

# Guildford Town Centre Masterplan

## Section 5 – Delivery

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27<sup>th</sup> August 2015



# Viability

## Overview

Commercial analysis has helped to form the Guildford Town Centre masterplan from the start, including in the identification of development sites through the analysis of existing ownerships and land uses, and assessing the optimal distribution of land uses across the masterplan and within plots, based on property market research.

Viability analyses have been undertaken for each of the sites identified for redevelopment in the masterplan in order to determine whether the proposals are likely to be viable, and therefore deliverable.

## Methodology

Development appraisals have been carried out using the estimated development capacity of each site in terms of commercial floorspace and residential units. Extensive research into the local property market for all proposed land uses has been undertaken, to establish values and assess the approximate construction costs applicable to each scheme, and to allow for a suitable profit for the developer. The appraisals assume that CIL is charged at the Council's Preliminary Draft Charging Schedule (January 2015) rates, and, in the case of residential development, that 40% of housing is affordable as per the draft Local Plan. A detailed assumptions sheet is provided at Appendix A. The development appraisal analysis has then generated a development land value for each site based on these assumptions.

This development land value has then been compared to a benchmark land value in order to determine viability. This benchmark land value has been assessed for each site either through analysis of the existing uses and an estimation of their value using Valuation Office Agency data, or with reference to any extant planning permission for development. In addition to this value, compensation for owners and occupiers based on the statutory compulsory purchase regime has also been allowed for. A further 20% buffer has then been applied as an assumed incentive for landowners to release land for development, and as a form of contingency to ensure the robustness of the conclusions. The final assumed figures, including 20% buffer, are given in the viability results table below.

Development at those sites where the development land value exceeds the benchmark value is considered to be viable as the increase in value provides sufficient return to the

landowner, as well as profit to the developer. This is an established methodology in determining viability for planning purposes.

## Findings

The viability analysis demonstrates that the development proposed by the masterplan is viable overall. Across all the sites in aggregate, there is a surplus of development land value above the benchmark land value, and hence sufficient returns are generated by the proposals to incentivise their delivery.

On a site-by-site basis, some proposals are not viable due primarily to relatively valuable existing uses. However, such sites can be packaged with neighbouring sites which are viable and hence ensure a deliverable scheme overall to ensure that development contributes to the overall vision for the town centre.

Full viability results are given in the table below:

Plot	Residual	Area (ha)	Benchmark	Surplus / (Deficit)
Plot A	£10,869,000	2.81	£13,800,000	(£2,931,000)
Plot B	£11,996,000	1.63	£13,320,000	(£1,324,000)
Plot E	£6,639,000	0.97	£3,000,000	£3,639,000
Plot F	£4,136,000	0.91	£13,440,000	(£9,304,000)
Plot G	£3,408,000	0.58	£2,760,000	£648,000
Plot H	£7,911,000	0.91	£3,720,000	£4,191,000
Plot K	£9,696,000	2.22	£4,560,000	£5,136,000
Plot L	£6,031,000	1.02	£120,000	£5,911,000
Plot M	£14,633,000	1.52	£6,000,000	£8,633,000
Plot N	£4,550,000	1.27	£14,880,000	(£10,330,000)
Plot P	£1,286,000	0.3	£600,000	£686,000
Plot Q	£5,117,000	0.98	£7,200,000	(£2,083,000)
Plot R	£2,435,000	0.41	£2,040,000	£395,000
Plot S	£13,437,000	1.31	£15,720,000	(£2,283,000)
Plot T	£24,894,000	0.93	£14,160,000	£10,734,000
Plot U	£15,224,000	0.97	£4,320,000	£10,904,000
Plot V1	£6,240,000	0.37	£2,520,000	£3,720,000
Plot V2	£17,193,000	0.65	£22,800,000	(£5,607,000)
Plot W	£7,466,000	1.07	£7,920,000	(£454,000)
Plot X	£3,042,000	0.41	£3,200,000	(£158,000)
Plot Y	£5,478,000	1.07	£11,760,000	(£6,282,000)
Plot Z	£4,321,000	0.8	£2,280,000	£2,041,000

Plot	Residual	Area (ha)	Benchmark	Surplus / (Deficit)
Plot AA	£9,021,000	0.34	£11,160,000	(£2,139,000)
Plot AB	£4,526,000	0.2	£10,440,000	(£5,914,000)
Plot AC	(£521,000)	0.32	£3,240,000	(£3,761,000)
Plot AE	£1,395,000	0.44	£2,280,000	(£885,000)
Plot AF	£1,531,000	0.09	£240,000	£1,291,000
Plot AG	£1,326,000	0.16	£1,440,000	(£114,000)
				<b>£4,360,000</b>

It is important to note that the viability position is likely to improve as actual schemes are designed as this creates opportunities for value enhancement, and that as early proposals are completed values are likely to rise above trend as a result of their regenerative effect (see the phasing discussion below). Therefore, some sites identified as not currently viable are intended to be aspirational and developed in the medium to long term.

## Deliverability

Viability is a key aspect of deliverability – if a scheme is not viable then it will not be delivered by the market without assistance – but there are also a number of other factors which may influence the likelihood that a scheme is actually brought forward, including land ownerships, existing uses and values, and the prospect of obtaining planning permission.

As identified through the market analysis in section 2, Guildford is in an enviable position in that most developers (residential or commercial) or investors will look at opportunities in the town centre due to the strong profile of the town’s catchment and demographics. However, a number of barriers to delivery have been identified which in the past have precluded development, including in the case of offices, insufficient value to encourage development, and in all cases a lack of development sites and a limited delivery focus. The preceding viability analysis has found that the proposals in the masterplan are viable, including for all the uses proposed, and the plan itself represents a strategic framework to communicate to market the scale of ambition now proposed for the town centre, and the proposed distribution of land uses. What is required next is the identification of key sites, formation of site specific propositions, and targeted engagement.

Before the 2007/08 financial crisis and resulting recession, many local authorities in towns with strong fundamentals were content to let the market drive delivery of projects within the context of an over-arching plan. Now, post-recession, many are taking a much more proactive approach by facilitating key aspects of town centre masterplans. Through a combination of utilising their land ownership, land assembly powers, and potentially finance ability, authorities are helping to drive those development opportunities that are seen as strategically important or catalytic i.e. once a scheme is delivered it will lead to the market viewing adjacent or other development opportunities more favourably.

In helping to identify who to engage with in the market for a particular site and the role of the Council itself, the approach in the illustration below should be followed.



- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>▪ Which sites need to be delivered early?</li> <li>▪ Which are the catalytic developments?</li> <li>▪ Council ownership</li> <li>▪ Identify obstacles to delivery</li> </ul> | <ul style="list-style-type: none"> <li>▪ Does the Council own the entire site?</li> <li>▪ Directly acquire subordinate (leases) or other third party interests, or</li> <li>▪ Agree terms for joint venture with adjacent or third party landowner</li> <li>▪ Agree the Council's role – land sale, JV participant, purchase investment</li> <li>▪ Undertake site specific feasibility study</li> </ul> | <ul style="list-style-type: none"> <li>▪ Once the Council has agreed on its delivery role and priority consider holding an 'Invest in Guildford' event</li> <li>▪ If more than one site, are development proposals complementary?</li> <li>▪ Site(s) specific engagement with either developer, contractor or development manager (depending on proposition)</li> </ul> |
|---|---|---|

In order to assist in this process, analysis of all of the development sites proposed in the masterplan has been undertaken to assess the likely timescales for promotion and delivery. Broadly, those sites in single ownership and with a low value existing use can be expected to be promoted first. Factors which may delay the promotion of a site may include fragmented ownership, multiple leasehold occupation, lengthy unexpired lease terms, existing uses which are difficult to relocate, physical site constraints or a reliance on preceding interventions to release the site. The various steps to delivery for each site, including necessary commitments to development and owner engagement, occupier relocation, enabling infrastructure or

development, and delivery partner procurement, have been considered and fed into the estimated timescales. A full schedule providing steps to delivery for each site is given at Appendix B. The table below summarises timescales for delivery, with sites listed in estimated order of delivery. The sites are organised into brackets of delivery which correspond with those used in the NPPF definitions of deliverability and developability. Whilst there are other elements to these definitions, timing is a key part and hence these estimates could be used as a basis for local policy allocation and forecasting, provided the other requirements of the definitions are met.

Estimated Delivery Timescale (years)	Plot	Residential Units	A1 Retail Floorspace (sqm GEA)	A3 / A5 Retail Floorspace (sqm GEA)	Other Non-residential uses – flexible space including new offices, leisure (D2) and hotels (sqm GEA)	
0 - 5	AC	-	-	-	-	
	M	211	780	-	3,072	Car park
	P	-	-	-	3,072	
	V1	-	-	1,272	1,272	
	AF	19	-	-	-	
	K	197	-	-	-	Car park
	Z	75	-	-	-	
<i>Sub-total</i>		502	780	1,272	7,416	
6 - 10	H	125	-	-	-	
	AE	21	250	-	-	Car park
	X	66	-	-	-	
	E	241	-	-	-	
	AJ	-	43,000*	-	-	
	G	81	-	-	-	
	B	344	-	-	-	
	R	-	-	-	-	Car park
	T	-	-	4,762	9,216	
	L	186	-	-	-	
	A	428	-	-	-	
	U	-	-	3,136	2,656	
	Q	-	-	-	13,824	
	S	251	-	-	-	
J	-	-	-	-		
<i>Sub-total</i>		1,743	43,250	8,078	25,696	
11 - 15	AB	38	378	-	-	
	N	-	-	-	11,136	
	AA	21	1,484	-	1,170	
	AG	13	-	-	-	

Estimated Delivery Timescale (years)	Plot	Residential Units	A1 Retail Floorspace (sqm GEA)	A3 / A5 Retail Floorspace (sqm GEA)	Other Non-residential uses – flexible space including new offices, leisure (D2) and hotels (sqm GEA)	
	W	-	0 or 2,880	1,647 or 2,880	0 or 2,880	Cultural uses
	V2	63	-	2,027	-	
<i>Sub-total (lower)</i>		135	1,862	3,674	12,306	
<i>Sub-total (upper)</i>		135	4,742	4,907	15,186	
16+	F	83	-	-	10,240	
	Y	88	-	-	-	
<i>Sub-total</i>		171	0	0	10,240	
<b>TOTAL (lower)</b>		<b>2,551</b>	<b>45,892</b>	<b>13,024</b>	<b>55,658</b>	
<b>TOTAL (upper)</b>		<b>2,551</b>	<b>48,772</b>	<b>14,257</b>	<b>58,538</b>	

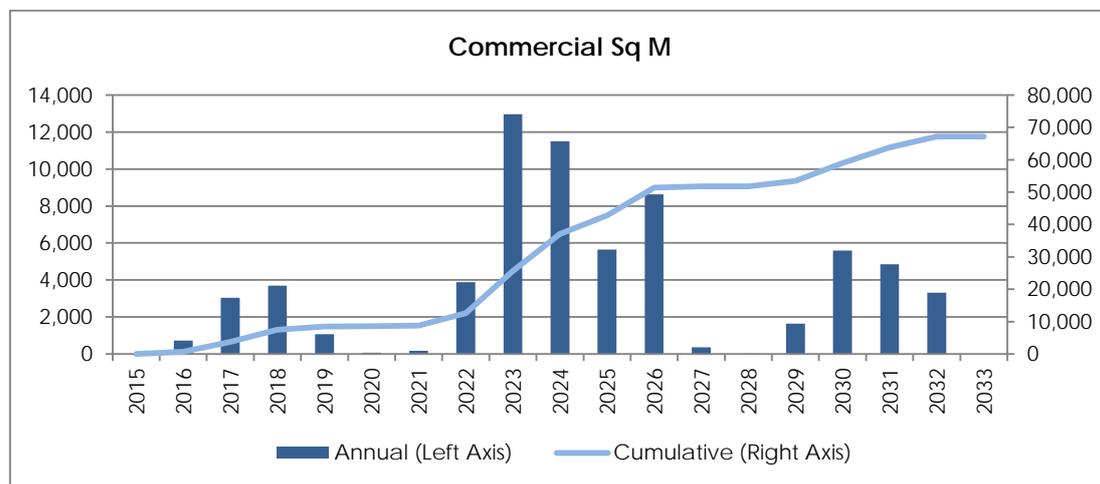
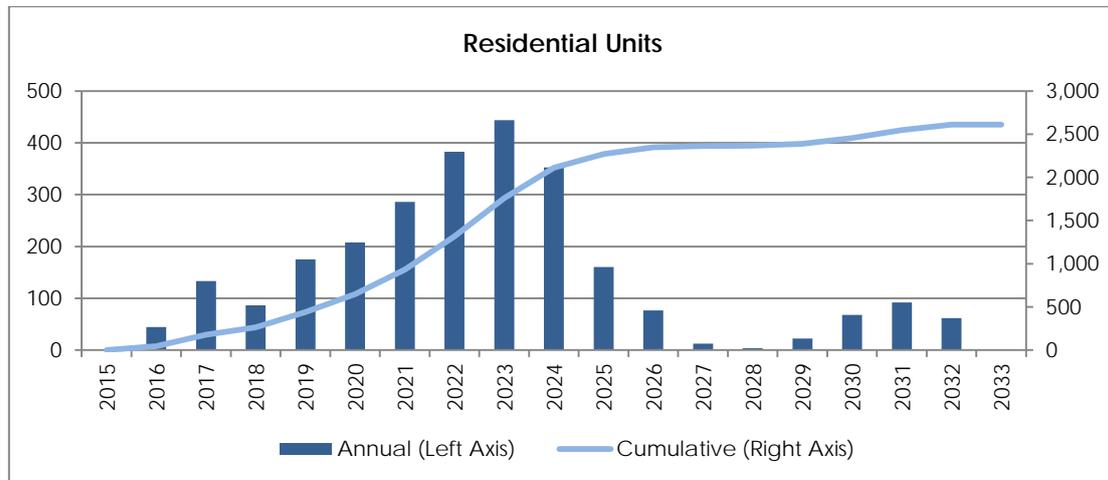
It is important to highlight that this table is a current estimate and a working draft of delivery timescales. It will be updated when we have further information from landowners. It will also evolve in relation to the progression of planning applications on due course. The relative timing of individual sites is explained on pages 129/131 of the masterplan report. Figures marked with asterisk should be read in conjunction with the notes on page 77 in relation to the potential capacity of the North Street site. Please note the variation in floorspace for site W (and the associated sub-totals) relates to the gyratory scenarios outlined on page 40 - the first figure relates to scenario 1 and the second relates to scenario 2.

It should be noted that whilst specific floorspace uses are identified in this table and earlier in this report, the intention is that this masterplan is flexible in order to secure delivery. Therefore, it may be possible for sites with identified retail capacity to contain A1 or A3/A5 uses, or more likely a mixture of the two.

The table identifies a column for other non-residential uses. This is intended to be flexible floorspace for a range of uses including new offices, leisure uses (e.g. cinema) and hotel space. It should be noted that this figure is gross new floorspace. It is assumed that a proportion of this would replace old, inefficient office space with modern state of the art premises. It might also include replacement civic office facilities in relation to displaced uses in the masterplan area including the Council offices and the courts / police station.

The floorspace allocations, whilst identified as appropriate from an urban design and place-shaping perspective, and considered to be financially viable, are not necessarily prescriptive.

The estimated timescales above provide for the following indicative profile of delivery of new development in the town centre:



This analysis of Council site ownership, steps to delivery and estimated timescales allows the identification of key sites, intervention at which could catalyse the delivery of the masterplan.

## Short Term Opportunities

In the short term, plot V1 could be delivered in relatively short order with a suitable car parking strategy to confirm that the loss of spaces at the site is sustainable within the context of the wider town centre and planned modal shift, and the requisite Council resolution to release the site. This would provide new public green space in the town centre and would re-engage residents with the riverfront in a more central location than presently. As the site is in Council ownership, the Council could also have a role in dictating exemplary design standards in the procurement of a developer, which would set a precedent for the broader plan. The same can also be said of sites K and Z, where Council resolution is also required

and where there is an opportunity to dictate standards. These are some of the 'early wins' which can set the standard for the remainder of proposals.

## Longer Term Opportunities

In the longer term, the Council can play a key facilitating role at Sites T, U, Q, A, B and AJ. Here the Council has freehold ownership, but there is a requirement to manage existing occupation through dialogue and asset management. There is also the potential for the Council to facilitate delivery where it has no land ownership through acquisition of properties should they become available, or the use of compulsory purchase powers, though the intention would remain to acquire existing interests by agreement or to promote sites in partnership with landowners. Promoting a compulsory purchase order (CPO) would be a fallback option for large sites where comprehensive redevelopment is proposed across a number of existing property interests.

Further, where the Council has no ownership interest, it can generally facilitate discussion between landowners and other stakeholders, across any of the masterplan sites. The Council is in contact not only with individual landowners but also landowner groups, and resident and community interest groups. All these, in addition to the public in general, are stakeholders in the masterplan and the Council can have a role in promoting discussion between them. This will ensure that development is of a form that is welcomed by as many people as possible, and that unnecessary delays due to opposition or a lack of communication and information are minimised. This includes the reduction of planning risk for developers as clarity on the aspiration for sites can be provided at an early stage. In this way the Council can also promote its vision for the town centre to those who will most directly shape it. This will be particularly important for the proposals in the Walnut Tree Close area, and where there are existing pre-application discussions already taking place, and at site L, where the Council has no ownership but there is a need to coordinate the interests of a number of public sector parties and to secure the pedestrian link over the station.

The Council is also itself one of the occupiers affected by the masterplan proposals. The Council, in conjunction with other public sector partners in the town centre, will therefore review its own occupational requirements over the life of the masterplan in order to expedite delivery. This may include the potential to co-locate with other public sector occupiers within the new development, or could enable potential surplus space to be let to create new revenue as well as allowing flexibility in its own occupational requirements. In particular, there is the potential for the creation of a new 'civic hub' at sites Q and T to include the Council. Such a move would release Site Y for development, but could also catalyse Site Q

for example, by utilising the Council's strong public sector covenant to de-risk development through pre-letting, improving viability.

A significant component of the masterplan is the provision of infrastructure – principally the creation of the new riverside park and the highway alterations. To deliver the infrastructure, the Council will need to consider a cocktail of funding including: the use of CIL, pooled Section 106 contributions (noting the new legislative limit that exists), and bids to M3 Local Enterprise Partnership which has been devolved the budget for major highway work and awarded a second tranche of Local Growth Fund and a Public Works Loan Board funding facility. Were the Council to participate in development through joint venture, proceeds from this participation could also potentially be recycled.

Scheme direct infrastructure would be addressed as part of individual planning applications with individual landowners or developers incrementally delivering infrastructure related to the scheme being promoted.

The parkland in particular will require a strategy for on-going maintenance. In many cases, open space may be directly managed by owners of adjacent development land, or the arrangements set up by them, as an integral part of that development. This may be the case at Sites B, Q, T and V, for example. In other cases, where open space is less clearly attributable to adjacent development, management may need to be undertaken by the Council through adoption, or it could explore Trust options like a Community Land Trust. This could be afforded a dowry from CIL or S106 payments to cover set up costs and maintenance for a number of years, or could receive ground rental income from benefitting development, where identifiable. The precise arrangements will vary by site and will be developed as part of more detailed feasibility work and stakeholder discussion.

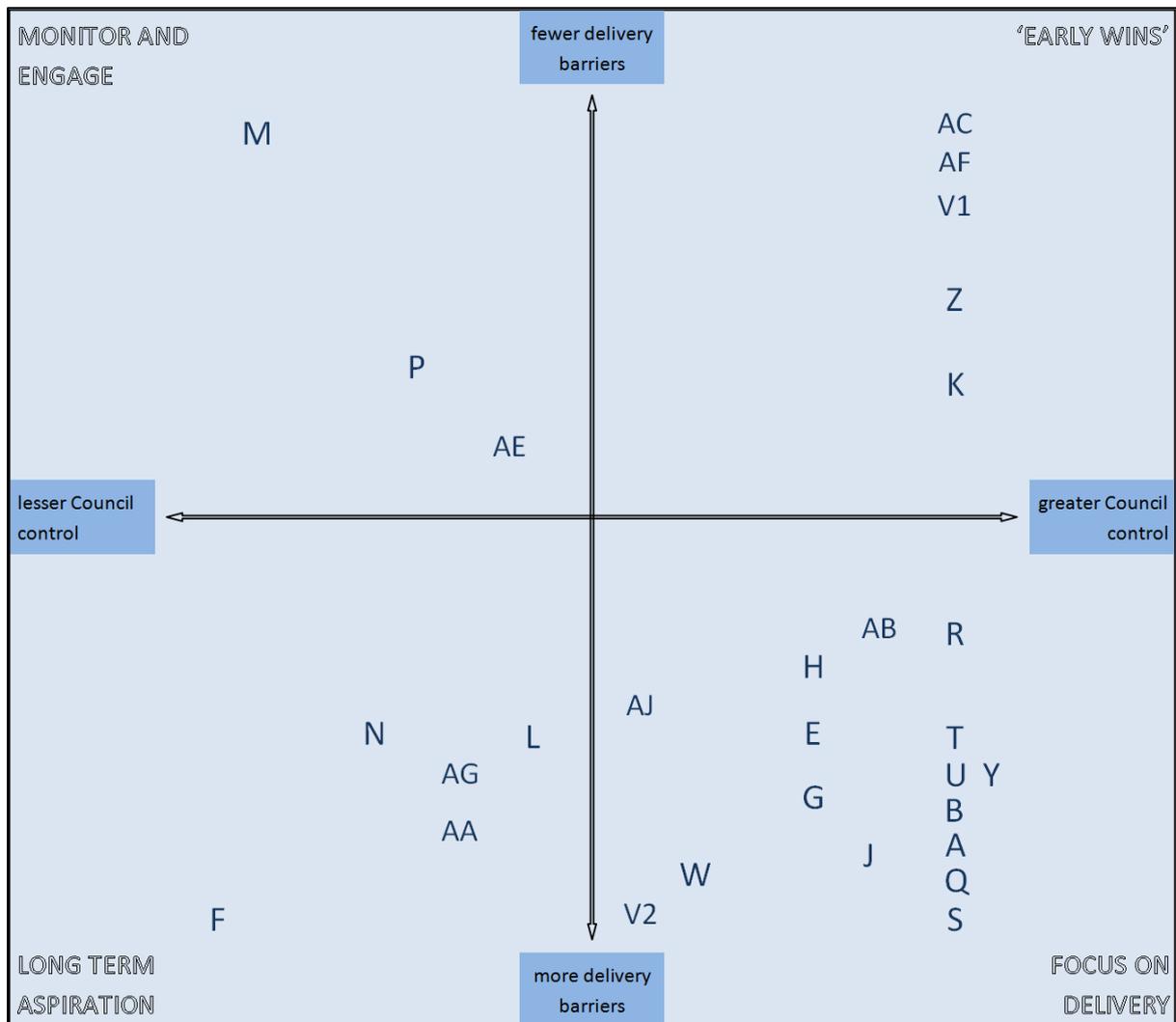
## Summary of Site Delivery Analysis

The below diagram provides a visual illustration of the preceding analysis.

Sites are shown within a matrix according to the degree of Council control over promotion, and the extent barriers to delivery, or the number and complexity of the steps to delivery identified above.

Sites identified as 'early wins' are those with relatively few barriers to delivery from a commercial perspective, and where the Council has a high degree of control. These should form the immediate priority for the Council in order to kick-start delivery of the masterplan. Other sites where there are more barriers to delivery but there remains a high degree of Council control or an important role for the Council, should form the focus for delivery in the

medium term. Key amongst these are the Bedford Wharf sites of T, U, Q and S, delivery of which will require concerted efforts of engagement, consultation and feasibility work, but would also prove the most transformative for the town centre if secured.



## Potential Delivery Structures

There are a number of potential mechanisms for the delivery of the schemes envisaged in the masterplan. Sites may be delivered by individual developers, or by groups of developers and landowners in partnership. Where sites have been shown to be potentially viable where developed with adjacent landowners, then these would lend themselves to being delivered potentially through joint venture to facilitate equalisation across the relevant sites.

Where comprehensive development is necessary then a developer partner could take a coordinating role to assemble and promote sites. This could include coordinating a CPO

process and negotiations in partnership with the Council as acquiring authority, if necessary, and/or coordinating and monitoring the design of proposals with reference to an agreed design code.

Where the Council has ownership it should consider facilitating delivery through discussion with its leaseholders. A number of the sites are currently surface car parks. As these are a source of revenue income for the Council, it will need to consider how replacement revenue can be created as part of the redevelopment. As part of a town centre car park strategy, it will also need to explore the extent to which car park usage would relocate to other car parks, thereby protecting the current revenue stream. The schedule at Appendix B identifies sites which may be suitable for an element of residential accommodation for the private rented sector (PRS) which would then facilitate generation of new revenue streams to help mitigate any loss of revenue from development on existing car parks.

Broadly, where the Council has freehold ownership of a site, its delivery options are a straight disposal of a site with an accompanying planning allocation or development brief either through:

- Informal tender or more likely a development agreement with a private developer; or
- Where it is minded to participate in delivery, then the creation of a joint venture, or possibly direct self-delivery.

Each of these options results in sequentially increasing risk, but also potential reward. The table below summarises some of the key considerations and advantages and disadvantages of each delivery option.

Delivery Structure	Disposal	Development Agreement	Joint Venture	Self-delivery
Design Influence				
Control Over Promotion				
Financial Risk				
Retention of Revenue				
Development Scale				
Procurement				
Set-up Costs / Resource				

Delivery Structure	Disposal	Development Agreement	Joint Venture	Self-delivery
Financial Returns				
Development Expertise				

Generally, smaller development sites are more likely to be suited to either disposal or Council self-delivery, depending on the land use promoted for the site and the Council's attitude to risk and approach to resourcing. This may apply at Sites J, AF, AC and AE. Larger, more complex sites, particularly those in multiple ownership, where site assembly/CPO may be required, or where equalisation of value may be required, will be more suited to development agreements or joint venture arrangements. Joint ventures in particular enable a large degree of control over development timing and design, which is important for early sites and strategically important sites. Joint venture may therefore be appropriate for Sites Q, T, U, and A and B. It is important to note that disposal of sites offers little scope to influence or control design quality beyond planning policy and development management controls, or the actual promotion of the site, which will be important for early sites to set a precedent for the remainder of the programme.

Disposal through either a development agreement or a joint venture will require detailed site feasibility work, an assessment of Council priorities for different sites and the formation of a precise proposal to put to market. Soft market testing would be a key component of this stage. A procurement strategy would then need to be prepared and the required information collated, including technical due diligence information. Procurement would then be carried out, potentially including a number of assessment stages, before a development partner is selected. Where required the Council would need to have regard to the Public Contracts Regulations 2015 which effectively brings into UK law the EU procurement regulations.

Soft market testing is a key aspect of more complex delivery propositions. As well as obtaining preliminary feedback on say a proposed joint venture delivery structure, it enables targeted discussions with key potential parties.

Guildford due to its strong catchment and market profile would be attractive as a proposition to most developers. Equally, whilst many investors would not usually directly get involved in development (many would partner with a developer), they are worth targeting as part of an 'Invest in Guildford' proposition perhaps linked to the launch of the masterplan and the Council looking to make clear its role in delivery. The Council already has

experience of liaising with major investors in the town centre, some of whom like M&G and Legal and General will do direct development.

## Next Steps

As part of the production of this masterplan extensive community consultation has been carried out. Following publication it will be necessary to continue this process with detailed discussions with affected landowners and occupiers. This will be essential to facilitate discussion between landowners and developers and to assist in securing vacant possession of sites. It will also help to informally steer proposals towards conformity with the overall strategic vision for the town centre.

The Council should also begin to seek the necessary resolutions required to achieve development on sites where it has freehold ownership, including commitments to dispose of sites and to the permanent or temporary loss of revenue, and to align the interests of the masterplan with asset management, investment and accounting activities, particularly in the case of the 'early win' sites. The Council should also begin to identify alternative locations for existing businesses likely to be displaced by the masterplan proposals, albeit that the majority of these sites are intended to be medium to long term propositions. There are also site-specific feasibility studies required in some cases, including in relation to flooding at Bedford Wharf and car parking capacity for a number of the Council sites.

The Council may wish to consider internal structural reorganisation or assignment of responsibility for delivery of the masterplan proposals. Whilst the Council will continue to shape development through plan-making, policy formation, development control and stakeholder engagement as it does currently, the creation of a dedicated team within the Council focussed on delivery could do much to accelerate the realisation of the masterplan vision. The formation of a group of individuals in the Council from across planning, regeneration, property and technical departments could help ensure a joined-up approach to delivery, and coordinated engagement with local interest groups and the private sector. A dedicated team could also be assigned specific targets to undertake some of the key steps to delivery identified at Appendix B, with clear responsibility and accountability. In particular this may apply to the delivery of the Bedford Wharf area, or Sites P, Q, R, S, T and U. Here a high degree of coordination between departments is required, as is extensive occupier consultation, including to potentially promote a new civic hub with the Council offices and existing public sector occupiers. This is also potentially the key transformative site for the town centre, central to the success of the overall masterplan, and should therefore be a key priority.

The delivery team could even take the form of a wholly owned Council Special Purpose Vehicle with a delivery remit. This would be set up with its own budgetary control. It could second staff from within the council and would have a designated Chief Executive and small executive team. The company would be Council funded but would act independently from the Council, reporting to its own board. The board would comprise council officials and invited private sector participants who would have no conflict of interest in the town centre. This is clearly a more radical step, but would have the advantage of more direct private sector involvement and a perception of partial independence from the Council.

The Council should begin to consider what its appetite is for participation in the development envisaged by this masterplan. There is a range of options potentially open to the Council depending on its attitude to risk and reward, including direct sale, development agreement and joint venture as identified above. The Council may also itself directly develop for retention, perhaps of affordable housing units. The various options have implications for financial and human resources, as well as potentially for the form of development itself. Further detailed work should be undertaken to establish the scale of potential returns under different options, and hence the Council's preferred route. Following this, a proposal can be put to market and a development partner sought.

## Catch and Steer

It is acknowledged that proposals for some town centre sites will evolve in advance of the adoption of the masterplan or the Local Plan. Development interest is welcomed, but the Council will seek to adopt a "catch and steer" strategy to provide constructive feedback and advice to developers. This would help to ensure that proposals contribute to the overarching vision for the town centre, ideally at the pre-application stage.

## Potential Workstreams

The following workstreams are recommended to progress the masterplan:

- Preparation of site specific development briefs;
- Preparation of town centre specific policies, guidance and allocations drawing on the final masterplan and other evidence base material;
- Consideration of a detailed movement and transport implementation strategy building on the principles identified in this document in relation to the gyratory,

phasing of movement interventions, car parking location and feasibility, circulation and servicing and public transport including buses; and

- Further consideration of Council's role and wider mechanisms in the delivery of the masterplan proposals as noted above.

# Appendix A

## Appraisal Assumptions Summary

## Guildford Masterplan – Appraisal Assumptions

### Development Form

Cost	Assumption
GEA to GIA	90% all uses
GIA to NIA	75% residential 85% office 85% hotel 80% retail
Average residential unit size	70sqm
Affordable housing	40%
Affordable rent	60% of affordable
Intermediate	40% of affordable

### Residential Values

Tenure	Assumption
Private Sale	£550 - £625psf
Intermediate	£273 - £358psf (c 50 – 60% of market value)
Affordable Rent	£196 - £277psf (c 35 – 45% of market value)

## Commercial Values

Type	Rent	Yield	Rent Free	Void
Office	£30 - £33psf	7%	12 months	6 months
Retail	£60psf	5%	12 months	6 months
Hotel	£20,000 per room land value			

## Development Costs

### Base Build Costs (BCIS)

Use	Cost per sq m	Cost per sq ft
Residential flats	£1,668	£155
Residential houses	£1,206	£112
Offices	£1,776	£165
Retail (Shell)	£1,130	£105
Demolition	£50	£5

### Other Development Costs

Cost	Assumption
Preliminaries	5% of base build cost
Externals	10% of base build cost
Developer's Contingency	5% of base build cost
Professional Fees (% of build cost)	12% of base build cost
Private Residential Marketing and Agency	2.50%
Private Residential Legal	£1,000 per unit
Commercial Agency Fees	10% Rent
Commercial Letting Fees	5% Rent
CIL	£500psm residential

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Cost	Assumption
	£200psm retail £nil all other uses
S106	£1,000 per residential unit
Finance	6.00% interest rate, assuming 100% debt funded.
Developer's profit	Private Residential 20.00% on cost Affordable Residential 6% on cost Commercial 20.00% on cost

# Appendix B

## Steps to Delivery Schedule

## GUILDFORD TOWN CENTRE MASTERPLAN DELIVERY STRATEGY – BY SITE

Site	Steps to Delivery
AC	<ul style="list-style-type: none"> <li>– Council resolution to promote the site for development and for funding of build costs. To include temporary loss of car parking revenue.</li> <li>– Procurement of architect to design the scheme.</li> <li>– Grant of planning permission.</li> <li>– Procurement of contractor to build out the scheme.</li> </ul>
M	<ul style="list-style-type: none"> <li>– Site currently actively promoted by Solum (National Rail).</li> <li>– Grant of planning permission.</li> </ul>
P	<ul style="list-style-type: none"> <li>– Engage with owners Wilky Investments regarding their pre-application aspiration for residential development, contrary to Masterplan proposal for office development. Site is in Flood Zone 3B and hence residential development is unlikely to be appropriate.</li> <li>– Scheme design and grant of planning permission.</li> </ul>
V1	<ul style="list-style-type: none"> <li>– Completion of a car parking strategy or similar to confirm that the loss of spaces at the site is sustainable within the context of the wider town centre and planned modal shift.</li> <li>– Council resolution to proceed with the release of the site for development. To include commitment to loss of car parking revenue.</li> <li>– Procurement of a development partner to deliver the scheme.</li> <li>– Scheme design and grant of planning permission.</li> </ul>
AF	<ul style="list-style-type: none"> <li>– Council resolution to proceed with the release of the site for development.</li> <li>– Sale of site, or potential commitment to Council-led delivery.</li> <li>– Scheme design and grant of planning permission, either by purchaser or through Council procurement of architect and contractor.</li> </ul>
K	<ul style="list-style-type: none"> <li>– Council resolution to proceed with the release of the site for development. To include commitment to temporary loss of car parking revenue.</li> <li>– Procurement of a development partner to deliver the scheme. Potential for JV approach given intended Council retention of car parking.</li> <li>– Potential for additional revenue generation through PRS.</li> <li>– Scheme design and grant of planning permission.</li> </ul>
Z	<ul style="list-style-type: none"> <li>– Council resolution to proceed with the release of the site for development. To include commitment to potential loss of car parking revenue, subject to potential revenue generation through PRS.</li> <li>– Procurement of a development partner to deliver the scheme.</li> <li>– Scheme design and grant of planning permission.</li> </ul>
H	<ul style="list-style-type: none"> <li>– Engage with Jewsons to establish nature of occupation and site ownership.</li> <li>– Owner commitment to redevelopment of the site, or potential Council commitment to CPO.</li> <li>– Scheme design and grant of planning permission, by private developer or through procurement of Council development partner.</li> <li>– If necessary, making, confirmation and exercise of CPO, and potential relocation of existing use.</li> </ul>
AE	<ul style="list-style-type: none"> <li>– Engage with National Rail and TOC to discuss potential for redevelopment of the site to increase car parking spaces, with some temporary loss of use and revenue.</li> <li>– NR commitment to redevelopment of the site.</li> <li>– Scheme design and grant of planning permission.</li> </ul>
X	<ul style="list-style-type: none"> <li>– Engage with owners Pegasus Life regarding their pre-application discussions. Masterplan proposals are for a smaller quantum of residential than previously consented for office. Slight increase in values required for new proposals to generate higher value than extant permission.</li> <li>– Scheme design and grant of planning permission.</li> </ul>

Site	Steps to Delivery
E	<ul style="list-style-type: none"> <li>- Engage with occupier in respect of unregistered land to establish nature of occupation and site ownership.</li> <li>- Owner commitment to redevelopment of the site, or potential Council commitment to CPO.</li> <li>- Engage with Co-op regarding their pre-application discussions for redevelopment for student accommodation, may need to be incorporated.</li> <li>- Scheme design and grant of planning permission, by private developer or through procurement of Council development partner.</li> <li>- If necessary, making, confirmation and exercise of CPO, and potential relocation of existing use.</li> </ul>
AJ	<ul style="list-style-type: none"> <li>- Completion of a car parking strategy or similar to confirm that the loss of spaces at Leapale Road site is sustainable within the context of the wider town centre and planned modal shift, and new car parking to accompany department store.</li> <li>- Council resolution to promote sites where they have ownership, including for the loss of car parking revenue.</li> <li>- Engage with M&amp;G regarding extensions to the existing Friary Centre.</li> <li>- Engage with Arriva regarding the bus standing area and the potential for relocation. To develop alongside traffic management initiatives including re-routing.</li> <li>- Procurement of a development partner, to deliver the scheme.</li> <li>- Scheme design and grant of planning permission.</li> </ul>
G	<ul style="list-style-type: none"> <li>- Engage with occupiers to establish nature of occupation and site ownership.</li> <li>- Owner commitment to redevelopment of the site, or potential Council commitment to CPO.</li> <li>- Scheme design and grant of planning permission, by private developer or through procurement of Council development partner.</li> <li>- If necessary, making, confirmation and exercise of CPO, and potential relocation of existing use.</li> </ul>
B	<ul style="list-style-type: none"> <li>- Council resolution to proceed with the release of the site for development, to include loss of revenue (though retention of ground rent income).</li> <li>- Council commitment to use CPO if necessary.</li> <li>- Procurement of a development partner to deliver the scheme.</li> <li>- Procure technical advice and design for road tunnel beneath railway.</li> <li>- Procurement of engineering works either directly by the Council or through procured development partner.</li> <li>- Engage with occupiers to determine intentions.</li> <li>- Identify suitable alternative locations.</li> <li>- Scheme design and grant of planning permission.</li> <li>- If necessary, making, confirmation and exercise of CPO, and potential relocation of existing use.</li> <li>- Equalisation arrangement from other sites for parkland.</li> </ul>
R	<ul style="list-style-type: none"> <li>- Council resolution to proceed with the release of the site for development.</li> <li>- Not viable in isolation without funding of build costs, therefore either Council commitment to funding and self-promotion (n.b. increased revenue), or promotion in conjunction with e.g. Site T.</li> <li>- If Council promotion, procurement of architect for design, otherwise procurement of a development partner to deliver the scheme.</li> <li>- Design and grant of planning permission.</li> <li>- If Council promotion, procurement of contractor to build out the scheme.</li> </ul>

Site	Steps to Delivery
T	<ul style="list-style-type: none"> <li>- Council commitment to promote the site for redevelopment.</li> <li>- Engage with Odeon regarding occupation and potential re-provision within the scheme including their floorspace requirements.</li> <li>- Procure feasibility study to confirm potential for improved and re-profiled flood storage throughout Bedford Wharf area.</li> <li>- Procurement of development partner to deliver the scheme.</li> <li>- Design and grant of planning permission.</li> <li>- If necessary, Council commitment to use of CPO, the making, confirmation and exercise of the CPO.</li> </ul>
L	<ul style="list-style-type: none"> <li>- Engage with Solum (National Rail) regarding integration with current proposals for redevelopment of the eastern side of the station, and consistency with potential for expansion of rail services.</li> <li>- Assume development takes place following completion of expansion works.</li> <li>- Scheme design and grant of planning permission.</li> </ul>
A	<ul style="list-style-type: none"> <li>- Council resolution to proceed with the release of the site for development, to include loss of revenue (though retention of ground rent income).</li> <li>- Council commitment to use CPO if necessary.</li> <li>- Engage with occupiers to determine intentions.</li> <li>- Identify suitable alternative locations.</li> <li>- Procurement of a development partner to deliver the scheme.</li> <li>- Scheme design and grant of planning permission.</li> <li>- If necessary, making, confirmation and exercise of CPO, and potential relocation of existing use.</li> <li>- Construction of B first to support values through road connection, place-making and parkland.</li> </ul>
U	<ul style="list-style-type: none"> <li>- Council commitment to promote the site for redevelopment including loss of car parking income (though retention of ground rent income).</li> <li>- Procure feasibility study to confirm potential for improved and re-profiled flood storage throughout Bedford Wharf area.</li> <li>- Procurement of development partner to deliver the scheme.</li> <li>- Design and grant of planning permission.</li> </ul>
Q	<ul style="list-style-type: none"> <li>- Council resolution to proceed with the release of the site for development.</li> <li>- Engage with Crown Court regarding relocation, including floorspace requirement. Potential for re-provision within the plot and temporary co-location with police during construction.</li> <li>- Crown Court commitment to relocation and identification of alternative site.</li> <li>- Development of T first to increase values.</li> <li>- Procurement of a development partner to deliver the scheme.</li> <li>- Scheme design and grant of planning permission.</li> </ul>
S	<ul style="list-style-type: none"> <li>- Engage with Surrey Police regarding relocation, including floorspace requirement. Potential for re-provision within Q.</li> <li>- Surrey Police commitment to relocation and identification of alternative site.</li> <li>- Development of T first to increase values and Q to provide alternative space.</li> <li>- Procurement of a development partner to deliver the scheme.</li> <li>- Scheme design and grant of planning permission.</li> </ul>
J	<ul style="list-style-type: none"> <li>- Engage with occupiers to establish nature of occupation and ownership.</li> <li>- Non-revenue-generating use therefore will require either Council funding for acquisition or funds from equalisation across other sites.</li> <li>- Council commitment to use of CPO if necessary.</li> <li>- Scheme design and grant of planning permission – to be worked up by development partner being used at a related site or alternatively new parkland may be delivered by a separate contractor procured by the Council.</li> <li>- Scheme design and grant of planning permission – to be worked up by the development partner.</li> </ul>

Site	Steps to Delivery
AB	<ul style="list-style-type: none"> <li>- Council resolution to proceed with the release of the site for development. To include commitment to potential loss of car parking revenue, subject to potential revenue generation through PRS.</li> <li>- Engage with occupiers to establish nature of occupation and ownership.</li> <li>- Owner commitment to redevelopment – most likely sale to the Council and its procured development partner.</li> <li>- Scheme design and grant of planning permission.</li> </ul>
N	<ul style="list-style-type: none"> <li>- Engage with owners Surrey CC regarding redevelopment potential and the nature of existing leases.</li> <li>- Surrey CC commitment to redevelopment of the site including exercise of break options, non-renewal of terms and terminations.</li> <li>- Scheme design and grant of planning permission.</li> </ul>
AA	<ul style="list-style-type: none"> <li>- Engage with occupiers to establish nature of occupation and ownership.</li> <li>- Owner commitment to redevelopment or Council commitment to comprehensive or partial CPO.</li> <li>- Scheme design and grant of planning permission – to be worked up by the development partner.</li> <li>- Making, confirmation and exercise of the CPO in respect of the residential uses.</li> <li>- Potential relocation of existing uses.</li> </ul>
AG	<ul style="list-style-type: none"> <li>- Engage with YMCA regarding their pre-application discussions.</li> <li>- Engage with occupiers of Wharf House to establish nature of occupation and ownership.</li> <li>- Complete parkland improvements, to support increased values.</li> <li>- Owner commitment to proposals or Council commitment to use of CPO.</li> <li>- Scheme design and grant of planning permission – to be worked up by the development partner.</li> <li>- Making, confirmation and exercise of the CPO if required.</li> <li>- Potential relocation of existing uses.</li> </ul>
W	<ul style="list-style-type: none"> <li>- Council resolution to proceed with the release of the site for development, to include temporary loss of revenue.</li> <li>- Finalise traffic management plan.</li> <li>- Procure technical advice and design for gyratory works.</li> <li>- Procure contractor to carry out gyratory works.</li> <li>- Engage with L&amp;G regarding redevelopment of Jamie's and new development/extensions at the rear of the current Friary Walk.</li> <li>- L&amp;G likely to progress detailed design and achieve grant of planning permission.</li> </ul>
V2	<ul style="list-style-type: none"> <li>- Council resolution to proceed with the release of the site for development.</li> <li>- Finalise traffic management plan.</li> <li>- Procure technical advice and design for gyratory works.</li> <li>- Procure contractor to carry out gyratory works.</li> <li>- Engage with occupier at Wey House to establish nature of occupation and ownership.</li> <li>- Engage with YMCA regarding potential redevelopment and their intentions.</li> <li>- Owner commitment to redevelopment of the site, or potential Council commitment to CPO.</li> <li>- Scheme design and grant of planning permission, by private developer or through procurement of Council development partner.</li> <li>- If necessary, making, confirmation and exercise of CPO, and potential relocation of YMCA including identification of alternative site.</li> </ul>

Site	Steps to Delivery
F	<ul style="list-style-type: none"> <li>- Engage regarding pre-application discussions for student accommodation at Compton House, may need to be incorporated.</li> <li>- Engage with occupiers of other offices to establish nature of occupation and ownership.</li> <li>- Owner commitment to proposals – to develop themselves or through sale to the Council and its procured development partner.</li> <li>- Council commitment to use of CPO, if necessary.</li> <li>- Scheme design and grant of planning permission – to be worked up privately or by the Council's procured development partner.</li> <li>- If necessary, making, confirmation and exercise of the CPO.</li> <li>- Potential relocation of existing uses.</li> </ul>
Y	<ul style="list-style-type: none"> <li>- Council commitment to promote the site for redevelopment including move of offices.</li> <li>- Identify alternative site for Council relocation. Potential to locate within Q, using pre-let and covenant to catalyse development.</li> <li>- Procurement of a development partner to deliver the scheme.</li> <li>- Scheme design and grant of planning permission.</li> </ul>