

**Silica Lodge,  
Scotter Road South,  
Scunthorpe –  
Viability Statement**

April 2024

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**Report title:** Silica Lodge, Scotter Road South, Scunthorpe – Viability Statement

**Prepared by:** Dale Robinson

**Status:** Final

**Draft date:** © April 2024

**For and on behalf of Avison Young (UK) Limited**

# 1. Introduction

- 1.1 Avison Young (AY) has been appointed by North Lincolnshire Council (the Council) to prepare an independent assessment of scheme viability in relation to a proposed development of 81 dwellings on Land at Silica Lodge, South Scotter Road, Scunthorpe.
- 1.2 The Applicant (Gleeson Homes) has applied for planning permission (PA/2023/1585), which is the subject of the following 'developer contributions', as set out within the Heads of Terms for the Section 106 Agreement.
- 16 affordable dwellings (20% of the total number of dwellings), split 69% for rent (circa 11 dwellings) and 31% (5 dwellings), as intermediate products. We have assumed that the tigger points are 3 (18.75%) units on occupation of the 15th dwelling, 5 (31%) units on occupation of the 35th dwelling, 5 units (31.25%) on occupation of the 50th dwelling and 3 (18%) units on occupation of the 65<sup>th</sup> dwelling.
  - Primary and secondary education contributions at a combined cost of £10,602 per market dwelling. Assuming policy compliant levels of affordable housing the scheme would deliver 65 market dwellings<sup>1</sup>, which would mean the total education contribution is £689,130, of which 30% is to be paid on occupation of the 1st dwelling, 30% on occupation of the 25th dwelling and 40% on occupation of the 50th dwelling.
  - Informal open space maintenance contribution of £22,297.80, payable prior to occupation of the 60th dwelling.
  - A recreation (leisure) contribution of £63,890, to be paid prior to occupation of the 40<sup>th</sup> dwelling.
  - Area of play contribution of £54,106 to be paid prior to occupation of 60<sup>th</sup> dwelling.
  - A health contribution of £864.03 per market dwelling, which equates to a total cost of £56.161.95, assuming policy compliant levels of affordable housing. Payment is required in full on occupation of the 15th dwelling.
- 1.3 The Head of Terms also require a biodiversity net gain to be secured onsite, and if this cannot be done through conditions it may need to be included in the Section 106 Agreement.
- 1.4 The Head of Terms also stipulate that the SUDS pond is to be transferred into and maintained by a private management company.
- 1.5 The purpose of this assessment is to consider the viability of providing the S106 obligations (including policy-compliant provision of affordable housing) alongside other scheme development costs. The Applicant commissioned Cushman and Wakefield to prepare a viability assessment which concluded the scheme was unable to support any affordable housing or the Council's S106 Contributions.

## Basis of Reporting

- 1.6 Our report 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 viability assessments for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at.
- 1.7 The Professional Statement sets out the mandatory reporting and process requirements for all viability assessments prepared on behalf of, or by applicants, reviewers, decisionmakers and plan-makers.
- 1.8 This assessment has been undertaken in accordance with these mandatory reporting requirements, which are set out under the sub-headings below and expanded on where relevant in this document.

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<sup>1</sup> i.e 81 homes in total less 16 affordable homes.

*Objectivity, Impartiality and Reasonableness Statement*

- 1.9 This assessment 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. Furthermore the RICS member who has undertaken this report is a suitably qualified practitioner and RICS Registered Valuer with sufficient skills, expertise and knowledge to provide a robust and objective assessment.
- 1.10 The RICS member has extensive experience in advising on financial viability assessments and up-to-date knowledge of the planning system gained through previous viability experience and working alongside Avison Young's local and national planning teams.

*Confirmation of Instructions and Absence of Conflicts of Interest*

- 1.11 The terms of engagement for this instruction are appended to the rear of this report<sup>2</sup>.
- 1.12 We confirm that we have not had previous involvement with the subject site in preparing any viability assessments. We also confirm that, to the best of our knowledge, no conflict of interest arises in preparing the advice requested.

*No Contingent Fee Statement*

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

*Confirmation Where the RICS Member is Acting on Area-Wide and Scheme-Specific Assessments*

- 1.14 Neither Avison Young or the RICS member has undertaken an area-wide viability assessment concerning existing or future planning policies against which the proposed scheme could be assessed in the future.

*Justification of Evidence*

- 1.15 All inputs into this assessment have been justified as explained in further detail throughout this report. We have aimed to provide thorough detail regarding our approach and assumptions to limit the need for clarifications and subsequent negotiations with the applicant's adviser following submission of this report.
- 1.16 It is noted that where the Applicant's adviser disagrees with elements of this assessment, the parties should always seek to resolve differences of opinion where possible.

*Benchmark Land Value*

- 1.17 The benchmark land value ('BLV') has been assessed in accordance with Section 2.7 of the Professional Statement in that we have reported the following:
- Current Use Value (referred to as Existing Use Value ('EUW'));
  - Premium;
  - Market evidence (as adjusted in accordance with the Planning Practice Guidance);
  - All supporting considerations, assumptions and justifications adopted; and
  - Alternative Use Value (if appropriate).

*Engagement*

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

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<sup>2</sup> Refer to Appendix 1.

*Non-technical summary*

- 1.19 A separate non-technical summary has been prepared and presented independently of this main report.

*Timescales*

- 1.20 We confirm that adequate time has been allowed to produce this assessment having regard to the scale of this particular project. We further confirm that this assessment 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.
- 1.21 Further to the mandatory RICS reporting requirements the assessment has also been undertaken with due regard to the RICS Professional Standard: Assessing viability in planning under the National Planning Policy Framework 2019<sup>3</sup> for England, 1st edition March 2021 and the latest Planning Policy guidance (PPG) and National Planning Policy Framework (NPPF) guidance relating to viability.
- 1.22 The advice contained within this report does not constitute a valuation of the site in accordance with RICS Valuation – Global Standards 2022 and should not be relied upon as such<sup>4</sup>.
- 1.23 This report has been prepared for the sole use of our client, based on the scope of work and on the terms and conditions agreed with our client. Whilst facts have been rigorously checked, Avison Young can take no responsibility for any damage or loss suffered because of any inadvertent inaccuracy within this report. Information contained herein should not, in whole or part, be published, reproduced, or referred to without prior approval. Any such reproduction should be credited to Avison Young.

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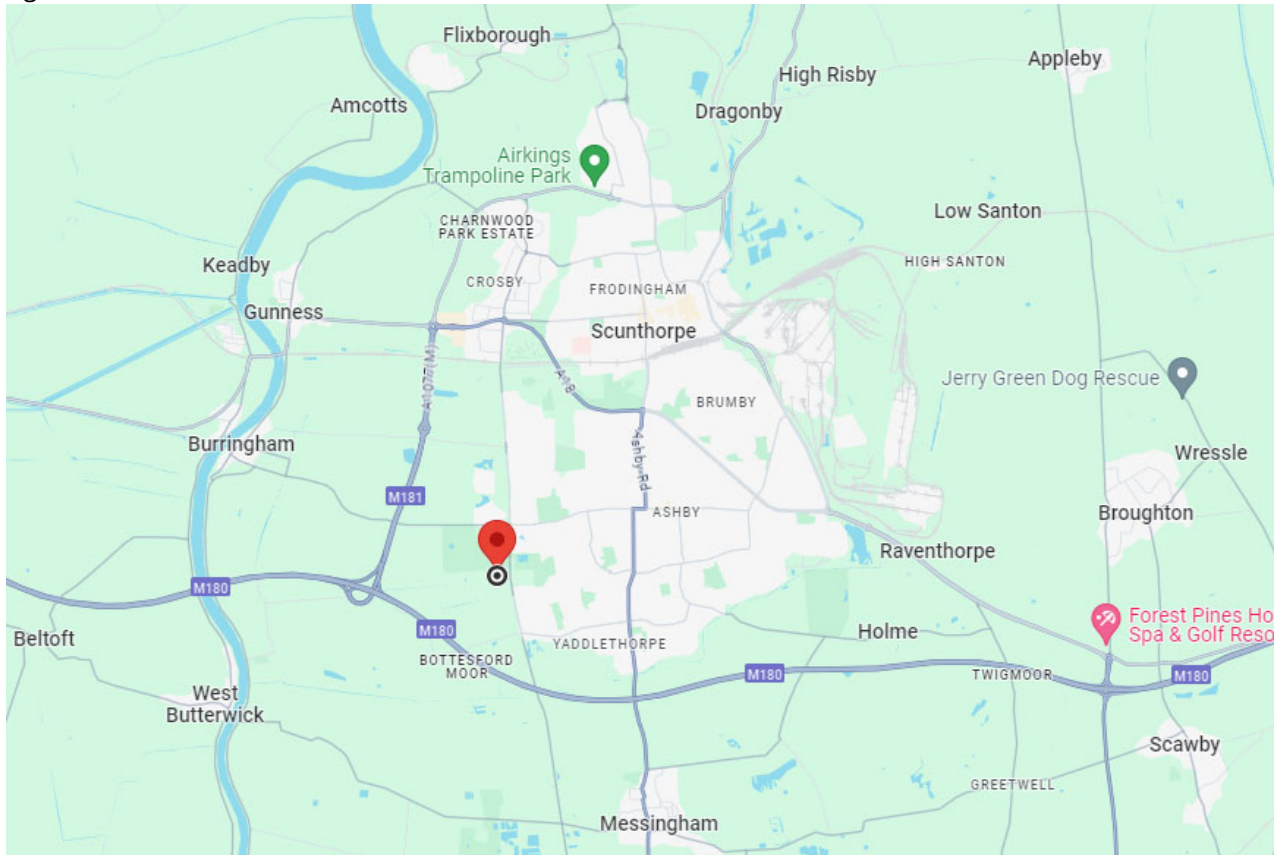
<sup>3</sup> It should be noted that although the latest version of the NPPF is December 2023 the guidance remains valid.

<sup>4</sup> The assessment is prepared for assessing the viability of development to assist with planning matters, either plan/policy making, or decision taking. The assessment therefore constitutes an exception from valuation technical and performance standards ('VPS') 1 – 5 of the Red Book and is not a formal valuation and should not be relied upon as such.

## 2. The Site and Surrounding Context

2.1 The site is situated approximately 5 kilometres to the southwest of Scunthorpe town centre, to the west of Scotter Road South. Vehicular access to the site is from a gated access off Scotter Road South, which is a key route into Scunthorpe.

Figure 2.1 – Location Plan



Source: Google Maps

- 2.2 The site extends to an area of approximately 3.78ha (9.34 acres)<sup>5</sup> and is roughly rectangular in shape, except for an irregular boundary in the north west corner.
- 2.3 The site currently comprises two fields. The easternmost field is currently used for agricultural purposes, with the western most field partially used for agriculture and for open storage associated with the adjacent garden centre.
- 2.4 It is delineated by an existing garden centre (Silica Lodge Garden Centre) to the north, beyond which is Ashby Decoy Golf Course. To the east of the site is Scotter Road South, beyond which lies a landscape buffer between the road and a large steel storage and distribution site. Agricultural land lies to the south and west.
- 2.5 The site is generally level and features boundary hedgerows and small areas of trees.
- 2.6 The site primarily falls within Flood Zone 1, denoting the lowest level of flood risk, while a portion of the western area is encompassed by Flood Zone 3.

<sup>5</sup> This is the area stated in the Applicants Drainage Strategy and Viability Statement and, therefore, is the assumption we have adopted in this report. However, we note that the Applicant’s Planning Statement includes a slightly smaller site area at 3,3ha (8.15 acres).

### 3. Summary of the Proposed Scheme

- 3.1 The scheme comprises 81 new homes providing a mixture of two, three and four-bedroom properties.
- 3.2 There are 11 house types consisting of detached, semi detached and terraced properties.
- 3.3 The schedule of accommodation upon which this assessment is based is summarised below<sup>6</sup>.

*Table 3.1 – Schedule of Accommodation*

	Dwelling Name	House Type	No Beds	Size sq.m (sq.ft)	No Dwgs
1	Moy	Detached Bungalow	2	61 (656)	4
2	Renmore	Detached	3	75 (811)	7
3	Calry	Detached	3	80 (864)	7
4	Milford	Detached	3	85 (919)	9
5	Longford	Detached	4	99 (1,066)	6
6	Broadale	Detached	4	108 (1,167)	5
7	Dublin	Detached	4	113 (1,221)	5
8	Cork	Semi Detached	2	60 (651)	8
9	Tyrone	Semi Detached	3	71 (759)	15
10	Wexford	Semi Detached	3	75 (811)	4
11	Keady	Semi Detached	3	78 (839)	11
<b>Totals</b>					<b>81</b>

Source: Gleeson Homes

#### Affordable Housing

- 3.4 The Head of Terms for the S106 Agreement include an obligation to provide 20% of the total number of homes as affordable. This equates to 16 affordable homes. The Council has confirmed that their preferred tenure split would be 69% for rent (circa 11 dwellings) and 31% (5 dwellings) as intermediate products.
- 3.5 In terms of affordable 'house types', the Council has confirmed that nothing has been agreed due to the viability challenge. In the absence of any agreement we have referred to the Council's housing need assessment, which recommends the following.

*Table 3.2 – Affordable Housing Need*

Affordable House Type	%
1 bedroom	8.1%
2 bedroom	22.5%
3 bedroom	53.1%
4+ bedroom	16.3%

Source: North Lincolnshire Council's Housing Need Assessment

- 3.6 However, the Council has confirmed that they seek to secure as many three beds as possible and don't (generally) receive or ask for any 4 bed affordable housing types. On this basis we have assumed that all of the affordable dwellings will be 3 bedroom houses.
- 3.7 Within this context we have assumed the following affordable housing mix within our appraisal.

<sup>6</sup> If this is incorrect or is subsequently altered then our assessment will need to be updated.

*Table 3.3 – Affordable Housing Split*

Dwelling Name	House Type	Affordable Housing Type	No Dwgs
Tyrone	Semi Detached	Affordable Rent	11
Tyrone	Semi Detached	Intermediate <sup>7</sup>	4
Wexford	Semi Detached	Intermediate	1
<b>Totals</b>			<b>16</b>

Source: North Lincolnshire Council / Avison Young

- 3.8 The scheme will also include the provision of a new access into the site from Scotter Road South. This will be formed by a priority junction with visibility splays.
- 3.9 The proposals also include extensive landscaping and areas of public open space. To the west of the site will be a SUDS basin and associated pumping station.

<sup>7</sup> We have assumed discounted market sale for the intermediate products.

## 4. Methodology

4.1 Financial viability for planning purposes is defined as:

*'An objective financial viability test of the ability of a development project to meet its costs, including the cost of planning obligations, while ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project'.*

4.2 There is no single approach for assessing viability, but an accepted method of valuation is the 'residual method'. This is explained further in the RICS Guidance Note (Valuation of Development Property – 1st Edition, October 2019). In summary this valuation approach recognises that the value of a development scheme is a function of several elements. These include:

- The value of the completed development (GDV ).
- The direct costs of developing the scheme (TCC ).
- The return (profit) to the developer for taking the development risk and delivering the scheme.
- The cost or value of the land.

4.3 Normally the residual method of valuation is used in two basic ways. In the first instance it can be used to assess the level of return (profit) generated from the proposed project where the cost of the land is an input into the appraisal. In the second option it can be used to establish a 'residual site value' by inputting a predetermined level of profit. The consequential outputs of both options can then be compared to a benchmark to assess the viability of the scheme.

4.4 This assessment is based on Option 2, with the resultant output from our appraisal being the residual land value. This can be expressed through the simple calculation below.

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Gross Development Value (GDV) (minus) Total Costs (including profit) = Residual Land Value

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- Gross Development Value (GDV) includes all sales income generated by the development.
- Total Development Costs (TDC) includes construction costs, professional fees, planning/S106 obligations and finance / interest charges etc.
- Developer's Profit is expressed by reference to a percentage of the Total Development Costs or Gross Development Value. It can also be expressed by reference to an Internal Rate of Return (IRR)<sup>8</sup>.

4.5 In terms of the process, land value is a key component of a development appraisal, albeit (as explained previously) it can often be the 'outcome' of the appraisal rather than being a fixed figure, hence why appraisals are often referred to as being 'residual', because once all the inputs are included the 'residue' (if there is any) is the amount that the developer can afford to pay for the site.

4.6 However, the 'residue' from the appraisal (as a land value) does not always meet the expectations of the landowner. If a developer is only able to pay a significantly reduced sum below the landowners' expectations, or the costs of the scheme exceed the values generated resulting in a negative land value, then the outcome is straight forward. The land will not be sold / released for development.

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<sup>8</sup> The IRR is highly sensitive to the timing of costs and revenues and small changes to the development programme (including timing of scheme costs and revenues), which will be uncertain at the planning stage, can have a large impact on the calculations, distorting the actual potential return. As such, depending on the quality of information available, the use of an IRR approach when determining development viability as part of the planning process has the potential to be more unstable and isn't often used.

4.7 Therefore, when undertaking a viability assessment, a benchmark land value needs to be identified.

### **Benchmark Land Value.**

4.8 Para 013<sup>9</sup> of the PPG provides guidance on the issue of benchmark land values and states that a benchmark land value should be established based on the Existing Use Value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'Existing Use Value plus (EUV+).

4.9 In determining the benchmark land value, the PPG states at Para 014<sup>10</sup> what factors should be considered when establishing the benchmark land value. It states that the benchmark land value should:

- Be based upon Existing Use Value (EUV).
- Allow for a premium to landowners.
- Reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees; and
- Be informed by market evidence including current uses, costs, and values. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

4.10 PPG defines EUV at Para 015<sup>11</sup>. It states that EUV is the first component of calculating benchmark land value. It goes on to state that EUV is the value of the land in its existing use, which will vary depending on the type of site and development types. Para 015 is also clear in that EUV is not the price paid for the land and should also disregard hope value.

4.11 The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above EUV that goes to the landowner. Para 016 of PPG<sup>12</sup> states that the premium should provide a reasonable incentive for a landowner to bring forward land for development while allowing a contribution to fully comply with policy requirements. Para 016 states that the process for establishing the premium will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. 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. PPG states that policy compliance means that the development complies fully with up-to-date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. PPG also confirms that a decision maker can give appropriate weight to emerging policies.

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<sup>9</sup> Reference ID: 10-013-20190509

<sup>10</sup> Reference ID: 10-014-20190509

<sup>11</sup> Reference ID: 10 - 015-20190509

<sup>12</sup> Reference: 10-016-20190509

- 4.12 PPG (para 17 ) also states that for the purpose of viability assessment Alternative Use Value (AUV) of the land may be informative in establishing benchmark land value. This refers to the value of land for uses other than its existing use. If applying alternative uses when establishing benchmark land value PPG states that these should be limited to those uses which would fully comply with up-to-date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. It further states that plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up-to-date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted.
- 4.13 The RICS Professional Statement also provides guidance on the issue of benchmark land value. It states: In the interest of transparency, when providing benchmark land values in accordance with the PPG for an FVA, RICS members must report the:
- Current Use Value. CUV referred to as EUV or first component in the PPG . This equivalent use of terms (i.e., that CUV and EUV are often interchangeable) is dealt with in paragraph 150.1 of IVS 104 Bases of Value (2017).
  - Premium. Second component as set out in the PPG.
  - Market Evidence as adjusted in accordance with the PPG.
  - All supporting considerations, assumptions and justifications adopted including valuation reports, where available.
  - Alternative Use Value as appropriate (market value on the special assumption of a specified alternative use ). It will not be appropriate to report an AUV where it does not exist.
- 4.14 The statement also confirms that the price paid is not allowable evidence for the assessment of BLV and cannot be used to justify failing to comply with policy.
- 4.15 Within this context, establishing a 'Benchmark Land Value' (BLV), requires an assessment of five components, including:
- a) Existing Use Value (EUV) of the site, disregarding 'hope value'.
  - b) premium to the landowner, which provides a reasonable incentive over and above the sites EUV for them to bring the land forward for development.
  - c) Alternative Use Value (AUV) but only if applicable.
  - d) Policy compliant site value assessed by the residual method and
  - e) Policy compliant site value assessed by the comparative method.

### **Existing Use Value**

- 4.16 As outlined previously PPG states that the EUV is the value of the land in its existing use, disregarding hope value.
- 4.17 Currently the site comprises agricultural land which based on the Yorkshire and the Humber Region Agricultural Land Classification map predominantly comprises Grade 2 agricultural land classification.
- 4.18 Agricultural land rarely transacts on the open market and therefore, sourcing land evidence is challenging. However, The English Estates and Farmland Market Review (Winter 23/24) undertaken by Strutt and Parker states that the average arable land values are £27,923per ha (£11,300 per acre).

- 4.19 The Carter Jonas farmland market update (Q4 2023) states that the average value for arable land is currently £23,681 per ha (£9,583 per acre). Within the East Midlands, which includes North Lincolnshire, the report states that the average value per acre for arable land is £22,858 per ha (£9,250 per acre) with a low of £20,387 per ha (£8,250 per acre) and a high of £27,182 per ha (£11,000 per acre).
- 4.20 We have also referred to farmland currently listed as available for sale on UK Land and Farms. The evidence upon which we have relied is summarised below.

*Table 4.1 – Agricultural Land Asking Price Comparable Evidence*

Size (acres)	Grade	Location	Price	Price per acre (£)
432.82	2 and 3	Spa Brackens and Gunberry Hill Farm, Hanthorpe, Bourne, PE10, Lincolnshire	£3,300,000	£7,624
296.43	3	Pickhill Lane, Grimoldby, Louth, LN11 8TH	£2,820,000	£9,513
292	2 and 3	Mill Lane, Scamblesby, Louth, LN11, Lincolnshire	£2,425,000	£8,305
183.26	3	Brigg Road, Scotter, Gainsborough, DN21, Lincolnshire	£1,450,000	£7,912
128.84	3	Low Apley, Market Rasen, Lincolnshire	£775,000	£6,015
37.64	1 and 2	Kirton Holme, Boston, PE20 3HL	£510,000	£13,549
47.59	1 and 2	Gedney Hill, Holbeach Drove & Fleet Coy, Lincolnshire	£420,000	£8,825
29.3	2	Land At Eastville, New Leake, Boston, PE22, Lincolnshire	£255,000	£8,703
18.08	1	East Heckington, Sleaford, PE20, Lincolnshire	£180,000	£9,956

Source: UK Land and Farms

- 4.21 The average value across all the evidence in the previous table is £22,075 per ha (£8,934 per acre). However, some of the evidence relates to the sale of significant / large estates, which we would expect have a discount applied for quantum. If the larger sites<sup>13</sup> are excluded the average value is £25,349 per ha (£10,258 per acre).
- 4.22 The RICS/RAU directory of Land Sales 2023 also lists several achieved sales in the Lincolnshire region throughout 2023.

*Table 4.2 – Agricultural Land - Achieved Sales*

Size (acres)	Grade	Location	Price	Price per acre (£)
9	3	Tattershall Bridge, Lincolnshire	£80,000	£8,889
6.44	3	Brant River Wood, Lincolnshire	£75,000	£11,646
223.38	Unspecified	Land at Rose Farm, Lincolnshire	£1,800,000	£8,058
41.68	3	Skidbrook, Lincolnshire	£305,000	£7,318
30.96	3	Wood Lane, Lincolnshire	£300,000	£9,690
4.13	3	Thurlby, Lincolnshire	£50,000	£12,107
8.47	3	Thurlby, Lincolnshire	£80,000	£9,445
3.33	Unspecified	Ulllyatt's Drove, Lincolnshire	£40,000	£12,012

Source: RICS/RAU

<sup>13</sup> Sites greater than 20ha (50 acres).

- 4.23 The average value across all the evidence in the previous table is £24,453 per ha (£9,895 per acre). If the larger sites<sup>14</sup> are excluded the average value is £25,102 per ha (£10,158 per acre).
- 4.24 Having regard to the transactional, asking price and general market data in the round, we are of the opinion that an appropriate EUV for the site would be circa £24,711 per ha (£10,000 per acre).

### Premium

- 4.25 The HCA (now Homes England) Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) is the only source of specific guidance on the level of premium. Whilst the document has been withdrawn many practitioners still refer to the guidance. The document recognises that there is practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied. Benchmarks for greenfield / agricultural sites typically range between 10 and 20 times EUV.
- 4.26 Within the table below we have presented a range of benchmark land values based on premiums over the site's EUV. The BLVs produced range between £934,000, assuming a multiplier of x10 EUV to £2,802,000 assuming a multiplier of x30 EUV.

Table 4.3 – BLV Scenarios

EUV per acre	Gross Acres	Total EUV	Premium x10	Premium x15	Premium x20	Premium x25	Premium x30
£10,000	9.34	£93,400	£934,000	£1,401,000	£1,868,000	£2,335,000	£2,802,000

Source: Avison Young

- 4.27 At this stage we should pause and remember that when determining the benchmark land value, PPG states that the BLV should reflect the implications of site specific infrastructure and abnormal costs.

### Site Specific Infrastructure and Abnormal Costs

- 4.28 The Applicant has provided a schedule of abnormal costs totalling £988,772 (see later). We have reviewed these costs and accept them as reasonable.
- 4.29 The BLV after deducting the abnormal costs is presented in the table below.

Table 4.4 – BLV Scenarios Reflecting Abnormal Costs

EUV per acre	Premium x10	Premium x15	Premium x20	Premium x25	Premium x30
£10,000	£934,000	£1,401,000	£1,868,000	£2,335,000	£2,802,000
Less Abnormal Costs	£998,772	£998,772	£998,772	£998,772	£998,772
BLV reflecting Abnormal Costs	(£64,772)	£402,228	£869,228	£1,366,228	£1,803,228

Source: Avison Young

- 4.30 However, at this point it is worth considering the definition of 'hope value'.
- 4.31 The RICS define hope value as "any element of open market value of a property in excess of the current use value<sup>15</sup>, reflecting the prospect of some more valuable future use or development".
- 4.32 Hope value applies where there is a "less than reasonable expectation of planning permission".

<sup>14</sup> Sites greater than 20ha (50 acres).

<sup>15</sup> It should be remembered that current use value is often used interchangeably with existing use value.

- 4.33 Therefore, if there is no prospect of planning permission being in place, the land is valued at its current/existing use. Conversely, if there is a reasonable expectation of securing planning permission for a more valuable use, this should be reflected in the sites EUV.
- 4.34 The site is allocated for residential development in the Lincolnshire Lakes Area Action Plan (LLAAP). The LLAAP was adopted in 2016 following the Lincolnshire Lakes first being identified within the Core Strategy (2011). The site is part of a large allocation in the LLAAP called Strategic Site Allocation 3 (SSA3), the relevant portion of which seems to be Village 3 (V3) for up to 987 dwellings.
- 4.35 The site is also allocated for housing in the emerging local plan and is labelled as SS7-2 on the local plan map. The new local plan can be given some weight in the decision-making process as examination on the new local plan has now commenced. Therefore, it is clear that the Council considers this site is a suitable and sustainable location for new residential development.
- 4.36 In reaching our opinion of EUV we have, therefore, had regard to the sale of comparable residential development land.

### **Land Transactions / Comparable Sales**

- 4.37 This evidence has come into our possession from numerous sources, including our valuation colleagues, which is given in good faith but without liability. Some comes from databases such as the Land Registry or computer databases to which Avison Young subscribes. In all cases, other than where we have had a direct involvement with the transaction, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.
- 4.38 In terms of achieved land values we are aware of the transactions, summarised in Table 4.5.
- 4.39 In terms of the transactions that are most comparable to the subject site we have focussed on is Land on the south side of Phoenix Parkway, Scunthorpe, due to its similarity in relation to broad location, abnormal costs and extent of S106 obligations.
- 4.40 Taking this evidence into consideration we have adopted a land value of circa £173,000 per ha (£70,000 per acre) which reflects the planning obligations and abnormal costs of development in bringing this site forward. This would equate to a **Benchmark Land Value of £653,800 (say £650,000)**.

### **Alternative Use Value**

- 4.41 We do not believe that an alternative use value is applicable.

Table 4.6 - Comparable Land Transactions

Ref	Site	Price Paid	Date of Purchase	Site Area (acres)	£ per acre	Planning Reference	Planning Description	Planning Status	S106 obligations	Comment
1	Land Lying To The West Of Falkland Way Barton-upon-Humber DN18 5SE	£1,574,860	1 January 2017	19.213	£91,337	PA/2020/1628	Planning permission to erect 317 dwellings, including associated garages, access road, playground, ponds and public open space.	Approved with conditions	a) Education contribution - £8,851 per market dwelling b) Affordable Housing at 50 dwellings (16%) c) Open Space provision d) Open space contribution of £104,669.80 e) Recreation - £216,039 f) Highways - £100,000 g) Public transport - £17,118 h) Cemetery land - no cost i) Archaeology board - £2,000 j) Drainage = £25,000	Part of a larger development site under the same application.
2	Land At Luxmore Farm Immingham Road Habrough Immingham DN40 3BG	£1,700,000	1 October 2020	14.373	£110,277	DM/1175/17/FUL	Residential development for 145 dwellings with associated parking.	Granted	Education: 3x £120,282.86 payments Public Open Space provision Affordable Housing – policy compliant	
3	Land on the south side of Phoenix Parkway, Scunthorpe, DN15 8NH	£1,345,000	30 June 2021	19.739	£68,139	PA/2020/2049 and PA/2022/1159	Planning permission for the construction of 158 two, three and four bedroomed, 2 storey traditional residential homes with associated garages and access infrastructure.	Approved with conditions	a) 20% dwellings to be affordable b) 1580m2 of information open space to be provide on the site and either maintained by the council or by private management company and the provision of a LEAP to be maintained private management company. c) £8,508 per dwelling for primary and secondary school contribution d) £131,133 leisure contribution for facility enhancements at The Pods and for the construction of a new football artificial turf pitch. e) £99,000 biodiversity net gain contribution.	The applicant had concerned that the S106 package required would make the scheme unviable and submitted a viability appraisal. The agreed S106 package includes the onsite POS, a reduced education contribution of £6,329.12 per dwellings and the biodiversity off site contribution.  The contributions for Leisure and affordable housing were successfully omitted by the applicant on viability grounds.  It was expressly stated in the 'Delegated Assessment' that one of the issues driving the viability contains was the ground conditions, which necessitated the need for specialised foundations, significantly increase the build costs for the development.
4	Land on the north side of Dartmouth Road, Scunthorpe	£1,428,599	29 March 2019	6.150	£232,292	PA/2018/2404	Planning permission to erect 77 dwellings with associated garaging, new estate access road and open space area.	Approved with conditions	a) Affordable housing – 15 Dwellings. b) 6 bungalows for over 55s in perpetuity. c) Education £440,440. d) Leisure £47,500.	

Ref	Site	Price Paid	Date of Purchase	Site Area (acres)	£ per acre	Planning Reference	Planning Description	Planning Status	S106 obligations	Comment
									e) Recreation £35,173 and LEAP of £40,876.	
5	Land at Lakeside, Scunthorpe (South Parcel)	£1,200,000	6 May 2021	7.513	£159,723	PA/2019/1107	Planning permission to erect 122 dwellings with associated access, drainage and landscaping.	Approve with Conditions	Education Contribution £137,000.	The applicant submitted an assessment which set out arguments for no S106 Contributions (including affordable housing). Notwithstanding this the Applicant offered to pay the necessary education contributions at £8,196 per dwelling.

Source: Avison Young

## 5. Appraisal Assumptions

- 5.1 Assessing viability requires judgements which are informed by the relevant available information / evidence. It requires a realistic understanding of the costs and the value of development in the local area and an understanding of the operation of the market.
- 5.2 Para 008 of the PPG states that any viability assessment should reflect the government’s recommended approach to defining key [standardised] inputs as set out in National Planning Guidance.
- 5.3 Para 010 of PPG<sup>16</sup> further states that any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners and infrastructure and affordable housing providers. It also states that any viability assessment should follow the government’s recommended approach to assessing viability as set out in the National Planning Guidance and be proportionate, simple, transparent, and publicly available.
- 5.4 The RICS Professional Standard (2021)<sup>17</sup> provides further guidance to practitioners on the evidence that could be used.

### Gross Development Value

- 5.5 Para 011 of PPG states that for a viability assessment of a specific site or development, market evidence from the actual site or from existing developments can be used. The RICS Guidance note also advocates the use of evidence from the actual site (if available/applicable) or from existing developments.
- 5.6 We have obtained sales evidence from a number of housing schemes within close proximity of the site, including.

Table 5.1 – Comparable Schemes

ID	Scheme	Developer
1	Falcons Place	Linden Homes
2	Dartmouth Fields	Keigar Homes
3	West Common Grange	HG Homes
4	Roman Court	Gleeson
5	Brickyard Court	Walshes Property

Source: Avison Young

- 5.7 A summary of the sales values achieved are highlighted in Table 5.2<sup>18</sup>.

Table 5.2 – Summary of Achieved Values

Scheme	Values £psm (£psf)		
	Max	Min	Average
Falcons Place	£2,417 (£225)	£2,117 (£197)	£2,242 (£208)
Dartmouth Fields	£3,115 (£289)	£1,536 (£143)	£2,061 (£192)
West Common Grange <sup>19</sup>	£2,835 (£263)	£2,022 (£188)	£2,644 (£246)
Roman Court	£2,395 (£223)	£1,952 (£181)	£2,132 (£198)
Brickyard Court	£2,432 (£226)	£2,061 (£191)	£2,254 (£209)

Source: Avison Young/Realyse

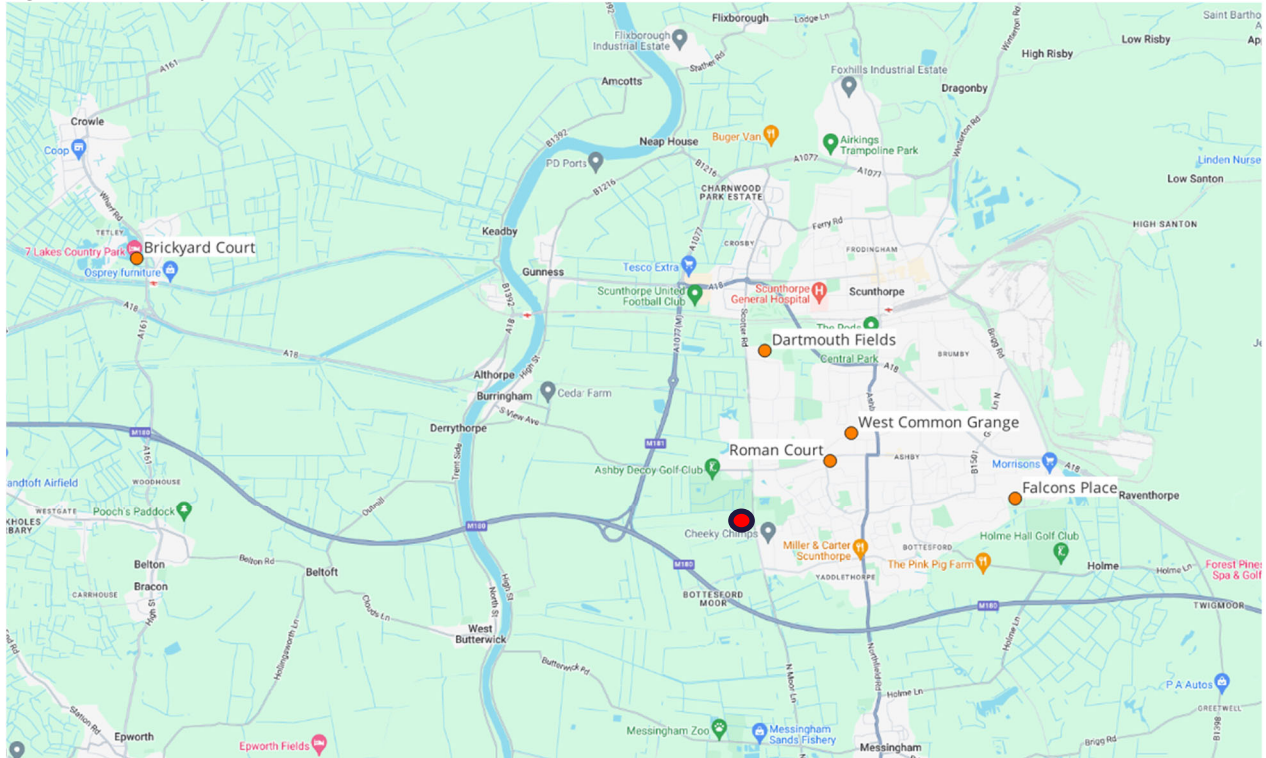
<sup>16</sup> Ref ID: 10-010-20180724

<sup>17</sup> Assessing viability in planning under the National Planning Policy Framework 2019 for England

<sup>18</sup> A detailed schedule of comparable evidence is included at Appendix 2.

<sup>19</sup> All the West Common Grange transactions were detached bungalows.

Figure 5.1 – Comparable Scheme Locations



Source: Avison Young

- The site
- Comparable scheme

- 5.8 Based on this evidence we have applied an average sales value of £2,904psm (£270psf) for the bungalows and an average value for £2,207psm (£205psf) for the remaining house types.
- 5.9 With respect to the affordable tenures we have assumed that Affordable Rented homes are transferred at 60% of the market value and discounted sales at 80%, which we understand has been accepted by the Council on other schemes.

**Development Costs**

- 5.10 Para 012 PPG<sup>20</sup> states that the assessment of costs should be based on evidence that is reflective of local market conditions.

*Base Build Cost*

- 5.11 The latest RICS Guidance<sup>21</sup> states that a full quantity surveyor’s cost report showing how costs have been estimated, should be made available for site-specific information.
- 5.12 However, the Applicant has not provided a detailed cost plan, so we have relied on BCIS cost data.
- 5.13 We have sourced cost information from BCIS, rebased to Q1 2024 and adjusted to reflect local sensitivities in Scunthorpe<sup>22</sup>. We have employed the lower quartile cost data for new build estate

<sup>20</sup> Reference ID:10-012-20180724

<sup>21</sup> Assessing viability in planning under the National Planning Policy Framework 2019 for England.

<sup>22</sup> We would generally use the Humberside BCIS for the larger sample size however, in this instance, we feel that the Scunthorpe BCIS figure would more closely reflect both the applicants housing product and specific evidence within this report. This seems to be a view shared by the applicant’s consultant, as they have adopted the Scunthorpe BCIS lower quartile rates in their own FVA.

housing generally, which equates to £1,119psm (£104psf)<sup>23</sup>. The costs are inclusive of preliminaries but it is worth noting that costs from BCIS are net of external works, which are typically assumed at 15% on cost. Therefore, we have assumed a gross build cost of circa £1,286psm (£120psf).

#### *Contingency*

5.14 We have allowed a contingency of 3%.

#### *Abnormal Costs*

5.15 The Applicant has provided a schedule of abnormal costs totalling £988,772 (see breakdown below). Our cost consultant has reviewed these costs and based on their review; we accept these costs.

*Table 4.4 – Abnormal Costs*

<b>Description</b>	<b>Cost</b>
LEAP	£36,000
Landscaping	£35,250
BNG Credits	£202,500
TRO	£4,500
Right Turn Lane Lining	£5,000
Demolition	£10,000
Arboriculture Work	£10,000
Substation	£25,000
Foul Pumping Station	£102,000
Surface Water Pumping Station	£102,000
Muck Management	£81,000
Clay Heave Precautions	£1,800
Trench Fill Foundations	£8,015
Found Foundations	£36,650
Widened Reinforced Foundations	£28,350
Beam and Block Floors	£25,120
Dewatering	£10,000
EV Charging	£40,500
Lowering Gas Main	£30,000
Rising Main	£180,000
Surface Water Fee	£15,087
<b>Total</b>	<b>£988,772</b>

*Source: The Applicant/Avison Young*

#### *Project Fees*

5.16 Many viability assessments incorporate an assessment of fees based upon a percentage of build costs. Expenditure on fees will vary with the complexity of the site. They will also vary depending on the type of developer, with volume builders often able to realise some savings from in-house provision. Figures for fees relating to design, planning and other professional fees can range between 6% and 8% for straight forward sites but can be a lot of higher for complex multi-phased sites.

5.17 We have included an allowance for project fees based on 6% of the build costs. This covers architecture, planning, survey, legal and other professional fees etc.

<sup>23</sup>. It is assumed that the cost data from BCIS captures the additional costs associated with recent changes (June 2022) to Part L of the Building Regulations which requires all new homes to produce 30% less CO<sub>2</sub> than the standard for Part L of the 2013 Building Regulations.

*S106 Costs*

5.18 The Heads of Terms for the Section 106 Agreement include the following obligations.

- A contribution of £689,130 for primary and secondary education.
- Informal open space maintenance contribution of £22,297.80
- Area of play contribution of £54,106.
- Recreation contribution of £63,890
- A health contribution of £56,161.95

*Disposal Costs (Sales and Marketing)*

5.19 We have included an allowance based on 3% of the open market sales GDV.

*Developer's Profit*

5.20 In simple terms, only when the development value exceeds the total project costs can a scheme be considered viable. A scheme will not proceed where development costs exceed revenue (i.e. where there is a negative profit). However, even in circumstances where a very modest profit is generated, it does not always meet the expectations of the developer. Therefore, when undertaking a viability assessment, a minimum profit needs to be identified.

5.21 Planning Practice Guidance (PPG) states<sup>24</sup> that for the purpose of plan making an assumption of 15% to 20% of gross development value (GDV) may be considered a suitable return to developers to establish the viability of plan policies. It further states that plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. PPG also advocates that a lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. It also states that alternative figures may also be appropriate for different development types.

5.22 Whilst the reference within PPG is clearly aimed towards viability in plan making many practitioners also refer to the guidance within PPG for viability in decision making. However, at the application and decision-making stage the level of return needs to have regard to the scale and complexity of the project in question, its cash efficiency, the scale of investment required and the embedded risk in the project.

5.23 With respect to this project, we would highlight the following:

- The project is subject to a number of technical challenges and as a result is subject to a range of abnormal costs;
- The current costs are subject to a much higher level of uncertainty than would normally be the case, due to continuing inflation, albeit much reduced.

5.24 Within this context, our opinion of a reasonable return for the developer is a profit, across the open market sales and affordable housing, of 18% GDV.

*Finance Costs and Timescales*

5.25 It is difficult to establish what the appropriate rate of interest would be in the current market. The Bank of England has recently increased the base rate to 5.25%, as it continues to grapple with inflation. It is also widely recognised that the approach to development varies widely and is influenced by the equity invested in the site along with the financial organisation/strength of the developer. The interest rates can, therefore, differ widely between these approaches.

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<sup>24</sup> Paragraph: 018 Reference ID: 10-018-20190509

5.26 For the purpose of our appraisal we have assumed an interest rate of 7.5%.

5.27 In terms of timescales /phasing our assessment is based on the following assumptions:

- 6 months lead in to commencement of construction.
- 6 months to the completion of the first unit and thereafter we have assumed a build-to sales of 3 units per month.

## 6. Summary of Base Appraisal

- 6.1 The results of our assessment are summarised in Table 6.1 and a copy of our base case appraisal is included at Appendix 3.

Table 6.1- Summary of Base Appraisal (Policy Compliant)

Item	£
Open Market Sales	£12,024,890
Affordable Housing – Affordable Rent	£1,657,835
<b>Total GDV (A)</b>	<b>£13,682,725</b>
Construction Costs	£8,402,640
Contingency	£308,445
Abnormal Costs	£988,772
S106 – Education	£689,130
S106 – Recreation	£68,390
S106 – Informal Open Space Maintenance	£22,298
S106 - Area of Play	£54,106
S106 - Health	£56,162
Project Fees	£504,158
Disposal Fees	£360,747
Finance Costs	£32,127
<b>Total Costs (excluding profit)</b>	<b>£11,486,975</b>
Developers Profit at 18% GDV	£2,462,891
<b>Total Costs (including Developers Profit) (B)</b>	<b>£13,949,866</b>
Gross Residual Land Value (A – B)	(£267,141)
Purchasers Costs	£ <sup>25</sup>
<b>Residual Land Value</b>	<b>(£267,141)</b>

Source: Avison Young

■	BLV of £650,000 is exceeded
■	Close to BLV of £650,000
■	Below BLV of £650,000
■	Unviable (negative land value generated)

- 6.2 As highlighted above, our base case appraisal generates a negative land value, meaning that the scheme is unviable on a policy compliant basis.

<sup>25</sup> Purchasers' costs include Stamp Duty in line with HMRC's prevailing rates and purchasers' costs at 1.8%. However, because the land value is negative these costs don't apply.





## 7. Sensitivity Analysis

- 7.1 As outlined previously, the scheme is subject to Heads of Terms for a S106 Agreement, which includes the construction of 20% of the total number of dwellings as affordable (16 dwellings in total) and £890,086 of other financial contributions.
- 7.2 Our base case appraisal, summarised in the previous section, highlights that the scheme is not viable on a policy compliant basis.
- 7.3 Within the table below we set out the impact on viability of alternative S106 scenarios.

*Table 7.1 – Impact on Viability of S106 Scenarios*

Scenario	Residual land value
Base appraisal	(£267,141)
1 Base appraisal but removal of affordable housing – 100% market scheme	£174,157
2 Base appraisal less education contribution <sup>26</sup>	£361,501
3 Base appraisal but removal of affordable housing and education contribution	£911,804
4 Base appraisal but removal of affordable housing and half of the education contribution (a cost per market dwelling of £5,301).	£544,304
5 Base appraisal but removal of affordable housing and third of the education contribution (a cost per market dwelling of £3,500).	£669,260
6 Base appraisal but removal of affordable housing, informal open space and area of play contributions <sup>27</sup>	£238,670
7 Base appraisal but removal of affordable housing, informal open space, area of play contributions and half of the education contribution (a cost of per market dwelling of £4,500).	£661,752

Source: Avison Young

	BLV of £650,000 is exceeded
	Close to BLV of £650,000
	Below BLV of £650,000
	Unviable (negative land value generated)

- 7.4 As outlined above only three scenarios generate a land value which exceeds the benchmark and they all assume no affordable housing.

- Scenario 3 generates the highest land value at 911,804, which is circa £262,000 higher than the benchmark land value (£650,000). Within this scenario it is assumed that the education contribution is removed in its entirety with the other s106 costs remaining (circa £215,000). This scenario demonstrates that the scheme could support some education contributions.
- Scenario 5 demonstrates that a 100% market housing scheme can support the recreation, informal open space, area of play and health contributions (circa £215,000 in total) plus an additional £283,500 of education contributions. The total S106 contributions in this scenario are £498,500 and the land value generated inclusive of these costs is £669,260 which is marginally higher than the benchmark land value of £650,000.
- In Scenario 7 the s106 contributions for informal open space and area of play are excluded. On this basis the scheme can support the recreation and health contributions in addition to an education contribution of £364,500 (which equates to £4,500 per market dwelling). A total of

<sup>26</sup> A total saving of £689,130

<sup>27</sup> A total saving of £76,404.

£502,876 of s106 contributions would be viable in this scenario. This would generate a land value of £661,752, which is marginally higher than the benchmark land value.

- 7.5 The previous results highlight that the scheme can viably support circa £500,000 of S106 contributions, on the basis that there is no affordable housing.
- 7.6 Although not required in viability testing for planning purposes we have also considered changes in the build costs and sales values and what impact this has on the viability of delivering the circa £500,000 of S106 obligations identified as being viable. For the purpose of this exercise we have used Scenario 5. The results of this exercise are presented in the table below.

Table 7.2- Impact of Changes in Construction Costs and Sales Values (Scenario 5)

Costs	Sales Values				
	-10%	-5%	0%	+5%	+10%
-10%	£476,198	£953,973	£1,431,324	£1,908,653	£2,385,983
-5%	£88,728	£572,767	£1,050,383	£1,527,712	£2,005,041
0%	(£332,883)	£189,269	£669,260	£1,146,770	£1,624,099
+5%	(£769,964)	(£223,420)	£287,544	£765,687	£1,243,158
+10%	(£1,221,194)	(£657,783)	(£115,154)	£384,113	£862,115

	BLV of £650,000 is exceeded
	Close to BLV of £650,000
	Below BLV of £650,000
	Unviable (negative land value generated)

- 7.7 The previous table demonstrates that the scheme delivers a residual land value in excess of the benchmark land value in all those scenarios highlighted in green. Those scenarios highlighted in green are the ones in which the total s106 obligations could be higher than £500,000 or where some affordable housing could also be sought alongside the £500,000 of s106 obligations.
- 7.8 The scenarios in peach are where a positive land value has been generated but it falls some way below the benchmark land value. In these scenarios £500,000 of S106 contributions isn't viable.
- 7.9 The scenarios in red are where a negative land value is generated and, in these scenarios, it wouldn't be viable to provide the £500,000 of S106 contributions.

## 8. Conclusions

- 8.1 Avison Young (AY) has been appointed by the Council to prepare an independent assessment of scheme viability in relation to a development of 81 dwellings on land at Silica Lodge, Scotter Road South, Scunthorpe
- 8.2 The purpose of this assessment is to consider the viability of providing the S106 obligations set out within the Heads of Terms for the S106 Agreement, including:
- 16 affordable dwellings (20% of the total number of dwellings), split 69% for rent (circa 11 dwellings) and 31% (5 dwellings), as intermediate products.
  - Primary and secondary education contributions at a combined cost of £10,602 per market dwelling. Assuming policy compliant levels of affordable housing the scheme would deliver 65 market dwellings<sup>28</sup>, which would mean the total education contribution is £689,130.
  - Informal open space maintenance contribution of £22,297.80.
  - A recreation (leisure) contribution of £63,890.
  - Area of play contribution of £54,106.
  - A health contribution of £864.03 per market dwelling, which equates to a total cost of £56,161.95, assuming policy compliant levels of affordable housing.
- 8.3 The Applicant commissioned Cushman and Wakefield to prepare a viability assessment which concluded the scheme was unable to support any affordable housing or the Council's s106 Contributions.
- 8.4 In order for any land to be released for development, the scheme in question is required to generate the minimum acceptable level of return for the landowner, in the form of a benchmark land value. The developer must also receive an acceptable level of return / profit for the level of risk that they take.
- 8.5 For the purpose of this assessment we have adopted a benchmark land value of £650,000 and applied a profit which equates to 18% of GDV.
- 8.6 Our base case appraisal generates a negative land value, meaning that the scheme is unviable on a policy-compliant basis.
- 8.7 However, if the scheme is based on 100% market sales (i.e. there is no affordable housing) the scheme can viably support circa £500,000 of s106 financial obligations. This is clearly less than the total obligations set out within the Heads of Terms and the Council would need to prioritise which obligations this funding would be used towards.
- 8.8 Alternatively, the Council could seek to pursue some affordable housing in lieu of the £500,000 of s106 contributions.
- 8.9 Although not required in viability testing for planning purposes a sensitivity testing exercise demonstrated that the scheme could be more viable and therefore able to support further s106 obligations and or affordable housing, subject to changes in costs and values.
- 8.10 On this basis the Council may want to consider some form of clawback arrangement within the S106 Agreement whereby a further open book appraisal will need to be completed after the scheme has been completed and if the clawback triggers are exceeded a further financial contribution in lieu of affordable housing and shortfall in the current S106 ask becomes payable to the Council.

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<sup>28</sup> i.e 81 homes in total less 16 affordable homes.

# Appendix 1

## Terms and Conditions

# Avison Young (UK) Limited Standard Terms of Appointment

## PARTIES

- (1) Avison Young (UK) Limited incorporated and registered in England and Wales with company number 6382509 whose registered office is at 3 Brindleyplace, Birmingham, B1 2JB, United Kingdom (**Avison Young**).
- (2) The Client named in the Letter of Appointment (**Client**)

### 1. Interpretation

The following definitions and rules of interpretation apply in this appointment:

**Additional Services:** any additional services which Avison Young agrees to provide in accordance with clause 6.

**Fee:** the fees for the Services and any Additional Services (if any) as set out in the Letter of Appointment.

**Force Majeure Event:** means any circumstance not within a party's reasonable control including, without limitation: acts of God, flood, drought, earthquake or other natural disaster; epidemic or pandemic; terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; nuclear, chemical or biological contamination or sonic boom; any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent; collapse of buildings, fire, explosion or accident; any labour or trade dispute, strikes, industrial action or lockouts; any interruption or failure of utility service

**Insolvent:** a party is insolvent if: a party is making a voluntary arrangement with its creditors, entering administration or going into liquidation; or a security holder taking possession, or a receiver or an administrative receiver being appointed over all or any part of the property or the assets of the party; or any other similar or analogous event in another jurisdiction.

**Letter of Appointment:** the letter by Avison Young which sets out the details of the Client and the Services and the Fee together with other details relating to the Service which may be appropriate to this appointment.

**Material:** all designs, drawings, models, plans, specifications, design details, photographs, brochures, reports, notes of meetings, CAD materials, calculations, data, databases, schedules, programmes, bills of quantities, budgets and any other materials provided in connection with the Services and all updates, amendments, additions and revisions to them and any works, designs, or inventions incorporated or referred to in them for any purpose relating to the Services.

**Services:** the Services set out in the Letter of Appointment and the Additional Services (if any).

**VAT:** value added tax imposed by the Value Added Tax Act 1994, or any similar tax in addition to or replacing it from time to time.

### 2. Appointment

- 2.1. The Client appoints Avison Young to carry out the Services, subject to the terms of this appointment.
- 2.2. This appointment takes effect from the date when Avison Young begins performing the Services, regardless of the date of this appointment.
- 2.3. This appointment consists of these Avison Young Terms and the Letter of Appointment.
- 2.4. Avison Young shall deem the Client to have accepted the terms of this appointment (including the details set out in the Letter of Appointment) within 30 days of their issue unless the Client has notified Avison Young otherwise in writing.

### 3. Consultant's Obligations

- 3.1. Avison Young warrants and undertakes that it shall comply with the terms of this appointment.
- 3.2. Avison Young warrants and undertakes that it shall act with reasonable skill and care:
  - 3.2.1. when performing the Services;
  - 3.2.2. to comply with any Act of Parliament, any instrument, rule or order made under any Act of Parliament; and any regulation or bye-law of any local authority, statutory undertaker or public or private utility or undertaking that has any jurisdiction over the Services or with those systems or property the Services is or will be connected.

## Avison Young (UK) Limited Standard Terms of Appointment

### 4. Client Obligations

- 4.1. The Client undertakes promptly to provide Avison Young with all information, assistance and materials that Avison Young may request from time to time to facilitate the proper and timely performance of the Services. The Client warrants that all information provided by it to Avison Young will be accurate and complete, and that it is entitled to provide the same to Avison Young for its use without recourse to any third party.
- 4.2. The Client undertakes promptly to carry out all such actions and provide all such resources (if any) as may be required of the Client in the Letter of Appointment.
- 4.3. The Services will be provided at Avison Young's premises when the nature of the work permits. If any of Avison Young's personnel are to perform any Services at the Client's premises, the Client shall ensure that such personnel are allowed access to such premises upon reasonable prior notice during normal business hours and shall take full responsibility for the safety and security of Avison Young's personnel whilst at such premises.

### 5. Remuneration

- 5.1. The payment terms set out in clauses 5.5 to 5.7 shall apply to all Services not covered under the Housing Grants, Construction and Regeneration Act 1996. The payments terms set out in clauses 5.8 to 5.14 apply to Services which are covered under the Housing Grants, Construction and Regeneration Act 1996.
- 5.2. The Client shall pay the Fee, together with any reasonable expenses and disbursements, which shall be Avison Young's entire remuneration under this appointment.
- 5.3. The Client shall pay Avison Young any VAT properly chargeable on the Services. Any amount expressed as payable to Avison Young under this appointment is exclusive of VAT unless stated otherwise.
- 5.4. The Fee shall be calculated and paid in instalments in accordance with the dates set out in the Letter of Appointment or if not set out, the Fee shall be paid at intervals of not less than one month, beginning one month after Avison Young begins performing the Services.

To the extent that the Fee is not set out in the Letter of Appointment, Avison Young will be entitled to charge a Fee based on its current hourly rates (which are available on request), and on the number of hours it has worked on the matter.

- 5.5. Avison Young shall submit to the Client an invoice for each instalment of the Fee, together with any supporting documents that are reasonably necessary to check the invoice. The invoice and supporting documents (if any) shall specify the sum that Avison Young considers will become due on the relevant instalment date.
- 5.6. Payment shall be made within 30 days of the date of the Invoice.
- 5.7. Avison Young reserves the right to charge interest and debt recovery costs in respect of any amounts not paid in accordance with clause 5.6. Interest will be calculated in accordance with the "Late Payment of Commercial Debts (Interest) Act 1998".
- 5.8. Avison Young shall submit to the Client an invoice for each instalment of the Fee, together with any supporting documents that are reasonably necessary to check the invoice. The invoice and supporting documents (if any) shall specify the sum that Avison Young considers will become due on the payment due date in respect of the instalment of the Fee, and the basis on which that sum is calculated.
- 5.9. Payment shall be due on the date Avison Young submits each invoice (**payment due date**).
- 5.10. No later than five days after the payment due date, the Client shall notify Avison Young of the sum that the Client considers to have been due at the payment due date in respect of the payment and the basis on which that sum is calculated.
- 5.11. The **final date for payment** shall be 30 days after the payment due date.
- 5.12. Unless the Client has served a notice under clause 5.13, it shall pay Avison Young the sum referred to in the Client's notice under clause 5.10 (or, if the Client has not served notice under clause 5.10, the sum in the invoice referred to in clause 5.8) (the **notified sum**) on or before the final date for payment.
- 5.13. Not less than five days before the final date for payment (the **prescribed period**), the Client may give Avison Young notice that it intends to pay less than the notified sum (a pay less notice). Any pay less notice shall specify:

## Avison Young (UK) Limited Standard Terms of Appointment

5.13.1. the sum that the Client considers to be due on the payment due date; and

5.13.2. the basis on which that sum is calculated.

5.14. If the Client fails to pay an amount due to Avison Young by the final date for payment and fails to give a pay less notice, then the Client shall pay interest calculated in accordance with the "Late Payment of Commercial Debts (Interest) Act 1998".

### 6. Additional Services

6.1. Each party shall notify the other as soon as reasonably practicable if it becomes apparent that Additional Services are likely to be required, and such notice will identify the required services.

6.2. Additional Services may arise as a result of the following:

6.2.1. a change in the scope, size, complexity or duration of the Services;

6.2.2. any other changes to the Services as set out in the Letter of Appointment;

6.2.3. any material delay or disruption to the Services; or

6.2.4. any other cause outside Avison Young's reasonable control and which it could not reasonably have foreseen at the date of this appointment.

6.3. If the Client provides a notice under clause 6.1, then as soon as reasonably practicable after receiving the notice, Avison Young shall provide the Client with a written estimate of the change to the Fee in respect of the Additional Services. If Avison Young provides a notice under clause 6.1, Avison Young shall provide the Client with a written estimate of the change to the Fee in respect of the Additional Services at the same time it provides the notice.

6.4. The Fee for the Additional Services shall be calculated by agreement between the parties.

6.5. At the Client's discretion, acting reasonably, it may instruct Avison Young to carry out the Additional Services. For the avoidance of doubt, Avison Young shall only perform Additional Services on receipt of a written instruction to do so by the Client.

6.6. Any Fee payable by the Client in respect of Additional Services shall be included in the next invoice following performance of the Additional Services.

### 7. Limitation of Liability – PLEASE READ THIS SECTION CAREFULLY

7.1. Without affecting any other limitation in this appointment, Avison Young's liability under or in connection with this appointment shall be limited to £5,000,000 in total for all claims arising. This limit shall apply however that liability arises including a liability arising by breach of contract, arising by tort (including the tort of negligence) or arising by breach of statutory duty. Nothing in this appointment shall exclude or limit Avison Young's liability for:

7.1.1. death or personal injury caused by Avison Young's negligence; or

7.1.2. fraud or fraudulent misrepresentation.

7.2. None of Avison Young's employees, directors or consultants individually has a contract with the Client or owes the Client a duty of care or personal responsibility. The Client agrees that it will not bring any claim against any such individuals personally in connection with the Services.

7.3. If the Client suffers loss as a result of Avison Young's breach of contract or negligence, Avison Young's liability shall be limited to a just and equitable proportion of the Client's loss having regard to the extent of responsibility of any other party. Avison Young's liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an appointment between the Client and them, difficulty in enforcement, or any other cause.

7.4. Avison Young shall have no liability to the Client under this appointment in respect of loss of profits, loss of revenue or business, loss of goodwill or reputation or any other indirect or consequential losses.

7.5. The Services and any Material produced in connection with the Services are provided for the Client's benefit alone and solely for the purposes of the instruction to which it relates. The Services or any Material may not, without Avison Young's written consent, be used or relied upon by any third party, even if that party pays all or part of Avison Young's Fees, or is permitted to see a copy of the Materials Avison Young create. If Avison Young provides written consent for a third party to rely on the Services or the Materials, it may be subject to a further fee, and any such third party will be deemed to have accepted the terms and conditions set out in this appointment.

# Avison Young (UK) Limited Standard Terms of Appointment

7.6. Avison Young shall not be liable for any loss or damage suffered or incurred by the Client arising from Avison Young's delay in performing or failure to perform the Services and/or any of its obligations under this appointment where such delay or failure results from a Force Majeure Event.

## 8. Suspension

- 8.1. The Client may, at any time, suspend performance of all or part of the Services by giving written notice to Avison Young. Subject to clause 9.1, Avison Young shall resume performance of the Services as soon as reasonably practicable after receiving a written notice to do so from the Client.
- 8.2. Avison Young may suspend the performance of any or all of its Services and other obligations under this appointment by giving not less than seven days' notice to the Client of its intention to do so in the event that the Client fails to pay an invoice in accordance with the relevant payment provisions set out in clause 5.
- 8.3. In the event of a suspension in accordance with this appointment, the Client shall pay Avison Young an amount in respect of any costs and expenses reasonably incurred by Avison Young as a result of such suspension.

## 9. Termination

- 9.1. Avison Young may immediately terminate its engagement under this appointment by giving written notice to the Client if:
- 9.1.1. a suspension of the Services in accordance with clause 8.1 continues for a continuous period of six months; and
- 9.1.2. the Client does not instruct Avison Young to resume the Services within 30 days of receiving a written notice from Avison Young requiring it to do so.
- 9.2. Either party may immediately terminate this appointment by giving written notice to the other party if:
- 9.2.1. the other party is in material breach of its obligations under this appointment and fails to remedy that breach within 14 days of receiving written notice requiring it to do so; or
- 9.2.2. the other party becomes Insolvent; or
- 9.2.3. a Force Majeure Event continues for a period of more than 30 days.

9.3. Either party may terminate this appointment at any time for any reason by giving no less than 30 days written notice to the other party.

## 10. Consequences of Termination

- 10.1. On termination the Client shall immediately pay Avison Young:
- 10.1.1. any amount properly due for payment under this appointment at the date of termination; and
- 10.1.2. a fair and reasonable proportion of the next instalment of the Fee, together with any expenses and disbursements, commensurate with the Services properly performed at the date of termination; and
- 10.1.3. any expenses, disbursements or costs necessarily incurred by Avison Young as a direct result of termination (unless the termination arises as a result of Avison Young's default).
- 10.2. Termination of Avison Young's engagement under this appointment shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of this appointment which existed at or before the date of termination.

## 11. Copyright and Intellectual Property

- 11.1. Avison Young owns all intellectual property rights (including copyright) relating to the Material it produces.
- 11.2. On payment of the Fee, Avison Young grants to the Client an irrevocable, non-exclusive, non-terminable, royalty-free licence to copy and make full use of any Material prepared by, or on behalf of, Avison Young for any purpose relating to the project or the property to which the Services relate.
- 11.3. Avison Young shall not be liable for use of the Material for any purpose other than that for which it was prepared and/or provided.
- 11.4. The Client may, at any time (whether before or after completion of the Services, or after termination of Avison Young's engagement under this appointment), request a copy or copies of (some or all of) the Material from Avison Young. On the Client's payment of Avison Young's reasonable charges for providing the copy (or copies), Avison Young shall provide the copy (or copies) to the Client.

# Avison Young (UK) Limited Standard Terms of Appointment

## 12. Confidentiality

- 12.1. Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or of any member of the group of companies to which the other party belongs, except as permitted by clause 12.2.
- 12.2. Each party may disclose the other party's confidential information:
- 12.2.1. to its employees, officers, representatives, contractors, sub-contractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out the party's obligations under or in connection with this appointment. Each party shall ensure that its employees, officers, representatives, contractors, sub-contractors or advisers to whom it discloses the other party's confidential information comply with this clause 12; and
- 12.2.2. as may be required by law, to a court of competent jurisdiction or any governmental or regulatory authority.
- 12.3. No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this appointment.

## 13. Anti-Money Laundering

- 13.1. Avison Young operate an anti-money laundering policy in compliance with the Money Laundering Regulations 2007 and the Money Laundering Regulations 2017, The Proceeds of Crime Act 2002, The Terrorism Act 2000 and subordinate legislation. Avison Young may require the Client to provide information (including proof of identity or income) from time to time to enable Avison Young to verify the Client's identity. For the avoidance of doubt this may require Avison Young to request and retain information relating to the directors and the "beneficial owners" of the Client, as is required under the legislation.
- 13.2. Any failure to provide such information within seven days of such a request shall give Avison Young the right to terminate this appointment in accordance with Clause 9.2.1 of this appointment.

## 14. Bribery Act

- 14.1. In order to Comply with the Bribery Act 2010, either party must inform the other if it becomes aware of any person (employee, agent, intermediary, contractor, private individual, commercial organisation or public official) connected (in any way) with this appointment who has committed an offence under the Bribery Act 2010 (or any equivalent legislation).
- 14.2. Avison Young reserves the right to terminate this appointment in accordance with Clause 9.2.1 should it reasonably believe that a breach or likely breach of the Bribery Act 2010 (or any equivalent legislation) has occurred.

## 15. Data Protection

As a result of Avison Young's relationship with the Client, Avison Young may collect or retain personal data about the Client. If the Client is a company, this may include information about the Client's employees, officers, or shareholders. If the Client is a person, this may include information about the Client's family members. Avison Young will only use such data for the purposes of providing the Services, or for related purposes such as updating Client records, money laundering compliance and other legal and regulatory compliance, and we may need to disclose this information to appropriate persons in relation to such matters. In providing any personal data to Avison Young, the Client confirms that it has informed the individuals concerned and obtained any necessary consent to the transfer to Avison Young and for Avison Young's use of their data for these purposes.

## 16. Professional Indemnity Insurance

- 16.1. Avison Young shall maintain professional indemnity insurance to cover its liabilities arising out of this appointment for a period beginning on the date of this appointment and ending 6 years after the date of completion of the Services provided that such insurance is available at commercially reasonable rates and terms with reputable insurers lawfully carrying on insurance business in the UK.
- 16.2. Whenever the Client reasonably requests, Avison Young shall send the Client a broker letter/certificate to evidence that Avison Young's professional indemnity insurance is in force.

# Avison Young (UK) Limited Standard Terms of Appointment

## 17. Complaints

In the event that the Client has a complaint the Client shall be entitled to have access to the complaints handling procedure maintained by Avison Young which contains a dispute resolution process as required by the Royal Institution of Chartered Surveyors (RICS) rules of conduct (details of which are available from Avison Young on request).

## 18. Unoccupied Premises or Properties

Avison Young accepts no liability or responsibility for the security, maintenance or repair of, or for any damage to any premises or properties to which the Services relate. The Client shall take all necessary action to protect such premises or property and to ensure that they have adequate insurance cover in place.

## 19. Joint and Several Liability

If at any time the Client shall consist of more than one person, the obligations on the Client under this appointment shall be enforceable against each of them on a joint and several basis.

## 20. Assignment and Subcontracting

- 20.1. Neither party shall assign or subcontract its rights or obligations under this appointment without the prior written consent of the other party such consent not to be unreasonably withheld or delayed.
- 20.2. If the Client wishes to instruct Avison Young to use a specific contractor or consultant, Avison Young shall instruct such contractor on the Client's behalf. The Client retains all responsibility for any such contractors or consultants and will undertake all due diligence and investigation in relation to their competences and resources. Avison Young accepts no responsibility or liability for the acts of any consultants or contractors appointed at the Client's request.

## 21. Notice

A notice given to a party under or in connection with this appointment shall be in writing and delivered by hand or by recorded delivery post to the address recorded in the Letter of Appointment or such other address as the party may specify from time to time by written notice to the other.

## 22. Liability Period

Neither party shall commence any legal action against the other under this appointment after six years from the date of completion of the Services.

## 23. Third Party Rights

Except in relation to clause 7.2, a person who is not a party to this appointment shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this appointment.

## 24. Entire Agreement

- 24.1. This appointment constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 24.2. Each party agrees that in entering into this appointment it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this appointment.
- 24.3. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this appointment.
- 24.4. No variation to this appointment will be binding unless agreed in writing by both parties.
- 24.5. Nothing in this clause shall limit or exclude any liability for fraud.

## 25. Severance

If any provision or part-provision of this appointment is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this appointment.

## Avison Young (UK) Limited Standard Terms of Appointment

### 26. Non-Solicitation

- 26.1. The Client agrees that both during and for a period of twelve months after the term of this Appointment, the Client shall not (and shall procure that none of its subsidiary or associated companies shall) without the prior written consent of Avison Young:
- 26.1.1. directly or indirectly employ or engage any person who is (or was at any time during the term of this Appointment) a director, member, employee, agent or contractor of Avison Young and with whom the Client has had dealings pursuant to this Appointment (a "relevant person"), or solicit or induce any such relevant person to terminate their employment or engagement with Avison Young;
- 26.1.2. engage or accept services from or otherwise deal with any company, partnership or other entity of which any relevant person is a director, member, employee, agent or contractor.
- 26.2. In granting its consent hereunder, if it agrees to do so, Avison Young shall be entitled to make such consent conditional upon the payment by the Client to Avison Young of a fee equal to 50% of the relevant person's average annual salary or earnings during the preceding 12 months, which equates roughly to the cost to Avison Young of replacing such relevant person.

### 27. Governing Law and Jurisdiction

- 27.1. This appointment and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales and each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the appointment.
- 27.2. If the Services are provided primarily in Scotland then the appointment and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with Scots law and each party irrevocably agrees that the courts of Scotland shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the appointment.

# **Appendix 2**

## **Comparable Sales Evidence**

Address	Postcode	Scheme	Developer	Date of transfer	Property type	Number bedrooms	Price (Â£)	sqm	sqft	Price psm	Price (Â£) / sqft
19, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	30/06/2022	Detached		£227,995	106	1,141	£2,151	£200
3, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	23/05/2022	Detached		£227,995	106	1,144	£2,146	£199
1, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	13/05/2022	Detached		£227,995	106	1,144	£2,146	£199
25, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	09/11/2022	Semi-detached		£195,000	90	969	£2,167	£201
24, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	28/10/2022	Semi-detached		£182,995				
14, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	31/08/2022	Semi-detached		£139,995	60	646	£2,333	£217
10, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	30/08/2022	Semi-detached		£182,995	81	875	£2,252	£209
12, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	26/08/2022	Semi-detached		£182,995	81	875	£2,252	£209
4, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	10/06/2022	Semi-detached		£174,995	81	875	£2,154	£200
2, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	DN16 3DQ	Falcons Place	Linden Homes	27/05/2022	Semi-detached		£171,995	81	875	£2,117	£197
23, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	DN16 3EP	Falcons Place	Linden Homes	23/12/2022	Semi-detached		£187,995	80	861	£2,350	£218
17, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	DN16 3EP	Falcons Place	Linden Homes	09/12/2022	Semi-detached		£144,995	60	646	£2,417	£225
15, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	DN16 3EP	Falcons Place	Linden Homes	02/12/2022	Semi-detached		£144,995	60	646	£2,417	£225
5, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	14/10/2022	Bungalow	2	£299,950	113	1,220	£2,647	£246
53, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	16/12/2022	Detached	3	£239,950	103	1,109	£2,330	£216
3, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	28/10/2022	Detached		£224,950	72	777	£3,115	£289
6, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	16/09/2022	Detached		£224,950	113	1,220	£1,985	£184
4, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	10/06/2022	Detached		£224,950	113	1,220	£1,985	£184
46, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	21/10/2022	Detached		£327,500	202	2,174	£1,621	£151
44, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	29/07/2022	Detached	5	£324,950	202	2,174	£1,609	£149
42, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	08/07/2022	Detached	4	£279,950	127	1,363	£2,210	£205
19, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	10/06/2022	Detached	4	£277,500	127	1,363	£2,191	£204
34, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	22/04/2022	Detached	4	£279,950	127	1,363	£2,210	£205
22, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	08/04/2022	Detached		£279,950	127	1,363	£2,210	£205
27, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	11/03/2022	Detached		£277,500	127	1,363	£2,191	£204
9, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	09/03/2022	Detached	4	£317,422	138	1,490	£2,293	£213
25, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	25/02/2022	Detached	4	£277,500	127	1,363	£2,191	£204
24, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	04/02/2022	Detached		£319,950	208	2,243	£1,536	£143
2, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	13/05/2022	Detached		£369,950	218	2,347	£1,697	£158
21, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	25/11/2022	Semi-detached		£194,950	84	904	£2,321	£216
15, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	04/11/2022	Semi-detached	3	£194,950	88	942	£2,228	£207
30, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	14/10/2022	Semi-detached	3	£147,960	84	904	£1,761	£164
10, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	23/09/2022	Semi-detached		£199,950	107	1,148	£1,875	£174
28, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	09/09/2022	Semi-detached		£147,960	84	904	£1,761	£164
16, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	05/08/2022	Semi-detached	3	£199,950	106	1,141	£1,886	£175
12, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	29/07/2022	Semi-detached	3	£199,950	107	1,153	£1,866	£173
14, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	29/07/2022	Semi-detached	3	£199,950	107	1,153	£1,866	£173
18, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	24/06/2022	Semi-detached		£189,950	107	1,153	£1,773	£165
8, Appledore Crescent, Scunthorpe, North Lincolnshire, DN17 1BT	DN17 1BT	Dartmouth Fields	Keigar Homes	10/06/2022	Semi-detached		£189,950	107	1,153	£1,773	£165
36, Dartmouth Road, Scunthorpe, North Lincolnshire, DN17 1TR	DN17 1TR	Dartmouth Fields	Keigar Homes	25/03/2022	Semi-detached	3	£279,950	127	1,363	£2,210	£205
Plot 24, 47, Appledore Crescent, Scunthorpe, North Lincolnshire	DN17 1BT	Dartmouth Fields	Keigar Homes		Semi-detached	3	£199,950	84	904	£2,380	£221
11, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	10/05/2022	Detached Bungalow		£260,000	129	1,384	£2,022	£188
12, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	25/04/2022	Detached Bungalow		£283,500	100	1,076	£2,835	£263
10, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	14/04/2022	Detached Bungalow		£195,000	72	777	£2,700	£251
14, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	01/04/2022	Detached Bungalow		£197,660	72	777	£2,737	£254
9, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	21/03/2022	Detached Bungalow		£195,000	72	777	£2,700	£251
15, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	07/03/2022	Detached Bungalow		£195,000	72	777	£2,700	£251
7, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	03/03/2022	Detached Bungalow		£195,000	72	777	£2,700	£251
8, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	25/02/2022	Detached Bungalow		£195,000	72	777	£2,700	£251
6, Clarence Court, Scunthorpe, North Lincolnshire, DN17 1BW	DN17 1BW	West Common Grange	HG Homes	08/02/2022	Detached Bungalow		£195,000	72	777	£2,700	£251

Address	Postcode	Scheme	Developer	Date of transfer	Property type	Number bedrooms	Price (Â£)	sqm	sqft	Price psm	Price (Â£) / sqft
14, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	29/04/2022	Detached		£170,995	76	818	£2,250	£209
4, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	30/06/2022	Semi-detatched		£136,995	62	667	£2,210	£205
8, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	10/06/2022	Semi-detatched		£151,995	75	807	£2,027	£188
17, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	29/04/2022	Semi-detatched		£120,995	62	667	£1,952	£181
9, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	29/04/2022	Semi-detatched		£127,995	61	658	£2,094	£195
7, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	29/04/2022	Semi-detatched		£160,995	72	777	£2,229	£207
15, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	29/04/2022	Semi-detatched		£120,995	62	667	£1,952	£181
12, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	29/04/2022	Semi-detatched		£172,995	72	777	£2,395	£223
11, Minerva Close, Scunthorpe, North Lincolnshire, DN17 2FG	DN17 2FG	Roman Court	Gleeson Homes	25/04/2022	Semi-detatched		£158,995	76	823	£2,079	£193

Plot 1, Willow Close , Wharf Road, Ealand, North Lincolnshire	DN17 4BQ	Brickyard Court	Walshes Property		Detached	5	£470,000				
Plot 8, Brickyard Court, Wharf Road, Crowle, North Lincolnshire	DN17 4BQ	Brickyard Court	Walshes Property		Detached	5	£485,000				
Plot 4, Willow Close , Wharf Road, Ealand, North Lincolnshire	DN17 4BQ	Brickyard Court	Walshes Property		Detached	6	£525,000				
11, Lakeside View, Scunthorpe, North Lincolnshire, DN17 4FE	DN17 4FE	Brickyard Court	Walshes Property	14/04/2022	Detached		£365,000	171	1,845	£2,129	£198
15, Lakeside View, Scunthorpe, North Lincolnshire, DN17 4FE	DN17 4FE	Brickyard Court	Walshes Property	07/04/2022	Detached		£325,634	134	1,442	£2,430	£226
15, Brickyard Court, Scunthorpe, North Lincolnshire, DN17 4FH	DN17 4FH	Brickyard Court	Walshes Property	19/04/2023	Detached		£420,000	193	2,076	£2,178	£202
8, Brickyard Court, Scunthorpe, North Lincolnshire, DN17 4FH	DN17 4FH	Brickyard Court	Walshes Property	27/02/2023	Detached		£395,000	192	2,063	£2,061	£191
11, Brickyard Court, Scunthorpe, North Lincolnshire, DN17 4FH	DN17 4FH	Brickyard Court	Walshes Property	31/01/2023	Detached		£330,000	136	1,461	£2,432	£226
19, Lakeside View, Scunthorpe, North Lincolnshire, DN17 4FE	DN17 4FE	Brickyard Court	Walshes Property	28/04/2022	Semi-detatched		£157,673	72	777	£2,183	£203
17, Lakeside View, Scunthorpe, North Lincolnshire, DN17 4FE	DN17 4FE	Brickyard Court	Walshes Property	24/03/2022	Semi-detatched		£160,677	72	777	£2,225	£207
5, Brickyard Court, Scunthorpe, North Lincolnshire, DN17 4FH	DN17 4FH	Brickyard Court	Walshes Property	10/02/2023	Semi-detatched		£165,000	71	764	£2,324	£216
3, Brickyard Court, Scunthorpe, North Lincolnshire, DN17 4FH	DN17 4FH	Brickyard Court	Walshes Property	02/02/2023	Semi-detatched		£165,000	71	764	£2,324	£216

# **Appendix 3**

## **Development Appraisals**

Silica Lodge Base Appraisal  
Base Appraisal

**Silica Lodge Base Appraisal  
Base Appraisal**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales	Adjustment	Net Sales
Moy (Market)	4	2,624	270.00	177,120	708,480	0	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785	0	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840	0	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555	0	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180	0	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175	0	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525	0	1,251,525
Wexford (Market)	3	2,433	205.00	166,255	498,765	0	498,765
Keady (Market)	11	9,229	205.00	171,995	1,891,945	0	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640	0	1,067,640
Tyrone (Affordable Rent)	11	8,349	205.00	155,595	1,711,545	(684,618)	1,026,927
Tyrone (Intermediate )	4	3,036	205.00	155,595	622,380	(124,476)	497,904
Wexford (intermediate)	1	811	205.00	166,255	166,255	(33,251)	133,004
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>	<b>(842,345)</b>	<b>13,682,725</b>

**NET REALISATION** **13,682,725**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price (Negative land)	(267,140)	(267,140)
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**CONSTRUCTION COSTS**

**Construction**

	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Moy (Market)	2,624	120.00	314,880
Renmore (Market)	5,677	120.00	681,240
Calry (Market)	6,048	120.00	725,760
Milford (Market)	8,271	120.00	992,520
Longford (Market)	6,396	120.00	767,520
Broadale (Market)	5,835	120.00	700,200
Dublin (Market)	6,105	120.00	732,600
Wexford (Market)	2,433	120.00	291,960
Keady (Market)	9,229	120.00	1,107,480
Cork (Market)	5,208	120.00	624,960
Tyrone (Affordable Rent)	8,349	120.00	1,001,880
Tyrone (Intermediate )	3,036	120.00	364,320
Wexford (intermediate)	811	120.00	97,320
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>

Contingency	3.00%	308,445	308,445
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**Other Construction**

LEAP	36,000
Landscaping	35,250
BNG	202,500
TRO	4,500
Right Turn Lane Lining	5,000
Demolition	10,000
Arboriculture Work	10,000
Substation	25,000
Foul Pumping Station	102,000
Surface Water Pumping Ststion	102,000
Muck Management	81,000
Clay Heave Precautions	1,800
Trench Fill Foundations	8,015
Found Foundations	36,650
Widened Reinforced Foundations	28,350
Beam and Back Floors	25,120
Dewatering	10,000
EV Charging	40,500
Lowering Gas Main	30,000
Rising Main	180,000
Surface Water Fee	15,087
	<b>988,772</b>

**Section 106 Costs**

Education	65 un	10,602.00 /un	689,130
Recreation			68,390
Informal Open Space			22,298
Area of Play			54,106
Health	65 un	864.03 /un	56,162
			<b>890,086</b>

**PROFESSIONAL FEES**

Project Professional Fees	6.00%	504,158	504,158
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**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)	3.00%	360,747	360,747
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**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)

**Silica Lodge Base Appraisal  
Base Appraisal**

Land	(37,943)	
Construction	70,070	
Total Finance Cost		32,127
<b>TOTAL COSTS</b>		<b>11,219,834</b>
<b>PROFIT</b>		<b>2,462,891</b>

**Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	141.37%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 1

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 1**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Moy (Market)	4	2,624	270.00	177,120	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525
Wexford (Market)	4	3,244	205.00	166,255	665,020
Keady (Market)	11	9,229	205.00	171,995	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640
Tyrone (Market)	15	11,385	205.00	155,595	2,333,925
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>

**NET REALISATION** **14,525,070**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		174,157		174,157
Stamp Duty			3,618	
Effective Stamp Duty Rate	2.08%			3,618

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Moy (Market)	2,624	120.00	314,880
Renmore (Market)	5,677	120.00	681,240
Calry (Market)	6,048	120.00	725,760
Milford (Market)	8,271	120.00	992,520
Longford (Market)	6,396	120.00	767,520
Broadale (Market)	5,835	120.00	700,200
Dublin (Market)	6,105	120.00	732,600
Wexford (Market)	3,244	120.00	389,280
Keady (Market)	9,229	120.00	1,107,480
Cork (Market)	5,208	120.00	624,960
Tyrone (Market)	11,385	120.00	1,366,200
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>
Contingency		3.00%	313,949

8,716,589

**Other Construction**

LEAP		36,000
Landscaping		35,250
BNG		202,500
TRO		4,500
Right Turn Lane Lining		5,000
Demolition		10,000
Arboriculture Work		10,000
Substation		25,000
Foul Pumping Station		102,000
Surface Water Pumping Ststion		102,000
Muck Management		81,000
Clay Heave Precautions		1,800
Trench Fill Foundations		8,015
Found Foundations		36,650
Widened Reinforced Foundations		28,350
Beam and Back Floors		25,120
Dewatering		10,000
EV Charging		40,500
Lowering Gas Main		30,000
Rising Main		180,000
Surface Water Fee		15,087

988,772

**Section 106 Costs**

Education	81 un	10,602.00 /un	858,762
Recreation			68,390
Informal Open Space			22,298
Area of Play			54,106
Health	81 un	864.03 /un	69,986

1,073,542

**PROFESSIONAL FEES**

Project Professional Fees	6.00%	504,158	504,158
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**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)	3.00%	365,734	365,734
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**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land			29,817
Construction			54,169

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 1**

Total Finance Cost	83,986
<b>TOTAL COSTS</b>	<b>11,910,557</b>
<b>PROFIT</b>	<b>2,614,513</b>

**Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	77.86%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 2

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 2**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales	Adjustment	Net Sales
Moy (Market)	4	2,624	270.00	177,120	708,480	0	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785	0	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840	0	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555	0	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180	0	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175	0	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525	0	1,251,525
Wexford (Market)	3	2,433	205.00	166,255	498,765	0	498,765
Keady (Market)	11	9,229	205.00	171,995	1,891,945	0	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640	0	1,067,640
Tyrone (Affordable Rent)	11	8,349	205.00	155,595	1,711,545	(684,618)	1,026,927
Tyrone (Intermediate )	4	3,036	205.00	155,595	622,380	(124,476)	497,904
Wexford (intermediate)	1	811	205.00	166,255	166,255	(33,251)	133,004
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>	<b>(842,345)</b>	<b>13,682,725</b>

**NET REALISATION** **13,682,725**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price	361,501			
Stamp Duty	14,082			361,501
Effective Stamp Duty Rate	3.90%			14,082

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Moy (Market)	2,624	120.00	314,880
Renmore (Market)	5,677	120.00	681,240
Calry (Market)	6,048	120.00	725,760
Milford (Market)	8,271	120.00	992,520
Longford (Market)	6,396	120.00	767,520
Broadale (Market)	5,835	120.00	700,200
Dublin (Market)	6,105	120.00	732,600
Wexford (Market)	2,433	120.00	291,960
Keady (Market)	9,229	120.00	1,107,480
Cork (Market)	5,208	120.00	624,960
Tyrone (Affordable Rent)	8,349	120.00	1,001,880
Tyrone (Intermediate )	3,036	120.00	364,320
Wexford (intermediate)	811	120.00	97,320
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>
Contingency		3.00%	287,771

8,690,411

**Other Construction**

LEAP	36,000
Landscaping	35,250
BNG	202,500
TRO	4,500
Right Turn Lane Lining	5,000
Demolition	10,000
Arboriculture Work	10,000
Substation	25,000
Foul Pumping Station	102,000
Surface Water Pumping Ststion	102,000
Muck Management	81,000
Clay Heave Precautions	1,800
Trench Fill Foundations	8,015
Found Foundations	36,650
Widened Reinforced Foundations	28,350
Beam and Back Floors	25,120
Dewatering	10,000
EV Charging	40,500
Lowering Gas Main	30,000
Rising Main	180,000
Surface Water Fee	15,087
	988,772

**Section 106 Costs**

Recreation	68,390		
Informal Open Space	22,298		
Area of Play	54,106		
Health	65 un	864.03 /un	56,162
			200,956

**PROFESSIONAL FEES**

Project Professional Fees	6.00%	504,158	504,158
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**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)	3.00%	360,747	360,747
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**FINANCE**

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 2**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)		
Land	62,491	
Construction	36,717	
Total Finance Cost		99,208
<b>TOTAL COSTS</b>		<b>11,219,835</b>
<b>PROFIT</b>		<b>2,462,890</b>

**Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	68.78%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 3

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 3**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Moy (Market)	4	2,624	270.00	177,120	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525
Wexford (Market)	4	3,244	205.00	166,255	665,020
Keady (Market)	11	9,229	205.00	171,995	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640
Tyrone (Market)	15	11,385	205.00	155,595	2,333,925
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>

**NET REALISATION** **14,525,070**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		911,804		911,804
Stamp Duty		51,503		
Effective Stamp Duty Rate	5.65%			51,503

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Moy (Market)	2,624	120.00	314,880
Renmore (Market)	5,677	120.00	681,240
Calry (Market)	6,048	120.00	725,760
Milford (Market)	8,271	120.00	992,520
Longford (Market)	6,396	120.00	767,520
Broadale (Market)	5,835	120.00	700,200
Dublin (Market)	6,105	120.00	732,600
Wexford (Market)	3,244	120.00	389,280
Keady (Market)	9,229	120.00	1,107,480
Cork (Market)	5,208	120.00	624,960
Tyrone (Market)	11,385	120.00	1,366,200
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>
Contingency		3.00%	288,186

8,690,826

**Other Construction**

LEAP		36,000
Landscaping		35,250
BNG		202,500
TRO		4,500
Right Turn Lane Lining		5,000
Demolition		10,000
Arboriculture Work		10,000
Substation		25,000
Foul Pumping Station		102,000
Surface Water Pumping Ststion		102,000
Muck Management		81,000
Clay Heave Precautions		1,800
Trench Fill Foundations		8,015
Found Foundations		36,650
Widened Reinforced Foundations		28,350
Beam and Back Floors		25,120
Dewatering		10,000
EV Charging		40,500
Lowering Gas Main		30,000
Rising Main		180,000
Surface Water Fee		15,087

988,772

**Section 106 Costs**

Recreation		68,390
Informal Open Space		22,298
Area of Play		54,106
Health	81 un	864.03 /un

214,780

**PROFESSIONAL FEES**

Project Professional Fees	6.00%	504,158
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504,158

**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)	3.00%	365,734
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365,734

**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)		
Land		152,860
Construction		30,121
Total Finance Cost		182,981

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 3**

**TOTAL COSTS** 11,910,558

**PROFIT** 2,614,512

**Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	53.17%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 4

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 4**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Moy (Market)	4	2,624	270.00	177,120	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525
Wexford (Market)	4	3,244	205.00	166,255	665,020
Keady (Market)	11	9,229	205.00	171,995	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640
Tyrone (Market)	15	11,385	205.00	155,595	2,333,925
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>

**NET REALISATION** **14,525,070**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		544,304		544,304
Stamp Duty		26,513		
Effective Stamp Duty Rate	4.87%			26,513

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost	
Moy (Market)	2,624	120.00	314,880	
Renmore (Market)	5,677	120.00	681,240	
Calry (Market)	6,048	120.00	725,760	
Milford (Market)	8,271	120.00	992,520	
Longford (Market)	6,396	120.00	767,520	
Broadale (Market)	5,835	120.00	700,200	
Dublin (Market)	6,105	120.00	732,600	
Wexford (Market)	3,244	120.00	389,280	
Keady (Market)	9,229	120.00	1,107,480	
Cork (Market)	5,208	120.00	624,960	
Tyrone (Market)	11,385	120.00	1,366,200	
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>	
Contingency		3.00%	301,067	8,703,707

**Other Construction**

LEAP			36,000	
Landscaping			35,250	
BNG			202,500	
TRO			4,500	
Right Turn Lane Lining			5,000	
Demolition			10,000	
Arboriculture Work			10,000	
Substation			25,000	
Foul Pumping Station			102,000	
Surface Water Pumping Ststion			102,000	
Muck Management			81,000	
Clay Heave Precautions			1,800	
Trench Fill Foundations			8,015	
Found Foundations			36,650	
Widened Reinforced Foundations			28,350	
Beam and Back Floors			25,120	
Dewatering			10,000	
EV Charging			40,500	
Lowering Gas Main			30,000	
Rising Main			180,000	
Surface Water Fee			15,087	988,772

**Section 106 Costs**

Education	81 un	5,301.00 /un	429,381	
Recreation			68,390	
Informal Open Space			22,298	
Area of Play			54,106	
Health	81 un	864.03 /un	69,986	644,161

**PROFESSIONAL FEES**

Project Professional Fees		6.00%	504,158	504,158
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**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)		3.00%	365,734	365,734
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**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)				
Land			94,150	
Construction			39,057	

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 4**

Total Finance Cost	133,207
<b>TOTAL COSTS</b>	<b>11,910,557</b>
<b>PROFIT</b>	<b>2,614,513</b>

**Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	62.31%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 5

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 5**

**Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Sales Rate ft <sup>2</sup>	Unit Price	Gross Sales
Moy (Market)	4	2,624	270.00	177,120	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525
Wexford (Market)	4	3,244	205.00	166,255	665,020
Keady (Market)	11	9,229	205.00	171,995	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640
Tyrone (Market)	15	11,385	205.00	155,595	2,333,925
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>

**NET REALISATION** **14,525,070**

**OUTLAY**

**ACQUISITION COSTS**

Residualised Price		669,260		669,260
Stamp Duty			35,010	
Effective Stamp Duty Rate	5.23%			35,010

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Build Rate ft <sup>2</sup>	Cost
Moy (Market)	2,624	120.00	314,880
Renmore (Market)	5,677	120.00	681,240
Calry (Market)	6,048	120.00	725,760
Milford (Market)	8,271	120.00	992,520
Longford (Market)	6,396	120.00	767,520
Broadale (Market)	5,835	120.00	700,200
Dublin (Market)	6,105	120.00	732,600
Wexford (Market)	3,244	120.00	389,280
Keady (Market)	9,229	120.00	1,107,480
Cork (Market)	5,208	120.00	624,960
Tyrone (Market)	11,385	120.00	1,366,200
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>
Contingency		3.00%	296,691

8,699,331

**Other Construction**

LEAP		36,000
Landscaping		35,250
BNG		202,500
TRO		4,500
Right Turn Lane Lining		5,000
Demolition		10,000
Arboriculture Work		10,000
Substation		25,000
Foul Pumping Station		102,000
Surface Water Pumping Ststion		102,000
Muck Management		81,000
Clay Heave Precautions		1,800
Trench Fill Foundations		8,015
Found Foundations		36,650
Widened Reinforced Foundations		28,350
Beam and Back Floors		25,120
Dewatering		10,000
EV Charging		40,500
Lowering Gas Main		30,000
Rising Main		180,000
Surface Water Fee		15,087

988,772

**Section 106 Costs**

Education	81 un	3,500.00 /un	283,500
Recreation			68,390
Informal Open Space			22,298
Area of Play			54,106
Health	81 un	864.03 /un	69,986

498,280

**PROFESSIONAL FEES**

Project Professional Fees	6.00%	504,158	504,158
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**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)	3.00%	365,734	365,734
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**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land			114,314
Construction			35,701

**Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 5**

Total Finance Cost	150,014
<b>TOTAL COSTS</b>	<b>11,910,560</b>
<b>PROFIT</b>	<b>2,614,510</b>

**Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	58.74%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 6

Development Appraisal  
Avison Young (UK) Ltd  
12 April 2024

**APPRAISAL SUMMARY****AVISON YOUNG (UK) LTD****Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 6****Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Sales Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Moy (Market)	4	2,624	270.00	177,120	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525
Wexford (Market)	4	3,244	205.00	166,255	665,020
Keady (Market)	11	9,229	205.00	171,995	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640
Tyrone (Market)	<u>15</u>	<u>11,385</u>	205.00	155,595	<u>2,333,925</u>
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>

**NET REALISATION****14,525,070****OUTLAY****ACQUISITION COSTS**

Residualised Price	238,670	
		238,670
Stamp Duty	6,069	
Effective Stamp Duty Rate	2.54%	
		6,069

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Build Rate ft<sup>2</sup></b>	<b>Cost</b>
Moy (Market)	2,624	120.00	314,880
Renmore (Market)	5,677	120.00	681,240
Calry (Market)	6,048	120.00	725,760
Milford (Market)	8,271	120.00	992,520
Longford (Market)	6,396	120.00	767,520
Broadale (Market)	5,835	120.00	700,200
Dublin (Market)	6,105	120.00	732,600
Wexford (Market)	3,244	120.00	389,280
Keady (Market)	9,229	120.00	1,107,480
Cork (Market)	5,208	120.00	624,960
Tyrone (Market)	<u>11,385</u>	120.00	<u>1,366,200</u>
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>
Contingency		3.00%	311,657
			8,714,297
<b>Other Construction</b>			
LEAP			36,000
Landscaping			35,250
BNG			202,500
TRO			4,500
Right Turn Lane Lining			5,000
Demolition			10,000
Arboriculture Work			10,000

**APPRAISAL SUMMARY****AVISON YOUNG (UK) LTD****Silica Lodge Base Appraisal****Base Appraisal****Scenario 6**

Substation			25,000	
Foul Pumping Station			102,000	
Surface Water Pumping Ststion			102,000	
Muck Management			81,000	
Clay Heave Precautions			1,800	
Trench Fill Foundations			8,015	
Found Foundations			36,650	
Widened Reinforced Foundations			28,350	
Beam and Back Floors			25,120	
Dewatering			10,000	
EV Charging			40,500	
Lowering Gas Main			30,000	
Rising Main			180,000	
Surface Water Fee			15,087	
				988,772

**Section 106 Costs**

Education	81 un	10,602.00 /un	858,762	
Recreation			68,390	
Health	81 un	864.03 /un	69,986	
				997,138

**PROFESSIONAL FEES**

Project Professional Fees		6.00%	504,158	
				504,158

**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)		3.00%	365,734	
				365,734

**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)				
Land			41,549	
Construction			54,169	
Total Finance Cost				95,718

**TOTAL COSTS****11,910,558****PROFIT****2,614,512****Performance Measures**

Profit on Cost%		21.95%	
Profit on GDV%		18.00%	
Profit on NDV%		18.00%	
IRR% (without Interest)		73.35%	
Profit Erosion (finance rate 7.500)		2 yrs 8 mths	

Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 7

Development Appraisal  
Avison Young (UK) Ltd  
12 April 2024

**APPRAISAL SUMMARY****AVISON YOUNG (UK) LTD****Silica Lodge Base Appraisal  
Base Appraisal  
Scenario 7****Appraisal Summary for Phase 1**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Sales Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
Moy (Market)	4	2,624	270.00	177,120	708,480
Renmore (Market)	7	5,677	205.00	166,255	1,163,785
Calry (Market)	7	6,048	205.00	177,120	1,239,840
Milford (Market)	9	8,271	205.00	188,395	1,695,555
Longford (Market)	6	6,396	205.00	218,530	1,311,180
Broadale (Market)	5	5,835	205.00	239,235	1,196,175
Dublin (Market)	5	6,105	205.00	250,305	1,251,525
Wexford (Market)	4	3,244	205.00	166,255	665,020
Keady (Market)	11	9,229	205.00	171,995	1,891,945
Cork (Market)	8	5,208	205.00	133,455	1,067,640
Tyrone (Market)	<u>15</u>	<u>11,385</u>	205.00	155,595	<u>2,333,925</u>
<b>Totals</b>	<b>81</b>	<b>70,022</b>			<b>14,525,070</b>

**NET REALISATION****14,525,070****OUTLAY****ACQUISITION COSTS**

Residualised Price	661,752	
		661,752
Stamp Duty	34,499	
Effective Stamp Duty Rate	5.21%	
		34,499

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Build Rate ft<sup>2</sup></b>	<b>Cost</b>
Moy (Market)	2,624	120.00	314,880
Renmore (Market)	5,677	120.00	681,240
Calry (Market)	6,048	120.00	725,760
Milford (Market)	8,271	120.00	992,520
Longford (Market)	6,396	120.00	767,520
Broadale (Market)	5,835	120.00	700,200
Dublin (Market)	6,105	120.00	732,600
Wexford (Market)	3,244	120.00	389,280
Keady (Market)	9,229	120.00	1,107,480
Cork (Market)	5,208	120.00	624,960
Tyrone (Market)	<u>11,385</u>	120.00	<u>1,366,200</u>
<b>Totals</b>	<b>70,022 ft<sup>2</sup></b>		<b>8,402,640</b>
Contingency		3.00%	296,829
			8,699,469
<b>Other Construction</b>			
LEAP			36,000
Landscaping			35,250
BNG			202,500
TRO			4,500
Right Turn Lane Lining			5,000
Demolition			10,000
Arboriculture Work			10,000

**APPRAISAL SUMMARY****AVISON YOUNG (UK) LTD****Silica Lodge Base Appraisal****Base Appraisal****Scenario 7**

Substation			25,000	
Foul Pumping Station			102,000	
Surface Water Pumping Ststion			102,000	
Muck Management			81,000	
Clay Heave Precautions			1,800	
Trench Fill Foundations			8,015	
Found Foundations			36,650	
Widened Reinforced Foundations			28,350	
Beam and Back Floors			25,120	
Dewatering			10,000	
EV Charging			40,500	
Lowering Gas Main			30,000	
Rising Main			180,000	
Surface Water Fee			15,087	
				988,772

**Section 106 Costs**

Education	81 un	4,500.00 /un	364,500	
Recreation			68,390	
Health	81 un	864.03 /un	69,986	
				502,876

**PROFESSIONAL FEES**

Project Professional Fees		6.00%	504,158	
				504,158

**DISPOSAL FEES**

Disposal Costs (Sales & Marketing)		3.00%	365,734	
				365,734

**FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)				
Land			115,762	
Construction			37,535	
Total Finance Cost				153,296

**TOTAL COSTS****11,910,558****PROFIT****2,614,512****Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	58.33%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

# Contact details

## Enquiries

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