing	1.87	75											10	55	10							
W2 (subject to agreement with LPA, potential to phase)	School & Playing Fields	4.2																					
W3	Housing (clustered)	1.4	60													60							
W7	Housing	3.75	135														65	70				1	
W8	Housing	3.5	145														70	75					
Total Wisloe			920								60	90	130	143	147	70	135	145	0	0	0	0	0
Southern Area - Lightenbrook																							
Noise Bund (Lightenbrook)																							
Strategic Green Infrastructure & Attenuation (Lightenbrook)																							
L1 (inc later living block and A4135 site access)	Housing/Mixed Use	1.08	110																65	45			
L4	Housing/Mixed Use	1.09	55																55			1	
L2	Housing/Mixed Use	1.43	75																	60	15		
L5	Housing	4.53	210																	15	60	60	75
L5E	Employment	4.3																					
L3	Housing	2.78	130																		45	60	25
Total Lightenbrook			580								0	0	0	0	0	0	0	0	120		120		100
Total		41.46	1500								60	90				70	135	145		120	120	120	100
Total (Phase)												150		273		217		280					580

Planning/Approvals/Site Preparation for each phase Delivery on Site Programme Indicative subject to demand/funding requirements

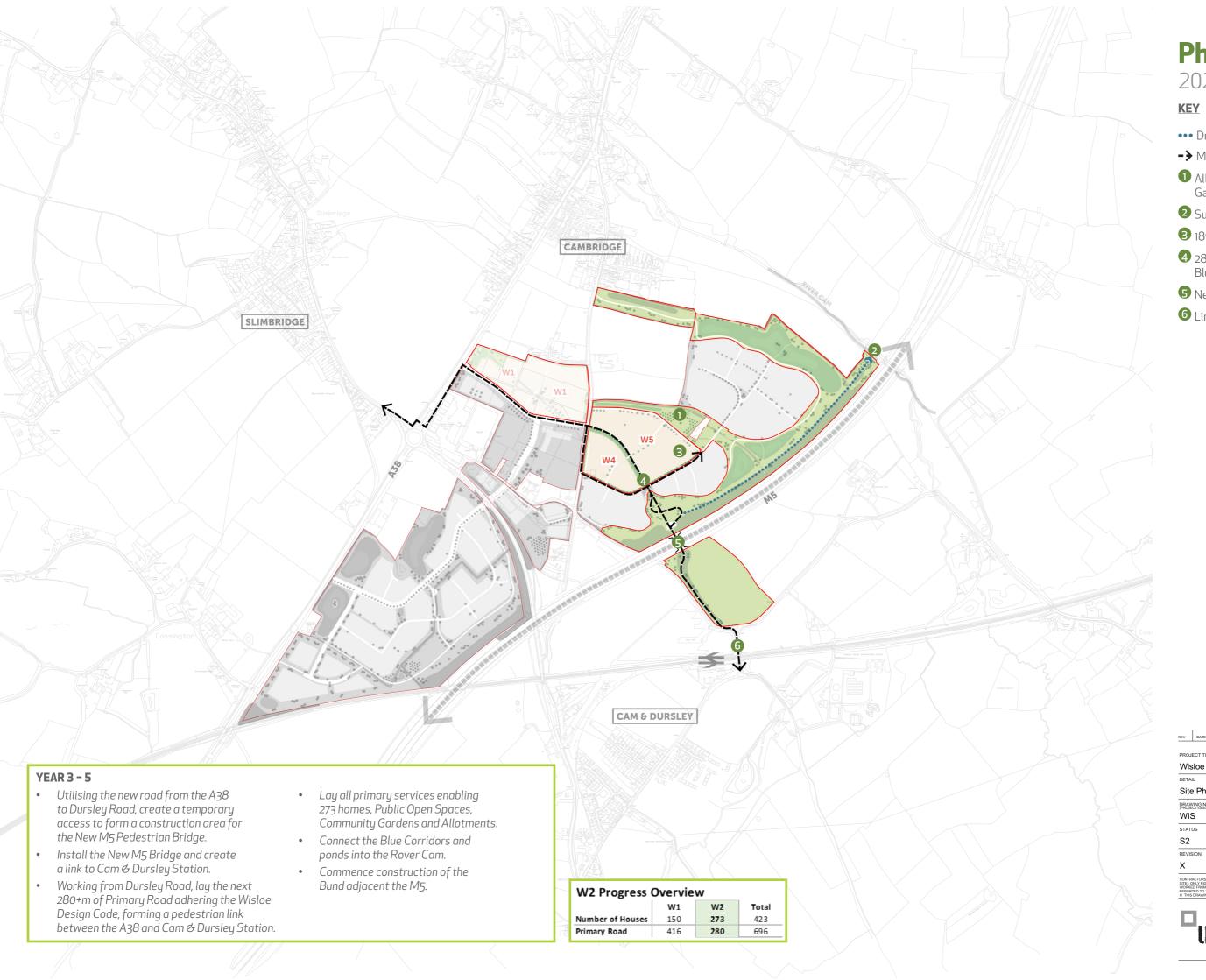
Housing/Mixed Use - includes later living, employment, retail/service and community uses Green Infrastructure - Strategic GI/Planting/Wetlands in advance of adjacent development phases.



- ••• Gas Main
- **->** Main Road
- Signalised Junction
- 2 400+m of Primary Road
- 3 10% of Housing Enabled
- 4 Community/Local Centre Land Enabled
- **5** Primary School Land Enabled
- 6 Playing Fields Enabled



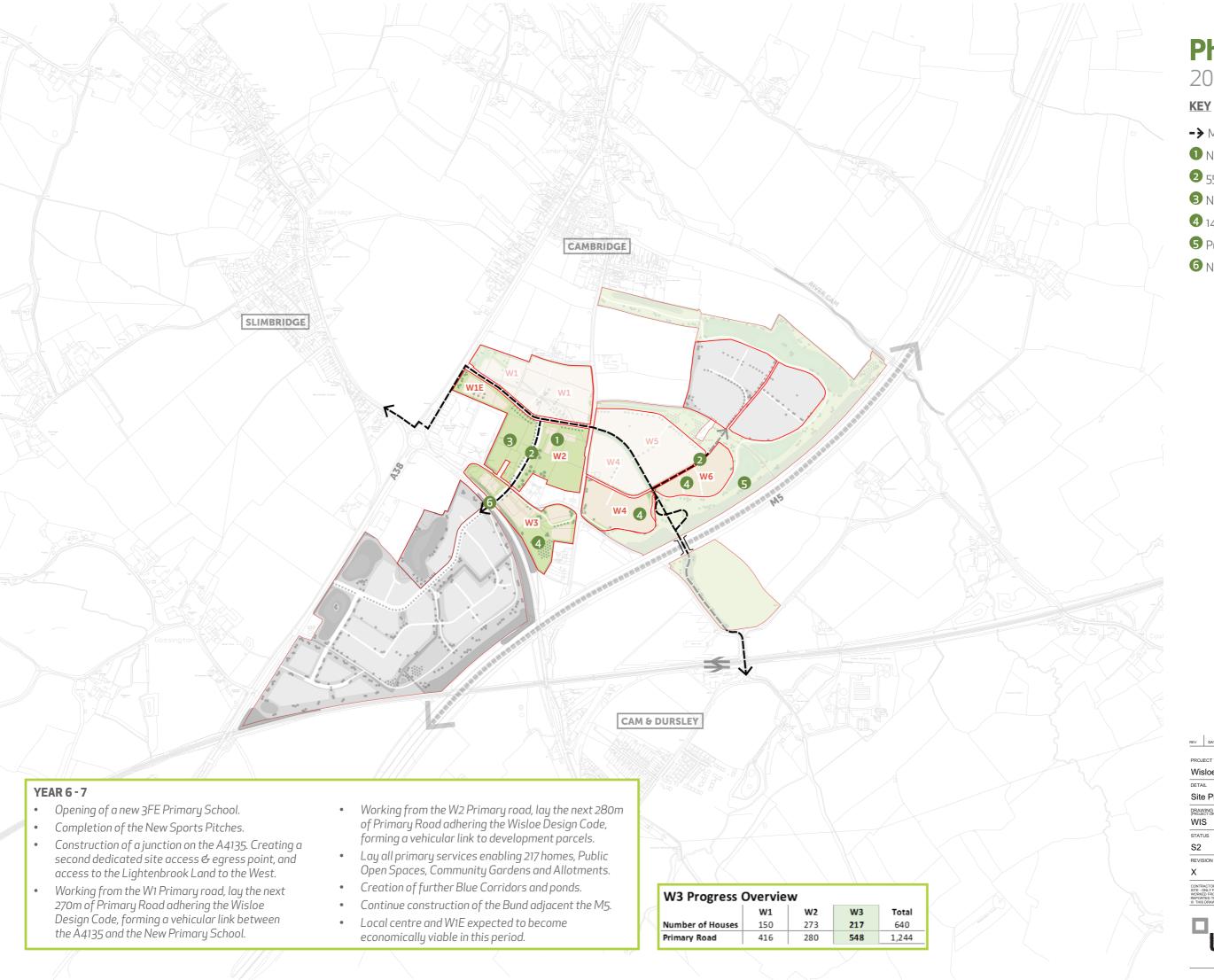




- ••• Drainage
- **->** Main Road
- Allotments & Community
 Gardens
- 2 Surface Water Connection
- 3 18% of Housing Enabled
- 4 280m of Primary Road & Blue Corridor
- S New M5 Pedestrian Bridge
- **6** Link to Train Station



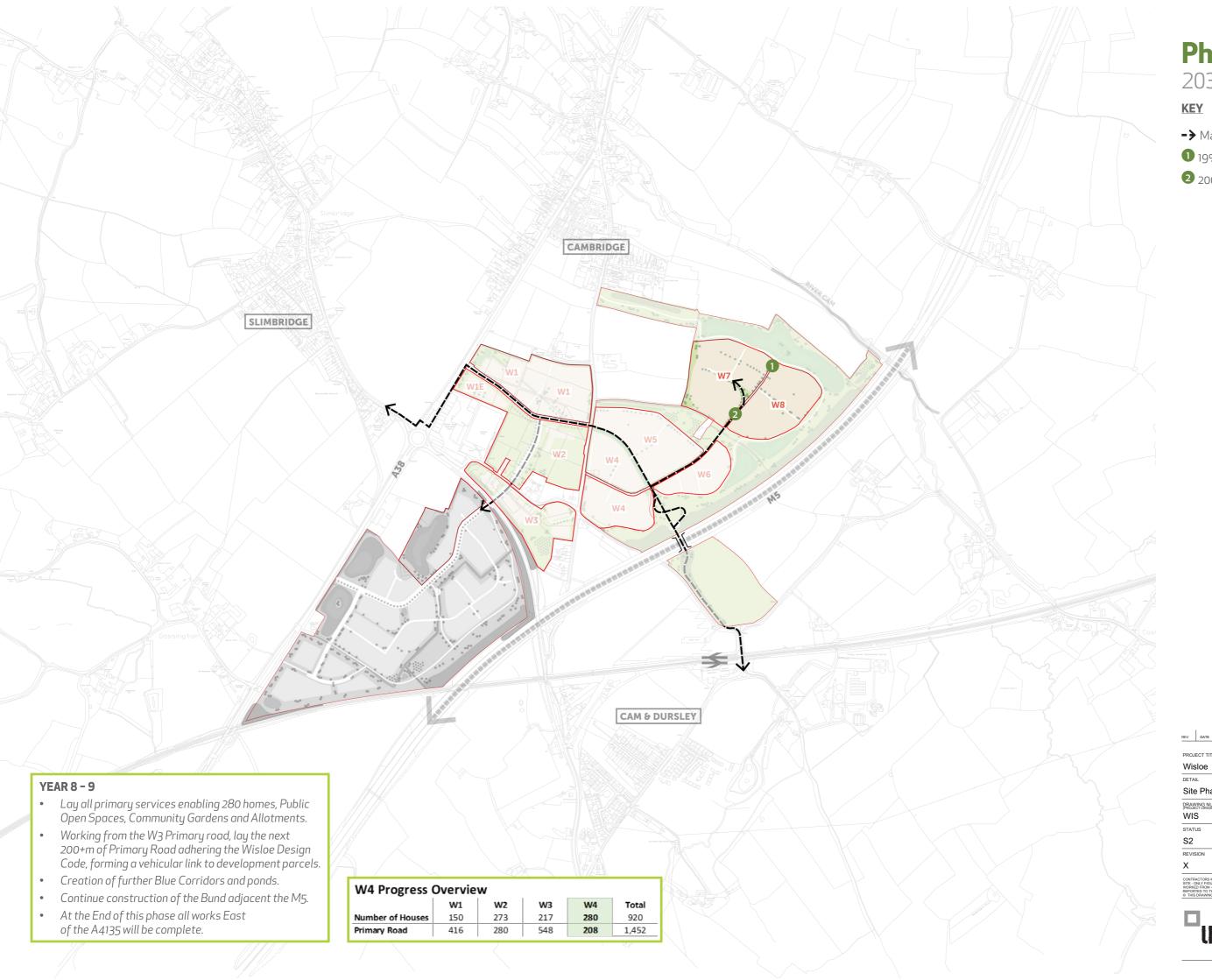




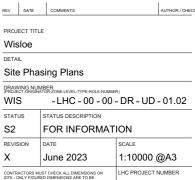
- **->** Main Road
- 1 New 3FE Primary School
- 2 550m of Primary Road
- 3 New Sports Pitches
- 4 14.5% of Housing Enabled
- **5** Public Open Spaces
- **6** New Junctions

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Wis	loe			
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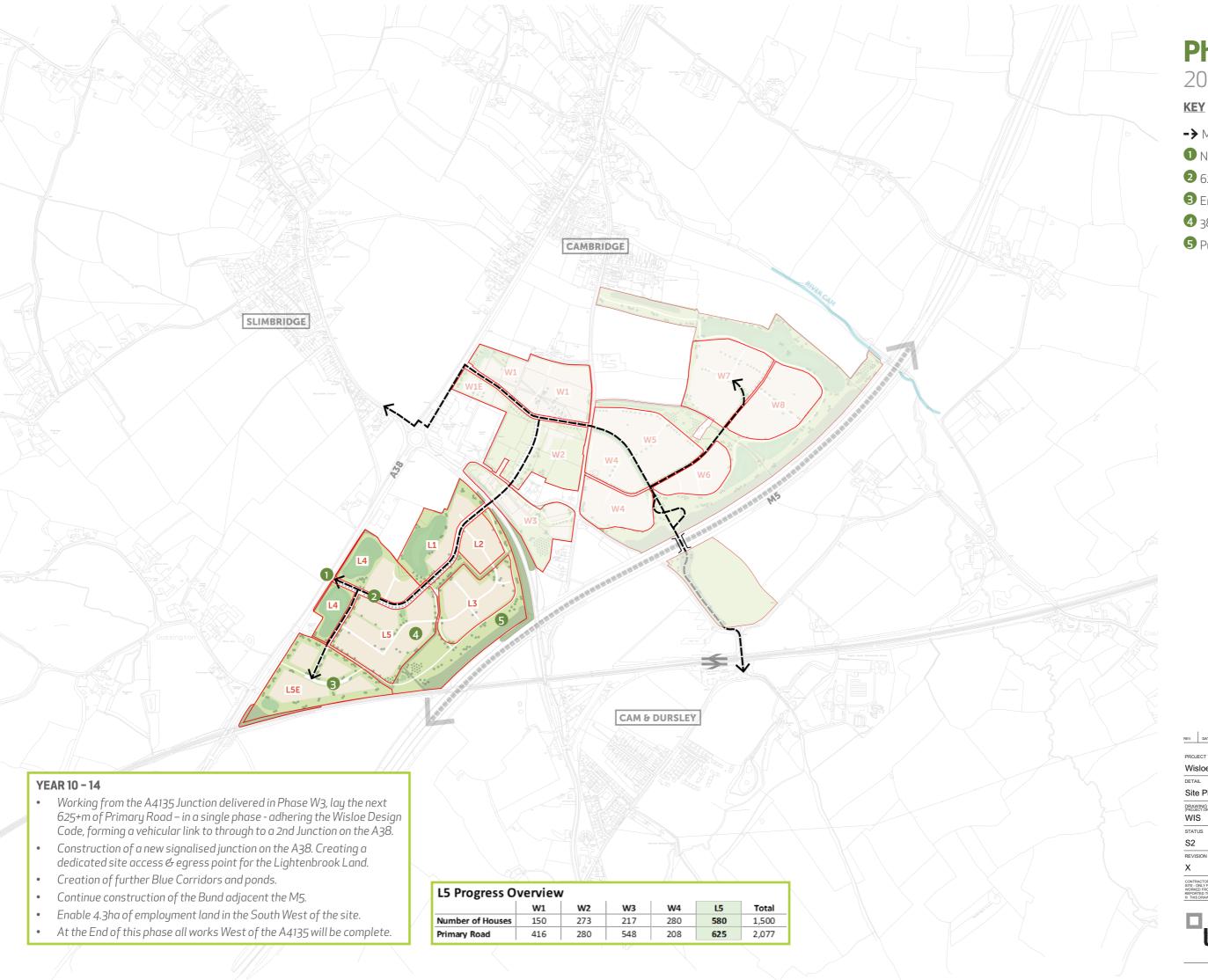




- **->** Main Road
- 19% of Housing Enabled
- 2 200m of Primary Road







Phase L5

- **->** Main Road
- 1 New Junction
- 2 620+m of Primary Road
- 3 Employment Zone Enabled
- 4 38% of Housing Enabled
- 5 Public Open Spaces



