

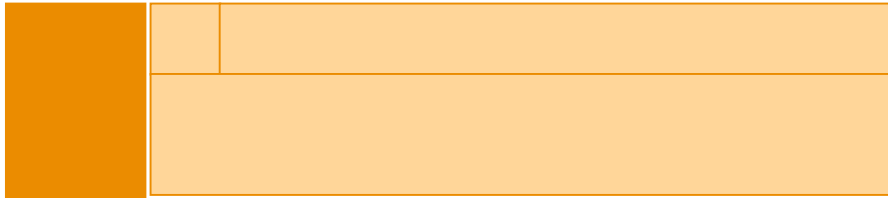


CIL VIABILITY APPRAISAL

CONSTRUCTION COST STUDY

For

NEWPORT CITY COUNCIL



CIL Viability Appraisal

Order of Cost Study

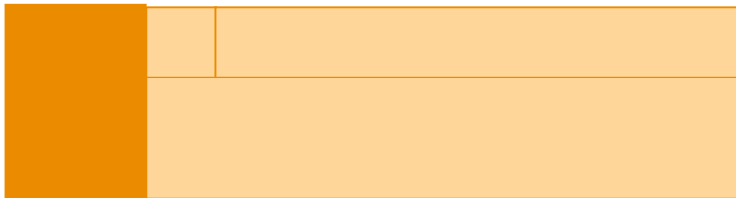
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|--|--------------------------------|--|
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Contents

- Executive Summary**
- 1.0 Project Description**
- 2.0 Basis of Cost Study**
 - 2.1 Base Date
 - 2.2 Procurement
 - 2.3 Scope of Development Types
 - 2.4 Basis of Costs
 - 2.5 Assumptions/Clarifications
 - 2.6 Exclusions
- 3.0 Detailed Construction Cost Study**

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 Newport City Council for the production of the Council's Community Infrastructure Levy Charging Schedule, through to adoption.

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

Basis of Cost Study

Base Date

Rates for Construction Costs in the Estimate have been priced at a Base Date of 1st quarter, 2015. 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 (Newport 0.95) and All-in TPI for 1st Quarter 2015 (BCIS index – 224), (as 24 January 2015 indices update)

Note: the cost allowances are based on the current building regulations, as at January 2015.

An extra over rate is also identified to Residential for Code 3 additional credits.

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 and are shown separately.

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) Extra to Code 3 for extra credit | 768 | 1,085 | 879 20 |
| Residential, 2-5 bed, code 4 | 802 | 1,115 | 935 |
| Low Rise Apartments | 968 | 1,235 | 1,076 |
| Low Rise Apartments Code 4 | 1,003 | 1,295 | 1,127 |
| Multi Storey Apartments | 1,344 | 1,679 | 1,565 |
| Multi Storey Apartments Code 4 | 1,405 | 1,882 | 1,628 |
| Student Accommodation, ensuite | 1,137 | 1,610 | 1,345 |
| Care Homes | 859 | 1,484 | 1,283 |
| General Retail, shell finish | 631 | 1,155 | 823 |
| Food Retail supermarket, shell finish | 882 | 1,357 | 1,214 |
| Hotels, 2000m ² mid-range, 3* inc. F&Ftgs | 1,650 | 2,200 | 1,865 |
| Offices, Cat A fit-out | 1,052 | 1,551 | 1,339* |
| Industrial, general shell finish | 427 | 946 | 587 |
| Institutional / Community D7 (museums, library, public halls, conference) | 1,477 | 2,600 | 1,985 |
| Leisure D5 (cinema, bowling alleys, shell) | 845 | 1,045 | 903** |
| Agricultural shells | 209 | 959 | 504 |
| SUI Generis | | | |
| Vehicle Repairs | 889 | 1,147 | 1,023 |
| Vehicle Showrooms | 1,067 | 1,248 | 1,196 |
| Builders Yard | 699 | 1,173 | 917 |

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

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% |

Abnormal Site Development Costs, Newport City Council.

**Budget Cost
£/Hectare**

Abnormal Costs, by their very nature, vary greatly between different sites.

Budget figures are given, for typical categories relevant to Newport City Council.

The Budgets are expressed as costs per hectare of development site.

Archaeology

10,000

Typically, Archaeology is addressed by a recording / monitoring brief by a specialist, to satisfy planning conditions.

Intrusive archaeological investigations are exceptional and not allowed for in the budget cost.

Site Specific Access Works

20,000

New road junction and S278 works; allowance for cycle path linking locally with existing

Major off-site highway works not allowed for.

Site Specific Biodiversity Mitigation / Ecology

Allow for LVIA and Ecology surveys and mitigation and enhancement allowance.

20,000

Flood Defence Works

Allowance for raising floor levels above flood level, on relevant sites

25,000

Budget £2,000 per unit x 35 units, apply to 1 in 3 sites.

Utilities, Gas, Electric

Allowance for infrastructure upgrade

80,000

Land Contamination

Heavily contaminated land is not considered, as remediation costs will be reflected in the land sales values

25,000

Allow for remediation/removal from site of isolated areas of spoil with elevated levels of contamination

Ground Stability

Allow for raft foundations to dwellings on 25% of sites

Budget £2,000 x 35 units x 25%

20,000