



TOWN AND
COUNTRY
PLANNING
DEVELOPMENT
CONSULTANTS



LAND TO THE SOUTHWEST OF THE STREET, LATTON, SN6 6EH

PLANNING APPLICATION REFERENCE 20/11236/OUT

VIABILITY ASSESSMENT

Prepared by

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Our Reference: ADM.LPC4561

June 2022

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1.0 INTRODUCTION

1.1 At its meeting on 2nd February 2022, the North Area Planning Committee, Wiltshire Council resolved to grant outline planning permission for a village recreation hall, all weather tennis court and erection of six houses. This was delegated to the Head of Development Management to grant permission subject to:

- (i) The completion of an archaeological field evaluation, which has now been undertaken and the content was subsequently approved by the County Archaeologist.
- (ii) The submission of a viability appraisal and costs assessment for the development including village hall replacement and proposed financial contribution, and
- (iii) The completion of a S106 Agreement to ensure that part of the application site is transferred to the local community and that a financial sum will be paid towards the cost of the construction of the village recreation hall.

1.2 This paper is submitted concerning the second requirement, the viability appraisal. It should be noted at the outset that since this proposal was the subject of the first application, in September 2019, the costs for the construction of the village hall have increased by 70%, due to global issues that have arisen since then.

2.0 THE VILLAGE RECREATION HALL

2.1 In order to build the hall, prices have been sought for the construction costs. However, without a detailed drawing of the proposed structure, which will require the benefit of planning permission, it has been assumed that a building measuring 23m long x 13m wide will be acceptable, this to be suitable for multi-functional recreational use, as sought by the local community. This would be a steel framed, wide spanned building that would be suitable for a variety of indoor recreational purposes and the indicative costs for the construction of the

building is circa £280,000. This does not include internal decoration and fitting out, which will be undertaken by the local community in order to reduce costs.

- 2.2 The tennis court/outdoor recreation area has not yet been priced as that part of the proposal will take place in the future but the land will be donated for that purpose and the grassed area could be utilised in the short term.

3.0 THE HOUSING PROPOSAL

- 3.1 The drawing submitted with the outline application showed the erection of six houses with the illustrative elevations anticipating the type of dwellings that would be appropriate in this location. These show accommodation in the roof space to maximise the use of the built form, adopting a similar approach to that of Croft Close, on the opposite side of The Street.

- 3.2 As with the hall, the appearance, design and layout of the dwellings have yet to be approved and so this assessment is based on the type of accommodation submitted in support of the outline application. It showed 2 detached houses and 4 semi-detached with 5 dwellings having gross internal floor areas of approximately 130m² with one of the detached houses have a larger floor area of some 150m². The total gross internal floor area (GIFA) for the houses for the purposes of this assessment will be 800m².

4.0 THE SALE OF HOUSES IN LATTON

- 4.1 Investigations have taken place of the most recent properties for sale in Latton on the Rightmove website. These revealed just two houses for sale in May 2022, a 4-bedroom house with a GIFA of 216m² for sale at £895,000 and a 2-bedroom end of terrace on The Street with a GIFA of 95.3m² for sale at £395,000. These properties differ significantly in size and location but their selling prices equated to £4,144 per m² and £4,145 per m² respectively. This is, therefore, the most up-to-date valuation for property sales within Latton.

5.0 ESTIMATE OF SITE AND HOUSE PRICES

- 5.1 Based on the most recent sales price per m² of gross floor area, the selling price of the houses at the application site should be in the region of 800 x £4,145 which equals £3.31 million.
- 5.2 Working backwards from the sale price are the construction costs, including infrastructure, and the developer's profit. The current build costs are difficult to estimate as much depends upon the quality of finish but it is likely to be in the range of £1,700 - £2,500 per m². Taking a figure of £2,000 per m² would result in a build cost for the six houses and infrastructure of £1.6 million. With the officer's Committee report suggesting that builders would be looking to make 15-20% profit, this would make the build cost and profit of between £1.84 million to £1.92 million. If the profit was higher at 25%, this would be £2.0 million.
- 5.3 Based upon the above calculation and with a developer's profit of 25%, the land cost would be £1.30 million, which equates to an average of just under £217,000 per plot. In my opinion, this is an unrealistic figure for this particular location where there is the potential for noise from traffic along the A419 and The Street, as well as being in close proximity to the proposed hall. Furthermore, the gardens, whilst adequate for the proposed dwelling are not of the size found in other locations within the village. Accordingly, it is necessary to re-visit the selling price of comparable properties to see if this is accurate.
- 5.4 Looking at house prices in Croft Close, a 4-bedroom detached house with double garage sold for £507,500 in October 2020 and another similar sized property sold for £475,000 in August 2019. Whilst Rightmove says that house prices in Latton had an overall average price of £554,000 in the last year and that prices have risen 9% on the previous year, it is unlikely that the proposed houses would sell for as much as comparable houses in Croft Close. Instead, I would suggest that the semi-detached houses would probably sell for about £450,000 each and the detached houses for £500,000 and £550,000, if they all

had garaging. This would result in an overall sales figure of £2.85 million but the build costs would increase due to the cost of building the garages, by approximately £150,000. Accordingly, the build costs for the houses and garages would total £1.75 million. Builder's profit would be £350,000 at 20% or £437,500 at 25%, making a total build cost in the region of £2.1- 2.2 million. Deducting these figures from the sales price would result in a land price of £662,500 - £700,000.

5.5 Another option for the current owners of the housing land would be to sell the plots, as a serviced site, to individual landowners in order for them to erect self-build dwellings. This would, of course, mean that the developers profit element would not be within the calculation. The build cost would be slightly higher, depending upon the finish sought by the individual landowners but an additional £150,000 would be generated from the sale of the land, based on the average price for each plot being circa £140,000.

6.0 ARE THE CONTRIBUTIONS FAIRLY AND REASONABLY RELATED IN SCALE AND KIND TO THE DEVELOPMENT?

6.1 The land for the village recreation hall and the outdoor recreational area to its south will be gifted to the Latton Parish Community Trust upon it achieving charity status, the application for which is currently being prepared. At the same time, a donation will be made to the Trust, as a registered charity, for the sum of £100,00 to pump prime the construction of the hall. This financial sum will represent an advanced contribution from the sale of the land for housing with the owners being reimbursed at a later date when the land for housing is sold.

6.2 To ascertain whether this contribution is fair and reasonable, a comparison can be drawn with the Community Infrastructure Levy that the proposal would generate. Based on the CIL rate which is indexed linked, the cost per m² for CIL would be £108.54, based upon a notice received by this practice within the last week. For the 800m² of development proposed, this would equate to £86,832. If double garages

were added for each property, the total amount payable would be just over £110,000 or if double garages were proposed for the detached houses and single garages for the semis, the CIL payment would be about £100,000. Accordingly, the proposed financial contribution towards a village recreation hall for the local community is considered to be fair and reasonable.

- 6.3 In addition, the owners will also provide the land and fund the construction of the access road and drainage infrastructure. It is not possible to state at this time the sale price of the housing land as the owner's priority over the period of 3 years since this project was first mooted was to ensure that there would be benefit to the local community. Latton Parish Council and the Community Trust that is being formed to administer the land and the proposed building consider that the donation of the land and the financial sum is acceptable and the North Area Planning Committee were also aware of the package when making the resolution to grant permission.
- 6.4 I trust that you will agree that this assessment shows that the contribution is viable reasonable and fair and that the land will be donated and the financial sum paid as soon after the signing of the Agreement and the issuing of the planning permission as is possible, upon the Trust gaining charity status.