## IS PGS WORTH THE CANDLE?

### Planning Value (PV)

<table>
<thead>
<tr>
<th>Uplift</th>
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</thead>
<tbody>
<tr>
<td>$\text{Uplift} = PV - CUV$</td>
</tr>
</tbody>
</table>

### PGS Income Reduced by:
- “Modest “ Rate of PGS (para 1.3)
- Remediation costs (para 2.8)
- Development costs (para 2.8)
- Remaining Section 106 obligations (para 2.8)
- Lower rate for Brownfield Sites? (para 4.5)
- Minimum Threshold for Smaller Development Projects? (para 4.8)
- Less Corporation/ Income Tax receipts as PGS paid by a developer – may be an allowable business expense? (para 4.11)
- Reduced Capital Gains Tax from Landowner (para 4.12)
- Administrative costs of Government and Developer
- Landowners not executing new development to avoid PGS
- Barker suggests transitional relief for holders of land banks

### Actual Net Income of PGS

<table>
<thead>
<tr>
<th>Current Use Value (CUV)</th>
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<tbody>
<tr>
<td>exists and increases throughout life of site, but not captured by PGS</td>
</tr>
</tbody>
</table>

### “Market Value of the Land the moment before full planning permission is granted” is created by:
- **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