

**Spelthorne Borough Council**

**Local Plan & potential CIL review -**

**Viability Assessment**

**Appendix IIe: Commercial Results**

**Student Housing & Care Home**

**Typologies**



Spelthorne Borough Council - Appendix IIe - Local Plan & potential CIL review Viability Assessment - Table 5a Residual Land Value Results - Student Accommodation (Cluster) by Yield, Value Level & CIL Rate

Use Class / Type:	C1 - Student Accommodation
Scheme Type:	100% Cluster Accommodation (400 rooms)
Site Size (Ha):	1.23

Trial CIL Testing Rate (£/sq. m.)	Residual Land Value (£)														
	5% Yield			5.5% Yield			6% Yield			6.5% Yield			7% Yield		
	Value Level			Value Level			Value Level			Value Level			Value Level		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
Indexed CIL Rate	£6,230,239	£13,184,398	£20,138,558	£4,002,241	£10,319,511	£16,636,780	£2,145,577	£7,932,104	£13,718,632	£548,878	£5,911,991	£11,249,430	-£866,257	£4,180,466	£9,132,970
£0/sq. m.	£7,220,760	£14,174,919	£21,129,078	£4,992,762	£11,310,031	£17,627,300	£3,136,097	£8,922,625	£14,709,152	£1,565,073	£6,902,512	£12,239,950	£217,574	£5,170,986	£10,123,491
£25/sq. m.	£7,053,713	£14,007,872	£20,962,031	£4,825,715	£11,142,984	£17,460,254	£2,969,050	£8,755,578	£14,542,105	£1,393,696	£6,735,465	£12,072,903	£34,791	-£5,003,939	£9,956,444
£50/sq. m.	£6,886,666	£13,840,825	£20,794,985	£4,658,668	£10,975,938	£17,293,207	£2,802,004	£8,588,531	£14,375,059	£1,222,320	£6,568,418	£11,905,856	-£147,992	-£4,836,892	£9,789,397
£75/sq. m.	£6,719,619	£13,673,779	£20,627,938	£4,491,622	£10,808,891	£17,126,160	£2,634,957	£8,421,484	£14,208,012	£1,050,943	£6,401,371	£11,738,810	-£330,775	-£4,669,846	£9,622,351
£100/sq. m.	£6,552,573	£13,506,732	£20,460,891	£4,324,575	£10,641,844	£16,959,113	£2,467,910	£8,254,438	£14,040,965	£879,567	£6,234,325	£11,571,763	-£513,558	-£4,502,799	£9,455,304
£125/sq. m.	£6,385,526	£13,339,685	£20,293,844	£4,157,528	£10,474,797	£16,792,067	£2,300,863	£8,087,391	£13,873,918	£708,190	£6,067,278	£11,404,716	-£696,341	-£4,335,752	£9,288,257
£150/sq. m.	£6,218,479	£13,172,638	£20,126,798	£3,990,481	£10,307,751	£16,625,020	£2,133,817	£7,920,344	£13,706,872	£536,814	£5,900,231	£11,237,669	-£879,124	-£4,168,705	£9,121,210
£175/sq. m.	£6,051,432	£13,005,592	£19,959,751	£3,823,435	£10,140,704	£16,457,973	£1,966,770	£7,753,297	£13,539,825	£365,437	£5,733,184	£11,070,623	-£1,061,908	-£4,001,659	£8,954,164
£200/sq. m.	£5,884,386	£12,838,545	£19,792,704	£3,656,388	£9,973,657	£16,290,926	£1,799,723	£7,586,251	£13,372,778	£194,060	£5,566,138	£10,903,576	-£1,244,691	-£3,834,612	£8,787,117
£225/sq. m.	£5,717,339	£12,671,498	£19,625,657	£3,489,341	£9,806,610	£16,123,880	£1,632,676	£7,419,204	£13,205,732	£22,684	£5,399,091	£10,736,529	-£1,427,474	-£3,667,565	£8,620,070
£250/sq. m.	£5,550,292	£12,504,451	£19,458,611	£3,322,294	£9,639,564	£15,956,833	£1,465,630	£7,252,157	£13,038,685	-£148,693	£5,232,044	£10,569,482	-£1,610,257	-£3,500,518	£8,453,023
£275/sq. m.	£5,383,245	£12,337,405	£19,291,564	£3,155,248	£9,472,517	£15,789,786	£1,298,583	£7,085,110	£12,871,638	-£320,069	£5,064,997	£10,402,436	-£1,793,040	-£3,333,472	£8,285,977
£300/sq. m.	£5,216,199	£12,170,358	£19,124,517	£2,988,201	£9,305,470	£15,622,739	£1,131,536	£6,918,064	£12,704,591	-£491,446	£4,897,951	£10,235,389	-£1,975,823	-£3,166,425	£8,118,930
Indexed CIL Rate	Residual Land Value (£/ha)														
	£5,065,235	£10,719,023	£16,372,811	£3,253,855	£8,389,846	£13,525,837	£1,744,371	£6,448,865	£11,153,359	£446,243	£4,806,497	£9,145,878	-£704,274	£3,398,752	£7,425,179
	£5,870,536	£11,524,324	£17,178,112	£4,059,156	£9,195,147	£14,331,139	£2,549,672	£7,254,166	£11,958,660	£1,272,417	£5,611,798	£9,951,179	£176,889	£4,204,054	£8,230,480
	£5,734,726	£11,388,514	£17,042,302	£3,923,346	£9,059,337	£14,195,328	£2,413,862	£7,118,356	£11,822,850	£1,133,087	£5,475,988	£9,815,368	£28,285	-£4,068,243	£8,094,670
£50/sq. m.	£5,598,916	£11,252,704	£16,906,492	£3,787,535	£8,923,527	£14,059,518	£2,278,052	£6,982,546	£11,687,040	£993,756	£5,340,177	£9,679,558	-£120,319	-£3,932,433	£7,958,860
£75/sq. m.	£5,463,105	£11,116,893	£16,770,681	£3,651,725	£8,787,716	£13,923,707	£2,142,241	£6,846,735	£11,551,229	£854,425	£5,204,367	£9,543,748	-£268,923	-£3,796,623	£7,823,049
£100/sq. m.	£5,327,295	£10,981,083	£16,634,871	£3,515,915	£8,651,906	£13,787,897	£2,006,431	£6,710,925	£11,415,419	£715,095	£5,068,557	£9,407,937	-£417,527	-£3,660,812	£7,687,239
£125/sq. m.	£5,191,484	£10,845,272	£16,499,060	£3,380,104	£8,516,095	£13,652,087	£1,870,621	£6,575,115	£11,279,609	£575,764	£4,932,746	£9,272,127	-£566,131	-£3,525,002	£7,551,429
£150/sq. m.	£5,055,674	£10,709,462	£16,363,250	£3,244,294	£8,380,285	£13,516,276	£1,734,810	£6,439,304	£11,143,798	£436,434	£4,796,936	£9,136,317	-£714,735	-£3,389,191	£7,415,618
£175/sq. m.	£4,919,864	£10,573,652	£16,227,440	£3,108,483	£8,244,475	£13,380,466	£1,599,000	£6,303,494	£11,007,988	£297,103	£4,661,125	£9,000,506	-£863,339	-£3,253,381	£7,279,808
£200/sq. m.	£4,784,053	£10,437,841	£16,091,629	£2,972,673	£8,108,664	£13,244,656	£1,463,190	£6,167,683	£10,872,177	£157,773	£4,525,315	£8,864,696	-£1,011,944	-£3,117,571	£7,143,997
£225/sq. m.	£4,648,243	£10,302,031	£15,955,819	£2,836,863	£7,972,854	£13,108,845	£1,327,379	£6,031,873	£10,736,367	£18,442	£4,389,505	£8,728,886	-£1,160,548	-£2,981,760	£7,008,187
£250/sq. m.	£4,512,433	£10,166,221	£15,820,009	£2,701,052	£7,837,044	£12,973,035	£1,191,569	£5,896,063	£10,600,557	-£120,888	£4,253,694	£8,593,075	-£1,309,152	-£2,845,950	£6,872,377
£275/sq. m.	£4,376,622	£10,030,410	£15,684,198	£2,565,242	£7,701,233	£12,837,224	£1,055,758	£5,760,252	£10,464,746	-£260,219	£4,117,884	£8,457,265	-£1,457,756	-£2,710,140	£6,736,566
£300/sq. m.	£4,240,812	£9,894,600	£15,548,388	£2,429,432	£7,565,423	£12,701,414	£919,948	£5,624,442	£10,328,936	-£399,550	£3,982,074	£8,321,454	-£1,606,360	-£2,574,329	£6,600,756

	RLV beneath Viability Test 1 (RLV <£500,000/ha)
	Viability Test 2 (RLV £500,000 to £1,500,000/ha)
	Viability Test 3 (RLV £1,500,000 to £3,500,000/ha)
	Viability Test 4 (RLV>£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Greenfield Enhancement (Upper)
£1,500,000	Industrial / Lower Commercial
£3,500,000	Upper Commercial

Source: Dixon Searle Partnership (2022)

Spelthorne Borough Council - Appendix IIe - Local Plan & potential CIL review Viability Assessment - Table 5b Residual Land Value Results - Student Accommodation (Studio) by Yield, Value Level & CIL Rate

Use Class / Type:	C1 - Student Accommodation
Scheme Type:	100% Studio type Accomodation (150 Rooms)
Site Size (Ha):	1.04

Trial CIL Testing Rate (£/sq. m.)	Residual Land Value (£)														
	5% Yield			5.5% Yield			6% Yield			6.5% Yield			7% Yield		
	Value Level			Value Level			Value Level			Value Level			Value Level		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
Indexed CIL Rate	Negative RLV	£1,246,882	£4,603,310	Negative RLV	-£352,356	£2,758,507	Negative RLV	£1,221,170			Negative RLV	-£130,820			Negative RLV
£0/sq. m.		£2,085,283	£5,441,711		£547,874	£3,596,908		£2,059,571				£758,748			
£25/sq. m.		£1,943,890	£5,300,319		£396,055	£3,455,515		£1,918,179				£608,727			
£50/sq. m.		£1,802,498	£5,158,926		£244,235	£3,314,123		£1,776,786				£458,705			
£75/sq. m.		£1,661,105	£5,017,534		£92,415	£3,172,730		£1,635,394				£308,683			
£100/sq. m.		£1,519,713	£4,876,141		-£59,405	£3,031,338		£1,494,001				£158,662			
£125/sq. m.		£1,378,320	£4,734,749		-£211,224	£2,889,945		£1,352,609				£8,640			
£150/sq. m.		£1,236,928	£4,593,356		-£363,044	£2,748,553		£1,211,216				-£141,382			
£175/sq. m.		£1,095,535	£4,451,964		-£514,864	£2,607,160		£1,069,824				-£291,403			
£200/sq. m.		£954,143	£4,310,571		-£666,684	£2,465,768		£928,431				-£441,425			
£225/sq. m.		£812,750	£4,169,179		-£818,503	£2,324,375		£787,039				-£591,447			
£250/sq. m.		£671,358	£4,027,786		-£970,323	£2,182,983		£645,646				-£741,468			
£275/sq. m.		£529,965	£3,886,394		-£1,122,143	£2,041,590		£504,254				-£891,490			
£300/sq. m.		£388,573	£3,745,001		-£1,273,962	£1,900,198		£362,861				-£1,041,512			
		Residual Land Value (£/ha)													
Indexed CIL Rate	Negative RLV	£1,198,925	£4,426,260	Negative RLV	-£338,804	£2,652,410	Negative RLV	£1,174,202			Negative RLV	-£125,789			Negative RLV
£0/sq. m.		£2,005,079	£5,232,414		£526,802	£3,458,565		£1,980,357				£729,566			
£25/sq. m.		£1,869,125	£5,096,460		£380,822	£3,322,611		£1,844,403				£585,314			
£50/sq. m.		£1,733,171	£4,960,506		£234,841	£3,186,656		£1,708,448				£441,062			
£75/sq. m.		£1,597,216	£4,824,552		£88,861	£3,050,702		£1,572,494				£296,811			
£100/sq. m.		£1,461,262	£4,688,597		-£57,120	£2,914,748		£1,436,540				£152,559			
£125/sq. m.		£1,325,308	£4,552,643		-£203,100	£2,778,793		£1,300,585				£8,308			
£150/sq. m.		£1,189,353	£4,416,689		-£349,081	£2,642,839		£1,164,631				-£135,944			
£175/sq. m.		£1,053,399	£4,280,734		-£495,061	£2,506,885		£1,028,677				-£280,195			
£200/sq. m.		£917,445	£4,144,780		-£641,042	£2,370,930		£892,722				-£424,447			
£225/sq. m.		£781,490	£4,008,826		-£787,022	£2,234,976		£756,768				-£568,699			
£250/sq. m.		£645,536	£3,872,871		-£933,003	£2,099,022		£620,814				-£712,950			
£275/sq. m.		£509,582	£3,736,917		-£1,078,983	£1,963,067		£484,859				-£857,202			
£300/sq. m.		£373,627	£3,600,963		-£1,224,964	£1,827,113		£348,905				-£1,001,453			

	RLV beneath Viability Test 1 (RLV <£500,000/ha)
	Viability Test 2 (RLV £500,000 to £1,500,000/ha)
	Viability Test 3 (RLV £1,500,000 to £3,500,000/ha)
	Viability Test 4 (RLV>£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Greenfield Enhancement (Upper)
£1,500,000	Industrial / Lower Commercial
£3,500,000	Upper Commercial

Source: Dixon Searle Partnership (2022)

Spelthorne Borough Council - Appendix IIe - Local Plan & potential CIL review Viability Assessment - Table 5c Residual Land Value Results - Residential Institution (Care/Nursing Home) by Yield, Value Level & CIL Rate

Use Class / Type:	C2 - Residential Institution - Care/Nursing Home
Scheme Type:	Extra Care (65 bed)
Site Size (Ha):	0.33

Trial CIL Testing Rate (£/sq. m.)	Residual Land Value (£)														
	5% Yield			5.5% Yield			6% Yield			6.5% Yield			7% Yield		
	Value Level			Value Level			Value Level			Value Level			Value Level		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
Indexed CIL Rate	Negative RLV	£288,529	£1,340,698	Negative RLV	-£221,233	£746,609	Negative RLV		£250,990	Negative RLV		-£178,332	Negative RLV		
£0/sq. m.		£569,936	£1,622,106		£72,186	£1,028,017			£532,943			£114,034			
£25/sq. m.		£522,478	£1,574,648		£22,702	£980,559			£485,392			£64,727			
£50/sq. m.		£475,020	£1,527,190		-£26,782	£933,101			£437,842			£15,421			
£75/sq. m.		£427,562	£1,479,732		-£76,266	£885,642			£390,292			-£33,885			
£100/sq. m.		£380,104	£1,432,273		-£125,749	£838,184			£342,742			-£83,191			
£125/sq. m.		£332,646	£1,384,815		-£175,233	£790,726			£295,192			-£132,497			
£150/sq. m.		£285,188	£1,337,357		-£224,717	£743,268			£247,642			-£181,803			
£175/sq. m.		£237,729	£1,289,899		-£274,201	£695,810			£200,092			-£231,110			
£200/sq. m.		£190,271	£1,242,441		-£323,684	£648,352			£152,542			-£280,416			
£225/sq. m.		£142,813	£1,194,983		-£373,168	£600,894			£104,992			-£329,722			
£250/sq. m.		£95,355	£1,147,525		-£422,652	£553,436			£57,442			-£379,028			
£275/sq. m.		£47,897	£1,100,067		-£472,136	£505,978			£9,892			-£428,334			
£300/sq. m.		£439	£1,052,609		-£521,620	£458,520			-£37,658			-£477,641			
Indexed CIL Rate	Negative RLV	£874,329	£4,062,722	Negative RLV	-£670,404	£2,262,452	Negative RLV		£760,575	Negative RLV		-£540,401	Negative RLV		
£0/sq. m.		£1,727,079	£4,915,472		£218,745	£3,115,202			£1,614,977			£345,556			
£25/sq. m.		£1,583,267	£4,771,660		£68,794	£2,971,390			£1,470,886			£196,144			
£50/sq. m.		£1,439,454	£4,627,848		-£81,157	£2,827,578			£1,326,795			£46,731			
£75/sq. m.		£1,295,642	£4,484,035		-£231,108	£2,683,765			£1,182,704			-£102,682			
£100/sq. m.		£1,151,830	£4,340,223		-£381,059	£2,539,953			£1,038,613			-£252,094			
£125/sq. m.		£1,008,017	£4,196,410		-£531,009	£2,396,140			£894,522			-£401,507			
£150/sq. m.		£864,205	£4,052,598		-£680,960	£2,252,328			£750,431			-£550,920			
£175/sq. m.		£720,392	£3,908,785		-£830,911	£2,108,515			£606,340			-£700,332			
£200/sq. m.		£576,580	£3,764,973		-£980,862	£1,964,703			£462,249			-£849,745			
£225/sq. m.		£432,767	£3,621,161		-£1,130,813	£1,820,891			£318,158			-£999,158			
£250/sq. m.		£288,955	£3,477,348		-£1,280,764	£1,677,078			£174,067			-£1,148,570			
£275/sq. m.		£145,143	£3,333,536		-£1,430,715	£1,533,266			£29,976			-£1,297,983			
£300/sq. m.		£1,330	£3,189,723		-£1,580,665	£1,389,453			-£114,115			-£1,447,396			

	RLV beneath Viability Test 1 (RLV <£500,000/ha)
	Viability Test 2 (RLV £500,000 to £1,500,000/ha)
	Viability Test 3 (RLV £1,500,000 to £3,500,000/ha)
	Viability Test 4 (RLV>£3,500,000/ha)

BLV Notes:

EUV+ £/ha	Notes
£500,000	Greenfield Enhancement (Upper)
£1,500,000	Industrial / Lower Commercial
£3,500,000	Upper Commercial

Source: Dixon Searle Partnership (2022)



**Spelthorne Borough Council**

**Local Plan & potential CIL review -**

**Viability Assessment**

**Appendix IIe: Appraisal Summaries**

**Student Housing Typologies**

Student Accommodation - Cluster (400 rooms)  
MV / Indexed CIL @ 5% Yield

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Spelthorne Borough Council

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Student Accommodation - Cluster (400 rooms)  
MV

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary							
	Units	m²	Rent Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student Accommodation - Cluster	400	4,430.40	25.64	8,723	2,616,818	3,489,091	2,616,818

Investment Valuation

Student Accommodation - Cluster					
Current Rent	2,616,818	YP @	5.0000%	20.0000	52,336,368

GROSS DEVELOPMENT VALUE52,336,368

Purchaser's Costs	5.75%	3,009,341
Effective Purchaser's Costs Rate	5.75%	
		3,009,341

NET DEVELOPMENT VALUE49,327,027

NET REALISATION49,327,027

OUTLAY

ACQUISITION COSTS

Residualised Price (1.23 Ha @ 10,719,023.13 /Hect)		13,184,398
		13,184,398
Stamp Duty		648,720
Effective Stamp Duty Rate	4.92%	
Agent Fee	1.50%	197,766
Legal Fee	0.75%	98,883
Site Survey & Prep Costs	1.23 ha 200,000.00 /ha	246,000
		1,191,369

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
Student Accommodation - Cluster	7,384.00	2,087.00	15,410,408
Contingency		5.00%	862,983
CIL	7,384.00 m²	148.24	1,094,604
			17,367,995

Other Construction

Externals/Site Works	5.00%	770,520
Planning/Building Regs/Insurances	2.00%	308,208
Sustainability/BREEAM	5.00%	770,520
		1,849,249

PROFESSIONAL FEES

Professional Fees	10.00%	1,695,145
		1,695,145

MARKETING & LETTING

Letting Agent Fee	10.00%	261,682
Letting Legal Fee	1.00%	26,168
		287,850

DISPOSAL FEES

Sales Agent Fee	1.50%	739,905
Sales Legal Fee	0.75%	369,953
		1,109,858

FINANCE

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)		
Total Finance Cost		3,482,298

TOTAL COSTS40,168,162

PROFIT

9,158,864

Student Accommodation - Studio (150 rooms)  
MV / Indexed CIL @ 5% Yield

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Spelthorne Borough Council

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APPRAISAL SUMMARY

LICENSED COPY

Student Accommodation - Studio (150 rooms)  
MV

Appraisal Summary for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m²	Rent Rate m²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student Accommodation - Studio	150	3,750.00	35.61	12,115	1,362,884	1,817,178	1,362,884

Investment Valuation

Student Accommodation - Studio							
Current Rent	1,362,884	YP @	5.0000%	20.0000	27,257,674		

GROSS DEVELOPMENT VALUE27,257,674

Purchaser's Costs	5.75%	1,567,316	
Effective Purchaser's Costs Rate	5.75%		1,567,316

NET DEVELOPMENT VALUE25,690,358

NET REALISATION25,690,358

OUTLAY

ACQUISITION COSTS

Residualised Price (1.04 Ha @ 1,198,924.58 /Hect)		1,246,882	
			1,246,882
Stamp Duty		51,844	
Effective Stamp Duty Rate	4.16%		
Agent Fee	1.50%	18,703	
Legal Fee	0.75%	9,352	
Site Survey & Prep Costs	1.04 ha 200,000.00 /ha	208,000	
			287,899

CONSTRUCTION COSTS

Construction	m²	Build Rate m²	Cost
Student Accommodation - Studio	6,250.00	2,087.00	13,043,750
Contingency		5.00%	730,450
CIL	6,250.00 m²	148.24	926,500
			14,700,700

Other Construction

Externals/Site Works	5.00%	652,188	
Planning/Building Regs/Insurances	2.00%	260,875	
Sustainability/BREEAM	5.00%	652,188	
			1,565,250

PROFESSIONAL FEES

Professional Fees	10.00%	1,434,813	
			1,434,813

MARKETING & LETTING

Letting Agent Fee	10.00%	136,288	
Letting Legal Fee	1.00%	13,629	
			149,917

DISPOSAL FEES

Sales Agent Fee	1.50%	385,355	
Sales Legal Fee	0.75%	192,678	
			578,033

FINANCE

Debit Rate 6.000%, Credit Rate 0.500% (Nominal)			
Total Finance Cost			956,772

TOTAL COSTS20,920,265

PROFIT

4,770,093