

Financial Viability Assessment

Land at Burringham Road
Scunthorpe
North Lincolnshire

Gleeson Homes

14 July 2023

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Report Disclaimer

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Version	Prepared by	Approved by	Date
Financial Viability Assessment – Burringham Road, Scunthorpe	Angus Swain BSc (Hons) MRICS	Philip Roebuck FRICS	July 23

General Caveat

The development appraisals in this report are indicative and based on a wide range of variables which are subject to change as and when scheme designs are refined, and also in response to changes in market and economic conditions. The appraisal methodology is inherently sensitive to changes in the assumed inputs where small changes to the key variables could have a significant impact on the residual output.

The results should be interpreted with this caveat in mind and the appraisals should not be interpreted or relied upon as formal valuations prepared in accordance with the current RICS Valuation – Global Standards (the “Red Book”). In addition, we highlight the following:

Market Context

Following the initial recovery of the economy from the COVID-19 pandemic, the UK is currently experiencing heightened uncertainty due to a number of factors.

The recent political turmoil observed in the UK has compounded the impact being felt from the war in Ukraine as well as the continued lockdowns in China with the corresponding impact on the pre-existing supply chain issues. These factors have compounded inflationary pressures, with annual inflation being at a 40-year high which is resulting in higher cost of living expenses as well as an expectation of further significant increases in the base rate.

The financial markets’ reaction to the “Mini Budget” has seen heightened volatility in Government Gilt yields as well as the SONIA SWAP rates and Sterling against other currencies. The Bank of England has acted to stabilise the markets but confidence remains thin. Economic commentators and the Rating Agencies are forecasting a decline in UK GDP with a recession widely predicted.

In recognition of the potential for property market conditions to change in response to wider political and economic uncertainty, and the impact that such could have on development appraisal variables, we highlight the importance of the date of our assessment and the market context in which it has been prepared.

Build Costs

We are currently seeing significant variation in tendered build costs and inflationary pressures across all sectors affecting the construction industry. As a result, the build cost assumptions that have been applied in this appraisal/assessment are susceptible to short term changes which could have a material bearing on viability and/or residual land values.

Further, the build costs in the appraisal assume that appropriate cost allowances have been made to reflect all statutory and construction regulations including, but not limited to Planning, Building regulations and most recently, The Building Safety Act 2022.

Development Finance

Development finance costs are increasing due to recent increases in interest rates and this trend is expected to continue over the coming months. Such further increases in the cost of development finance could have a material impact on viability and/or residual land values.

Development Programme

The development programme in the viability appraisal is indicative only and assumes that all regulatory approvals, including amongst others, Planning and Building Control and specifically the additional approvals required under the Building Safety Act 2022, will all be achieved within the assumed programme period. Any changes to the development programme could have a material impact on scheme viability and/or residual land values.

Sensitivity Analysis

As a matter of prudence, we recommend that where not already provided, sensitivities should be examined to test the effects of variations to key inputs including but not necessarily limited to Gross Development Value/Net Development Value, build costs, development finance and development programme to inform risk and decision making, prior to any investment commitments.

Given the wider market volatility, it is also recommended that changes in costs, values and programme are closely monitored and the impacts on development viability are kept under frequent, ongoing review.

Executive Summary

This Financial Viability Assessment ('FVA') has been commissioned by Gleeson Homes to assess the viability of Land at Burringham Road, Scunthorpe, based on all relevant national and local planning policy requirements.

The Planning Practice Guidance for Viability ('PPGV') (July 2018, updated May / September 2019) 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.

The RICS Professional Statement Financial Viability in Planning: Conduct and Reporting (1st Edition, May 2019) also states that all FVAs must be accompanied by non-technical summaries to assist non-specialists in better understanding the report.

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.

Input	C&W Assumption
Site	Burringham Road, Scunthorpe
Applicant	Gleeson Homes
Consultant	Cushman & Wakefield
Proposed Development	158 no. residential dwellings
Policy Requirements	20% on-site affordable housing provision
Benchmark Land Value	£3,030,500 (£245,500 per net developable acre)
Net Sales Area	133,827 sq ft
Gross Site Area	15.95 Acres
Net Developable Area	12.34 Acres
GDV	£27,634,543
Build Costs	£16,504,208
Abnormal Development Costs	£2,744,000
Contingency	£630,746
Professional Fees	£994,993
S.106	£1,229,485
Marketing and Disposal Fees	£451,565
Finance	£135,659
Developer's Profit	£5,126,208
Residual Land Value (Inc. 20% affordable housing)	-£220,000 (negative)
Residual Land Value (Inc. nil affordable housing)	£920,000

Conclusions

Our report demonstrates the scheme is unable to viably deliver North Lincolnshire Council's full planning gain requirements when measured against our opinion of Benchmark Land Value.

Our approach is in accordance with updated planning guidance and is supported by robust evidence. We consider our conclusions reasonable, justified and valid.

1. Introduction

The following sections of this report explain the proposed scheme in further detail and how each of the value and cost inputs have been determined. We firstly provide a brief summary of the approach to the FVA, the proposed development, the key viability issues and the conclusions drawn from this FVA under the sub-headings below.

- Purpose of FVA and Approach
- Site Location(s) and Description of Proposed Development
- Relevant Local Planning Policy
- Summary of Key Viability Inputs
- Scheme/area wide Viability and Key Conclusions

1.1 Purpose and Information Relied On

In preparing this FVA for planning purposes, we have relied on information made available to us by the Applicant. If there are changes to the proposed scheme and/or the information relied on, this could impact on the assumptions adopted in the FVA and the resultant conclusions. We request that any changes are made known to us for review at the earliest opportunity and we reserve the right to amend our assumptions in the event of such changes.

1.2 Report Structure

The remainder of this report is structured as follows:

- Section 3 – sets out the mandatory reporting requirements in the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting (May 2019);
- Section 4 – sets out the other relevant national viability guidance, the justification for, and the approach to the FVA;

This FVA has been prepared as at 14 July 2023 in the context of prevailing market and economic conditions. Should there be a material change to the market and/or economic climate prior to determination of the planning decision, it may be necessary to update the FVA assumptions.

1.3 Explanatory Note

Despite the initial recovery of the economy from the pandemic, the UK is currently experiencing heightened uncertainty due to the wider global impacts from the war in Ukraine, increased inflationary pressures with inflation being at a 40 year high and employees in several sectors threatening industrial action in response to the higher costs of living expenses. The Bank of England has increased interest rates in response to inflation resulting in higher borrowing costs.

These factors are impacting on growth and consumer confidence. In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, and the impact that such could have on development appraisal variables, we highlight the importance of the date of our assessment.

Specifically in respect of build cost inflation, C&W is currently seeing significant variation in tendered build costs across all sectors driven by supply chain shortages affecting the construction industry. As a result, the build cost assumptions that have been applied in this appraisal/assessment are susceptible to short term changes which could have a material bearing on viability and/or residual land values. As

a matter of prudence we recommend that where not already provided, sensitivities should be examined to test the effects of such variations and that further advice should be sought to market test such cost assumptions to inform decision making and prior to any investment commitments. It is also recommended that changes in build costs are closely monitored and the impacts on development viability kept under review.

2. Financial Viability in Planning: Conduct and Reporting (May 2019) – RICS Professional Statement

Cushman & Wakefield is a firm regulated by the RICS. In line with RICS requirements, we have had regard to the relevant RICS professional standards and guidance in preparing this FVA. We outline the most relevant standards and guidance within Sections 3 and 4 of this report.

2.1 RICS Professional Statement

This FVA has been prepared in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting (1st edition) (May 2019). This document sets out mandatory requirements on conduct and reporting in relation to FVAs for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at. It also aims to support the government's reforms to the planning process announced in July 2018 and any subsequent updates.

Sections 2.1 to 2.14 of the Professional Statement set out the fourteen mandatory reporting and process requirements for all FVAs prepared on behalf of, or by applicants, reviewers, decision-makers and plan-makers.

We confirm that this FVA has been carried out in accordance with Sections 2.1 to 2.14. The mandatory reporting requirements are set out under the sub-headings below and expanded on where relevant in this FVA.

2.2 Section 2.1: Objectivity, Impartiality and Reasonableness Statement

We confirm that this FVA has been carried out by an RICS member who has acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information. We further confirm that the RICS member is a suitably qualified practitioner with sufficient skills, expertise and knowledge to provide a robust and objective FVA.

The RICS member has experience in advising on FVAs across the North of England, and has an up-to-date knowledge of the planning system gained through previous viability experience and work alongside our local and national Planning Teams.

2.3 Section 2.2: Confirmation of Instructions and Absence of Conflicts of Interest

The terms of engagement for this instruction are appended to the rear of this report.

We must declare any conflict of interest or risk of conflict of interest. Section 2.2 states that 'informed consent' management through the form of a declaration statement can be appropriate depending on the circumstances.

We confirm that we have no current, anticipated or previous recent involvement with the subject site or the parties to the instruction. We confirm that, to the best of our knowledge, no conflict of interest, or risk of conflict of interest, arises in preparing the advice requested.

If any of the parties in this FVA identified a conflict of interest, we would immediately stand down from the instruction.

2.4 Section 2.3: No Contingent Fee Statement

In preparing this report, no performance-related or contingent fees have been agreed.

We have previously advised the applicant on several site-specific FVAs in support other planning applications for development. Again, we do not consider that any conflict of interest, or risk of conflict of interest, arises as a result of the interests which we have disclosed.

2.5 Section 2.6: Justification of Evidence

All inputs into this FVA have been reasonably justified as explained in further detail throughout this report. It is noted that where the appointed reviewer disagrees with elements of the submitted FVA, the parties should always seek to resolve differences of opinion where possible.

2.6 Section 2.7: Benchmark Land Value

We have assessed the Benchmark Land Value ('BLV') in accordance with Section 2.7 of the Professional Statement in that we have reported the following:

- Current Use Value
- Premium
- Market evidence (as adjusted in accordance with the Planning Practice Guidance)
- All supporting considerations, assumptions and justifications adopted

Full justification for the adopted BLV is provided in Section 8 of this report.

2.7 Section 2.9: Sensitivity Analysis

A sensitivity analysis on key appraisal inputs is provided in Section 9 of this report, together with accompanying explanation and interpretation of the results. This enables the applicant and decision-maker to consider how changes to key variables impact on viability having regard to scheme risks and an appropriate return, and to assist in arriving at appropriate conclusions.

2.8 Section 2.10: Engagement

We confirm that we have advocated, and will advocate reasonable, transparent and appropriate engagement between the parties at all stages of the viability process.

This must be agreed and documented between the parties

2.9 Section 2.11: Non-technical Summaries

A non-technical summary is provided at the beginning of this report which includes the key figures and issues that support the conclusions drawn from this FVA.

2.10 Section 2.14: Timescales

We confirm that adequate time has been allowed to produce this FVA having regard to the scale of this particular project.

We further confirm that this FVA has been carried out in accordance with Section 4 – Duty of Care and Due Diligence of the Professional Statement and that full consideration has been given to the matters referenced in Section 4.

3. Viability Guidance and Approach to Financial Viability Assessment

Further to the mandatory RICS reporting requirements, within this section of our report we summarise the other key national guidance pertaining to viability and how we have approached the FVA for the subject site in light of this guidance.

3.1 Current Viability Guidance

In July 2018, the government published a revised National Planning Policy Framework ('NPPF') and Planning Practice Guidance for Viability ('PPGV') which were updated in February 2019 and May 2019 / September 2019 respectively. These documents set out the key principles which should be considered when assessing the viability of development at the plan-making and decision-taking stages.

In response, the RICS has published two documents; the aforementioned RICS Professional Statement (May 2019) and the RICS Professional Standard: Assessing Viability in Planning Under the NPPF 2019 For England (March 2021).

The RICS Professional Statement sets out the mandatory FVA requirements on conduct and reporting as covered in Section 3. The RICS Professional Standard provides requirements and expectations for how the RICS expects its members to produce, and interpret, the results of FVAs under the NPPF and PPGV.

We have had full regard to the relevant national and RICS guidance in preparing this FVA. It is noted, however, that despite the recent updates to the guidance, there still remains considerable ambiguity and subjectivity in terms of the approach to FVAs and the assessment of key inputs.

The most pertinent aspects of the guidance are summarised under the sub-headings below and expanded on where relevant in this FVA.

3.2 Application of the Red Book and Related RICS Guidance

The RICS Professional Standard confirms that FVAs are not valuations as such but contains 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.

3.3 Viability Principles

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.

The purpose of an FVA is to estimate whether a proposed development, when accounting for policy compliant levels of developer contributions, can provide:

- A minimum reasonable return to the landowner (defined as the CUV plus a premium); and
- A suitable return to the developer.

If the FVA illustrates that the scheme is not viable with full policy requirements, the decision-maker will need to consider whether to adjust the developer contributions, having regard to all the particular circumstances in the individual case.

The RICS guidance (paragraph 2.3.14) advises that the decision-maker will need to:

“make their judgements bearing in mind the two major policy imperatives of ensuring maximum development contributions and the delivery of land for development”.

The RICS guidance (paragraph 2.4.6) further states that a proper understanding of viability is essential to ensure that:

- Land is realistically priced and released for development to achieve plan delivery;
- All reasonable costs of construction related to the development have been accounted for; and
- Developers can obtain appropriate market risk-adjusted returns for delivering development.

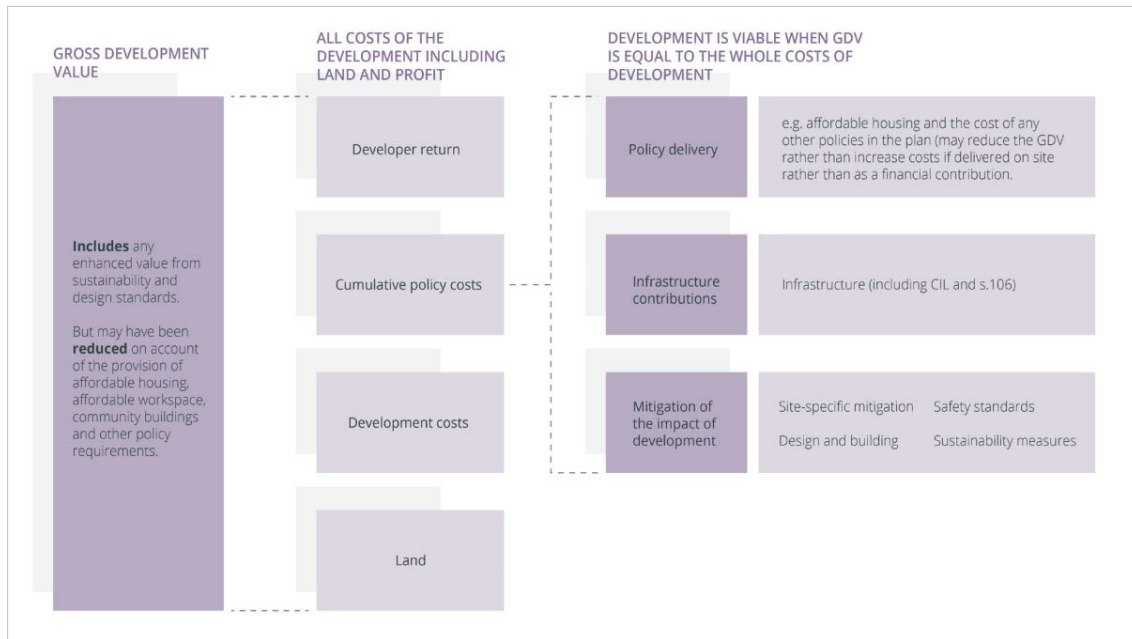
3.4 Viability Framework

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)

4. Site Overview

4.1 Site Location

Scunthorpe is a town within the North Lincolnshire Council administrative area. It is served by the M180 (via the A159) to the south, which connects the town to Grimsby to the east and Doncaster to the west (via the M18). Scunthorpe is located 28 miles to the north of Lincoln, 28 miles to the west of Grimsby and 23 miles to the southwest of Hull. The 2021 census recorded a population of 81,286.

Scunthorpe is traditionally an industrial town, given its proximity to local ironstone sources, with development of the town of Scunthorpe directly linked to the expansion of industrial activity, centred around Scunthorpe Steelworks.

The town is located one mile to the east of the River Trent, and eight miles south of the Humber Estuary.

Scunthorpe has a selection of attractions, including The Pods leisure centre (which was constructed to BREEAM excellent standards), the Baths Hall entertainment venue, and a number of retail and leisure facilities within the town, including pubs, bars and restaurants.

Scunthorpe Train Station is located in the town centre, on the South Transpennine Line, running from Manchester Airport (2 hours and 16 minutes) to Cleethorpes (50 minutes).

There are a number of Schools within Scunthorpe, including St Lawrence Academy (Rated Good by Ofsted), Melior Community Academy (Rated Good), Scunthorpe C of E Primary School (Rated Good) and St Hugh's School (Rated Outstanding).

The subject site lies to the southwestern fringe of Scunthorpe.

4.2 Site Description

The site is of a somewhat irregular shape with a broadly level topography, and is agricultural in nature pasture. The subject is bound by agricultural land to the north, east and west, with a hospice to the south east and an assisted living facility to the west of the site. Immediately adjacent to the west of the site are some residential dwellings. Across Burringham Road to the south of the site is Ashby Decoy Golf Club.

We are advised the gross site area is 15.95 acres (6.46 hectares).

4.3 Development Proposal

The proposed scheme extends to a net developable site area of 12.34 acres (4.99 hectares).

Access to the proposed scheme will be served from Burringham Road to the south of the site.

4.4 Proposed Schedule of Accommodation

The proposed development comprises a scheme of 158 no. dwellings.

We have set out below the proposed mix.

Accommodation Schedule

House type	Type	Storeys	Beds	No.	NSA	Total NSA
Cork	Semi-Detached	2	2	10	651	6,510
Moy	Detached	1	2	8	656	5,248
Kerry	Semi-Detached	2	2	6	671	4,026
Tyrone	Semi-Detached	2	3	13	759	9,867
Lisburn	Semi-Detached	2	3	10	759	7,590
Kilkenny	Detached	2	3	6	772	4,632
Wicklow	Semi-Detached	2	3	14	772	10,808
Renmore	Detached	2	3	21	811	17,031
Wexford	Semi-Detached	2	3	3	811	2,433
Keady	Semi-Detached	2	3	8	839	6,712
Calry	Detached	2	3	14	864	12,096
Milford	Detached	2	3	13	919	11,947
Carlow	Detached	2	4	3	1,048	3,144
Cavan	Detached	2	4	6	1,048	6,288
Longford	Detached	2	4	16	1,066	17,056
Broadale	Detached	2	4	2	1,167	2,334
Dublin	Detached	2	4	5	1,221	6,105
Total				158		133,827
Average					847	

Summary

We are advised all house types extend to two storeys, apart from the Moy house type, which is a detached bungalow.

The proposed comprises a Net Sales Area of 133,827 sq ft across 158 no. dwellings, reflecting a blended average unit size of 847 sq ft. The mix comprises 24 no. 2-bed dwellings (15%), 102 no. 3-bed dwellings (65%) and 32 no. 4-bed dwellings (20%) units.

From our experience of the residential development land market, and undertaking viability assessments across the region, new-build schemes currently range in development density between 14,000 sq ft and 16,000 sq ft per net developable acre, or 12 to 15 dwellings per acre, depending on product mix and market area.

The net developable area of 12.34 acres reflects a density of 10,885 sq ft, or 12.80 units, per net developable acre, which is considered on the lower side of the anticipated range of scheme densities for a scheme of this scale, however, is considered acceptable given the context of the location and characteristics of the local area.

5. Planning Overview

5.1 Planning Policy

The site falls within the administrative area of North Lincolnshire Council (NLC). Relevant planning policies are contained within the adopted Local Development Framework.

The Local Plan Strategy was adopted in 2003, replaced in June 2011 by the North Lincolnshire Local Development Plan, which comprises the Core Strategy and supporting documents and seeks to provide a framework for managing growth development up to 2026.

The Local Plan states that;

- *“Where it can be demonstrated that the percentage of affordable housing sought will negatively impact on the delivery of a mixed community, or are subject to exceptional and authenticated site development costs, there may be a case for reducing the affordable housing”*

The site is located within the Lincolnshire Lakes Area Action Plan, a large scale development proposal identified by the Council, totalling some 550-acres. The Core Strategy, under policy CS8: *Spatial Distribution of Housing Sites*, states the need to provide approximately 6,000 new homes across the Lincolnshire Lakes AAP during the plan period. This has been extended to 2028 to allow flexibility past the 2026 plan period. The AAP proposes to deliver ‘fast and continuous’ development across the identified development area, delivering new homes in addition to expanding the areas employment opportunities, increasing the provision of retail, and community & leisure facilities.

5.2 S.106 Requirements and Community Infrastructure Levy

NLC planning policy seeks delivery of 20% affordable housing from all sites of 15 units or more in the Scunthorpe Urban Area and Market Towns, under policy CS9. The Local Plan seeks a tenure split of rented (70%) and intermediate tenure (30%).

It is worth noting that NLC does not have a CIL requirement.

We have been advised that the applicant has attended a pre-application meeting with NLC, who have advised the following policy compliant S.106 contributions for the scheme;

- **S106 Contribution - £1,229,485**
 - Education - £1,115,226
 - NHS – £114,259

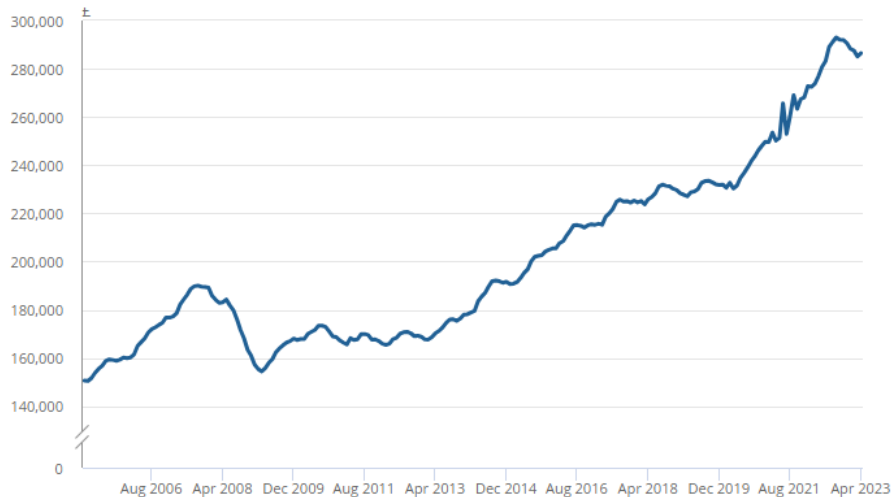
Based on the proposed development of 158 no. dwellings, NLC therefore seeks delivery of 20% affordable housing, amounting to 32 no. dwellings, plus a £1,229,485 S.106 contribution.

6. Residential Market Overview

6.1 UK Housing Market

Since the easing of lockdown restrictions in early 2021, the residential market has gained momentum which has subsequently meant a sharp price rises in most UK locations.

Average house price, UK, January 2005 to April 2023



The above graph highlights how steeply house prices have increased over the course of the past two years, assisted by a strong employment market, government incentives, low interest rate environment and lack of supply of new build housing have all led to sustained house price growth. This has, however, tapered off in 2023, with increased cost of borrowing leading to a drop off in activity across the UK housing market as a whole, with many national housebuilders reporting lower than average sales rates.

Following Russia's invasion of Ukraine in February 2022, the UK and wider global economy has witnessed a sharp rise in the cost of living specifically fuel and energy prices together with general consumer goods. Subsequently inflation is now at its highest for forty years at 10.5% although it is widely thought to have peaked in October 2022 at 11.1%. A fall in wholesale gas prices and an improvement in the global supply chain should mean inflation is on the downward trajectory.

Inflation continues to outpace earnings, and in September to November 2022, growth in real terms (adjusted for inflation) for total and regular pay both fell by 2.6% on the year. The cost-of-living squeeze is impacting buyers and renters' affordability.

To control inflation, the Bank of England increased interest rates to 4.5% in May 2023, and once more to 5.0% in June 2023. The residential market is extremely sensitive to interest rate rises with monthly mortgage payments becoming more expensive for many households. Housing market activity has slowed, as rising interest rates, high inflation, and a weaker economy impact buyers' confidence.

- Year-on-year house price growth entered into a negative position (-0.1%) in May 2023 for the first time since December 2012.
- Mortgage approvals experienced a monthly decrease of 5.4% in April 2023, suggesting the slowdown is continuing to have an impact.
- Sales also experienced a monthly decrease in April 2023 (7.9%).

7. Stage One: Residual Land Value

To establish the viability of the proposed scheme we have adopted the residual approach, which involves calculating the Gross Development Value (GDV) of the development on completion and deducting all costs associated with bringing the scheme forward, including an element of developer's profit.

7.1 Gross Development Value

In accordance with planning policy guidance, to establish achievable revenues for the proposed scheme we have assumed delivery by a hypothetical housebuilder. We have undertaken research on new-build and second-hand sold prices in the locality, taking care to select developments and properties which are most closely comparable to the subject site.

7.1.1 New-build Revenue Analysis

The most relevant evidence for establishing likely sales revenues on new-build schemes is other comparable new build developments. Evidence should come from schemes within the immediate vicinity of any site being considered or, if this is not possible, schemes situated within neighbouring areas where house prices are comparable.

The key benefits of utilising new build evidence are:

- Accurate floor areas can be verified through information included on house builder websites, from floor plans submitted as part of the planning application for a site, or from data drawn from the Energy Performance Certificate (EPC) register.
- New build housing is more homogenous than second-hand stock, with specification typically similar across schemes and prior to alterations and additions by individual homeowners.
- Values can be therefore accurately be compared on a rate per sq ft basis.
- Can be compared as a like-for-like in regard for quality and finish at the point of sale.

When utilising new-build evidence, it is important to note that housebuilders frequently offer incentives to purchasers or negotiate discounts against quoted asking prices to achieve sales.

Not all sales incentives offered by developers to secure plot sales are accounted for within the figure quoted at HM Land Registry (HMLR), most notably, part-exchange. For the purpose of comparing net sales revenues on a like-for-like basis, the price quoted on HMLR should therefore be discounted to allow for additional sales incentives, typically in the order of 3-5% depending on market area. For the purposes of this report we have applied a discount of 3% from the gross revenues sourced from HMLR.

Note that in analysing sales evidence we have relied upon HMLR data and floor areas contained within the EPC Register. As such, we are reliant upon the accuracy of this data. While there may be some margin of error, the comparables do nonetheless provide good evidence for likely achievable values at the subject site and are in-line with our expectations of value based upon our market knowledge.

We have utilised the following new build evidence to inform our assessment of achievable revenues.

1. **Dartmouth Fields – Keigar Homes**
2. **Brickyard Court – Wroot Homes**

3. Meadowcroft – Gleeson Homes

7.1.2 Dartmouth Fields – Keigar Homes

Dartmouth Fields is situated two miles north of the subject, located within the town of Scunthorpe, and comprises a selection of 77 no 2-, 3- and 4-bedroom dwellings.

Our market research confirms that there were nine no. transactions from January 2022 to August 2022.

Date Sold	No	Address	Price	Type	Sq Ft	£/sq ft
14/01/2022	30	Dartmouth Road	£299,950	Detached	1,109	£271
14/01/2022	20	Dartmouth Road	£279,950	Detached	1,345	£208
21/01/2022	14	Dartmouth Road	£319,950	Detached	2,174	£147
04/02/2022	24	Dartmouth Road	£319,950	Detached	2,174	£147
25/02/2022	25	Dartmouth Road	£277,500	Detached	1,345	£206
09/03/2022	9	Dartmouth Road	£317,422	Detached	1,485	£214
11/03/2022	27	Dartmouth Road	£277,500	Detached	1,345	£206
22/04/2022	34	Dartmouth Road	£279,950	Detached	1,345	£208
05/08/2022	16	Appledore Crescent	£199,950	Detached	1,141	£175
Total			£285,791		1,496	£191 (£185*)

**Indicates a 3% discount to allow for incentives*

The average blended sale price across the study period was £285,791 across 1,496 sq ft, representing an average gross revenue of £191 per sq ft across a range of £147 to £271 per sq ft. Sales prices ranged from £199,950 to £319,950.

However, whilst HMLR does account for most sales incentives offered by the housebuilder to the purchaser, it does not account for all financial incentives, most notably part-exchange, where the net receipt to the housebuilder may follow sometime after submission of forms to HMLR.

On this basis, we have assumed a 3% discount to the average gross revenue of £191 per sq ft to establish a net revenue position. We therefore surmise the blended average net revenue equates to around £185 per sq ft.

Whilst there are some semi-detached properties proposed/built at the scheme, the sales evidence gathered within the study period is representative of detached properties only.

The scheme lies within a similar location to the subject in respect of proximity to local amenity and the town centre, however it is situated within an existing housing estate we consider to be of lesser quality to those in the locality of the subject. In addition, the units at the Keigar Homes scheme are much larger than those proposed at the subject. It would be expected that, for this reason, there would be a discount on a £ per sq ft basis due to quantum. For the reasons highlighted above, we would anticipate that the subject would achieve a slight premium on the prices achieved at Dartmouth Fields.

7.1.3 Brickyard Court – Wroot Homes

Brickyard Court by Wroot Homes is situated eight miles west of the subject, located within the town of Ealand. There is little information advertised about the scheme online, however on inspection these appear to be a mix of large, luxury detached family housing and smaller, traditional semi-detached estate housing, built to a high specification.

Our market research confirms that there were 7 no. transactions from March 2022 to February 2023.

Date Sold	No	Address	Price	Type	Sq Ft	£/sq ft
24/03/2022	17	Lakeside View	£160,677	Semi_Detached	764	£210
07/04/2022	15	Lakeside View	£325,634	Detached	1,442	£226
14/04/2022	11	Lakeside View	£365,000	Detached	1,798	£203
28/04/2022	19	Lakeside View	£157,673	Semi_Detached	764	£206
31/01/2023	11	Brickyard Court	£330,000	Detached	1,442	£229
10/02/2023	5	Brickyard Court	£165,000	Semi_Detached	764	£216
27/02/2023	8	Brickyard Court	£395,000	Detached	2,045	£193
Average			£271,283		1,289	£211 (£204*)

**Indicates a 3% discount to allow for incentives*

The average blended sale price across the study period was £271,283 across 1,289 sq ft, representing an average gross revenue of £211 per sq ft across a range of £193 to £229 per sq ft. Sales prices ranged from £157,673 to £395,000.

However, whilst HMLR does account for most sales incentives offered by the housebuilder to the purchaser, it does not account for all financial incentives, most notably part-exchange, where the net receipt to the housebuilder may follow sometime after submission of forms to HMLR.

On this basis, we have assumed a 3% discount to the average gross revenue of £211 per sq ft to establish a net revenue position. We therefore surmise the blended average net revenue equates to around £204 per sq ft.

Type	No.	Average Price	Average Size	Gross £/sq ft	Net £/sq ft
Detached	4	£353,909	1,682	£210	£204
Semi-Detached	3	£161,117	764	£211	£204
Total	7	£271,283	1,289	£211	£204

Whilst there is little information regarding the scheme, upon inspection it is clear that the scheme is split into two products; the larger, 5/6 bedroom detached housing on the east side of the site, and the smaller, traditional semi-detached housing on the west side.

The location of the scheme is quite different to the subject site, being situated on the fringe of the town of Ealand, some eight miles from the subject site. Despite this, in the absence of other new build schemes in the immediate locality to the subject, this scheme provides a useful indication of the level of values which can be achieved at the subject. On balance, we would anticipate that the subject site would achieve higher values than those achieved at Brickyard Court.

7.1.4 Meadowcroft – Gleeson Homes

Meadowcroft by Gleeson Homes is situated nine miles north of the subject, located within the town of Winterton, and comprises a mix of 110 no. 2-, 3- and 4-bedroom dwellings.

Our market research confirms that there were 18 no. transactions from June 2022 to December 2022.

Date Sold	No	Address	Price	Type	Sq Ft	£/sq ft
23/06/2022	29	Grange View	£175,995	Semi_Detached	775	£227
23/06/2022	23a	Grange View	£197,995	Detached	818	£242
24/06/2022	25	Grange View	£179,995	Semi_Detached	646	£279
24/06/2022	33	Grange View	£186,995	Detached	818	£229

30/06/2022	39	Grange View	£156,995	Semi_Detached	775	£203
30/06/2022	41	Grange View	£171,995	Semi_Detached	775	£222
30/06/2022	31	Grange View	£175,995	Semi_Detached	775	£227
30/06/2022	43	Grange View	£191,995	Detached	807	£238
12/08/2022	26	Grange View	£176,995	Detached	775	£228
26/08/2022	22	Grange View	£173,995	Semi_Detached	775	£225
26/08/2022	24	Grange View	£173,995	Semi_Detached	775	£225
31/08/2022	10	Poppyfield Way	£195,995	Detached	818	£240
28/09/2022	33	Poppyfield Way	£232,995	Detached	1,173	£199
30/09/2022	31	Poppyfield Way	£197,995	Detached	818	£242
30/09/2022	12	Poppyfield Way	£232,995	Detached	1,044	£223
30/11/2022	21	Poppyfield Way	£226,995	Detached	1,044	£217
09/12/2022	23	Poppyfield Way	£185,995	Semi_Detached	818	£227
09/12/2022	19	Poppyfield Way	£199,995	Detached	818	£244
Average			£190,884		836	£228 (£221*)

*Indicates a 3% discount to allow for incentives

The average blended sale price across the study period was £190,884 across 836 sq ft, representing an average gross revenue of £228 per sq ft across a range of £199 to £279 per sq ft. Sales prices ranged from £157,673 to £395,000.

However, whilst HMLR does account for most sales incentives offered by the housebuilder to the purchaser, it does not account for all financial incentives, most notably part-exchange, where the net receipt to the housebuilder may follow sometime after submission of forms to HMLR.

On this basis, we have assumed a 3% discount to the average gross revenue of £228 per sq ft to establish a net revenue position. We therefore surmise the blended average net revenue equates to around £221 per sq ft.

Type	No.	Average Price	Average Size	Gross £/sq ft	Net £/sq ft
Detached	10	£204,095	893	£228	£222
Semi-Detached	8	£174,370	764	£228	£221
Total	18	£190,884	836	£228	£221

The scheme consists of a detached and semi-detached product, both of which transacted at a broadly similar rate during our study period, with 10 no. detached units transacting, and 8 semi-detached. It would usually be anticipated that larger units would transact at a lower revenue on a £ per sq ft basis, however in this case it can be seen that the larger detached units transacted at a broadly similar rate on a £ per sq ft.

The location of the scheme is quite different to the subject site, being situated on the fringe of the town of Winterton, some nine miles from the subject site. Despite this, in the absence of other new build schemes in the immediate locality to the subject, this scheme provides a useful indication of the level of values which can be achieved at the subject. Whilst located in a different market to the subject, it can be considered a broadly comparable to the subject location in respect of the second-hand revenues in the vicinity. In addition, the two schemes comprise an identical product, given that Meadowcroft is being

developed by Gleeson Homes. It would be anticipated that the subject site would achieve similar values to that at Meadowcroft for the reasons highlighted above.

7.1.5 Second-Hand Revenue Analysis

We have also undertaken analysis of the wider second-hand market, measuring sales evidence within a 0.5 mile radius from the subject. This area comprises a wide mix of house types from lower quality terraced housing to high quality, large detached housing.

Our market research indicates there were 37 no. transactions between June 2022 and April 2023.

Date Sold	No	Address	Price	Type	Sq Ft	£/sq ft
07/06/2022	17	Marlowe Road	£115,000	Semi_Detached	1,023	£112
09/06/2022	44	Whitestone Road	£140,000	Semi_Detached	829	£169
09/06/2022	6	Silica Crescent	£368,000	Detached	1,399	£263
15/06/2022	17	Chapman Avenue	£110,000	Terraced	926	£119
01/07/2022	254	Burringham Road	£145,051	Semi_Detached	980	£148
13/07/2022	315	Burringham Road	£230,000	Detached	1,152	£200
18/07/2022	31	Whitfield Road	£127,000	Semi_Detached	883	£144
20/07/2022	50	Byfield Road	£122,500	Semi_Detached	829	£148
01/08/2022	20	Coningsby Road	£130,000	Semi_Detached	1,076	£121
10/08/2022	17	Whitestone Road	£135,000	Semi_Detached	969	£139
17/08/2022	48	Whitestone Road	£130,000	Semi_Detached	904	£144
19/08/2022	66	Woodside Drive	£175,000	Semi_Detached	861	£203
26/08/2022	15	Dryden Road	£195,000	Detached	1,507	£129
07/09/2022	51	Byfield Road	£161,000	Semi_Detached	990	£163
14/09/2022	43	Wragby Road	£110,000	Terraced	893	£123
22/09/2022	57	Lichfield Avenue	£107,000	Semi_Detached	850	£126
23/09/2022	13	Woodclose Road	£140,600	Semi_Detached	883	£159
23/09/2022	88	Whitestone Road	£153,000	Semi_Detached	947	£162
03/10/2022	212	Burringham Road	£105,000	Semi_Detached	850	£123
03/10/2022	214	Burringham Road	£127,500	Semi_Detached	958	£133
07/10/2022	27	Whitman Road	£120,000	Semi_Detached	1,023	£117
26/10/2022	5	Coventry Close	£90,000	Terraced	1,163	£77
26/10/2022	25	Woodside Drive	£155,000	Terraced	872	£178
11/11/2022	2	Woodside Drive	£235,000	Detached	990	£237
16/11/2022	53	Skelton Road	£240,000	Detached	1,410	£170
22/11/2022	15a	Whitestone Road	£142,000	Semi_Detached	818	£174
28/11/2022	90	Somerby Road	£117,000	Terraced	1,001	£117
28/11/2022	78	Spilsby Road	£139,950	Semi_Detached	1,119	£125
14/12/2022	20	Woodclose Road	£125,000	Semi_Detached	893	£140
15/12/2022	14	Woodclose Road	£160,000	Semi_Detached	883	£181
13/01/2023	62	Whitfield Road	£182,000	Detached	1,216	£150
02/02/2023	5	Byfield Road	£100,000	Terraced	753	£133
24/02/2023	46	Woodside Drive	£105,000	Terraced	549	£191

28/02/2023	8	Coningsby Road	£125,000	Semi_Detached	1,012	£124
16/03/2023	26	Byfield Road	£152,000	Semi_Detached	1,163	£131
21/04/2023	21	Coventry Close	£95,000	Terraced	1,044	£91
28/04/2023	60	Enderby Road	£110,000	Terraced	883	£125
Average			£146,476		986	£148

The tone of £148 per sq ft is incomparable to the analysis of newbuild schemes and thus does not substantiate our analysis. Upon inspection of the local area it is clear that the quality of second hand stock in the immediate vicinity of the subject varies considerably. The results are negatively skewed by a cluster of what is presumed to be former local authority housing to the north east of the subject. To the south of Burringham Road is an older Persimmon scheme, which originally sold between 2017 and 2019. Some of these units are included within our analysis, having been since resold on the open market, with an average price per sq ft of £205 per sq ft across five transactions. This is more in line with what we have analysed in terms of our comparable newbuild evidence, and substantiates our analysis of achievable newbuild revenues.

We would expect newbuild dwellings to achieve a premium in comparison to second-hand sales due to the increased quality, on average, of the finish of a newbuild home, with a lot of products built to a higher specification, with greater energy efficiency standards, in addition to the general perception and higher value that consumers will place on a newer product. On balance, we consider a new-build premium to the lower end of the 5-15% range can be anticipated, given that the Persimmon scheme is relatively “new”, which would support a blended revenue of around £215 per sq ft can be achieved across two-storey house types.

7.1.6 Summary of new-build revenues

Our analysis of new-build revenues is as follows:

Development	Developer	Distance from Subject (m)	House Type	Average Price	Average Size	Gross £/sq.ft	Net £/sq.ft*	Similarity
Dartmouth Fields	Keigar Homes	2	Detached	£285,791	1,496	£191	£185	Inferior Location, Larger Dwellings
Brickyard Court	Wroot Homes	8	Detached	£353,909	1,682	£210	£204	Incomparable Location
			Semi-Detached	£161,117	764	£211	£204	
Meadowcroft, Winterton	Gleeson Homes	9	Detached	£204,095	893	£228	£222	Somewhat comparable
			Semi-Detached	£174,370	764	£228	£221	
Second Hand	N/A	N/A	Detached	£241,667	1,279	£189	N/A	Inferior second-hand stock
			Semi-Detached	£135,346	943	£144	N/A	
			Terraced	£110,222	898	£123	N/A	

*a 3% discount has been applied to the gross average revenue to account for sales incentives not captured by HMLR

7.1.7 GDV Summary – Market Housing

The subject site lies on the fringe of Scunthorpe, an industrial town with a history built upon the towns forging operations, centred around Scunthorpe Steelworks. The site benefits from local amenity within the town of Scunthorpe, with Ofsted 'good' and 'outstanding' rated schools, shops, restaurants and pubs etc. Surrounding Scunthorpe is a large amount of rural land, with transport links to nearby major settlements such as Doncaster, Lincoln and Hull available via the M180, M181 and M18, in addition to public transport links from Scunthorpe Train Station.

The subject site occupies a fringe location, and is currently utilised as agricultural land, likely as grazing land rather than for crops. Abutting the subject site is a hospice facility, residential dwellings, a retirement living facility, and agricultural land.

From our market research it can be concluded that there is a lack of comparable newbuild evidence in the immediate vicinity of the site, however, there are a handful of schemes which we have utilised in order to evaluate what can be considered to be achievable average revenues.

The closest newbuild scheme in the locality is Dartmouth Fields by Keigar Homes. This scheme comprises a selection of 2, 3, and 4-bedroom semi-detached and detached dwellings, in addition to some bungalows. The scheme represents the closest newbuild evidence, however, comprises much larger dwellings than those proposed at the subject site, which, due to quantum, would result in lower revenues on a £ per sq ft basis. In addition, the scheme at Dartmouth Fields is located in a less desirable location, set back amongst an existing housing estate comprising of low value second-hand stock. We would anticipate the subject to achieve higher values per sq ft on this basis.

Next we have Brickyard Court by Wroot Homes, located eight miles east of the subject in the town of Ealand. This comprises a mix of smaller semi-detached homes, and large detached homes. Despite the wide mix of product types, the evidence which we gathered during our study period demonstrates that all unit types transacted at broadly the same rate on a £ per sq ft basis. In regard to the location of the scheme, it can be considered that Brickyard Court is located in a broadly incomparable location, on the fringe of the town of Ealand, next to Clearwater Lake. Whilst it can be considered that this scheme is relatively incomparable to the subject, it provides a useful gauge as to the anticipated revenues at the subject site.

Finally, we have referenced the Gleeson Homes scheme at Winterton; Meadowcroft. This scheme, whilst occupying a different market location, can be considered to be the most relevant newbuild evidence given the direct comparison between both products, having been developed by Gleeson. The location of Meadowcroft, on the fringe of the town of Winterton, is broadly incomparable, however provides a useful gauge of what can be achieved at the subject site, with similar second hand values in the locality. Our market research indicates an average net rate on a £/sq ft basis of £221 per sq ft.

Given the lack of directly comparable newbuild sales evidence in the local area, we have also considered the established second-hand market to inform our approach. Within 0.5 miles of the subject site, across a study period of the past 12-months, our market research indicates a tone of £148 per sq ft, which can be considered to be incomparable to our analysis of newbuild schemes, and does not substantiate our opinion of achievable revenues. Upon inspection of the local area, it can be seen that the quality of second-hand stock in the local area varies considerably, reflected in the evidence which ranges from £77 to £263 per sq ft. It can be seen that the evidence is negatively skewed by some poorer, former local authority housing stock, which can be considered to be broadly incomparable. There is some evidence of resales of a slightly older Persimmon scheme, located along Burringham Road, which was originally built c2017. Evidence of five transactions from this estate reflects a tone of

£205 per sq ft. As this scheme is still relatively new, we would anticipate a premium at the lower end of the anticipated range of 5%-15%, indicating average revenues of c£215 per sq ft.

Based on the above analysis of the local housing market, we would anticipate a blended average revenue for the market sale units to be £220 per sq ft.

7.1.8 GDV Summary – Affordable Housing

Our assessment of achievable transfer values, assuming transfer to a Registered Provider, assumes delivery of 20% affordable housing in accordance with NLC policy.

It is assumed that 70% of affordable units are to be made available for social rent, at a discount of 50% of open market value, as per the interim affordable housing policy 2015, which states that social rent should be provided typically at a 40%-60% discount on open market value. The balance (30%) will be made available for intermediate tenure, which, as per NLC's affordable housing policy, is assumed to be a blend of starter homes and shared ownership. In the absence of further information, it is assumed that these will be transferred at 80% of open market value.

7.1.9 GDV Conclusions

Having regard to our comparable evidence analysis, our assessment of achievable revenues is as follows assuming delivery of 20% affordable housing.

Note we have applied transfer values as per our analysis of the NLC affordable housing policy requirement. We have assumed a mix of 70% social rented and 30% intermediate tenure product in line with policy requirements.

Market Sale (80%)

House type	Type	No.	NSA	Total NSA	£/Sq Ft	Sale Price	GDV
Cork	Semi-Detached	4	651	2,604	£235	£152,985	£611,940
Kerry	Semi-Detached	4	671	2,684	£234	£157,014	£628,056
Moy	Detached Bungalow	2	656	1,312	£270	£177,120	£354,240
Kilkenny	Detached	2	772	1,544	£229	£176,788	£353,576
Renmore	Detached	13	811	10,543	£226	£183,286	£2,382,718
Calry	Detached	8	864	6,912	£225	£194,400	£1,555,200
Tyrone	Semi-Detached	13	759	9,867	£228	£173,052	£2,249,676
Wicklow	Semi-Detached	14	772	10,808	£227	£175,244	£2,453,416
Lisburn	Semi-Detached	10	759	7,590	£228	£173,052	£1,730,520
Wexford	Semi-Detached	3	811	2,433	£218	£176,798	£530,394
Milford	Detached	13	919	11,947	£216	£198,504	£2,580,552
Keady	Semi-Detached	8	839	6,712	£218	£182,902	£1,463,216
Longford	Detached	16	1,066	17,056	£213	£227,058	£3,632,928
Carlow	Detached	3	1,048	3,144	£213	£223,224	£669,672
Cavan	Detached	6	1,048	6,288	£213	£223,224	£1,339,344
Dublin	Detached	5	1,221	6,105	£208	£253,968	£1,269,840
Broadale	Detached	2	1,167	2,334	£211	£246,237	£492,474
Total		126		109,883			£24,297,762
Average			872		£221.12	£192,839	

Social Rented (70%)

House type	Type	No.	NSA	Total NSA	£Sq Ft	Sale Price	GDV
Cork	Semi-Detached	4	651	2604	£117.50	£76,493	£305,970
Kerry	Semi-Detached	1	671	671	£117.00	£78,507	£78,507
Moy	Detached Bungalow	4	656	2624	£135.00	£88,560	£354,240
Kilkenny	Detached	2	772	1544	£114.50	£88,394	£176,788
Renmore	Detached	6	811	4866	£113.00	£91,643	£549,858
Calry	Detached	5	864	4320	£112.50	£97,200	£486,000
Total		22		16,629			£1,951,363
Average			756		£117.35	£88,698	

Intermediate Tenure (30%)

House type	Type	No.	NSA	Total NSA	£Sq Ft	Sale Price	GDV
Cork	Semi-Detached	2	651	1302	£188.00	£122,388	£244,776
Kerry	Semi-Detached	1	671	671	£187.20	£125,611	£125,611
Moy	Detached Bungalow	2	656	1312	£216.00	£141,696	£283,392
Kilkenny	Detached	2	772	1544	£183.20	£141,430	£282,861
Renmore	Detached	2	811	1622	£180.80	£146,629	£293,258
Calry	Detached	1	864	864	£180.00	£155,520	£155,520
Total		10		7,315			£1,385,418
Average			732		£189.39	£138,542	

Total (100%)

	No.	NSA	£ per sq ft	Sale Price	GDV
Total	158	133,827			£27,634,543
Average		847	£206.49	£174,902	

Whilst the properties may ultimately be marketed for a value higher than the figures stated, our opinion of revenues represents the value we consider a housebuilder could achieve following deductions for negotiating discounts and incentives. Asking prices could be in the region of 5% higher to allow for these incentives and price negotiations.

7.2 Cost Assumptions

7.2.1 Build costs

To assess the residual land value of the proposed development, we have deducted the costs of construction from the GDV. The cost assumptions associated with identifying the value of the proposed scheme fall into two distinct sections:

- The cost of delivering the housing, including plot externals; and
- The cost of delivering the infrastructure, services, site works etc. over and above that of the traditional house building costs. These are the abnormal development costs.

The NPPF and PPG guidance states build costs should be based on appropriate data and identifies the Build Cost Information Service (BCIS) as an appropriate source. A scheme of this scale will appeal to volume housebuilders and therefore the lower quartile build cost estimate is a reasonable point of reference.

The BCIS lower quartile rate for general estate housing dated 1 July 2023 and rebased to Scunthorpe equates to £1,109 per sq m (£103.03 per sq ft), which includes standard plot build plus prelims.

Whilst BCIS average price data include preliminaries, it does not account for costs associated with immediate plot externals such as gardens, driveways and utility service connections. We have therefore included a 10% allowance to account for plot externals not captured within the BCIS data. This gives an 'all-in' build cost of £1,219.90 per sq m (£113.33 sq ft).

The floor areas set out in the report are defined as Net Sales Area (NSA), which disregards integral garages in accordance with the RICS Code of Measuring Practice. However, we consider it appropriate to apportion the build cost of £113.33 per sq ft against the Gross Internal Area (GIA) of the plots, which includes integral garages.

We are advised by the Client that the proposed scheme includes 29 integral garages, which reflects a GIA for the scheme to be 139,446 sq ft.

We have therefore adopted an all-in build cost of £15,804,208.

For the avoidance of doubt, this cost relates to the plot build and plot externals only and makes no allowance towards abnormal development cost items. Our approach is robust, consistent with the latest NPPF guidance and is supported by independent BCIS data.

7.2.2 Detached Garages

BCIS data does not account for the construction of detached garages, and we have therefore applied an extra-over cost for the quota of garages proposed at a fixed cost per unit of £10,000 per single garage, and £15,000 per double garage

We are advised the scheme will deliver 63 no. detached garages, comprising 49 no. singles and 14 no. doubles, representing a total cost for detached garages of £700,000.

7.2.3 Abnormal Development Costs

Our Client has provided us with a schedule of anticipated abnormal development costs, which we have itemised within our appraisal as set out below. A more detailed breakdown can be provided upon request.

Item	Cost
Attenuation	£738,000
Sub Station	£25,000
Foul and Surface Water Pumping Station	£204,000
Muck Shift	£158,000
Foundations	£338,000
Part S	£79,000
Basic Gas Membrane	£35,000
Material Import	£180,000
Play Equipment	£36,000
Additional Landscaping	£32,000
BNG Credits	£267,000
Plot Treatment	£205,000
Archaeological Investigation	£50,000

Item	Cost
Enabling Works	£40,000
Dewatering	£24,000
Surface water connection to ditch	£10,000
Off-site FW rising main	£123,000
Off-site SW rising main	£45,000
Water main Diversion	£30,000
IDB Connection	£15,000
Overhead Diversion	£100,000
Service Protection	£10,000
Total	£2,744,000

The aggregated abnormal cost figure equates to £2,744,000, equating to approximately £222,366 per net developable acre and £17,367 per plot.

7.2.4 Professional Fees

Professional fees typically range from 6-10% of the standard build cost depending on site complexity and design challenges.

Given the scale of proposed development, we have applied Professional Fees of 6% to the standard build costs (plus externals and garages)

7.2.5 Contingency

In our experience, contingency allowance should range from 3-5%, depending on the risks associated with the development.

We have adopted a 3% contingency to the standard build cost and externals, garages. We have adopted a 5% contingency allowance on abnormal costs, given a greater presence of uncertainty surrounding these costs.

7.2.6 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.

7.2.7 Marketing and Sales Fees

We have allowed 1% marketing and 1% agent fees to the private units, plus £500 per unit legal fees across all tenures.

7.2.8 Acquisition Costs

We have assumed standard acquisition costs, comprising Stamp Duty Land Tax at the prevailing rate, 1% agent and 0.5% legal fees.

7.2.9 Planning Costs

We have utilised the national Planning Portal to calculate the estimated cost of submitting the planning application for the scheme. On the basis of a full application of a scheme of 158 dwellings, this is calculated at £37,827 (inc VAT).

7.2.10 Sales and Build Rate

Given the location of the subject site, and the anticipated level of demand, in addition to prevailing market conditions, we have assumed a sales rate of 2.5 units per calendar month.

We have assumed the development includes a 3-month pre-construction period, followed by the unit build, with sales commencing 6 months after the start of unit build. We have assumed a 6-month post construction tail for the sale of the final units. Our cashflow assumes a total development timeline of 66 months, or 5.5 years.

7.2.11 Developer's Profit

There continues to be a healthy debate across the industry around what represents an appropriate level of developers profit in viability assessments. There is no definitive answer, although the majority of guidance and appeal precedents point to a minimum profit of 20% of GDV being appropriate.

Published in July 2018, updated PPG and NPPF guidance on viability identifies an assumption of 15-20% of GDV may be considered a suitable return for developers to establish the viability of planning policies. It acknowledges that alternative figures may be suitable where there is evidence to support, depending on the type, scale and risk profile of planned development.

However, this assumption relates to planning stage viability when specific cost information is unlikely to be available.

C&W 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.

Furthermore, a higher profit level is reflective of the high upfront infrastructure costs, and ongoing economic and market uncertainty resulting from the ongoing cost of living crisis, impact of Brexit, rising build cost inflation, and the war in Ukraine. These factors undoubtedly increase the risk profile and we therefore consider a profit target of 20% is a realistic expectation.

The updated NPPF guidance indicates that a lower level of profit may be accepted by the developer in respect of affordable units, as they are transferred to a Registered Provider. We consider 8% of GDV to be reasonable on affordable units.

We have therefore adopted a blended developer's profit, based on 20% on the private GDV and 8% on the affordable GDV, which is consistent with NPPF guidance. We have therefore adopted a blended profit of 18.55% on GDV based on a policy-compliant scheme.

7.3 Residual Land Value

We have established appropriate appraisal input parameters to inform a residual appraisal calculation using Argus Developer software.

We have prepared a policy-compliant appraisal based on the proposed scheme and mix, which assumes delivery of 32 no. affordable units (20%). An appraisal summary is provided in Appendix A.

We have adopted market-facing inputs based on our market research and experience, and abnormal development costs provided by our client. Our inputs are supported by evidence and are considered robust and appropriate.

The residual output based on a policy-compliant position equates to a negative land value of (£220,000).

8. Stage Two: Benchmark Land Value

8.1 Overview

To assess the viability of the proposed development, we must compare the residual land value established in Stage One with a Benchmark Land Value (BLV).

On 24 July 2018, the Government published updated National Planning Policy Framework (NPPF) and Planning Policy Guidance (PPG) in respect of viability. This introduced a new approach for assessing BLV known as Current Use Value Plus (CUV+). The guidance was subsequently amended in May 2019, which provided more clarity around the approach to establishing BLV.

The RICS released its own revised guidance in May 2019 by way of publication of Financial Viability in Planning: Conduct and Reporting, 1st Edition, which become mandatory for RICS members undertaking viability assessments in September 2019.

In 2021, the RICS then released a subsequent Guidance Note (now a mandatory Professional Standard) 'Assessing Viability in planning under the National Planning Policy Framework 2019 for England' which replaced the 2012 'Financial viability in planning' guidance note. This document sets out the method of assessing Benchmark Land Value, as per the PPG on Viability and NPPF.

To determine CUV+, guidance states we are first required to establish the CUV of the land. We must then establish the landowner premium, which is the minimum amount over and above CUV which reasonably incentivises a sale and releases the site for development. The guidance states BLV should:

- be based on CUV;
- allow for a sufficient premium to landowner(s);
- reflect the implication of abnormal costs, including infrastructure costs and professional fees; and
- be informed by market evidence, including current uses, costs and values, where possible. Market evidence should be based on policy-compliant developments or otherwise be adjusted to reflect the cost of according with planning policy.

The guidance states that the price paid for the land cannot be used to support BLV and reduce the level of planning gain delivery.

PPG also recognises it may be appropriate to establish a viable Alternative Use Value (AUV). In such instances, AUV should be evidenced by cost and value information to support the BLV. However, as the premium is implicit within the AUV, it must not be double counted.

8.2 Current Use Value

Establishing CUV is the first component in assessing Benchmark Land Value. In the PPG, Current Use Value is defined as:

'the value of the land in its existing use. Current use value is not the price paid and should disregard hope value.'

The site is agricultural in nature and we therefore we consider it appropriate to assess its CUV on the basis of agricultural land values.

Agricultural land values vary but typically command in the order of £7,500 - £12,500 per gross acre, dependant on quality, location, size, etc. Agricultural land rarely transacts on the open market and therefore sourcing land evidence is challenging, however, there are a number of sources we can consider in support of our assessment.

The most recent RICS/RAU Rural Land Market Survey dated H1 2021 confirms the weighted average price based on transactions of farmland nationally is £11,004 per acre.

We have also had regard to comparable evidence to inform our approach. We are aware of the following transactions which have taken place within the wider Lincolnshire area.

Address	Tender Deadline	Price	Acres	£/Acre	Status
Chaintoft Lane, Quadring, Lincolnshire	Q4 2022	£85,000	6.99	£12,160	Sold (STC)
Partney, Spilsby, Lincolnshire, PE23 4JJ	Q3 2022	£112,000	14.24	£7,865	Sold (STC)
Skendleby, Alford, LN13 0AF	Q2 2022	£365,000	41.86	£8,720	Sold (STC)

The above evidence reflects an average price per acre of approximately £9,500. In the absence of detailed information about the current site in regard to soil quality and the extent of the current activity on the site, we have therefore assessed the CUV at a rate of £9,500 per acre. This equates to £151,525 based on the gross area of 15.95 acres. For reference, this reflects approximately £12,300 per net developable acre.

8.3 Landowner Premium (+)

To assess the level of planning gain delivery the scheme can afford, viability guidance states we must assess a reasonable landowner premium over and above CUV which we consider would suitably incentivise the landowner to release the site for residential development having regard to the risks and anticipated returns.

Guidance states that the landowner premium should:

- provide a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements;
- be informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration; and
- Evidence 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.

Whilst guidance is silent on how the premium should be calculated, it acknowledges that comparable land transactional evidence can serve as a cross-check, an approach we fully support as it enables us to balance a premium uplift against the market.

In considering an appropriate uplift there are a number of sources available to us and we will provide comment on each in turn.

8.3.1 Planning Decisions

We have interrogated legal precedents in order to provide an indication of what may be deemed an appropriate landowner incentive, though clearly 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. Here, the Planning Inspector considers the principle of applying a 20-30 multiplier to CUV for greenfield sites, as proposed by the Council's consultants. The Inspector states: 'I see little persuasive evidence that these judgements are unreasonable'.

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 CUV for greenfield sites. The appeal was allowed by the Planning Inspector in February 2020.

More recently, we have knowledge of a greenfield development site in Faringdon, which, upon appeal in July 2021, it was held that a 10x premium on EUV was sufficient, reflecting the 'minimum return' to incentivise a landowner to release the land for development.

8.4 Market Evidence

Whilst a premium should suitably incentivise the landowner to release the site for residential development, it should also have regard to the market and thus, we consider comparable land transactional evidence should serve as a cross-check, an approach fully consistent with NPPF viability guidance.

We would comment that we do not consider it appropriate to establish BLV based on a multiplier alone, as when not applied in the correct context it can be regarded as arbitrary with no regard to the market. For that reason, we consider it paramount that comparable land transactional evidence should be considered to provide an informed, holistic view of BLV adopting the CUV+ methodology. This approach is fully consistent with viability guidance.

We have utilised HM Land Registry data to analyse the land sale of Meadowcroft by Gleeson Homes in Winterton. This site was of a similar previous use (agricultural) prior to purchase of development, and as such represents reasonably suitable market evidence. The title register indicated that the site was purchased in August 2020 at a price of £1,003,000. Across an approximate gross site acreage of 9.55 acres, this represents a price per gross acre of c.£105,000.

We also have referenced the previous Persimmon scheme, also located in the Lincolnshire Lakes Area Action Plan, which transacted at C.£125,000 per acre. This site may also be judged to be less desirable as the subject, as the site's previous use was overgrown grassland, owned by the adjacent Golf Club, with no apparent direct use for agricultural as far as we are aware from investigating planning documents. In addition, this was transacted in April 2016, one month prior to the publication of the Lincolnshire Lakes AAP, which would lead us to believe there would have been less hope value associated with the site in comparison to the subject.

8.5 BLV Conclusions

We have assessed the CUV at £151,525, reflecting £9,500 per gross acre and £12,300 per net developable acre. We consider it reasonable to assume the principle of residential use is supported at

the site and therefore anticipate the hypothetical landowner would seek a premium in excess of CUV to reflect the hope value in securing a future implementable consent.

To guide a suitable premium, we have considered legal precedents and analysed key comparable land transactional evidence, an approach fully consistent with viability guidance. The transactional land evidence from Gleeson's scheme at Winterton reflects a BLV of £105,000 per acre, and Persimmon's scheme c.500m to the east of the subject reflects a BLV of £125,000 per acre. Persimmon's scheme indicates that the premium applied to the subject site's CUV should be at the higher end of the anticipated range, given the fact that the previous use could be deemed to be less desirable than the subject's current use, in addition to the fact that the site wasn't officially allocated as part of the Lincolnshire Lakes AAP when it transacted, meaning more hope value should be attributed to the subject.

The level of uplift established through legal precedents and discussed above is 10 – 30 over and above CUV, though recognising that where abnormal development costs are higher, land value will be reduced.

As aforementioned, the site is situated within the Lincolnshire Lakes Area Action Plan, a large scale development allocation, stating the need to deliver c6,000 new homes across the area by 2028. As such, it should be anticipated that any reasonable landowner would take this into account when considering releasing the land for development

Assuming a premium uplift of 20 x the CUV of £9,500 per gross acre would reflect a BLV of £3,030,500, equating to approximately £245,500 per net developable acre.

A BLV at this level is broadly consistent with the transactional land evidence following adjustments. We consider the principle of residential development is established by way of the housing allocation and therefore consider this level of BLV would reasonably incentivise the hypothetical landowner to release the site for residential redevelopment.

On this basis, our opinion of BLV equates to £3,030,500, reflecting £245,500 per net developable acre and £190,000 per gross acre.

9. Stage Three: Sensitivity Analysis

9.1 Overview

In Stage One we established the policy-compliant land value incorporating 32 no. affordable units (20%) is (£220,000).

In Stage Two we established a BLV of £3,030,500, equating to £245,500 per net developable acre.

On this basis, the residual output assuming a policy-compliant position is negative, thus demonstrating the scheme is unable to viably deliver NLC's full planning gain requirements.

9.2 Sensitivity Analysis Approach

Development appraisals are incredibly sensitive to even the most minor of changes in certain key inputs, and in light of the recent changes in items such as build costs, market demand and revenues, and the cost of finance, we have undertaken a sensitivity analysis in accordance with the RICS Guidance Note, Financial Viability in Planning: Conduct and Reporting (effective 1 September 2019).

The below demonstrates the effect on viability which changes in build costs and revenues would have on the residual land value. Any residual value over and above the previously determined BLV of £3,030,500 would demonstrate a viable scheme.

Simple Sensitivity Analysis

		Build Cost (£/sq ft)				
		-5.00%	-2.50%	+/- 0.00%	+2.50%	+5.00%
Revenues (£/sq ft)	-5.00%	-£430,000	-£822,000	-£1,223,000	-£1,638,000	-£2,066,000
	-2.50%	£53,000	-£325,000	-£714,000	-£1,112,000	-£1,520,000
	+/- 0.00%	£517,000	£153,000	-£220,000	-£606,000	-£1,000,000
	+2.50%	£975,000	£615,000	£253,000	-£115,974	-£500,000
	+5.00%	£1,428,000	£1,073,000	£714,000	£352,000	-£13,000

The above table demonstrates that, even in the best case scenario of achieving reduced build costs by 5.00%, and increased revenues by 5.00%, a policy compliant scheme still does not reach the target benchmark land value of £3,030,500. It should also be highlighted that the market is currently trending in the opposite direction to this scenario. Whilst build cost inflation is slowing down, that isn't to say that costs are falling in any case. In addition, as per our assessment of the UK housing market, the past 12-months has shown the first 12-month fall in house prices for the first time since December 2012. For this reason we would also highlight the effect that further rises to build costs and falls in revenues would have on the viability of the scheme. Should build costs rise by 5.00% and revenues drop at the same rate, our sensitivity analysis demonstrates that the residual land value would drop as low as approximately (£2.1m).

In addition to the above sensitivity analysis on revenue and build costs, we have also carried out scenario testing to test the level of affordable housing and S.106 contributions that could be afforded without impeding scheme viability.

We have run scenarios assuming reduced levels of affordable housing by 10-5% increments, in addition to reducing the level of S.106 contribution. Note each scenario assumes a variation to the blended profit allowance on account of the increase in private accommodation.

Affordable Housing Scenario Testing

Affordable (%)	Private		Affordable		GDV	Land Value	BLV Shortfall (£3.030m)
	No.	NSA	No.	NSA			
20%	126	109,883	32	23,944	£27,634,543	-£220,000	-£3,250,500
10%	142	121,840	16	11,987	£28,793,030	£365,000	-£2,665,500
5%	150	127,979	8	5,848	£29,392,613	£665,000	-£2,365,500
0%	158	133,827	0	0	£29,932,260	£930,000	-£2,100,500

The sensitivity illustrates that with nil affordable housing, the residual output is £930,000 (£71,300 per net developable acre), which reflects a £2,100,500 shortfall below our opinion of BLV.

The results demonstrate the scheme is unable to viably deliver any affordable housing, or the policy compliant S.106 contributions, and meet the threshold that would incentivise the hypothetical landowner to release the site for development.

10. Conclusions

We have demonstrated the site is unable to viably deliver NLC's full planning policy requirements. This is on account of the significant standalone build and abnormal costs required to bring the site forward for residential development, coupled with the relatively low values.

Our approach is in accordance with updated planning guidance and is supported by robust transactional evidence. We therefore consider our conclusions both reasonable and valid.

We have tested the viability of the scheme by running both simple sensitivity analysis on the changes of build cost and revenue inputs, in addition to scenario testing the amount of affordable housing the scheme could deliver when measured against our opinion of BLV.

Due to the nature of the scheme, and the context in which it sits in respect of local amenity and the level of second hand values, in addition to proximity to major cities and employment opportunities, the development would experience relatively lower demand, which in turn will lead to lower achievable revenues. Couple this with build costs which have increased significantly across the past 12 to 24-months, this leads to a scheme which is unable to reach the benchmark land value required to incentivise a hypothetical landowner to release for development. Whilst build cost inflation has calmed from previous levels, this is still at considerably higher levels than historically experienced by housebuilders, and with house prices falling from the previous 12-month position, we anticipate that there may be further negative impact on viability in the coming months.

Our appraisal concludes the scheme is unable to viably deliver any on-site affordable housing in addition to the council's proposed S.106 contribution. A more onerous requirement or additional financial burden would further reduce the incentive to the landowner and the development would be rendered unviable.

This FVA has been prepared and countersigned by:

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14 July 2023

11. Disclaimer

This FVA and the advice provided do not constitute a formal valuation. However, we have prepared the FVA having regard to the requirements of PS 1 and PS 2 of the current RICS Valuation – Global Standards (the “Red Book”).

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.

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Appendix A – Policy-compliant Appraisal Summary

Burringham Road
Scunthorpe
Financial Viability Assessment

Development Pro Forma
Cushman & Wakefield
September 5, 2023

**Burringham Road
Scunthorpe
Financial Viability Assessment**

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Cork (Market)	4	2,604	235.00	152,985	611,940
Kerry (Market)	4	2,684	234.00	157,014	628,056
Moy (Market)	2	1,312	270.00	177,120	354,240
Kilkenny (Market)	2	1,544	229.00	176,788	353,576
Renmore (Market)	13	10,543	226.00	183,286	2,382,718
Calry (Market)	8	6,912	225.00	194,400	1,555,200
Tyrone (Market)	13	9,867	228.00	173,052	2,249,676
Wicklow (Market)	14	10,808	227.00	175,244	2,453,416
Lisburn (Market)	10	7,590	228.00	173,052	1,730,520
Wexford (Market)	3	2,433	218.00	176,798	530,394
Milford (Market)	13	11,947	216.00	198,504	2,580,552
Keady (Market)	8	6,712	218.00	182,902	1,463,216
Longford (Market)	16	17,056	213.00	227,058	3,632,928
Carlow (Market)	3	3,144	213.00	223,224	669,672
Cavan (Market)	6	6,288	213.00	223,224	1,339,344
Dublin (Market)	5	6,105	208.00	253,968	1,269,840
Broadale (Market)	2	2,334	211.00	246,237	492,474
Cork (SR)	4	2,604	117.50	76,493	305,970
Kerry (SR)	1	671	117.00	78,507	78,507
Moy (SR)	4	2,624	135.00	88,560	354,240
Kilkenny (SR)	2	1,544	114.50	88,394	176,788
Renmore (SR)	6	4,866	113.00	91,643	549,858
Calry (SR)	5	4,320	112.50	97,200	486,000
Cork (Int)	2	1,302	188.00	122,388	244,776
Kerry (Int)	1	671	187.20	125,611	125,611
Moy (Int)	2	1,312	216.00	141,696	283,392
Kilkenny (Int)	2	1,544	183.20	141,430	282,861
Renmore (Int)	2	1,622	180.80	146,629	293,258
Calry (Int)	<u>1</u>	<u>864</u>	180.00	155,520	<u>155,520</u>
Totals	158	133,827			27,634,543

TOTAL PROJECT REVENUE

27,634,543

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (Negative land)	(220,148)	(220,148)
Town Planning	37,827	

**Burringham Road
Scunthorpe
Financial Viability Assessment**

37,827

CONSTRUCTION COSTS

Construction

	ft²	Build Rate ft²	Cost
Cork (Market)	2,604	113.33	295,111
Kerry (Market)	2,684	113.33	304,178
Moy (Market)	1,312	113.33	148,689
Kilkenny (Market)	1,544	113.33	174,982
Renmore (Market)	10,543	113.33	1,194,838
Calry (Market)	8,464	113.33	959,225
Tyrone (Market)	9,867	113.33	1,118,227
Wicklow (Market)	10,808	113.33	1,224,871
Lisburn (Market)	7,590	113.33	860,175
Wexford (Market)	2,433	113.33	275,732
Milford (Market)	11,947	113.33	1,353,954
Keady (Market)	8,264	113.33	936,559
Longford (Market)	17,056	113.33	1,932,956
Carlow (Market)	3,144	113.33	356,310
Cavan (Market)	6,288	113.33	712,619
Dublin (Market)	7,075	113.33	801,810
Broadale (Market)	2,722	113.33	308,484
Cork (SR)	2,604	113.33	295,111
Kerry (SR)	671	113.33	76,044
Moy (SR)	2,624	113.33	297,378
Kilkenny (SR)	1,544	113.33	174,982
Renmore (SR)	4,866	113.33	551,464
Calry (SR)	5,290	113.33	599,516
Cork (Int)	1,302	113.33	147,556
Kerry (Int)	671	113.33	76,044
Moy (Int)	1,312	113.33	148,689
Kilkenny (Int)	1,544	113.33	174,982
Renmore (Int)	1,622	113.33	183,821
Calry (Int)	<u>1,058</u>	113.33	<u>119,903</u>
Totals	139,453 ft²		15,804,208 15,804,208

Contingency	3.00%	497,496
Contingency	5.00%	133,250

630,746

Other Construction Costs

Attenuation	738,000
Sub Station	25,000
Foul and Surface Water Pumping	204,000
Muck Shift	158,000
Foundations	338,000
Part S	79,000

**Burringham Road
Scunthorpe**
Financial Viability Assessment

Basic Gas Membrane			35,000	
Material Import			180,000	
Play Equipment			36,000	
Additional Landcaping			32,000	
BNG Credits			267,000	
Plot Treatment			205,000	
Archaeological Investigation			50,000	
Enabling Works			40,000	
Dewatering			24,000	
Surface water connection to ditch			10,000	
Off-site FW Rising Main			123,000	
Off-site SW Rising Main			45,000	
Water main diversion			30,000	
IDB Connection			15,000	
Overhead Diversion			100,000	
Service Protection			10,000	
Single Garages			490,000	
Double Garages			210,000	
				3,444,000
Section 106 Costs				
Education			1,115,226	
NHS			114,259	
				1,229,485
PROFESSIONAL FEES				
Professional Fees		6.00%	994,993	
				994,993
MARKETING & LEASING				
Marketing		1.00%	129,587	
				129,587
DISPOSAL FEES				
Sales Agent Fee		1.00%	242,978	
Sales Legal Fee	158 un	500.00 /un	79,000	
				321,978
TOTAL COSTS BEFORE FINANCE				22,372,676
FINANCE				
Debit Rate 8.000%, Credit Rate 0.000% (Nominal)				
Land			(42,441)	
Construction			178,100	
Total Finance Cost				135,659
TOTAL COSTS				22,508,335
PROFIT				

**Burringham Road
Scunthorpe
Financial Viability Assessment****5,126,208****Performance Measures**

Profit on Cost%	22.77%
Profit on GDV%	18.55%
Profit on NDV%	18.55%
IRR% (without Interest)	57.18%
Profit Erosion (finance rate 8.000)	2 yrs 7 mths

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About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop and live. The firm's 45,000 employees in more than 60 countries provide deep local and global insights that create significant value for our clients.

Cushman & Wakefield is among the largest commercial real estate services firms, with core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation and valuation & advisory.

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