



CIL VIABILITY APPRAISAL

CONSTRUCTION COST STUDY

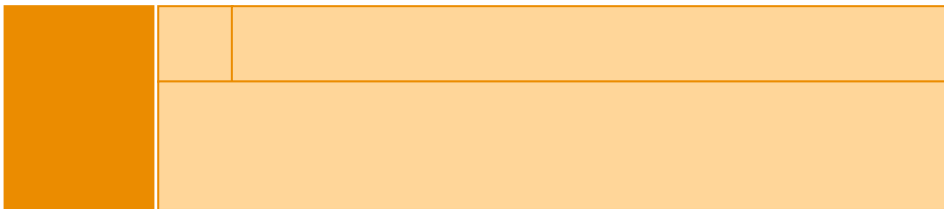
For

Worthing Borough and Adur District Councils

ADUR
DISTRICT COUNCIL



Worthing
BOROUGH COUNCIL



CIL Viability Appraisal

Order of Cost Study

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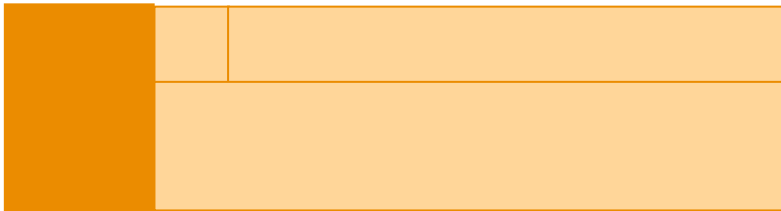
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Executive Summary

1. The Project

This Cost Study provides an estimate of construction costs over a range of development categories, to support a CIL Viability Appraisal

2. Allowances

The Estimate includes on-cost allowances for the following:

- Consultants
- B. Regulations and Planning fees
- NHBC Insurance where applicable

3. Basis of Estimate

The basis of the Estimate is in Section 2 of this report.

4. Detailed Construction Cost Study

The detailed Cost Study is given in Section 3 of this report.

5. Risk Allowance

A Risk Allowance of 5% of construction cost is recommended

Project Description

NCS have been appointed by Worthing Borough and Adur District Councils to assist with the production of the Council's Community Infrastructure Levy Charging Schedule.

Gleeds are acting as part of the NCS team, to provide indicative construction costs, over the range of development categories, to inform the Appraisal.

The range of development categories are as agreed with NCS

The study covers the following potential charging authorities:

Brighton and Hove City Council
Eastbourne Borough Council
Hastings Borough Council
Lewes District Council
Rother District Council
South Downs National Park Authority
Wealden District Council
Adur & Worthing Councils

Basis of Cost Study

Base Date

Rates for Construction Costs in the Estimate have been priced at a Base Date of 2nd quarter, 2012. Allowances must be made for inflation beyond this date dependant on the mid-point date of construction.

Procurement

The costs included in this Estimate assume that procurement is to be achieved on a single stage competitive tender basis, from a selected list of Contractors.

Scope of Development Types

The scope of development types within the various categories varies between categories.

This is reflected within the range of construction values stated for a particular category.

For the purposes of undertaking the Viability Appraisal, median rates for construction have been given for each development category; the range of values have also been stated.

Basis of Costs

The following benchmarking data was used in the preparation of the estimate:

1. Analysis of construction costs over a range of projects within the Gleeds Research and Development Data Base.
2. Where insufficient data is available within any particular category cross-reference is also made to BCIS construction cost information.
3. Reference is also made to the Communities and Local Government Cost Analysis for Code for Sustainable Homes, in respect of dwelling costs

All construction costs have been adjusted for Location Factor (East Sussex County Council 1.09) and All-in TPI for 2nd Quarter 2012 (BCIS index – 226), (as 20 April 2012 indices update)

Assumptions/Clarifications

The following assumptions/clarifications have been made during the preparation of this Estimate:

- The costs included in this Estimate assume that competitive tenders will be obtained on a single stage competitive basis.
- There are no allowances in the Estimates for Works beyond the site boundary.
- All categories of development are assumed to be new build.
- It is assumed development takes place on green or brown field prepared sites, i.e. no allowance for demolition etc.
- All categories of development include an allowance for External Works inc drainage, internal access roads, utilities connections (but excluding new sub-stations), ancillary open space etc
- Site abnormal and facilitating works have been excluded.

Exclusions

The Order of Cost Study excludes any allowances for the following:

- Value Added Tax
- Finance Charges
- Unknown abnormal ground conditions including:
 - Ground stabilisation/retention
 - Dewatering
 - Obstructions
 - Contamination
 - Bombs, explosives and the like
 - Methane production
- Removal of asbestos
- Surveys and subsequent works required as a result including:
 - Asbestos; traffic impact assessment; existing buildings
 - Topographical; drainage/CCTV; archaeological
 - Subtronic
- Furniture, fittings and equipment
- Aftercare and maintenance
- Listed Building Consents
- Service diversions/upgrades generally
- Highways works outside the boundary of the site

Detailed Construction Cost Study

Development Type	Construction Cost £/m ²		
	Min	Max	Median
Standard Residential, code 3 (Mass Housebuilder, mid-range, 2-5 bed house)	774	1,180	971
Residential, 2-5 bed, code 4	824	1,230	1,021
Residential, 2-5 bed, code 5	1,027	1,433	1,224
Low Rise Apartments	916	1,357	1,114
Multi Storey Apartments	1,462	2,204	1,705
Student Accommodation, ensuite	1,160	1,776	1,376
Care Homes	988	1,395	1,258
General Retail, shell finish	789	1,125	975
Food Retail supermarket, shell finish	371	685	610
Hotels, 2000m ² mid-range	1,230	1,415	1,300
Offices, Cat A fit-out	1,010	1,496	1,230*
Industrial, general shell finish	440	812	522
Institutional / Community D7 (museums, library, public halls, conference)	1,595	2,830	2,132
Leisure D5 (cinema, bowling alleys, shell)	893	1,137	986**
Agricultural shells	197	847	494
SUI Generis			
Vehicle Repairs	882	1,032	963
Vehicle Showrooms	1,183	1,375	1,322
Builders Yard	362	805	529

On-costs

Professional fees		
- Consultants (excluding legals)	7.25%	
- Surveys etc	<u>0.75%</u>	8%
Planning / Building Regs		
Statutory Fees		0.6%
NHBC / Premier warranty (applies only to Residential and Other Residential)		0.5%
Contingency / Risk Allowance		5%

Note:

- * Offices, Cat A are based on speculative office development, of cost efficient design
- ** Leisure D5 development is based on shell buildings (bowling alleys, cinemas and the like) and exclude tenant fit-out