

Financial Viability Assessment

Proposed development at:

Lincolnshire Lakes, Scunthorpe

Prepared for:

Keepmoat Homes

Private & Confidential

June 23

Prepared by

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Compliance

Allsop LLP is instructed by Keepmoat Homes to objectively assess, and report upon, the financial viability of a residential development on land at Lincolnshire Lakes, Scunthorpe ('the site'). The purpose of this assessment is to test the financial viability of the subject site and to inform discussions with North Lincolnshire Council (the local planning authority) regarding the level of affordable housing that can be provided on the site, taking into account the policy requirements set by the Council, as well as national planning policy and guidance.

In undertaking this instruction and carrying out the viability assessment, Allsop confirms that at all times we have acted impartially, with objectivity, without interference and with reference to all appropriate available sources of information. We confirm there are no conflicts of interest, or risk of conflict whilst undertaking this report. We can also confirm that no performance related, or contingent fees have been agreed, and that we have undertaken the report in accordance with PS2 of the RICS Valuation Global Standards (the 'Red Book').

Our assessment is provided, as at the date on this report, and as the market changes over time, the advice provided may not be valid on an earlier or later date.

Allsop has a professional relationship with Keepmoat Homes, and we confirm that we have received no fee in relation to the acquisition or disposal of the subject site and our only fees have arisen from the giving of professional advice in respect of this report.

We have relied on the information provided to us by the Applicant, and information publicly available through the Council's planning portal website, together with Rightmove and Land Registry.

This viability assessment has been prepared on the basis that it is not expected to be made publicly available at this time, other than in exceptional circumstances.

Where information may compromise delivery of the development or infringe any statutory or regulatory requirements, these exceptions will be discussed and agreed with the Local Planning Authority (LPA) and documented early in the process. Commercially sensitive information will be presented in aggregate form following these discussions. Sensitive personal information will not be made public.

Guidance

The RICS guidance note confirms that FVAs are not valuations as such but contain significant valuation content which are within the jurisdiction of the RICS Valuation – Global Standards ('the Red Book') and other RICS mandatory statements / professional guidance. All RICS members carrying out FVAs must therefore adhere to these provisions

The RICS guidance note further advises that all FVAs for planning purposes are carried out under the NPPF / PPGV which is regarded as the 'authoritative requirement' in the Red Book. This means that the government's technical requirements on the assessment of viability take precedence over any other RICS professional statements and guidance, including any valuation-based requirements in the PPGV which take precedence over any other valuation basis or approach set out in the standards, however Red Book professional standards still apply.

RICS members undertaking FVAs for planning purposes must therefore adhere to:

- Statutory and other authoritative requirements (including the NPPF and the PPGV);
- The RICS Professional Statement Financial Viability in Planning: Conduct and Reporting; and
- PS 1 and PS 2 of the Red Book.

We confirm that we have complied with these requirements in preparing this FVA for planning purposes. In respect of PS1 and PS2 of the Red Book, we acknowledge in summary the following points of compliance in respect of this FVA:

- This FVA is prepared for assessing viability of development to assist with planning matters, either plan/policy making, or decision taking. The FVA therefore constitutes an exception from valuation technical and performance standards ('VPS') 1 – 5 of the Red Book, and is not a formal valuation;
- We confirm that all individuals who have contributed to this FVA have acted in accordance with the RICS Rules of Conduct and the RICS Global Professional and Ethical Standards;
- We have had full regard to the need to act independently and objectively at all times, in a professional and ethical manner free from any undue influence, bias or conflict of interest; and
- We collectively have sufficient professional qualifications, current knowledge of the relevant markets, and the experience, skills and understanding to undertake the FVA competently.

In accordance with the RICS Financial Viability in Planning: Conduct and Reporting 1st Edition May 2019, whilst we have used some site specific evidence, our appraisal assumes a hypothetical landowner and a hypothetical developer, with the intention of the assessment to identify the approach that a 'typical' or 'average' developer/landowner would take to deliver the site. We have adopted traditional build and development costs when undertaking our assessment.

The National Planning Policy Framework (NPPF) 2021 is accompanied by the Planning Practice Guidance (PPG), and underpins our approach to assessing viability. Paragraph 2 of the PPG on 'Viability and Plan Making' refers to ensuring viability and deliverability as follows:

'Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan'

The new policy and practice advice prioritises the assessment of viability at the plan making stage and identifies Existing Use Value as the starting point for assessing uplift in value required to incentivise the release of land.

Authors

The author of this report is Brad Harris MRICS who is a Senior Associate of Allsop. We confirm that they have the knowledge, skills and understanding to undertake the report competently and provide an objective and unbiased view.

This report has been prepared by:



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1. Executive Summary

This FVA has been commissioned to assess the viability of the subject site, based on all relevant national and local planning policy requirements. The Planning Practice Guidance for Viability ('PPGV') states that an executive summary of an FVA is to be made publicly available to promote greater transparency and accountability within the viability assessment process.

Accordingly, an executive summary has been prepared to present the findings of this FVA in a clear and concise manner. This executive summary should, however, not be considered in isolation from the full report.

Allsop Assumptions	Outputs
Site	Lincolnshire Lakes
Applicant	Keepmoat Homes
Development	599 Residential Dwellings
Net Sales Area (NSA)	605,112 sq ft
Net site area	37.95 Acres (15.36 Gross Acres)
Policy requirements	20% Affordable Housing
Benchmark Land Value (BLV)	£11,636,500
Residual land value	£3,328,460
Gross Development Value (GDV)	£121,902,500 (Private and Affordable)
Build cost	£68,516,832
Build cost contingency (3%)	£2,055,505
Acquisition costs	£359,242
Abnormal costs	£13,067,273
Abnormal costs Contingency (5%)	£653,364
Professional fees (6%)	£4,111,010
Marketing and Disposal fees	£3,155,313
Finance (8%)	£1,225,545
Planning Gain	£1,550,000
Community Infrastructure Levy (CIL)	NIL
Developers profit (19.11%)	£23,267,458
Conclusions	We conclude the development is unable to deliver the full planning gain set by the Council.

2. Introduction

Overview

Allsop has been instructed by Keepmoat Homes (the Applicant) to commission an independent Financial Viability Assessment (FVA) in respect of land at Lincolnshire Lakes, Scunthorpe. The application is in respect of 599 dwellings and illustrates whether the site has the capabilities to deliver residential housing, together with the appropriate level of planning gain.

In order to assist our assessment, and draw appropriate conclusions, we have had regard to the scheme provided by the Applicant, which provides us with a layout and schedule of accommodation.

This report has been prepared to provide an independent review of these proposals and uses up to date assumptions to demonstrate whether the subject site has the capability to viably deliver the Council's required planning gain. The assessment determines the appropriate sum that can viably be delivered by a consented development, using market-facing assumptions. It provides recommendations based on the outcome of those results.

In accordance with National Planning Policy, as decision maker, the Local Planning Authority must determine the weight to be given to the submitted assessment, having regard to all circumstances, including whether the plan and viability evidence underpinning it is up to date, and whether there have been any changes in the site circumstances since the plan was brought into force.

Planning Policy

Section 38(6) of the Planning and Compulsory Purchase Act (2004) requires decisions of development proposals to be taken in accordance with the adopted development plan for the area unless material considerations indicate otherwise. The National Planning Policy Framework, Planning Practice Guidance and local planning policies, including Supplementary Planning Documents, are all material considerations.

National Planning Policy Framework

National planning policy is set within the new National Planning Policy Framework (NPPF), which was updated on 20th July 2021. This edition replaces the previous National Planning Policy Framework published in February 2019, and earlier revisions. Paragraphs 2 and 47 state that planning decisions should be made in accordance with the Development Plan unless material considerations suggest otherwise. The NPPF is a material consideration.

A presumption in favour of sustainable development lies at the heart of the Framework (Paragraphs 10 and 11). However, Paragraph 12 confirms that this does not preclude the Development Plan being the starting point for decision making. Paragraph 58 states that it is for the applicant to determine whether there are circumstances to justify the need for a viability assessment as part of a planning application. The decision maker should determine the weight to be afforded to the viability statement, taking into account all the circumstances in the case, including whether the plan and the viability evidence

underpinning it is up to date, and any changing circumstances that have occurred since the plan was adopted. It also states that the viability assessment should reflect the recommended approach set out in national planning guidance, including standardized inputs, and should be publicly available.

As set out in the RICS guidance note, LPAs will have objectives to secure appropriate contributions from development to meet the community and infrastructure needs within their local area. The RICS guidance further states that other stakeholder expectations need to be considered as part of the viability process; namely developers who will expect to make a suitable return, and landowner expectations which are crucial in ensuring the voluntary release of land for development.

Planning Practice Guidance

Planning Practice Guidance (PPG) provides an understanding of how to undertake viability assessments at both plan making and decision taking levels. PPG notes at paragraph 7 that it is for the applicant to demonstrate whether a planning application should be accompanied by a viability assessment. The decision taker should apply appropriate weight. Paragraph 10 confirms that decision making for viability will strike a balance between the aspirations of developer and landowners with regard to returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through granting planning permission. Paragraph 20 details that viability assessments should set out the assumptions made about costs and values. This should include gross development value, benchmark land value including the landowner premium, developer's return and costs. Where different figures from those set out in the Local Plan arise, these should be explained and supported with evidence.

3. Site context and proposed development

Site location

The site is located on the western side of Scunthorpe, in an area which is to be known as Lincolnshire Lakes. Lincolnshire Lakes is a proposed Garden City of 6 new villages and 5 lakes on existing agricultural land to the west of Scunthorpe. It is anticipated that the 'build out' period will take place over the next 10-15 years, with the proposals to include over 6,000 residential properties across the new villages and set in an extensive park system (200 hectares) with a network of new lakes (covering over 77 hectares).

With regard to Scunthorpe, the proposed scheme is situated around 3.5 miles to the south west of Scunthorpe town centre. Scunthorpe is a significant region of employment in north Lincolnshire due to the steel industry within the town. The M180 motorway runs to the south of Scunthorpe and provides regional links to towns and cities, with direct access to the M18 and A1(M) to the west.

The closest train station to the proposed scheme is Scunthorpe Station, which is 3.5 miles to the north east. It provides frequent, direct services to Cleethorpes, Manchester Airport and Doncaster. Journeys to London Kings Cross are available from Doncaster, with journey times taking around 2 hours.

The completed dwellings will fall within 3 miles of the following schools. The closest primary schools are Westcliffe Primary School, Enderby Infant School and Willoughby Road Primary School, which are all rated as 'Good' by Ofsted. Secondary schools include Melior Community Academy, John Leggot Sixth Form College and St Bede's Catholic Voluntary Academy, which are all rated as 'Good'.

Site overview

The overall site is generally flat throughout and remains undeveloped with no historical signs of use.

The boundaries are currently defined by:

- North – Agricultural land.
- East – Agricultural land and an assisted living development.
- South – Burringham Road and agricultural land; and
- West – M181 Motorway and agricultural land beyond.

We understand the total gross site area is approximately 72.73 Gross acres, and the total net developable area is approximately 37.95 acres.

Development

The Applicant has drawn up a residential housing scheme comprising 599 residential dwellings, across a range of terrace, semi-detached and detached dwellings offering 2, 3 & 4-bedroom accommodation. The layout (Drawing No: DWG:N1720 007 Rev B Date: 16.05.2023) which this assessment is based on, is included in Appendix A. The schedule of accommodation is as follows:

House Type	Bedroom	Storeys	Property Type	SQ FT	Total SQ FT	No. Units
Padbury	2	2	Semi Det	778	21,784	28
Watergrove	2	1	Semi Det	822	7,398	9
Watergrove	2	1	Detached	822	822	1
Darracott	2	2	Semi Det	874	17,480	20
Covenham	2	2	Semi Det	874	17,480	20
Fewston	3	2	Terrace	933	2,799	3
Fewston	3	2	Semi Det	933	2,799	3
Seacourt	3	2	Terrace	933	11,196	12
Seacourt	3	2	Semi Det	933	13,062	14
Eldwick	3	2	Detached	1,004	7,028	7
Killington	3	2	Detached	1,030	12,360	12
Holgate	3	2	Terrace	1,034	6,204	6
Holgate	3	2	Semi Det	1,034	35,156	34
Holgate	3	2	Detached	1,034	6,204	6
Westbourne	3	2	Terrace	1,034	3,102	3
Westbourne	3	2	Semi Det	1,034	28,952	28
Farley	3	2	Terrace	1,037	1,037	1
Farley	3	2	Semi Det	1,037	19,703	19
Farley	3	2	Detached	1,037	48,739	47
Selset	3	2.5	Terrace	1,094	41,572	38
Selset	3	2.5	Semi Det	1,094	12,034	11
Denton	3	2.5	Terrace	1,122	3,366	3
Denton	3	2.5	Semi Det	1,122	41,514	37
Longford	4	2	Semi Det	1,169	9,352	8
Longford	4	2	Detached	1,169	25,718	22
Prenton	4	2	Semi Det	1,169	4,676	4
Prenton	4	2	Detached	1,169	30,394	26
Oldbury	4	2.5	Terrace	1,287	1,287	1
Oldbury	4	2.5	Semi Det	1,287	9,009	7
Oldbury	4	2.5	Detached	1,287	1,287	1
Newham	4	2	Detached	1,309	19,635	15
Thirlmere	4	2	Detached	1,318	28,996	22
Devoke	4	3	Semi Det	1,321	15,852	12
				Total	507,997	480

The proposed affordable housing is as follows:

House Type	Bedroom	Storeys	Property Type	SQ FT	Total SQ FT	No. Units
Padbury	2	2	Terrace	778	8,558	11
Darracott	2	2	Terrace	874	10,488	12
Covenham	2	2	Terrace	874	9,614	11
Ashburn	2	2	Semi Det	778	38,900	50
Padbury	2	2	Terrace	778	15,560	20
Fewston	3	2	Semi Det	933	13,995	15
				Total	97,115	119

The total Net Sales Area (NSA) is 605,112 sq ft. This assessment does not provide critique of the development design, our role is limited to testing the viability of the proposals as detailed in the relevant planning application.

Affordable Housing

In determining applications for residential development within the North Lincolnshire District, we have had regard to the North Lincolnshire Local Plan – Policy H3P, which requires all new build market housing sites of more than 10 dwellings to provide 20% of the dwellings as affordable homes in this location.

This policy seeks to achieve 69% of those homes be provided for rent, with the remaining as shared ownership tenure, which can be agreed on a site by site basis.

The Council recognises that the full affordable housing requirements identified within the North Lincolnshire Local Housing Needs Assessment 2019 will not be met by policy H3P, due to some of the sites being located within a lower cost market area, and or, the site has a number of abnormal costs associated with it that makes the viability difficult. The Policy is therefore flexible to ensure that in these circumstances, the Council can agree a lower affordable housing requirement to ensure deliverability of a scheme.

The Council has identified that the provision of affordable housing is a priority, however it is recognised that site and market conditions can vary both between sites and in certain circumstances, particularly where abnormal costs or other circumstances apply. It is possible that there may be viability issues on specific sites. Additional negotiations will take place on sites where specific circumstances indicate viability issues to ensure that a proportion of affordable housing is delivered without stalling the delivery of the development. The target levels for affordable housing will also consider past delivery and market values.

Planning Gain

We have been advised by the applicant that the site is subject the following Planning Gain.

The contributions set out are for the extant outline permission (PA/2015/0396), albeit these extend across the hybrid permission (PA/2015/0628) and full permission (PA/2015/0627) for the wider site. Therefore, these are not all relevant to the proposed 599No. dwelling development. We have underlined those contributions which apply to this scheme.

- Primary Education
 - Prior to occupation of the 385th dwelling a contribution of £250,000 will be required.

- A contribution of £6 million is required for the whole scheme, with the first dwelling not being occupied until a 20% contribution has been paid. The payment of 20% must be released upon the 100th, 400th, 1000th and 2000th dwelling.
- Within the entire outline site, 3ha of land must be made available for a Primary School, with which must be complete and handed to the Council prior to the occupancy of the 650th dwelling.
- Secondary Education
 - A total contribution of £5 million will be paid, released on the below triggers:
 - £100,000 on the occupation of 385th dwelling
 - £1,000,000 on the occupation of 750th dwelling
 - £2,000,000 on the occupation of 1100th dwelling
 - £1,000,000 on the occupation of 1600th dwelling
 - £900,000 on the occupation of the 1900th dwelling
- Highways
 - Prior to the occupation of the 601st dwelling, the following contributions are required:
 - £518,000 paid for Junction improvement to B1450 Burringham Road/Scotter Road capacity upgrade.
 - £1,000,000 paid for the Strategic route B1450 Burringham Road Improvements.
 - Alternatively, a scheme of works to be implemented by the developer can be put forward.
- The public transport contribution totals £1,343,977 and will be secured if the review mechanisms identify the scheme is viable after the first phase of development.
- The De-trunking of the M181 Motorway totals £500,000 and will be secured if the review mechanisms identify the scheme is viable after the first phase of development.

Open Space

- The provision of public open space within any part of the site is to be detailed within the relevant Reserved Matters application and implemented prior to occupation of more than 80% of dwellings on any one phase. In addition, a management is required to be agreed.

Other

- The S.106 Agreement is also underpinned by a requirement for the landowner to provide advanced notice to the Council of development commencing on any part of the site and in accordance with stated delivery trigger points to enable potential reassessment of the viability appraisal.

Therefore, the current planning gain requirements relating only to the proposed 599No. dwelling scheme equate to 119 no. affordable units (20%) and planning gain amounting to £1,550,000.

4. Methodology

This section provides the approach and methodology to this FVA, set within the context of the legislative planning framework, and recognised national practice guidance.

To determine the viability of the development, a residual valuation model has been prepared using Argus Developer software. The methodology for undertaking this FVA follows a method which is accepted by the RICS and recommended within RICS Professional Guidance. The methodology is also consistent with the Government's recommended approach as set out in the PPG.

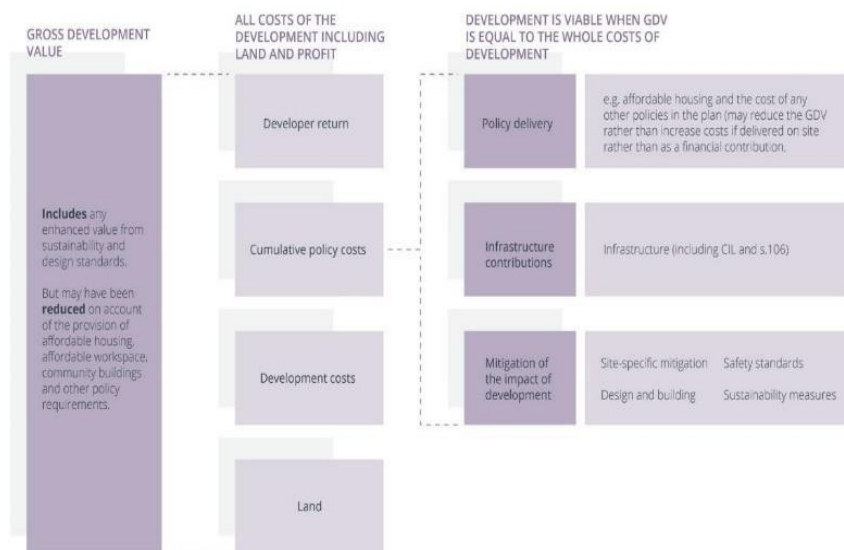
The assessment calculates the cost to acquire, construct and deliver the capital costs of the development scheme, which is set against the value of the development on the assumption it is completed in the current market. This method is an industry standard approach for developers in calculating an appropriate bid to acquire land and premises for development.

Once we have established the value of the land, assuming the development is delivered with the required planning gain, we then identify the Benchmark Land Value (BLV). This is the minimum land value that must be achieved to incentivise the landowner to release the land and enable the development to be brought forward.

Once the above areas have been identified, we then look at the difference between the figures calculated to determine the sum available to viably deliver any planning gain.

The PPGV (Paragraph 10) defines an FVA as follows, 'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return'.

The FVA process reflects a residual appraisal framework as shown in the diagram below and further explained in the Valuation of Development Property (October 2019) RICS guidance note:



Source: RICS Guidance Note Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England (March 2021).

5. Residential market

We have undertaken analysis of the residential housing market in the local area to support our opinion of achievable sales revenues, assessing the demand and supply of new build homes.

Local housing market

The table below uses live market data to show recent activity as advertised on Rightmove. A review of the properties advertised as either 'For Sale' or 'Sold Subject To Contract (SSTC)', within each price bracket, demonstrates the existing demand trends, and provides context of the local market. A search area comprising the subject site, plus 3 miles has been used. The data was collated on 13th June 2023.

Price Range	Number of Properties	For Sale	SSTC	% of SSTC	% SSTC of Total SSTC
£0 - £50,000	9	3	6	67%	2%
£50,000 - £100,000	116	65	51	44%	14%
£100,000 - £150,000	249	116	133	53%	35%
£150,000 - £200,000	224	111	113	50%	30%
£200,000 - £250,000	92	60	32	35%	8%
£250,000 - £300,000	58	41	17	29%	5%
£300,000 - £350,000	26	17	9	35%	2%
£350,000 - £400,000	13	4	9	69%	2%
>£400,000	26	19	7	27%	2%
Total	813	436	377	46%	

The figures outlined above demonstrate good buyer activity across the lower price brackets. We consider a benchmark of over 30% of property advertised as SSTC to be a marker for good market activity.

No. Beds	Number of Properties	For Sale	SSTC	% of SSTC	% SSTC of Total SSTC
1	27	16	11	41%	3%
2	158	98	60	38%	16%
3	467	230	237	51%	63%
4	109	65	44	40%	12%
5	31	17	14	45%	4%
Studio/Other	21	10	11	52%	3%
Total	813	436	377	46%	

The data obtained highlights that the highest level of market activity is 3-bedroom house types, priced between £100,000 and £200,000. There is limited market activity at prices below £50,000, and above £300,000.

It should be noted that the local area is predominantly made up of a mix of house types, varying in age, condition, and style.

New build comparables

We have researched the local new build housing market to establish the current tone of revenues, selecting developments and properties which are most closely comparable to the development. We have sourced information in relation to comparable selling prices from Land Registry and have attached a schedule of the comparable data for each scheme in Appendix C.

When utilising new build evidence, it is important to note that house builders frequently offer incentives or negotiate discounts against asking prices to achieve sales. Sales incentives used to secure sales are not usually accounted for within the figure quoted at Land Registry. It is therefore widely accepted that, on average, for the purpose of comparing net sales revenues on a like for like basis, the price quoted on Land Registry should be discounted to allow for additional sales incentives. The level of discount or incentives that a house builder is prepared to give will depend on sales rates and market conditions at the time. Where asking prices have been quoted within this report, they have been discounted appropriately.

In analysing sales evidence, we have relied upon Land Registry and the EPC register, as such we are reliant upon the accuracy of this data. While there may be some margin of error, the sources do nonetheless provide good evidence for likely achievable values at the development and are considered in line with our expectations of value based upon our market knowledge. The data also provides a consistent basis from which our opinion can be based.

New build comparable evidence

Currently active or recently completed new build developments which can be analysed due to the scale, location and/or market area include the following schemes:

Developer name	Scheme name	Total units	Location (Miles)	Ach'd gross* ave revenue	Rate of Sale (PCM)
Persimmon Homes	The Fairway	71	DN17 2EA (0.75)	£181	3.2
HG Homes	Yaddlethorpe Grange	68	DN17 2EB (1.75)	£159	2
Keiger Homes	Burdock Gardens	56	DN16 3UP (3.5)	£186	2.5
Gleeson Homes	Roman Court	85	DN17 2FL (2)	£184	3
Average				£178	2.7

Market research obtained from these developments provides data that can be used to form an opinion of anticipated average sales revenues and sales rates. A schedule of transactions has been included within Appendix C. We have assumed this data to be a reliable reflection of achieved sales revenues and sales rates.

Second-hand comparable evidence

Our analysis below focuses on second-hand prices, which are traditionally considered to perform below new build housing due to the 'new build premium', associated with new build developments.

Whilst not as important as new build evidence, second-hand comparables help establish revenues on new build schemes, providing an indication of the strength of a market area.

As with the new build evidence, we have solely relied upon Rightmove and the EPC register to provide a consistent approach to data analysis. Second-hand stock is also not homogenous, with condition, specification and decor varying from property to property, such differences can have a significant impact on the price achievable and make it difficult to analyse values accurately.

To inform our assessment of current demand within the local market, we have analysed a search radius comprising 1 mile from the development, which we consider represents the established local second-hand market. The data has been obtained from recently available transactions, and is in Appendix C.

The data demonstrates the broad range of prices achieved on secondhand properties. Prices range from £90,000 to £310,000, with the majority of properties being between £125,000 and £200,000. We have excluded any anomalies at the upper and lower value ends of the comparable research. The data demonstrates a range of between £96 and £218 per sq ft, with the overall average equating to £154 per sq ft.

The sold price averages will include sales of older property types, such as 1900's terraced houses, as well as any ex-local authority-built housing. It will also include properties of a wide size range within each category. They do however provide a useful guide to the tone of values recently achieved. Typically, new build housing will achieve higher revenues due to the new build premium reflected in the 10-year warranties, lack of maintenance, kitchens and bathrooms to current trends, and the 'unused' nature of the property. It should be noted that no detailed analysis has been undertaken in respect of the time spent marketing individual secondhand properties.

Second-hand housing comparison

To provide further context of the data obtained, using an average property size, we can provide comparison between the performance of the new build market and the second-hand market. This comparison uses a floor area benchmark across a range of house types to draw comparison. Using the average property size, an average price can be calculated and compared directly on a house type basis. The analysis benchmark is obtained from the English Housing Survey 2013 and has been applied within the table below:

House Type	Size	Second-Hand average Asking Price at £154/sq ft	New Build average Asking Price at £178/sq ft
Detached	1,633	£251,482	£290,674
Semi Detached	1,003	£154,462	£178,534
Terraced	889	£136,906	£158,242
Flats	612	£94,248	£108,936

This comparison is a useful indicator to highlight the performance margin of new build properties near to the development but should only be used as a guide. The above highlights the comparable new build dwellings are achieving in excess of the secondhand housing comparables.

It is important to be mindful of the established second-hand market when forming an opinion of anticipated new build revenues. It is generally accepted by residential property professionals that a new build premium of between 5% and 15% is achievable over the surrounding second-hand market. In this case, applying this premium equates to a range of between £162 and £177 per sq ft.

6. Development Appraisal

This section presents the principal assumptions used in the FVA as recommended by Guidance, in undertaking a scheme specific FVA. The approach taken is to reflect industry benchmarks having regard to the specific circumstances of the development. We have included our Appraisal in Appendix B of this report.

Within this section we have analysed the Gross Development Value (GDV), then deducted the total costs associated with the development to arrive at a residual land value. We have included all known planning gain provided to us by the Applicant.

Gross Development Value (GDV)

Having analysed the comparable evidence, we have concluded that a maximum average achievable sales revenue across the new build private dwellings is around £218 per sq ft, this is a blended rate and takes into account the range of dwellings. We consider this to be the maximum achievable revenue for a developer, when considering the location and proposed scheme.

Based upon the sales evidence summarised, we consider total dwellings on the scheme could produce a **GDV of £108,242,500**. In respect of the private dwellings the average sales price is **£225,505, or £213 per sq ft**.

In respect of Affordable Housing, we have allowed for 35 No. Shared Ownership dwellings at a discount of 20% to market value, and 84 No. Intermediate Tenure dwellings at 40% discount to market value. Should any further information be provided, we will review our appraisal accordingly.

Please note, we consider these to be **NET** achievable figures and are not subject to further deductions.

Sales and Build Rate

We consider a sales rate of 42 private dwellings per year, or **3.5 sales per month**, would be appropriate, having considered the market area and competing schemes. We have adopted a build rate of **4 units per month**, this would give rise to a private sales programme of 150 months.

Cost Assumptions

We have utilised the most recent cost information sourced from Building Cost Information Service ('BCIS') for new-build housing for the Scunthorpe district. Where building cost per square metre is quoted from BCIS, this is in relation to gross internal floor area including prelims. It relates only to the construction of the dwelling and a sum must be added for external plot works, including the road frontage of the dwelling.

BCIS provides a build cost range for general estate housing from a lower quartile of £102.93 per sq ft, a median of £116.04 per sq ft and an upper quartile of £132.29 per sq ft.

Having regard to BCIS, we have adopted the lower quartile costs for general estate housing, which is in keeping with the specification provided by Keepmoat Homes. However, we would add that this quartile is somewhat lower than the current market conditions as there is currently substantial build cost volatility in the market. House Builders are experiencing material shortages and in turn increased costs, there are also significant labour shortages with trained professionals in short supply and wage levels subsequently increasing greatly. Therefore, whilst we have adopted this figure, we consider it to be lower than the current market conditions.

In addition to the cost of construction, we have also applied a 10% increase to allow for plot externals, in keeping with the market norm. We have also allowed a contingency to the build cost, and in this instance we have adopted a **3%**.

Therefore, this produces a build cost quoted at BCIS of **£113.23 per sq ft** for general estate housing. The Applicant has confirmed these prices are reflective of their experiences at the development site.

Garages

BCIS data does not account for garages and we have therefore adopted an extra-over cost for the quota of garages proposed. We are advised by the Applicant the number of proposed garages is as follows:

- 71 no. single garages - £7,500 per garage
- 4 no. double garages - £12,500 per garage

An aggregate cost of **£582,500** has therefore been assumed for garages.

Abnormal Development Costs

We have been provided with the anticipated abnormal development costs by the Applicant which amount to **£13,067,273**. We have assumed these to be comprehensive and robust and have relied upon them in undertaking our assessment.

We have also adopted a contingency of **5%** in respect of abnormal development costs. The costs have been applied on a weighted basis within our appraisal, assuming the majority of the abnormal costs are at the beginning of development.

Abnormal development costs associated with the subject site are specific to this particular development and it is therefore not possible to benchmark to other schemes for comparison purposes.

A further breakdown of the above costs has been provided in Appendix D, and whilst we are not quantity surveyors, based on our experience the costs submitted are considered to be legitimate abnormal development costs, which should be accounted for in addition to the base construction costs and plot external works.

Professional Fees

Professional fees for residential development are frequently between 6 and 10% of cost. In this instance we have adopted **6%**, which is a consistent and robust standard figure, and typical for a development of this scale.

Developers Profit

Within Paragraph 18 of the PPG it indicates that to guarantee viability, developments should provide competitive returns to a willing landowner and willing developer, to ensure they are appropriately incentivised to progress the development. For the purpose of plan making an assumption of between 15 and 20% of GDV may be considered a suitable return to developers in order to establish the viability of plan policies, according to the PPG. However, this assumption relates to planning stage viability when specific cost information is unlikely to be available. Allsop have experience in selling a range of residential development land to national and regional housebuilders and we can confirm that from our experience they do not vary their profit requirement below 20% of GDV. Allsop also undertake a significant number of bank funding valuations for developments to be undertaken by housebuilders and can confirm that a development which generates a profit on GDV of less than 20% is highly unlikely to be able to secure development funding.

Whilst there is no definitive answer, most guidance and appeal precedents point to a minimum profit of 20% of Gross Development Value (GDV) being appropriate.

We also consider that the level of profit to be applied should be in keeping with the level of risk associated with a development. In this instance, the site has significant abnormal development costs, which could increase through the development cycle. We therefore consider it appropriate to adopt a developers profit at the higher range of the PPG guidance. A site with reduced abnormal development costs may be subject to a lower profit level, but this is not the case in this instance.

Where affordable housing is delivered as part of a development, we accept that this carries less risk and can therefore be subject to a lower profit level. Should our appraisal result in a 'pot' suitable to deliver affordable housing, we will amend the profit level as required.

In this instance, we have adopted a profit margin of **20% of GDV on all private sale dwellings**, and **8% on affordable dwellings**, which is in keeping with our market knowledge and expected on a development of this scale.

Finance

We have adopted a finance rate of **8%** based on the land and construction cost assuming 100% debt finance, inclusive of all arrangement, monitoring and exit fees.

At the current time the residential market is experiencing a high level of uncertainty and volatility.

The Bank of England base rate increased to 4.50%, compared to 0.5% at the start of 2022, and the knock-on effect is that finance for developers has now significantly increased. We therefore consider 8% to be a reasonable assumption on finance rates.

Sales, Marketing and Legal Fees

We have applied **1.5% marketing** and **1% agent fees** to the private units, plus **£750 per unit legal fees** across all tenures.

Land Acquisition Costs

In acquiring a serviced parcel, the housebuilder incurs Stamp Duty Land Tax (SDLT), agents and legal fees. We have allowed standard acquisition costs, comprising **Stamp Duty Land Tax** at the prevailing rate, **1% agent** and **0.5% legal fees**.

Planning Gain

As outlined previously, we understand the proposed planning gain totals **£1,550,000**.

Summary

The information provided above has been used in a residual appraisal calculation (using Argus - Developer), which calculates the total revenue and deducts from that all costs associated with bringing the development forward, and this appraisal determines what receipt is available to pay for the land.

Based on all the inputs above and including all known planning obligations, a residual land value of **£3,328,460** is provided.

A full appraisal is provided in Appendix B, and we have also provided a Sensitivity analysis in Section 8 to illustrate the impact of costs upon the land value.

7. Benchmark Land Value

For the purposes of a FVA it is necessary to establish the Benchmark Land Value (BLV). This is the minimum land price deemed suitable for an average, hypothetical landowner to release the land for development. If the appraisal returns a residual land value in excess of the BLV, the site is deemed to be viable, if it falls below the BLV, then it is deemed unviable.

In terms of approach, the PPG sets out a methodology for determining the BLV as follows.

The assessment of the BLV should either be based on the Existing Use Value (EUV), or an Alternative Use Value (AUV). EUV is the value of the land in its existing use, together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses.

For existing uses, the PPG states that a 'premium' uplift should be applied to encourage the landowner to release the site for development. The guidance does not specify a 'premium'; however, it should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. This approach is referred to as 'Existing Use Value Plus' (EUV+) within the PPG.

The PPG states that any BLV should reflect the implications of abnormal costs, site specific infrastructure costs and professional fees. In other words, there should be a relationship between these costs and the level of the BLV, following the general principle that if the abnormal, infrastructure and professional fees increase this would have a downward pressure on the BLV and vice versa.

Existing Use Value

As the site is Greenfield in nature, we consider it appropriate to assess the EUV on the basis of agricultural greenfield land value. Agricultural land values vary but are typically in between £7,500 - £12,500 per gross acre, dependant on quality, location, size, etc. Amenity or agricultural land rarely transacts on the open market and therefore sourcing land evidence is challenging. However, the most recent RICS/RAU Rural Land Market Survey H2 2018 confirms the weighted average price based on transactions of farmland nationally is £10,519 per acre

We have therefore assessed the EUV at a rate of £10,000 per acre, equating to £727,300 based on the gross area of 72.73 acres.

As the site has a planning consent, it can be assumed that the likelihood of residential consent will be high. In considering the BLV, we have also considered the scenario where the land would hypothetically be offered for sale within the open market based on an EUV+ approach.

Existing Use Value '+'

The PPG states that, for any FVA data sources to inform the landowner premium should include market evidence and can include BLV from other FVA's. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.

We consider the likelihood that an implementable residential consent will be secured is high. However, there is clearly an element of planning risk and any landowner premium will need to reflect the uncertainty in securing an implementable residential consent.

In order to benchmark our landowner premium, we have had regard to legal precedents to provide an indication of what may be deemed an appropriate premium, though individual circumstances will dictate each case. We have focussed on decisions post-July 2018, when NPPF viability guidance was refreshed. The 'Report on the examination of the draft North Tyneside Community Infrastructure Levy Charging Schedule', (published October 2018) discussed the principle of an appropriate premium. The Planning Inspector considers the principle of applying a 20-30 multiplier to EUV for greenfield sites.

We are also aware of an appeal decision in respect of a site in Poulton-le-Fylde, Lancashire, where the applicant submitted a FVA to support a scheme of 130 no. dwellings. To assess the BLV, the consultants argued that an appropriate uplift equates to 15-25 as a multiplier of EUV for greenfield sites. The appeal was allowed by the Planning Inspector in February 2020.

Alternative Use Value

We consider the site is best delivered as residential.

Comparables

To support our 'premium' we have undertaken comparable research into land transactional evidence within the vicinity. Where possible, we have focused on the most recent comparable schemes, and those which are in the most comparable market locations.

Please note, we are reliant upon information obtained from planning applications located on the Council's website.

We have provided below a list of land transactions, which have taken place in the local area. All data obtained is directly from Land Registry, or the landowner.

Developer	Location	Purchase Price	Acres	Gross Price Per Acre	Units	£/ Dwelling	Date of Sale
Persimmon	DN17 2EA	£626,694	4.92	£127,377	71	£8,827	12/04/2016
Gleeson Homes	DN17 2DG	£546,001	6.17	£88,493	85	£6,424	27/03/2018
Keiger Homes	DN16 3FU	£1,400,000	4.29	£326,340	56	£25,000	26/02/2016
Persimmon	DN16 3GX	£1,003,928	4.28	£234,563	98	£10,244	15/07/2016
Average:		£894,156	4.92	£194,193	78	£12,624	

We have been unable to fully identify all associated planning obligations and affordable housing numbers, and have therefore made appropriate judgements to the figures when forming our own opinions of a suitable 'premium'. We have based our assumptions on the appropriate market evidence as outlined above.

We also note that the level of premium to be applied should be in keeping with the level of expense necessary on a specific development site. In this instance, we accept that the proposed development will be subject to abnormal development costs. However, it is also necessary to

balance this with the fact the site has potential for residential development, and therefore carries a greater premium than what may ordinarily be expected.

Determining Benchmark Land Value

To guide a suitable premium, we have considered legal precedents and analysed key comparable land transactional evidence. The level of uplift established through legal precedents is 15 – 30 over and above EUV, though recognising that where abnormal development costs are higher, land value will be reduced.

Assuming a premium uplift of 15 x the EUV of £10,000 per gross acre would reflect a BLV of £10,909,500, equating to £150,000 per gross acre.

We consider the principle of residential development is established by way of a previous planning consent and consider this level of BLV would reasonably incentivise the hypothetical landowner to release the site for residential redevelopment.

Reflecting on the above analysis, we have assessed the methodology of the NPPF / PPG guidance and accounted for the adopted planning policy. The principle of residential development has previously been established, and it is reasonable to assume a suitable premium would lie above our opinion of EUV, but this would need to account for planning risk.

Assessing the BLV is a subjective exercise and often difficult to quantify, therefore, on this basis we consider the **Benchmark Land Value to be £11,636,800** (EUV of £727,300, plus £10,909,500 premium) has been adopted, which is considered to provide a conservative, but reasonable return for the landowner.

8. Viability Conclusions

The purpose of this assessment is to test the financial viability of the proposed development, taking into account the policy requirements set by the Council as well as national planning policy guidance.

We have outlined a policy-compliant position incorporating 20% affordable dwellings and the known planning gain contributions. We have also established a BLV of £11,636,800.

On this basis the scheme is unable to deliver 20% affordable housing, and all planning gain whilst meeting the BLV threshold.

To test the level of affordable housing that can be delivered we have undertaken a sensitivity analysis in accordance with the RICS Guidance Note, Financial Viability in Planning: Conduct and Reporting (effective 1 September 2019).

We have run scenarios assuming reduced levels of affordable housing based on 10% increments. Please note average private revenues fluctuate in each scenario depending on the level of private housing included. Please note, the figures in brackets are minus.

Aff %	No. Priv	SQ FT	No. Aff	SQ FT	GDV	Land Value	Blended Profit
20%	480	507,997	119	97,115	£121,902,500	£3,328,460	19.11%
10%	539	555,294	60	49,818	£125,415,500	£5,596,501	19.63%
0%	599	605,112	0	0	£128,917,500	£7,209,925	20.00%

Developers Profit

We consider a minimum 20% return for the private units to be reasonable having regard to the risks and costs associated with bringing the site forward for residential use. However, to further test the viability we have varied the level of developer's profit to illustrate the impact a reduction in profit has on a policy-compliant scheme. This is for guidance purposes only, and we would reiterate we consider a developer's profit of 20% on GDV to be appropriate.

Private Profit %	Land Value
20%	£3,328,460
19%	£3,776,834
18%	£4,216,629
17%	£4,648,164
16%	£5,072,584
15%	£5,491,245

Sales Revenue

We have also provided below a sensitivity analysis, which highlights the impact of build costs and revenues on the land value of the development.

Please note, the land value figures outlined in the sensitivity table (without minus) are not positive land values, they are negative land values. Positive land values are expressed within brackets. This is because Argus Developer shows a negative land value as a 'cost' thus dropping the minus.

Conclusion

This FVA has demonstrated that the full planning obligations identified by the Council **can not** viably be offered on a residential development of this nature.

We have demonstrated that **nil planning gain (affordable housing and S.106 contributions)** can viably be delivered by this site.

The commercial decision upon whether to proceed with any development (subject to planning) will be at the discretion of the Applicant.

9. Confidentiality and disclosure

This report has been prepared for the purposes of a FVA and provides an overview of the residential housing market surrounding the development. Our opinions have been formed from the analysis of the comparable new build and second-hand evidence. In accordance with the agreed scope of our report, we have assessed the comparable developments to assist with our conclusions of achievable sale revenues for the development.

The advice contained within this report should not be considered a valuation. We offer no liability to you and this report is exempt from the RICS Valuation - Global Standards, by virtue of paragraph 5.4 of Practice Statement 1. The advice is provided purely for internal purposes and should not be communicated to a third party. The report must not be published or disclosed to any third party, without prior approval.

The FVA is for the purposes of assessing the viability of the planning application proposals only to inform the applicant's negotiations with the Local Planning Authority regarding levels of affordable housing and other planning contributions. The FVA and the advice provided constitute an exception from valuation technical and performance standards ('VPS') 1 – 5 of the Red Book.

The opinions are totally dependent on the adequacy and accuracy of the information obtained and the assumptions made. It should be noted that should these prove to be incorrect; the accuracy of this opinion will be affected.

The inputs and results of this report are commercially sensitive and are provided on a confidential basis and must not be disclosed to any third party. Our conclusions remain valid for 3 months beyond the date of this report. If the implementation of the scheme is delayed beyond this timeframe then market conditions may have changed sufficiently for our conclusions to be adjusted.

This report should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been rigorously checked, Allsop can take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this report.

Appendix A



Appendix B

APPRAISAL SUMMARY**LICENSED COPY**

Lincolnshire Lakes - 20% Affordable

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
2 Bed - Private	78	64,964	218.20	181,731	14,175,000
3 Bed - Private	284	296,827	215.90	225,651	64,085,000
4 Bed - Private	118	146,206	205.07	254,089	29,982,500
2 Bed - Intermediate Rent	84	67,560	127.89	102,857	8,640,000
2/3 Bed - Shared Ownership	35	29,555	169.85	143,429	5,020,000
Totals	599	605,112			121,902,500

NET REALISATION

121,902,500

OUTLAY**ACQUISITION COSTS**

Residualised Price (72.73 Acres @ 45,764.61 /Acre)		3,328,460		3,328,460
Stamp Duty		309,315		
Effective Stamp Duty Rate	9.29%			
Agent Fee	1.00%	33,285		
Legal Fee	0.50%	16,642		
				359,242

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
2 Bed - Private	64,964	113.23	7,355,874	
3 Bed - Private	296,827	113.23	33,609,721	
4 Bed - Private	146,206	113.23	16,554,905	
2 Bed - Intermediate Rent	67,560	113.23	7,649,819	
2/3 Bed - Shared Ownership	29,555	113.23	3,346,513	
Totals	605,112 ft²		68,516,832	
Contingency		3.00%	2,055,505	
Abnormal Contingency		5.00%	653,364	
Substructure			2,594,868	
Superstructure			868,550	
Roads and Sewers			8,660,885	
Other Items			862,275	
Utilities			80,695	
Garages			582,500	
Primary Education Contribution			1,450,000	
Secondary Education Contribution			100,000	
				86,425,473

PROFESSIONAL FEES

Professional Fees	6.00%	4,111,010		4,111,010
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MARKETING & LETTING

Marketing	1.50%	1,623,638		1,623,638
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DISPOSAL FEES

Sales Agent Fee		1.00%	1,082,425	
Sales Legal Fee	599 un	750.00 /un	449,250	
				1,531,675

TOTAL COSTS BEFORE FINANCE

97,379,498

FINANCE

Debit Rate 8.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,225,545

APPRAISAL SUMMARY**LICENSED COPY**

Lincolnshire Lakes - 20% Affordable

TOTAL COSTS 98,605,042**PROFIT** 23,297,458**Performance Measures**

Profit on Cost% 23.63%

Profit on GDV% 19.11%

Profit on NDV% 19.11%

IRR% (without Interest) 24.78%

Profit Erosion (finance rate 8.000) 2 yrs 8 mths

Appendix C

Persimmon Homes – The Fairway

No.	Street Name	Type	Area	Sales Price	£ / sqft	Date
88	Woodside Drive	Detached	1,227	£219,999	£179	28/09/2018
84	Woodside Drive	Detached	1,227	£219,999	£179	27/04/2018
47	Woodside Drive	Detached	1,270	£214,999	£169	23/11/2018
92	Woodside Drive	Detached	1,270	£214,999	£169	17/10/2018
58	Woodside Drive	Detached	1,227	£210,000	£171	30/11/2017
56	Woodside Drive	Detached	1,227	£209,999	£171	29/03/2018
1	Woodside Drive	Detached	1,227	£209,999	£171	29/06/2017
72	Woodside Drive	Detached	1,270	£207,999	£164	23/03/2018
49	Woodside Drive	Detached	1,098	£204,999	£187	22/11/2018
94	Woodside Drive	Detached	1,098	£204,999	£187	12/10/2018
70	Woodside Drive	Detached	1,098	£202,999	£185	18/12/2017
90	Woodside Drive	Detached	1,227	£199,999	£163	25/03/2019
39	Woodside Drive	Detached	990	£179,999	£182	20/12/2018
5	Woodside Drive	Detached	990	£179,999	£182	16/11/2018
86	Woodside Drive	Detached	990	£179,999	£182	19/10/2018
19	Woodside Drive	Terraced	990	£177,999	£180	22/06/2018
82	Woodside Drive	Detached	990	£175,000	£177	29/03/2018
3	Woodside Drive	Detached	990	£175,000	£177	20/10/2017
4	Woodside Drive	Detached	990	£174,999	£177	26/04/2019
41	Woodside Drive	Detached	861	£169,999	£197	21/12/2018
17	Woodside Drive	Detached	861	£167,499	£195	25/05/2018
80	Woodside Drive	Detached	861	£164,999	£192	29/03/2018
37	Woodside Drive	Semi Det	861	£158,999	£185	31/08/2018
35	Woodside Drive	Semi Det	861	£158,999	£185	24/08/2018
43	Woodside Drive	Semi Det	743	£152,999	£206	14/12/2018
18	Woodside Drive	Semi Det	861	£149,999	£174	26/06/2017
45	Woodside Drive	Semi Det	743	£147,000	£198	14/12/2018
62	Woodside Drive	Semi Det	743	£145,000	£195	11/12/2017
60	Woodside Drive	Semi Det	743	£142,999	£193	15/12/2017
21	Woodside Drive	Terraced	872	£132,999	£153	29/06/2018
23	Woodside Drive	Terraced	872	£132,999	£153	27/06/2018
74	Woodside Drive	Terraced	872	£132,999	£153	31/01/2018
52	Woodside Drive	Terraced	732	£114,999	£157	21/12/2017
33	Woodside Drive	Terraced	549	£109,999	£200	23/08/2018
29	Woodside Drive	Terraced	549	£109,999	£200	28/06/2018
48	Woodside Drive	Terraced	549	£109,999	£200	30/06/2017
31	Woodside Drive	Terraced	549	£104,999	£191	21/09/2018
40	Woodside Drive	Terraced	635	£104,999	£165	21/05/2018
44	Woodside Drive	Terraced	549	£104,999	£191	31/08/2017
46	Woodside Drive	Terraced	549	£104,999	£191	30/06/2017
			920	£164,662	£181	

HG Homes – Yaddlethorpe Grange

No.	Street Name	Type	Area	Sales Price	£ / sqft	Date
6	Churchill Road	Detached	1,539	£267,500	£174	15/01/2021
2	Bentley Court	Detached	1,604	£265,000	£165	22/03/2019
4	Bentley Court	Detached	1,539	£259,262	£168	18/12/2019
31	Churchill Road	Detached	1,604	£257,250	£160	02/08/2019
27	Churchill Road	Detached	1,604	£257,170	£160	20/09/2019
21	Churchill Road	Semi Det	1,227	£195,000	£159	12/02/2021
5	Camrose Court	Semi Det	1,227	£189,500	£154	11/08/2020
12	Churchill Road	Detached	1,087	£188,965	£174	16/12/2019
6	Bentley Court	Semi Det	1,227	£188,218	£153	05/07/2019
10	Churchill Road	Semi Det	1,227	£185,450	£151	20/03/2020
8	Bentley Court	Semi Det	1,227	£185,375	£151	18/09/2019
7	Camrose Court	Semi Det	1,227	£184,950	£151	26/06/2020
16	Churchill Road	Semi Det	1,152	£170,105	£148	12/12/2019
3	Camrose Court	Semi Det	1,152	£168,495	£146	11/10/2019
14	Churchill Road	Semi Det	1,152	£164,950	£143	13/03/2020
4	Camrose Court	Semi Det	1,152	£163,922	£142	30/03/2021
24	Churchill Road	Semi Det	1,152	£163,045	£142	16/03/2020
1	Churchill Road	Semi Det	1,152	£162,780	£141	15/11/2019
22	Churchill Road	Semi Det	1,152	£161,320	£140	06/11/2020
1	Fermont Court	Semi Det	1,152	£161,095	£140	14/03/2019
1	Waterloo Court	Semi Det	1,152	£157,950	£137	25/02/2021
2	Waterloo Court	Semi Det	1,152	£157,950	£137	23/10/2020
10	Camrose Court	Semi Det	1,152	£157,950	£137	16/10/2020
2	Camrose Court	Semi Det	1,152	£157,950	£137	07/08/2020
3	Churchill Road	Semi Det	1,152	£157,950	£137	01/06/2020
6	Camrose Court	Semi Det	936	£157,175	£168	20/03/2020
3	Bentley Court	Semi Det	936	£156,585	£167	15/04/2019
8	Camrose Court	Semi Det	936	£155,750	£166	04/11/2019
9	Churchill Road	Terraced	797	£136,532	£171	07/02/2020
7	Bentley Court	Terraced	797	£134,950	£169	15/11/2019
11	Churchill Road	Terraced	667	£123,745	£185	11/11/2019
5	Bentley Court	Semi Det	667	£122,960	£184	23/01/2020
20	Churchill Road	Semi Det	667	£122,775	£184	27/07/2020
6	Fermont Court	Terraced	667	£120,900	£181	29/11/2019
28	Churchill Road	Semi Det	667	£119,950	£180	27/11/2020
26	Churchill Road	Semi Det	667	£119,950	£180	02/10/2020
7	Churchill Road	Semi Det	667	£119,950	£180	17/07/2020
5	Waterloo Court	Terraced	667	£95,960	£144	16/12/2020
6	Waterloo Court	Terraced	549	£84,950	£155	31/03/2021
7	Waterloo Court	Terraced	463	£84,950	£184	29/03/2021
			1,052	£164,655	£159	

Keiger Homes – Burdock Gardens

No.	Street Name	Type	Area	Sales Price	£ / sqft	Date
24	Dartmouth Road	Detached	2,174	£319,950	£147	04/02/2022
14	Dartmouth Road	Detached	2,174	£319,950	£147	21/01/2022
26	Dartmouth Road	Detached	2,174	£317,500	£146	12/11/2021
9	Dartmouth Road	Detached	1,485	£317,422	£214	09/03/2022
16	Dartmouth Road	Detached	2,174	£314,950	£145	03/12/2021
23	Dartmouth Road	Detached	2,174	£309,950	£143	08/10/2021
17	Dartmouth Road	Detached	2,174	£309,950	£143	31/08/2021
34	Dartmouth Road	Detached	1,345	£279,950	£208	22/04/2022
20	Dartmouth Road	Detached	1,345	£279,950	£208	14/01/2022
28	Dartmouth Road	Detached	1,345	£279,950	£208	09/12/2021
27	Dartmouth Road	Detached	1,345	£277,500	£206	11/03/2022
25	Dartmouth Road	Detached	1,345	£277,500	£206	25/02/2022
18	Dartmouth Road	Detached	1,345	£274,950	£204	26/11/2021
7	Dartmouth Road	Detached	1,345	£274,950	£204	25/06/2021
21	Dartmouth Road	Detached	1,345	£269,950	£201	17/12/2021
32	Dartmouth Road	Detached	1,109	£219,950	£198	10/12/2021
40	Dartmouth Road	Detached	1,109	£219,950	£198	26/11/2021
38	Dartmouth Road	Detached	1,109	£219,950	£198	21/10/2021
29	Dartmouth Road	Detached	1,109	£214,950	£194	15/10/2021
31	Dartmouth Road	Detached	1,109	£214,950	£194	24/09/2021
16	Appledore Crescent	Detached	1,141	£199,950	£175	05/08/2022
36	Appledore Crescent	Semi Det	904	£174,950	£193	21/01/2022
			1,495	£267,683	£186	

Gleeson Homes – Roman Court

No.	Street Name	Type	Area	Sales Price	£ / sqft	Date
1	Ceres Grove	Detached	1,044	£204,995	£196	21/12/2021
1	Neptune Court	Detached	1,044	£187,995	£180	28/05/2021
1	Juno Close	Detached	1,044	£171,995	£165	15/09/2020
5	Minerva Close	Detached	818	£167,995	£205	31/01/2022
9	Neptune Court	Detached	818	£165,995	£203	30/09/2021
19	Neptune Court	Detached	818	£161,995	£198	23/12/2020
33	Ceres Grove	Detached	775	£158,995	£205	28/05/2021
18	Ceres Grove	Detached	775	£157,995	£204	28/05/2021
7	Neptune Court	Detached	775	£156,995	£203	30/09/2021
23	Ceres Grove	Detached	818	£154,995	£189	30/11/2020
22	Ceres Grove	Semi Det	818	£153,995	£188	30/06/2021
2	Neptune Court	Detached	818	£152,995	£187	30/12/2020
3	Ceres Grove	Semi Det	764	£151,995	£199	28/05/2021
7	Ceres Grove	Detached	818	£151,995	£186	25/02/2020
14	Ceres Grove	Detached	775	£148,995	£192	23/12/2020
41	Ceres Grove	Semi Det	764	£147,995	£194	29/10/2021
21	Ceres Grove	Detached	775	£144,995	£187	30/09/2020

9	Ceres Grove	Detached	775	£144,995	£187	13/08/2020
15	Neptune Court	Semi Det	775	£140,995	£182	30/09/2021
17	Neptune Court	Detached	775	£138,995	£179	29/03/2021
11	Neptune Court	Semi Det	775	£137,995	£178	17/12/2021
25	Ceres Grove	Semi Det	775	£136,995	£177	28/06/2021
27	Ceres Grove	Semi Det	775	£135,995	£175	25/06/2021
3	Neptune Court	Semi Det	764	£130,995	£171	21/12/2020
6	Neptune Court	Semi Det	764	£128,995	£169	29/01/2021
39	Ceres Grove	Semi Det	667	£126,995	£190	29/10/2021
11	Ceres Grove	Semi Det	764	£125,995	£165	30/10/2020
7	Juno Close	Terraced	775	£122,995	£159	18/12/2019
5	Ceres Grove	Semi Det	646	£122,000	£189	30/06/2021
15	Ceres Grove	Semi Det	646	£121,995	£189	30/09/2020
37	Ceres Grove	Semi Det	667	£117,995	£177	30/09/2021
17	Ceres Grove	Semi Det	667	£117,995	£177	30/09/2020
1	Minerva Close	Semi Det	646	£116,995	£181	22/12/2021
43	Ceres Grove	Semi Det	646	£116,995	£181	29/10/2021
31	Ceres Grove	Semi Det	646	£116,995	£181	28/05/2021
20	Ceres Grove	Semi Det	646	£115,995	£180	30/06/2021
10	Neptune Court	Semi Det	667	£112,995	£169	30/04/2021
8	Neptune Court	Semi Det	667	£111,995	£168	30/04/2021
19	Ceres Grove	Semi Det	667	£111,995	£168	29/10/2020
4	Neptune Court	Semi Det	646	£110,995	£172	23/12/2020
			763	£140,245	£184	

Second Hand Comparables

No.	Street Name	Type	Area	Sales Price	£ / sq ft	Date
104	Glover Road	Detached	2,088	£310,000	£148	25/07/2022
34	Chiltern Crescent	Detached	1,916	£295,000	£154	30/11/2022
33	Rothbury Road	Semi Det	1,604	£285,000	£178	28/10/2022
24	Staniwell Rise	Detached	1,399	£265,000	£189	26/08/2022
9	Staniwell Rise	Detached	1,335	£262,500	£197	31/10/2022
53	Skelton Road	Detached	1,410	£240,000	£170	16/11/2022
8	Dartmouth Road	Detached	1,227	£225,000	£183	28/07/2022
78	Glover Road	Semi Det	1,109	£212,000	£191	09/09/2022
7	Fermont Court	Semi Det	1,152	£205,000	£178	28/10/2022
15	Dryden Road	Detached	1,507	£195,000	£129	26/08/2022
76	Glover Road	Semi Det	1,044	£189,950	£182	19/08/2022
74	Glover Road	Semi Det	1,023	£185,000	£181	06/09/2022
62	Whitfield Road	Detached	1,216	£182,000	£150	13/01/2023
66	Woodside Drive	Semi Det	861	£175,000	£203	19/08/2022
54	Plymouth Road	Semi Det	1,023	£167,000	£163	21/10/2022
29	Ceres Grove	Semi Det	818	£162,000	£198	20/01/2023
51	Byfield Road	Semi Det	990	£161,000	£163	07/09/2022
14	Woodclose Road	Semi Det	883	£160,000	£181	15/12/2022
27	Bodmin Close	Semi Det	980	£160,000	£163	22/09/2022

No.	Street Name	Type	Area	Sales Price	£ / sq ft	Date
141	Burringham Road	Semi Det	947	£159,000	£168	11/08/2022
25	Woodside Drive	Terraced	872	£155,000	£178	26/10/2022
3	Minerva Close	Semi Det	764	£154,000	£202	25/11/2022
88	Whitstone Road	Semi Det	947	£153,000	£162	23/09/2022
195	Burringham Road	Detached	764	£150,000	£196	07/10/2022
143	Burringham Road	Semi Det	872	£145,000	£166	19/12/2022
4	Fermont Court	Semi Det	667	£145,000	£217	25/11/2022
13	Woodclose Road	Semi Det	883	£140,600	£159	23/09/2022
3	Asterby Road	Semi Det	980	£140,000	£143	11/11/2022
78	Spilsby Road	Semi Det	1,119	£139,950	£125	28/11/2022
7	Falmouth Court	Semi Det	1,163	£137,000	£118	28/07/2022
146	Burringham Road	Semi Det	1,087	£135,000	£124	29/11/2022
3	Cowper Avenue	Semi Det	872	£130,000	£149	20/01/2023
15	Woodclose Road	Semi Det	753	£130,000	£173	16/09/2022
48	Whitstone Road	Semi Det	904	£130,000	£144	17/08/2022
20	Coningsby Road	Semi Det	1,076	£130,000	£121	01/08/2022
214	Burringham Road	Semi Det	958	£127,500	£133	03/10/2022
74	Temple Road	Semi Det	592	£126,000	£213	15/09/2022
52	Willoughby Road	Terraced	840	£125,000	£149	08/08/2022
35	Spilsby Road	Semi Det	958	£125,000	£130	02/08/2022
57	Temple Road	Semi Det	570	£124,500	£218	12/08/2022
50	Byfield Road	Semi Det	829	£122,500	£148	20/07/2022
71	Abbey Road	Semi Det	614	£120,000	£196	12/12/2022
154	Burringham Road	Semi Det	1,012	£120,000	£119	01/12/2022
27	Whitman Road	Semi Det	1,023	£120,000	£117	07/10/2022
8	Asterby Road	Semi Det	936	£120,000	£128	21/09/2022
13	Hardy Road	Semi Det	947	£120,000	£127	05/09/2022
90	Somerby Road	Terraced	1,001	£117,000	£117	28/11/2022
42	Dean Road	Semi Det	592	£116,000	£196	18/08/2022
14	Manor Farm Road	Semi Det	969	£114,973	£119	22/12/2022
20	Chaucer Avenue	Semi Det	936	£113,000	£121	22/07/2022
43	Wragby Road	Terraced	893	£110,000	£123	14/09/2022
29	Goodwood	Semi Det	807	£108,000	£134	19/12/2022
57	Lichfield Avenue	Semi Det	850	£107,000	£126	22/09/2022
42	Ripon Close	Terraced	1,087	£105,000	£97	25/11/2022
212	Burringham Road	Semi Det	850	£105,000	£123	03/10/2022
6	Newbolt Avenue	Semi Det	893	£105,000	£118	09/09/2022
80	Merlin Road	Semi Det	958	£104,000	£109	19/08/2022
60	Rochester Close	Terraced	1,066	£102,000	£96	11/10/2022
4	Tavistock Court	Terraced	797	£90,000	£113	30/09/2022
			1,004	£153,516	£154	

Appendix D

Abnormal Item	Cost
Substructure	
E/O 1000mm wide strip allowance	£1,006,320
E/O reinforcement x2 layers	£898,500
E/O trench blocks to raise levels av.600mm	£690,048
Superstructure (Incl elevation treatments)	
Elevation character areas	£868,550
Roads & Sewers	
278 foul rising main connection works along Burringham Rd	£370,000
Lake construction & site wide remediation by East Coast	£4,025,000
Eastern access roundabout works	£2,820,920
Section fees relating to Eastern roundabout works	£100,000
Tree pits	£23,034
Highway retaining wall up to 1.5m allowing for fees	£93,720
Concrete protection/culvert to drives/roads crossing swales	£57,000
Pumping station - Wet Well £60K, Pump & Telemetry £40K	£130,000
Dewatering - to localised areas of deeper sewers	£100,000
Cut & fill exercise - Labour to place subsoil to raise plots	£167,121
Substation - housing only	£40,000
POS Formal - Prep	£83,750
POS Formal- Landscaping	£83,750
POS - Paths - Cinder or similar	£56,280
POS to lake area (lake by others)- Informal	£18,750
POS paths cinder and knee fencing to lake area (lake by others)- Informal	£59,160
Stockpile surplus Topsoil ON site - Allows clean material only	£166,250
Swale and POS maintenance during construction period	£156,150
Importing stone to roads.	£110,000
Other Items	
Retaining walls 600 high	£143,969
Retaining walls 900	£181,885
EO stone under paths, patios & drives due to 600mm capping layer	£286,767
1800mm Screen walls	£84,889
Knee rail - to POS	£25,764
POS - Play area - groundworks preparation	£30,000
POS - Play area - play equipment by specialist incl. matting & sundries	£60,000
Bird/ Bat Boxes	£25,000
EO Acoustic windows to lake facing plots	£24,000
Utilities	
Electric Diversion & Substation	£43,430
Telecoms & Cable	£37,265
Total	£13,067,273

Services

Auctions

Build to Rent

Business Rates

Development Agency & Advisory

Investment (Sales & Acquisition)

Lease Consultancy

Letting and Management

Office Leasing (Central London)

Receivership

Valuation

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