

IS PGS WORTH THE CANDLE?

<p>Planning Value (PV)</p>	<p><i>Uplift</i> = $PV - CUV$</p>	<p>PGS Income Reduced by:</p> <ul style="list-style-type: none"> • “Modest “ Rate of PGS (<i>para 1.3</i>) • Remediation costs (<i>para 2.8</i>) • Development costs (<i>para 2.8</i>) • Remaining Section 106 obligations (<i>para 2.8</i>) • Lower rate for Brownfield Sites? (<i>para 4.5</i>) • Minimum Threshold for Smaller Development Projects? (<i>para 4.8</i>) • Less Corporation/ Income Tax receipts as PGS paid by a developer – may be an allowable business expense? (<i>para 4.11</i>) • Reduced Capital Gains Tax from Landowner (<i>para 4.12</i>) • Administrative costs of Government and Developer • Landowners not executing new development to avoid PGS • Barker suggests transitional relief for holders of land banks
	<p>Actual Net Income of PGS</p>	
<p>Planning Value (PV)</p>	<p>Current Use Value (CUV)</p> <p>exists and increases throughout life of site, but <u>not</u> captured by PGS</p>	<p><i>“Market Value of the Land the moment before full planning permission is granted” is created by:</i></p> <ul style="list-style-type: none"> • Recent Projects: such as the London 2012 Olympics announcement, the Jubilee Line Extension, the Eden Project etc • Natural Features: climate; soil; fertility; flood plain; proximity to a stream, river lake, sea, ocean, natural harbour, scenic views etc; the nature of the site • Wider Economy: international stability – war, peace, terrorism; oil prices; access to trade, raw materials; healthy national economy; taxes; subsidies; population changes; crime; tourism; interest rates; skills & training of workforce etc • Local Services: transport; NHS; education; police; fire; parks & open spaces; leisure facilities; street management; access to rivers & canals; public health & cleansing; water; sewerage; gas; electricity; telephones; cable; satellite; post; retail; employment opportunities; flood protection; docks; airports; vandalism; heritage sites; current permitted use of site