

51-55 Waterside Road, Barton Upon Humber – Viability Statement

August 2024

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Report title: 51-55 Waterside Road, Barton Upon Humber – Viability Statement

Prepared by: Dale Robinson

Status: Final Report

Draft date: © August 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 34 dwellings on Land at 51-55 Waterside Road, Barton Upon Humber.
- 1.2 The Applicant (Mr and Mrs J Chapman) has applied for planning permission (PA/2023/1034), which is the subject of the following 'developer contributions', as set out within the Heads of Terms for the Section 106 Agreement.
- 7 affordable dwellings (20% of the total number of dwellings), split 70% for rent (circa 5 dwellings) and 30% (2 dwellings), as intermediate products. The proposed trigger points are 3 dwellings prior to the occupation of the 15th dwelling, and 4 units prior to the occupation of the 30th 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 27 market dwellings¹, which would mean the total education contribution is £286,254, of which 30% is to be paid on occupation of the 5th dwelling, 30% on occupation of the 15th dwelling and the remaining 40% on occupation of the 25th dwelling.
 - A total recreation contribution of £37,266, which is to be paid prior to the occupation of the 20th dwelling.
 - Area of play contribution of £33,668, towards the Dam Road playground or Waters Edge playground, which is to be paid on occupation of the 25th dwelling.
 - A health contribution of £864.03 per market dwelling, which equates to a total cost of £23,329 assuming policy compliant levels of affordable housing. Payment is required in full prior to occupation of the 10th dwelling.
 - An on-site requirement for 10sq.m per dwelling (340sq.m in total) for informal open space. For the council to adopt and maintain the land, a contribution of £12,205.20 will be required, to be paid in full prior to occupation of the 20th dwelling.
 - A payment of between £1,000 and £5,000 is required for improvements to the Assembly Rooms. For the purpose of this appraisal we have assumed a cost of £5,000 which is to be paid prior to occupation of the 5th dwelling.
- 1.3 The Heads of Terms also stipulate that a biodiversity net gain must be secured onsite and if this cannot be done through conditions onsite it may need to be included in the Section 106 Agreement.
- 1.4 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.
- 1.5 The Applicant commissioned Development Consultancy to prepare a viability assessment, which concluded that the scheme is unable to support any affordable housing of 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 i.e. A total of 34 dwellings less 7 affordable homes.

- 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.

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 report².
- 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 ('EUV'));
 - 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.

² 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 2019³ for England, 1st edition March 2021 and the latest Planning Policy guidance (PPG) and National Planning Policy Framework (NPPF) guidance relating to viability.
- 1.23 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 such⁴.
- 1.24 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.

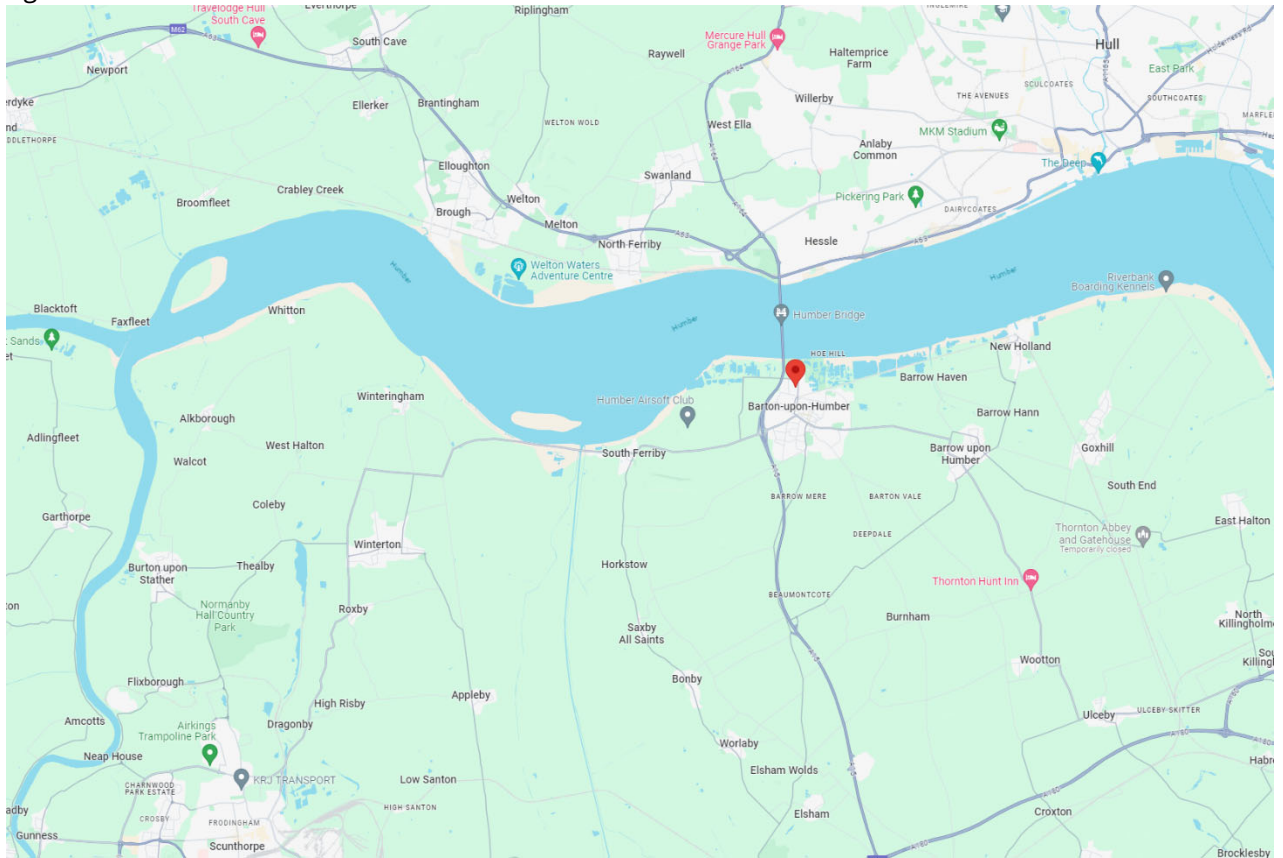
³ It should be noted that although the latest version of the NPPF is December 2023 the guidance remains valid.

⁴ 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 development site is located on the western side of Waterside Road, Barton Upon Humber.

Figure 2.1 – Location Plan



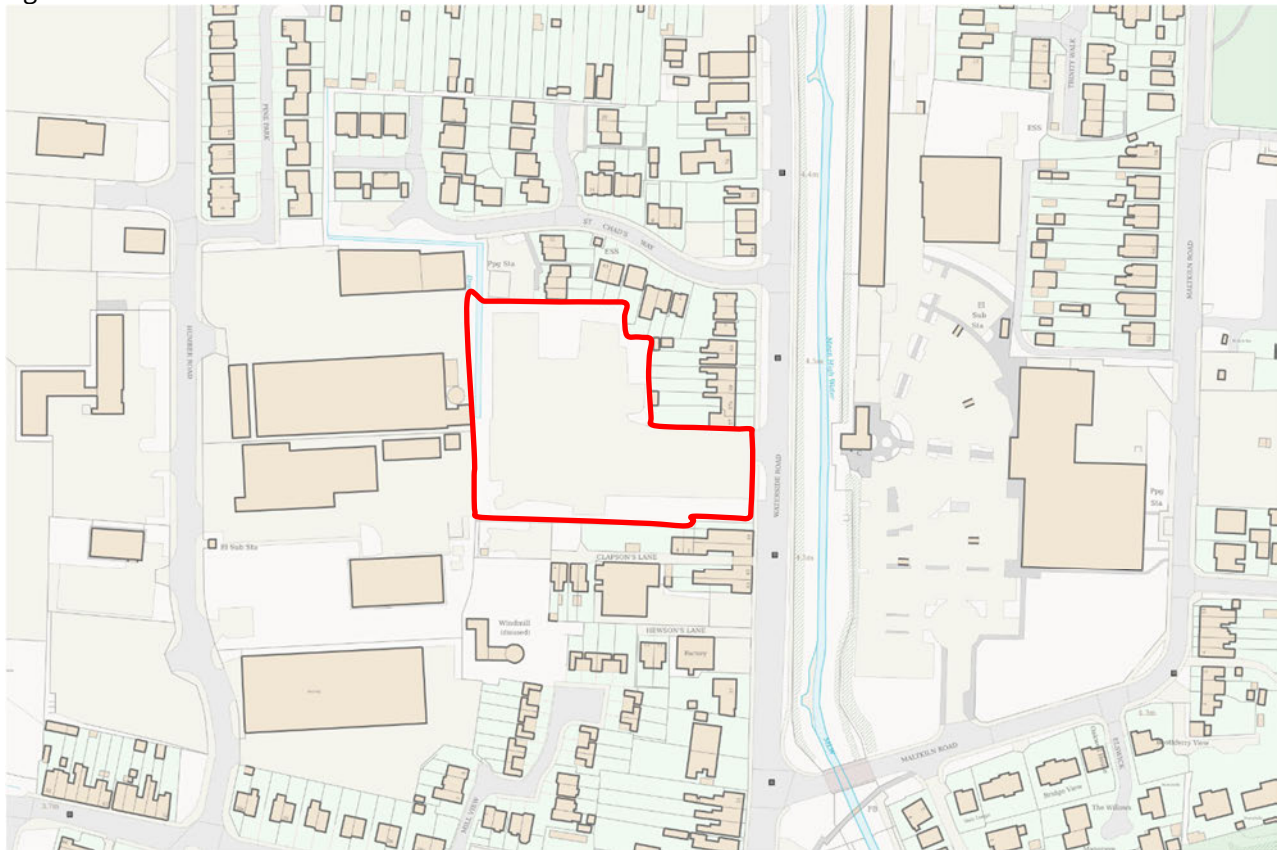
Source: Google Maps

- 2.2 The site lies within a mixed-use area. To the west of the site is an industrial development and Humber Road with further industrial sites beyond extending to the A15.
- 2.3 To the south of the site is a block of residential apartments with residential properties beyond. Waterside Road fronts the eastern boundary of the site, beyond which lies an area of vacant land and a supermarket.
- 2.4 To the north of the site lies a residential area and there is an open watercourse present along the eastern side of Waterside Road, which outfalls into the River Humber at Barton Haven to the north of the site.
- 2.5 There is a Country Park incorporating a large number of open ponds to the north east of the site and a nature reserve to the north west, which incorporates expansive areas of open water.
- 2.6 The south bank of the River Humber is situated approximately 650m to the north of the development site.
- 2.7 The site extends to an area of approximately 0.77ha (1.91 acres)⁵.

⁵ This is the area stated in the Applicant's viability statement and, therefore, is the assumption we have adopted in this report. However, we note that the Applicant's site location plan includes a slightly larger site area at 0.81ha (2.01 acres).

2.8 The site was formerly used as a commercial haulage yard and is located in flood zone 3.

Figure 2.2 – Site Plan



Source: Avison Young/Nimbus Maps

3. Summary of the Proposed Scheme

- 3.1 The scheme comprises 34 new homes providing a mixture of two, three and four-bedroom terraced properties.
- 3.2 The schedule of accommodation upon which this assessment is based is summarised below⁶.

Table 3.1 – Schedule of Accommodation

House Type	Size sq.m (sq.ft)	No Dwgs
1 2 bed terraced house	96.2 (1,035)	10
2 3 bed terraced house	110.7 (1,192)	16
3 4 bed terraced house	125.7 (1,353)	8
		34

Source: Development Consultancy FVA – Appendix 3 Schedule of Accommodation

Affordable Housing

- 3.3 The Heads of Terms for the S106 Agreement include an obligation to provide 20% of the total number of homes as affordable. This equates to 7 affordable homes. The Council has confirmed that their preferred tenure split would be 70% for rent (circa 5 dwellings) and 30% (2 dwellings) as intermediate products.
- 3.4 In terms of affordable 'house types' these would usually be decided at Reserved Matters but due to the viability challenge nothing has been agreed. The Council's housing need assessment 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

- 3.5 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.
- 3.6 Within this context we have assumed the following affordable housing mix within our appraisal.

Table 3.3 – Affordable Housing Split

House Type	Affordable Housing Type	No Dwgs
3 bed terrace	Affordable Rent	5
3 bed terrace	Intermediate ⁷	2
		7

Source: North Lincolnshire Council / Avison Young

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

⁷ 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.

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

- 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)⁸.

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.

⁸ 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 013⁹ 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 014¹⁰ 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 015¹¹. 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 PPG¹² 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.

⁹ Reference ID: 10-013-20190509

¹⁰ Reference ID: 10-014-20190509

¹¹ Reference ID: 10 - 015-20190509

¹² 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 cleared brownfield land, formerly used as a commercial haulage yard and its most recent use is therefore industrial land. We have assessed achieved sale values for similar cleared brownfield industrial land in the Humberside region and found the following:

Table 4.1 – Achieved Industrial Land Sale Values

Size (Acres)	Location	Date of Sale	Price	Price Per Acre (£)	Comment
1.91	Land On The North Side Of Dawes Lane Scunthorpe	01/05/2023	£130,000	£60,063	Former gas works site, vacant and with a hollow in the site where a gas holder once was.
0.69	Former Shell Petrol Station, Toothill, Grimsby,	06/02/2023	£100,000	£144,928	Former petrol filling station with a dilapidated building on site
3.80	Bridge Road Brigg	31/05/2022	£475,000	£125,000	The property provides a former haulage yard with ancillary buildings which is currently used for lorry parking, vehicle repairs and caravan storage. It has been sold first and foremost as a development opportunity subject to planning. There is 1 notable refused planning application: PA/2016/478.

Source: Avison Young

4.18 We also aware of the following asking prices within the Humberside region:

Table 4.2 – Industrial Land Asking Prices

Size (Acres)	Location	Asking Price (£)	Price Per Acre (£)	Comment
3.75	Plot 24 - Normandy Enterprise Park Nisa Way, Scunthorpe	£300,000	£80,000	This is cleared land in a business park, reasonably level.
2.88	Plot 1 - Normanby Enterprise Park Scunthorpe	£230,400	£80,000	This is a plot of bare land in a business park, level and ready to be built on.

Source: Avison Young

4.19 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 £247,100 per ha (£100,000 per acre), which results in an **EUV of £191,000**¹³.

Premium

4.20 As outlined previously Para 016 of PPG¹⁴ states that the premium should provide a reasonable incentive for a landowner to bring forward land for development and the process for establishing the premium will be an iterative one informed by professional judgement and based upon the best available evidence.

4.21 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

¹³ Site area of 1.91 acres multiplied by £100,000 per acre.

¹⁴ Reference: 10-016-20190509

withdrawn many practitioners still refer to the guidance, which states: *There is some 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 and evidence from planning appeals, [for urban/previously developed sites], tend to be in a range of 10% to 30% above EUV.*

4.22 However, the subject site is vacant land and is not producing any income. Therefore in this instance, we do not believe a premium would be necessary to incentivise the landowner to sell.

4.23 On this basis we have adopted a BLV of £191,000 (**Say £190,000**).

Alternative Use Value

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

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 PPG¹⁵ 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)¹⁶ 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 terraced house sales evidence from a number of schemes within close proximity of the site. Given the riverside location, many nearby schemes are from Hull rather than from North Lincolnshire.

Table 5.1 – Comparable Schemes

ID	Scheme	Developer	Description
1	Falkland Way	Keigar Homes	A development of 317 units of estate housing, consisting of 33 five bedroom dwellings, 75 four bedroom dwellings, 122 three bedroom dwellings & 87 two bedroom dwellings.
2	Tranby Park	Bellway Homes	Tranby Park is a collection of 226 detached, semi detached and terraced 2, 3, 4 and 5-bedroom houses in Anlaby.
3	The Sycamores	Lovell Homes	A new development of 224 detached, semi detached, terraced, and apartment dwellings in the village of Kirk Ella.
4	Pilgrims Walk	Beal Homes	A development of eighty 2, 3 and 4 bedroom detached, semi detached and terraced homes, and 3 bedroom bungalows.
5	Hesslewood Park	David Wilson Homes	A development of 349 three and four bed detached, semi detached and terraced houses.
6	Amy Johnson	Keepmoat	A development of 491 detached, semi detached and terraced homes.

¹⁵ Ref ID: 10-010-20180724

¹⁶ Assessing viability in planning under the National Planning Policy Framework 2019 for England

ID	Scheme	Developer	Description
7	Falcons Place – southern parcel	Linden Homes	A development of 122 detached, semi detached and terraced houses.

Source: Avison Young

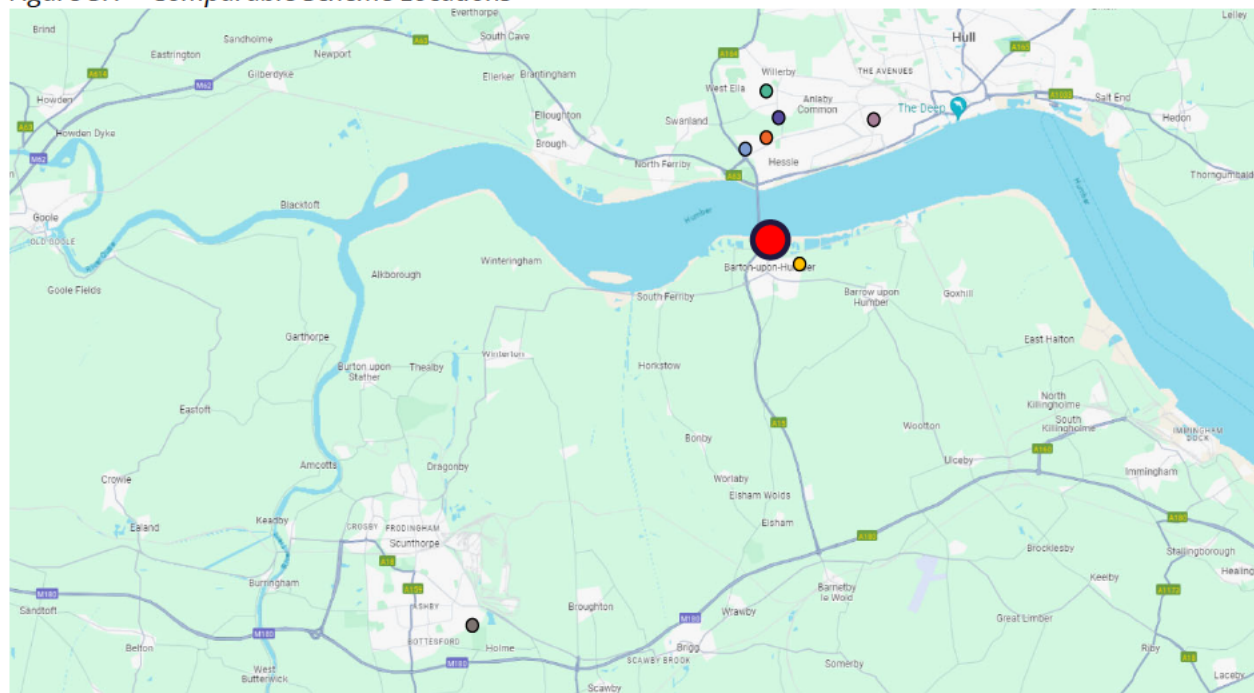
5.7 A summary of the sales values achieved are highlighted in Table 5.2¹⁷.

Table 5.2 – Summary of Achieved Values

Scheme	Values £psm (£psf)		
	Max	Min	Average
Falkland Way	£2,332 (£217)	£2,036 (£189)	£2,143 (£199)
Tranby Park	£1,433 (£133)	£1,391 (£129)	£1,424 (£132)
The Sycamores	£3,102 (£288)	£2,882 (£268)	£2,993 (£279)
Pilgrims Walk	£3,258 (£303)	£1,463 (£136)	£2,026 (£188)
Hesslewood Park	£3,193 (£297)	£2,750 (£255)	£2,918 (£271)
Amy Johnson	£2,479 (£230)	£1,643 (£153)	£2,047 (£190)
Falcons Place	£2,533 (£235)	£2,089 (£194)	£2,292 (£213)

Source: Avison Young

Figure 5.1 – Comparable Scheme Locations



Source: Avison Young

- The Site
- Falkland Way
- Tranby Park
- The Sycamores
- Pilgrims Walk
- Hesslewood Park
- Amy Johnson
- Falcons Place

¹⁷ A detailed schedule of comparable evidence is included at Appendix 2.

- 5.8 The most directly comparable scheme is Falkland Way. Based on this evidence we have applied an average sales value £2,152psm (£200psf).
- 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 PPG¹⁸ 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 Guidance¹⁹ 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 Q2 2024 and adjusted to reflect local sensitivities in the East Riding and North Lincolnshire, as well as North Lincolnshire specifically²⁰.
- 5.14 The lower quartile BCIS figure for estate housing generally in the East Riding and North Lincolnshire is £1,164psm (£108psf). The same figure for North Lincolnshire specifically is £1,138psm (£106psf).
- 5.15 Given the greater geographical relevance of the cost data for North Lincolnshire and balancing this against the greater sample size of the East Riding and North Lincolnshire figure we have chosen to adopt the midpoint (£1,151psm, £107psf). 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 £1,324psm (£123psf).

Contingency

- 5.16 We have allowed a contingency of 5%, given the brownfield nature of the site.

Abnormal Costs

- 5.17 The Applicant has made reference to abnormal costs totalling £368,068 (see breakdown below). We have reviewed the supporting evidence behind these costs are comfortable with the allowances made for these items.

Table 5.3 – Abnormal Costs

Works Required	Cost
Site Preparation / Demolition	£12,000
Breaking / Crushing Existing Slab	£38,000
Clean cover system	£42,424
Services	£68,000
Pumping Station	£100,000
Piling	£107,644
Total	£368,068

Source: The Applicant/Avison Young

¹⁸ Reference ID:10-012-20180724

¹⁹ Assessing viability in planning under the National Planning Policy Framework 2019 for England.

²⁰ We note that BCIS has had an update and their cost categories have changed. We therefore use the East Riding and North Lincolnshire location factor, of which North Lincolnshire is a part. For more data points (n=143) and compare this with North Lincolnshire only (n=27).

Project Fees

- 5.18 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.
- 5.19 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.

S106 Costs

- 5.20 The Heads of Terms for the Section 106 Agreement include the following obligations.
- A contribution of £286,254, for primary and secondary education, based off a combined cost of £10,602 per market dwelling.
 - A total recreation contribution of £37,266.
 - An area of play contribution of £33,668
 - A health contribution of £864.03 per market dwelling, resulting in a total cost of £23,329.
 - A contribution of £12,205.20 for the maintenance of informal open space.
 - A payment of £5,000 for improvements to the Assembly Rooms.

Disposal Costs (Sales and Marketing)

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

Developer's Profit

- 5.22 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.
- 5.23 Planning Practice Guidance (PPG) states²¹ 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.
- 5.24 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.
- 5.25 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.

²¹ Paragraph: 018 Reference ID: 10-018-20190509

Finance Costs and Timescales

- 5.26 It is difficult to establish what the appropriate rate of interest would be in the current market. The Bank of England has 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.
- 5.27 For the purpose of our appraisal we have assumed an interest rate of 7.5%.
- 5.28 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.
 - The affordable housing transfers are timed in the appraisal in accordance with the S106 Heads of Terms.

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	£6,380,400
Affordable Housing – Affordable Rent	£1,096,640
Total GDV (A)	£7,477,040
Construction Costs	£4,950,258
Contingency	£265,916
Abnormal Costs	£368,068
S106 – Education	£286,254
S106 – Informal Open Space	£12,205
S106 – Area of Play	£33,668
S106 – Recreation	£37,266
S106 – Health	£23,329
S106 – Community Facilities	£5,000
Project Fees	£297,015
Disposal Fees	£191,412
Finance Costs	£31,683
Total Costs (excluding profit)	£6,502,074
Developers Profit at 18% GDV	£1,345,867
Total Costs (including Developers Profit) (B)	£7,847,941
Gross Residual Land Value (A – B)	(£370,901)
Purchasers Costs	£ ²²
Residual Land Value	(£370,901)

Source: Avison Young

	BLV of £190,000 is exceeded
	Close to BLV of £190,000
	Below BLV of £190,000
	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.

²² 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 (7 dwellings in total) and £397,722 of other financial contributions.
- 7.2 The Applicant commissioned Development Consultancy to prepare a viability assessment which concluded the scheme was unable to support any affordable housing or the Council's S106 Contributions. Our base case appraisal, summarised in the previous section, highlights that the scheme is not viable on a policy compliant basis, including the requested S106 contributions. Therefore, 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	(£370,901)
1 Affordable Housing Excluded	(35,306)
2 Affordable Housing, Informal Open Space, Area of Play, Recreation, Health and Community S106 Obligations (£111,468 in total), excluded.	£71,830
3 Affordable Housing, Informal Open Space, Area of Play, Recreation, Health and Community S106 Obligations (£111,468 in total), excluded and Education contribution reduced to £8,000 per open market dwelling.	£151,232
4 As Scenario 3 but Education contribution reduced to £7,000 per open market dwelling	£181,062
5 As Scenario 3 but Education contribution reduced to £6,500 per open market dwelling	£195,977

	BLV of £190,000 is exceeded
	Close to BLV of £190,000
	Below BLV of £190,000
	Unviable (negative land value generated)

- 7.3 As outlined above, the scheme is able to viably support an education contribution of £221,000, which equates to £6,500 per market dwelling assuming 100% market scheme. 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 S106 obligations identified as viable in Scenario 3. The results of this exercise are presented in the table below.

Table 7.2 – Impact of Changes in Construction Costs and Sales Values (Scenario 3)

Costs	Sales Values				
	-10%	-5%	0%	+5%	+10%
-10%	£122,292	£399,498	£672,599	£945,699	£1,218,799
-5%	(£134,813)	£159,402	£435,047	£708,147	£981,247
0%	(£400,908)	(£95,052)	£195,977	£470,595	£743,695
+5%	(£668,226)	(£360,815)	(£55,517)	£232,553	£506,143
+10%	(£937,353)	(£627,805)	(£320,722)	(£16,027)	£268,591

	BLV of £190,000 is exceeded
	Close to BLV of £190,000
	Below BLV of £190,000
	Unviable (negative land value generated)

- 7.4 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. In these scenarios the more the land value exceeds the BLV the more headroom is available for other S106 contributions and affordable housing. For example a scenario which sees costs reduced by 10% and values increased by 10% results in a land value of £1.2m which is significantly higher than the BLV of £190,000 and in this scenario a fully compliant scheme including the S106 obligations set out within the Heads of Terms would be viable.
- 7.5 The scenarios in peach are where a positive land value has been generated but it falls some way below the benchmark land value.
- 7.6 The scenarios in red are where a negative land value is generated and, in these scenarios, it wouldn't be viable to provide the education contribution of £221,000.

8. Conclusions

- 8.1 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 34 dwellings on Land at 51-55 Waterside Road, Barton Upon Humber.
- 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:
- 7 affordable dwellings (20% of the total number of dwellings), split 70% for rent (circa 5 dwellings) and 30% (2 dwellings), as intermediate products. The proposed trigger points are 3 dwellings prior to the occupation of the 15th dwelling, and 4 units prior to the occupation of the 30th 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 27 market dwellings²³, which would mean the total education contribution is £286,254, of which 30% is to be paid on occupation of the 5th dwelling, 30% on occupation of the 15th dwelling and the remaining 40% on occupation of the 25th dwelling.
 - A total recreation contribution of £37,266, which is to be paid prior to the occupation of the 20th dwelling.
 - Area of play contribution of £33,668, towards the Dam Road playground or Waters Edge playground, which is to be paid on occupation of the 25th dwelling.
 - A health contribution of £864.03 per market dwelling, which equates to a total cost of £23,329 assuming policy compliant levels of affordable housing. Payment is required in full prior to occupation of the 10th dwelling.
 - An on-site requirement for 10sq.m per dwelling (340sq.m in total) for informal open space. For the council to adopt and maintain the land, a contribution of £12,205.20 will be required, to be paid in full prior to occupation of the 20th dwelling.
 - A payment of between £1,000 and £5,000 is required for improvements to the Assembly Rooms. For the purpose of this appraisal we have assumed a cost of £5,000 which is to be paid prior to occupation of the 5th dwelling.
- 8.3 The Applicant commissioned Development Consultancy 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 £190,000 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), and the S106 contributions are removed, except the education contribution, which is reduced to £6,500 per unit, resulting in a total cost of £221,000, the scheme is viable and the land value exceeds the BLV.

²³ i.e. A total of 34 dwellings less 7 affordable homes.

- 8.8 **Therefore, our assessment has concluded that the most the scheme can viably support is a S106 contribution of £221,000, which we have assumed would be prioritised for education.**
- 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 other S106 obligations and or affordable housing, subject to changes in construction costs and sales 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.

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.

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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.

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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.

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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	Development	Postcode	Date of transfer	sqft	sqm	Price (Â£) / sqm	Price (Â£) / sqft	Price (Â£)	Property type
19, Herald Way, Barton-Upon-Humber, North Lincolnshire, DN18 5GU	Falkland Way - Keigar Homes	DN18 5GU	25/02/2022	657.8	61	£ 2,332	£ 217	£ 142,500	Terrace
23, Herald Way, Barton-Upon-Humber, North Lincolnshire, DN18 5GU	Falkland Way - Keigar Homes	DN18 5GU	11/02/2022	932.88	87	£ 2,061	£ 191	£ 178,617	Terrace
25, Herald Way, Barton-Upon-Humber, North Lincolnshire, DN18 5GU	Falkland Way - Keigar Homes	DN18 5GU	21/01/2022	740.02	69	£ 2,036	£ 189	£ 139,950	Terrace
						Max £ 2,332	£ 217		
						Min £ 2,036	£ 189		
						Average £ 2,143	£ 199		
32, Cape Drive, Hull, East Riding Of Yorkshire, HU10 7FP	Tranby Park - Bellway Homes	HU10 7FP	16/12/2022	768.86	71	£ 1,428	£ 133	£ 102,000	Terrace
24, Cape Drive, Hull, East Riding Of Yorkshire, HU10 7FP	Tranby Park - Bellway Homes	HU10 7FP	11/11/2022	768.86	71	£ 1,428	£ 133	£ 102,000	Terrace
5, Vickerman Close, Hull, East Riding Of Yorkshire, HU10 7FS	Tranby Park - Bellway Homes	HU10 7FS	15/07/2022	789.36	73	£ 1,391	£ 129	£ 102,000	Terrace
28, Vickerman Close, Hull, East Riding Of Yorkshire, HU10 7FS	Tranby Park - Bellway Homes	HU10 7FS	27/05/2022	645.84	60	£ 1,433	£ 133	£ 86,000	Terrace
29, Vickerman Close, Hull, East Riding Of Yorkshire, HU10 7FS	Tranby Park - Bellway Homes	HU10 7FS	27/05/2022	645.84	60	£ 1,433	£ 133	£ 86,000	Terrace
23, Vickerman Close, Hull, East Riding Of Yorkshire, HU10 7FS	Tranby Park - Bellway Homes	HU10 7FS	27/05/2022	645.84	60	£ 1,433	£ 133	£ 86,000	Terrace
						Max £ 1,433	£ 133		
						Min £ 1,391	£ 129		
						Average £ 1,424	£ 132		
37, Wordsworth Avenue, Hull, East Riding Of Yorkshire, HU10 7GS	The Sycamores - Lovell Homes	HU10 7GS	31/08/2023	789.36	73	£ 3,102	£ 288	£ 227,500	Terrace
17, Wordsworth Avenue, Hull, East Riding Of Yorkshire, HU10 7GS	The Sycamores - Lovell Homes	HU10 7GS	04/11/2022	893.41	83	£ 2,988	£ 278	£ 248,000	Terrace
19, Wordsworth Avenue, Hull, East Riding Of Yorkshire, HU10 7GS	The Sycamores - Lovell Homes	HU10 7GS	30/06/2022	922.63	86	£ 2,882	£ 268	£ 247,000	Terrace
21, Wordsworth Avenue, Hull, East Riding Of Yorkshire, HU10 7GS	The Sycamores - Lovell Homes	HU10 7GS	24/06/2022	893.41	83	£ 3,000	£ 279	£ 249,000	Terrace
						Max £ 3,102	£ 288		
						Min £ 2,882	£ 268		
						Average £ 2,993	£ 278		
30, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	17/11/2022	759.81	71	£ 1,648	£ 153	£ 116,300	Terrace
31, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	17/11/2022	742.72	69	£ 1,686	£ 157	£ 116,300	Terrace
33, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	17/11/2022	759.81	71	£ 1,648	£ 153	£ 116,300	Terrace
32, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	17/11/2022	742.72	69	£ 1,686	£ 157	£ 116,300	Terrace
18, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	06/10/2022	768.86	71	£ 1,463	£ 136	£ 104,500	Terrace
16, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	06/10/2022	742.72	69	£ 1,514	£ 141	£ 104,500	Terrace
19, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	06/10/2022	742.72	69	£ 1,514	£ 141	£ 104,500	Terrace
42, Sanderson Drive, Hessle, East Riding Of Yorkshire, HU13 0FZ	Pilgrims Park - Beal Homes	HU13 0FZ	30/06/2022	667.37	62	£ 3,258	£ 303	£ 201,995	Terrace
6, Chambers Avenue, Hessle, East Riding Of Yorkshire, HU13 0GB	Pilgrims Park - Beal Homes	HU13 0GB	13/05/2022	932.88	87	£ 2,556	£ 237	£ 221,500	Terrace
4, Chambers Avenue, Hessle, East Riding Of Yorkshire, HU13 0GB	Pilgrims Park - Beal Homes	HU13 0GB	06/05/2022	893.41	83	£ 2,669	£ 248	£ 221,500	Terrace
5, Chambers Avenue, Hessle, East Riding Of Yorkshire, HU13 0GB	Pilgrims Park - Beal Homes	HU13 0GB	06/05/2022	893.41	83	£ 2,651	£ 246	£ 220,000	Terrace
						Max £ 3,258	£ 303		
						Min £ 1,463	£ 136		
						Average £ 2,026	£ 188		

Address	Development	Postcode	Date of transfer	sqft	sqm	Price (Â£) / sqm	Price (Â£) / sqft	Price (Â£)	Property type
9, Thompson Dale, Hessle, East Riding Of Yorkshire, HU13 0GY	Hesslewood Park - David Wilson Homes	HU13 0GY	18/03/2022	861.12	80	£ 2,750	£ 255	£ 220,000	Terrace
7, Thompson Dale, Hessle, East Riding Of Yorkshire, HU13 0GY	Hesslewood Park - David Wilson Homes	HU13 0GY	04/02/2022	845.74	79	£ 2,838	£ 264	£ 223,000	Terrace
6, Thompson Dale, Hessle, East Riding Of Yorkshire, HU13 0GY	Hesslewood Park - David Wilson Homes	HU13 0GY	31/01/2022	818.06	76	£ 2,855	£ 265	£ 217,000	Terrace
8, Thompson Dale, Hessle, East Riding Of Yorkshire, HU13 0GY	Hesslewood Park - David Wilson Homes	HU13 0GY	28/01/2022	818.06	76	£ 2,868	£ 266	£ 218,000	Terrace
14, Banks Drive, Hessle, East Riding Of Yorkshire, HU13 0SZ	Hesslewood Park - David Wilson Homes	HU13 0SZ	16/09/2022	861.12	80	£ 2,881	£ 268	£ 230,500	Terrace
15, Banks Drive, Hessle, East Riding Of Yorkshire, HU13 0SZ	Hesslewood Park - David Wilson Homes	HU13 0SZ	26/08/2022	613.55	57	£ 3,193	£ 297	£ 182,000	Terrace
16, Banks Drive, Hessle, East Riding Of Yorkshire, HU13 0SZ	Hesslewood Park - David Wilson Homes	HU13 0SZ	26/08/2022	645.84	60	£ 2,900	£ 269	£ 174,000	Terrace
12, Banks Drive, Hessle, East Riding Of Yorkshire, HU13 0SZ	Hesslewood Park - David Wilson Homes	HU13 0SZ	25/08/2022	828.83	77	£ 2,909	£ 270	£ 224,000	Terrace
11, Banks Drive, Hessle, East Riding Of Yorkshire, HU13 0SZ	Hesslewood Park - David Wilson Homes	HU13 0SZ	19/08/2022	828.83	77	£ 2,948	£ 274	£ 227,000	Terrace
5, Clarke Avenue, Hessle, East Riding Of Yorkshire, HU13 0TQ	Hesslewood Park - David Wilson Homes	HU13 0TQ	25/11/2022	828.83	77	£ 2,887	£ 268	£ 222,300	Terrace
6, Clarke Avenue, Hessle, East Riding Of Yorkshire, HU13 0TQ	Hesslewood Park - David Wilson Homes	HU13 0TQ	25/11/2022	861.12	80	£ 2,900	£ 269	£ 232,000	Terrace
4, Clarke Avenue, Hessle, East Riding Of Yorkshire, HU13 0TQ	Hesslewood Park - David Wilson Homes	HU13 0TQ	25/11/2022	828.83	77	£ 3,091	£ 287	£ 238,000	Terrace
						Max £ 3,193	£ 297		
						Min £ 2,750	£ 255		
						Average £ 2,918	£ 271		
5, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	29/07/2022	764.24	71	£ 2,479	£ 230	£ 175,995	Terrace
7, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	29/07/2022	807.3	75	£ 2,267	£ 211	£ 169,995	Terrace
9, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	29/07/2022	777.4	72	£ 2,381	£ 221	£ 171,995	Terrace
15, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	30/06/2022	1166.1	108	£ 1,643	£ 153	£ 177,995	Terrace
17, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	30/06/2022	1153.29	107	£ 1,671	£ 155	£ 178,995	Terrace
11, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	30/06/2022	1153.29	107	£ 1,671	£ 155	£ 178,995	Terrace
19, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	16/06/2022	764.24	71	£ 2,310	£ 215	£ 163,995	Terrace
21, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	23/05/2022	775.01	72	£ 2,194	£ 204	£ 157,995	Terrace
23, Chesterton Street, Hull, City Of Kingston Upon Hull, HU3 5BJ	Amy Johnson - Keepmoat	HU3 5BJ	29/04/2022	807.3	75	£ 2,160	£ 201	£ 161,995	Terrace
4, Haltemprice Street, Hull, City Of Kingston Upon Hull, HU3 5EJ	Amy Johnson - Keepmoat	HU3 5EJ	30/06/2022	764.24	71	£ 2,296	£ 213	£ 162,995	Terrace
6, Haltemprice Street, Hull, City Of Kingston Upon Hull, HU3 5EJ	Amy Johnson - Keepmoat	HU3 5EJ	27/06/2022	807.3	75	£ 2,093	£ 194	£ 156,995	Terrace
8, Haltemprice Street, Hull, City Of Kingston Upon Hull, HU3 5EJ	Amy Johnson - Keepmoat	HU3 5EJ	31/05/2022	777.4	72	£ 2,257	£ 210	£ 162,995	Terrace
16, Haltemprice Street, Hull, City Of Kingston Upon Hull, HU3 5EJ	Amy Johnson - Keepmoat	HU3 5EJ	31/01/2022	807.3	75	£ 2,040	£ 190	£ 152,995	Terrace
18, Haltemprice Street, Hull, City Of Kingston Upon Hull, HU3 5EJ	Amy Johnson - Keepmoat	HU3 5EJ	28/01/2022	807.3	75	£ 2,133	£ 198	£ 159,995	Terrace
14, Haltemprice Street, Hull, City Of Kingston Upon Hull, HU3 5EJ	Amy Johnson - Keepmoat	HU3 5EJ	27/01/2022	764.24	71	£ 2,239	£ 208	£ 158,995	Terrace
251, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	22/12/2022	1291.68	120	£ 1,775	£ 165	£ 212,995	Terrace
164, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	31/10/2022	949.76	88	£ 1,995	£ 185	£ 176,000	Terrace
154, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	27/10/2022	861.12	80	£ 2,062	£ 192	£ 164,995	Terrace
156, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	27/10/2022	886.45	82	£ 2,016	£ 187	£ 165,995	Terrace
152, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	27/10/2022	882.65	82	£ 2,012	£ 187	£ 164,995	Terrace
162, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	29/09/2022	882.65	82	£ 2,012	£ 187	£ 164,995	Terrace
160, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	29/09/2022	861.12	80	£ 2,062	£ 192	£ 164,995	Terrace
166, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	14/04/2022	949.76	88	£ 1,847	£ 172	£ 162,995	Terrace
172, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	01/04/2022	861.12	80	£ 2,000	£ 186	£ 159,995	Terrace
168, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	01/04/2022	882.65	82	£ 1,927	£ 179	£ 157,995	Terrace
174, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	24/03/2022	882.65	82	£ 1,951	£ 181	£ 159,995	Terrace
178, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	28/02/2022	882.65	82	£ 1,915	£ 178	£ 156,995	Terrace
180, Hawthorn Avenue, Hull, City Of Kingston Upon Hull, HU3 5PY	Amy Johnson - Keepmoat	HU3 5PY	28/02/2022	882.65	82	£ 1,902	£ 177	£ 155,995	Terrace
						Max £ 2,479	£ 230		
						Min £ 1,643	£ 153		
						Average £ 2,047	£ 190		
9, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	Falcons Place - Linden Homes	DN16 3DQ	10/11/2022	645.84	60	2533.25	235.34	£ 151,995	Terrace
23, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	Falcons Place - Linden Homes	DN16 3DQ	30/09/2022	968.76	90	2111.06	196.12	£ 189,995	Terrace
11, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	Falcons Place - Linden Homes	DN16 3DQ	24/06/2022	645.84	60	2199.92	204.38	£ 131,995	Terrace
15, Greenshank Drive, Scunthorpe, North Lincolnshire, DN16 3DQ	Falcons Place - Linden Homes	DN16 3DQ	24/06/2022	645.84	60	2199.92	204.38	£ 131,995	Terrace
18, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	20/01/2023	645.84	60	2483.25	230.7	£ 148,995	Terrace
24, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	23/12/2022	874.57	81	2313.78	214.96	£ 187,995	Terrace

Address	Development	Postcode	Date of transfer	sqft	sqm	Price (Â£) / sqm	Price (Â£) / sqft	Price (Â£)	Property type
14, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	23/12/2022	645.84	60	2499.92	232.25	£ 149,995	Terrace
16, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	20/12/2022	NaN		NaN	NaN	£ 144,995	Terrace
4, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	25/11/2022	874.57	81	2276.86	211.53	£ 184,995	Terrace
1, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	18/11/2022	861.12	80	2249.94	209.02	£ 179,995	Terrace
8, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	18/11/2022	1004.64	93	2089.23	194.09	£ 194,995	Terrace
3, Bunting Mews, Scunthorpe, North Lincolnshire, DN16 3EP	Falcons Place - Linden Homes	DN16 3EP	07/10/2022	874.57	81	2252.25	209.24	£ 182,995	Terrace

Max £ 2,533 £ 235
Min £ 2,089 £ 194
Average £ 2,292 £ 213

65, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	25/01/2024	645.84	60	2448.03	227.43	£ 146,882	Terrace
63, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	25/01/2024	645.84	60	2448.45	227.47	£ 146,907	Terrace
61, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	25/01/2024	635.08	59	2543.17	236.27	£ 150,047	Terrace
67, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	25/01/2024	635.08	59	2539.78	235.95	£ 149,847	Terrace
41, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	20/12/2023	925.7	86	2209.24	205.24	£ 189,995	Terrace
45, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	30/11/2023	925.7	86	2222.03	206.43	£ 191,095	Terrace
51, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	29/09/2023	925.7	86	2017.76	187.45	£ 173,527	Terrace
53, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	29/09/2023	925.7	86	1942.47	180.46	£ 167,052	Terrace
55, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	29/09/2023	932.88	87	2026.47	188.26	£ 175,627	Terrace
80, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	28/07/2023	932.88	87	1954.06	181.54	£ 169,352	Terrace
28, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	11/11/2022	925.7	86	2209.3	205.25	£ 190,000	Terrace
26, The Maltings, Gainsborough, North Lincolnshire, DN21 4AZ	Tudor reach - Allison Homes	DN21 4AZ	07/10/2022	932.88	87	2146.1	199.38	£ 185,995	Terrace

Max £ 2,543 £ 236
Min £ 1,942 £ 180
Average £ 2,226 £ 207

Appendix 3

Development Appraisals

Waterside Road Base Appraisal

Development Appraisal
Avison Young (UK) Ltd
05 August 2024

APPRAISAL SUMMARY**AVISON YOUNG (UK) LTD****Waterside Road
Base Appraisal****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment
2 Bed Terrace (Market)	10	10,350	200.00	207,000	2,070,000	0
3 Bed Terrace (Market)	9	10,728	200.00	238,400	2,145,600	0
4 Bed Terrace (Market)	8	10,824	200.00	270,600	2,164,800	0
3 Bed Terrace (Intermediate Sale)	2	2,384	200.00	238,400	476,800	(95,360)
3 Bed Terrace (Affordable Rent)	5	<u>5,960</u>	200.00	238,400	<u>1,192,000</u>	<u>(476,800)</u>
Totals	34	40,246			8,049,200	(572,160)

NET REALISATION**7,477,040****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(370,903)	(370,903)
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CONSTRUCTION COSTS**Construction**

	ft ²	Build Rate ft ²	Cost
2 Bed Terrace (Market)	10,350	123.00	1,273,050
3 Bed Terrace (Market)	10,728	123.00	1,319,544
4 Bed Terrace (Market)	10,824	123.00	1,331,352
3 Bed Terrace (Intermediate Sale)	2,384	123.00	293,232
3 Bed Terrace (Affordable Rent)	<u>5,960</u>	123.00	<u>733,080</u>
Totals	40,246 ft²		4,950,258

4,950,258

Contingency	5.00%	265,916	265,916
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Other Construction

Demolition/Site Preparation	12,000
Breaking/Crushing Existing Slab	38,000
Clean Cover and Services	110,424
Pumping Station	100,000
Piling	107,644
	368,068

Section 106 Costs

Education	27 un	10,602.00 /un	286,254
Informal Open Space			12,205
Area of Play			33,668
Recreation			37,266
Health	27 un	864.03 /un	23,329
Community Facilities			5,000
			397,722

PROFESSIONAL FEES

Project Fees	6.00%	297,015	297,015
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DISPOSAL FEES

Disposal Costs	3.00%	191,412	191,412
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FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land		(22,310)	
Construction		53,994	
Total Finance Cost			31,684

TOTAL COSTS**6,131,173**

**Waterside Road
Base Appraisal****PROFIT****1,345,867****Performance Measures**

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

**Waterside Road
Base Appraisal**

Net Sales
2,070,000
2,145,600
2,164,800
381,440
715,200
7,477,040

**Waterside Road
Base Appraisal**

Waterside Road Scenario 1

**Waterside Road
Scenario 1**

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
2 Bed Terrace (Market)	10	10,350	200.00	207,000	2,070,000
3 Bed Terrace (Market)	16	19,072	200.00	238,400	3,814,400
4 Bed Terrace (Market)	8	10,824	200.00	270,600	2,164,800
Totals	34	40,246			8,049,200

NET REALISATION **8,049,200**

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(35,306)	(35,306)
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CONSTRUCTION COSTS

Construction

	ft ²	Build Rate ft ²	Cost
2 Bed Terrace (Market)	10,350	123.00	1,273,050
3 Bed Terrace (Market)	19,072	123.00	2,345,856
4 Bed Terrace (Market)	10,824	123.00	1,331,352
Totals	40,246 ft²		4,950,258

Contingency	5.00%	265,916	265,916
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Other Construction

Demolition/Site Preparation		12,000	
Breaking/Crushing Existing Slab		38,000	
Clean Cover and Services		110,424	
Pumping Station		100,000	
Piling		107,644	
			368,068

Section 106 Costs

Education	34 un	10,602.00 /un	360,468
Informal Open Space			12,205
Area of Play			33,668
Recreation			37,266
Health	34 un	864.03 /un	29,377
Community Facilities			5,000
			477,984

PROFESSIONAL FEES

Project Fees	6.00%	297,015	297,015
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DISPOSAL FEES

Disposal Costs	3.00%	241,476	241,476
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FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land			(2,026)
Construction			36,959
Total Finance Cost			34,932

TOTAL COSTS **6,600,344**

PROFIT

1,448,856

Waterside Road**Scenario 1****Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%

IRR% (without Interest) 171.89%

Profit Erosion (finance rate 7.500) 2 yrs 8 mths

Waterside Road Scenario 2

APPRAISAL SUMMARY**AVISON YOUNG (UK) LTD****Waterside Road
Scenario 2****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
2 Bed Terrace (Market)	10	10,350	200.00	207,000	2,070,000
3 Bed Terrace (Market)	16	19,072	200.00	238,400	3,814,400
4 Bed Terrace (Market)	8	<u>10,824</u>	200.00	270,600	<u>2,164,800</u>
Totals	34	40,246			8,049,200

NET REALISATION**8,049,200****OUTLAY****ACQUISITION COSTS**

Residualised Price			71,830		
				71,830	
Stamp Duty			1,293		
Effective Stamp Duty Rate		1.80%			
				1,293	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
2 Bed Terrace (Market)	10,350	123.00	1,273,050		
3 Bed Terrace (Market)	19,072	123.00	2,345,856		
4 Bed Terrace (Market)	<u>10,824</u>	123.00	<u>1,331,352</u>		
Totals	40,246 ft²		4,950,258		
Contingency		5.00%	265,916		
					5,216,174

Other Construction

Demolition/Site Preparation			12,000		
Breaking/Crushing Existing Slab			38,000		
Clean Cover and Services			110,424		
Pumping Station			100,000		
Piling			107,644		
					368,068

Section 106 Costs

Education	34 un	10,602.00 /un	360,468		
					360,468

PROFESSIONAL FEES

Project Fees		6.00%	297,015		
					297,015

DISPOSAL FEES

Disposal Costs		3.00%	241,476		
					241,476

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)					
Land			7,123		
Construction			36,896		
Total Finance Cost					44,019

TOTAL COSTS**6,600,344****PROFIT****1,448,856****Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%

**Waterside Road
Scenario 2**

IRR% (without Interest)	137.54%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Waterside Road Scenario 3

APPRAISAL SUMMARY**AVISON YOUNG (UK) LTD****Waterside Road
Scenario 3****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
2 Bed Terrace (Market)	10	10,350	200.00	207,000	2,070,000
3 Bed Terrace (Market)	16	19,072	200.00	238,400	3,814,400
4 Bed Terrace (Market)	8	<u>10,824</u>	200.00	270,600	<u>2,164,800</u>
Totals	34	40,246			8,049,200

NET REALISATION**8,049,200****OUTLAY****ACQUISITION COSTS**

Residualised Price		151,232		151,232
Stamp Duty			2,747	
Effective Stamp Duty Rate	1.82%			2,747

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
2 Bed Terrace (Market)	10,350	123.00	1,273,050
3 Bed Terrace (Market)	19,072	123.00	2,345,856
4 Bed Terrace (Market)	<u>10,824</u>	123.00	<u>1,331,352</u>
Totals	40,246 ft²		4,950,258
Contingency		5.00%	265,916
			5,216,174

Other Construction

Demolition/Site Preparation			12,000
Breaking/Crushing Existing Slab			38,000
Clean Cover and Services			110,424
Pumping Station			100,000
Piling			107,644
			368,068

Section 106 Costs

Education	34 un	8,000.00 /un	272,000
			272,000

PROFESSIONAL FEES

Project Fees		6.00%	297,015
			297,015

DISPOSAL FEES

Disposal Costs		3.00%	241,476
			241,476

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land			15,070
Construction			36,563
Total Finance Cost			51,633

TOTAL COSTS**6,600,345****PROFIT****1,448,855****Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%

**Waterside Road
Scenario 3**

IRR% (without Interest)	121.66%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Waterside Road
Scenario 4

APPRAISAL SUMMARY**AVISON YOUNG (UK) LTD****Waterside Road
Scenario 4****Appraisal Summary for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
2 Bed Terrace (Market)	10	10,350	200.00	207,000	2,070,000
3 Bed Terrace (Market)	16	19,072	200.00	238,400	3,814,400
4 Bed Terrace (Market)	8	<u>10,824</u>	200.00	270,600	<u>2,164,800</u>
Totals	34	40,246			8,049,200

NET REALISATION**8,049,200****OUTLAY****ACQUISITION COSTS**

Residualised Price		181,062		181,062
Stamp Duty		3,880		
Effective Stamp Duty Rate	2.14%			3,880

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
2 Bed Terrace (Market)	10,350	123.00	1,273,050
3 Bed Terrace (Market)	19,072	123.00	2,345,856
4 Bed Terrace (Market)	<u>10,824</u>	123.00	<u>1,331,352</u>
Totals	40,246 ft²		4,950,258
Contingency		5.00%	265,916
			5,216,174

Other Construction

Demolition/Site Preparation		12,000
Breaking/Crushing Existing Slab		38,000
Clean Cover and Services		110,424
Pumping Station		100,000
Piling		107,644
		368,068

Section 106 Costs

Education	34 un	7,000.00 /un	238,000
			238,000

PROFESSIONAL FEES

Project Fees		6.00%	297,015
			297,015

DISPOSAL FEES

Disposal Costs		3.00%	241,476
			241,476

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land			18,233
Construction			36,435
Total Finance Cost			54,668

TOTAL COSTS**6,600,344****PROFIT****1,448,856****Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%

**Waterside Road
Scenario 4**

IRR% (without Interest)	116.72%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Waterside Road
Scenario 5

APPRAISAL SUMMARY**AVISON YOUNG (UK) LTD**Waterside Road
Scenario 5

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
2 Bed Terrace (Market)	10	10,350	200.00	207,000	2,070,000
3 Bed Terrace (Market)	16	19,072	200.00	238,400	3,814,400
4 Bed Terrace (Market)	8	<u>10,824</u>	200.00	270,600	<u>2,164,800</u>
Totals	34	40,246			8,049,200

NET REALISATION**8,049,200****OUTLAY****ACQUISITION COSTS**

Residualised Price		195,977		195,977
Stamp Duty		4,447		
Effective Stamp Duty Rate	2.27%			4,447

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost	
2 Bed Terrace (Market)	10,350	123.00	1,273,050	
3 Bed Terrace (Market)	19,072	123.00	2,345,856	
4 Bed Terrace (Market)	<u>10,824</u>	123.00	<u>1,331,352</u>	
Totals	40,246 ft²		4,950,258	
Contingency		5.00%	265,916	5,216,174

Other Construction

Demolition/Site Preparation			12,000	
Breaking/Crushing Existing Slab			38,000	
Clean Cover and Services			110,424	
Pumping Station			100,000	
Piling			107,644	368,068

Section 106 Costs

Education	34 un	6,500.00 /un	221,000	221,000
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PROFESSIONAL FEES

Project Fees		6.00%	297,015	297,015
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DISPOSAL FEES

Disposal Costs		3.00%	241,476	241,476
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FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)				
Land			19,815	
Construction			36,371	
Total Finance Cost				56,186

TOTAL COSTS**6,600,344****PROFIT****1,448,856****Performance Measures**

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%

**Waterside Road
Scenario 5**

IRR% (without Interest)	114.42%
Profit Erosion (finance rate 7.500)	2 yrs 8 mths

Contact details

Enquiries

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