



The Land Desk

LD-01 · USER GUIDE · VERSION 1.1

Residual land appraisal

Work out the most you can pay for a site, and how robust that price is.

Who it's for

SME housebuilders appraising a site, RPs testing land-led schemes, and agents or consultants appraising for clients.

In this guide

- What this tool does
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What this tool does

LD-01 takes your scheme's revenue, build costs, planning obligations, sales costs, finance and target profit, and works back to the price you can afford to pay the landowner: the residual land value. It then checks that price against the asking price and shows how far sales values or build costs could move before the deal stops working.

What's in the workbook

Tab	What it's for
Guide	How to use the tool, in brief.
Summary	One page for your board: the scheme, headline numbers, land metrics and headroom to the asking price.
Inputs	Everything you enter: scheme details, unit mix, tenure values, costs, obligations, sales, finance and land terms.
Abnormals	A line-by-line schedule of site-specific costs, with evidence. The total feeds the Inputs tab.
Appraisal	The calculation from GDV to residual land value, with £ per plot and % of GDV on every line.
Sensitivity	Land value if sales values and build costs move by up to 10% either way.
Licence	Your licence details and terms.

Using the workbook

You'll see	What it means
White cell, blue text	Your inputs. These are the only cells you can change.
Black text	Calculated. Locked so formulas can't be overwritten by accident.
Green text	Pulled from another tab.
Terracotta cell	The key result on that tab.

The worked example is already filled in, so you can see how every input should look. Replace it with your own figures; nothing else needs setting up.



Step by step

- 1 Scheme.** Enter the site name, local planning authority, gross and net developable area in acres, and the appraisal date.
- 2 Unit mix.** List up to 12 house types with their tenure, number of plots, size in sq ft and open market value per plot.
- 3 Tenure values.** Set the value of each affordable tenure as a % of open market value. LD-02 works these out for you.
- 4 Build costs.** Enter the house build rate per sq ft for market and affordable homes, then prelims, externals, services, Future Homes Standard uplift, warranty, contingency and professional fees. Prelims and fees can be a %, a rate per sq ft or a rate per plot.
- 5 Abnormals.** On the Abnormals tab, list each site-specific cost with a quantity, unit, rate and where the figure came from.
- 6 Planning.** Enter S106 per plot, the CIL rate per sq m and your planning and pre-development costs.
- 7 Sales and profit.** Set sales and marketing costs, incentives, sales legal fees, and your target profit on market and affordable GDV.
- 8 Finance and land.** Enter the interest rate, build period and land holding period, then SDLT, agent and legal fees, the asking price, how the land is paid for, and any overage.
- 9 Read the result.** Check the Appraisal tab line by line, then the Summary and Sensitivity tabs.

Key inputs

Input	What to enter	Worked example
House build rate	£ per sq ft for the homes only. Prelims, externals and services are added separately.	£105 market, £100 affordable
Prelims	% of build, £ per sq ft or £ per plot.	15% of build
Professional fees	% of build, £ per sq ft or £ per plot.	3.8% (about £5,000 per plot)
Services	Plot connections for gas, water, electric and telecoms.	£2,000 per plot
Profit	Target profit on market and on affordable GDV.	20% and 6%
Land payments	Share paid on completion and when the balance is paid.	50%, balance after 12 months
Overage	Landowner's share of GDV above a threshold.	50% above £9.0m

Reading the results

Result	What it tells you
Residual land value	The gross price you can pay the landowner, after SDLT, fees and land finance are allowed for.



Land value per acre and per plot	For comparing with land evidence and other bids.
Profit on cost	Total profit divided by all costs, including land.
Surplus or shortfall	Residual land value less the asking price, with a verdict.
Headroom	How far sales values could fall, or build costs rise, before land value drops to the asking price.

The worked example

Figures are illustrative, to show how the tool works. They are not market evidence.

Worked example	Result
Plots	32 (22 market, 10 affordable)
Gross development value	£8,693,000
Total build costs	£4,643,464
Developer's profit	£1,501,580 (20.9% on cost)
Residual land value	£1,122,578
Per net acre / per plot	£431,761 / £35,081
Against £750,000 asking	£372,578 surplus
Headroom	Sales can fall 6.2%, or build costs rise 8.5%

Tips from practice

- Keep the house build rate clean. If your rate already includes prelims or externals, set those lines to zero so nothing is counted twice.
- Land value is solved directly, so SDLT, fees and land finance are deducted without a circular reference.
- A deferred land payment reduces land finance, which lifts what you can pay up front.
- SDLT is entered as an effective rate. Check current non-residential rates on gov.uk for your price.

Questions

Why can't I type in some cells?

Formulas are locked so they can't be overwritten by accident. Only the white cells with blue text are inputs.

Can I add more house types or abnormals?

There are 12 unit mix lines and 20 abnormals lines. Leave unused lines blank.

Why is profit on cost higher than my target?

Your target is set on GDV. Profit on cost divides the same profit by total cost, which is a smaller number.



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This tool supports, and does not replace, professional judgement and advice. Check every input against your own evidence before relying on the result.