

Value and Risk Advisory

Financial Viability Assessment report

Client: North Lincolnshire Council

Property: Land west of Carisbrooke Manor Lane, Burringham,
at Lincolnshire Lakes, Scunthorpe

Date: September 2024

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Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

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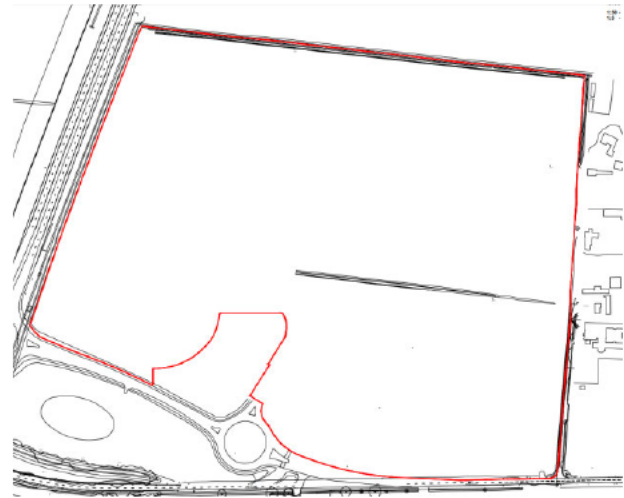
Appendix 1..... Viability Appraisal Print-Out

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

Land west of Carisbrooke Manor Lane, Burringham, at Lincolnshire Lakes, Scunthorpe

Executive Summary

| Key Property Facts | |
|-------------------------------------|--|
| Macro Location: | Sub Regional |
| Micro Location: | Secondary |
| Sector: | Development |
| County: | Lincolnshire |
| Total Property Area: | Gross – 29.43 ha (72.73 acres) Net – 15.36 ha (37.95 acres) |
| Net Sales Area: | 55,326.04 sq m (595,524 sq ft) |
| Tenure: | Freehold |
| Applicant: | Keepmoat Homes |
| Current policy requirements: | 20% affordable housing |
| Benchmark Land Value (BLV) | £6,420,000 |
| Residual Land Value | £1,900,000 |
| Gross Development Value (GDV) | £128,062,000 |
| Build cost | £73,380,663 |
| Build cost contingency (3%) | £2,201,420 |
| Acquisition costs | £102,648 |
| Abnormal costs | £17,552,610 |
| Abnormal costs Contingency (5%) | £0 – included in Abnormal costs |
| Professional fees (6%) | £3,794,322 |
| Marketing and Disposal fees | £2,690,350 |
| Finance (7.00%) | £179,153 |
| Planning Gain | £6,329,477 + 20% AH |
| Community Infrastructure Levy (CIL) | £0 |
| Developers profit (20% POC) | £19,929,082 |



Site Plan

Location

- Lincolnshire Lakes is a new urban extension of Scunthorpe with proposals to deliver up to 6,000 new homes along with a commercial park and associated uses.
- The site is located to the west of Scunthorpe which is an industrial town in North Lincolnshire.
- Scunthorpe is located c. 17.5 miles south west of Hull, 20 miles north east of Doncaster and c. 23 miles west of Grimsby.

Description

- The property comprises an irregular shaped development land parcel which extends to 29.43 ha (72.73 acres) gross and 15.36 ha (37.95 acres) net.
- The subject site has a planning application submitted (ref PA/2023/1124) for the development of 599 no. dwellings and lake, along with associated infrastructure, including landscaping, public open space and play area, pedestrian and cycle links, pumping station and sub-station.
- The site is currently a greenfield land parcel which is used for agricultural (arable) purposes.

Transaction Summary

- This report has been produced to support S106 viability negotiations between North Lincolnshire Council and Keepmoat Homes.
- The report is to examine the commercial viability of the proposed residential development at the address known as Land west of Carisbrooke Manor Lane, Burringham, at Lincolnshire Lakes, Scunthorpe.

Viability Assessment Findings – Non technical Summary

- We have carried out a viability appraisal on the proposed scheme assuming the required planning gain of £6,329,477.
- This appraisal results in a Residual Land Value (RLV) of £1,900,000, which is below the Benchmark Land Value (BLV) of £6,420,000 and hence demonstrates the scheme is therefore deemed not viable and unable to provide 20% on site Affordable Housing, and the full S106 requirement of £6,329,477; however a sensitivity analysis demonstrates that the scheme is able to support £4,711,000 of S106 contributions, and the nil (0%) on-site Affordable Housing provision.

This Overview forms part of the Viability Assessment Report dated September 2024 and should not be read in isolation.

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

North Lincolnshire Council
Church Square House
30-40 High Street
Scunthorpe
DN15 6NL

Your ref N/A
Our ref HP/435004LEE

██████████ ██████████
██

20 September 2024

Dear Directors

Terms of Reference

Addressee:

The Directors
North Lincolnshire Council
Church Square House
30-40 High Street
Scunthorpe
DN15 6NL
For the attention of Millie Arden and Kate Mills

Property Address:
("The Property")

Land west of Carisbrooke Manor Lane, Burringham, at Lincolnshire Lakes,
Scunthorpe

Reliance:

This report is confidential to the party to whom it is addressed.

We appreciate that any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances, however, if at any stage it is intended to distribute the report, or any reference thereto, our written consent will be required. No part of this report may be disclosed to any third parties without our prior written approval of the form and context in which it will appear.

Save in respect of our liability for death or personal injury caused by our negligence, or the negligence of its employees, agents or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

- a) we shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with this report; and
- b) Our total liability in respect of this report shall not exceed £5,000,000. Please note the exclusions and limitations of liability in our General Terms and Conditions of Business or pre-agreed terms of engagement or service agreement agreed between us.

Applicant:

Keepmoat Homes

Tenure:

Freehold

Viability Assessment Date:

September 2024



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

Instruction Date: 16 May 2024

Instruction and Purpose: In accordance with the Letter of Engagement dated 16 May 2024 we are instructed to provide you with a report and Economic Viability Appraisal Review.

The purpose of this assessment is to review the Financial Viability Assessment report dated April 2024 produced by the Applicants' consultant CBRE, and to inform discussions regarding the level of S106 obligations that can be provided on the site taking into account the proposed development, the policy requirements set by the Council, as well as national planning policy and guidance.

Basis of Valuation: We confirm that our viability assessment and report has been prepared in accordance with the current RICS Professional Standard – Financial Viability in Planning: Conduct and Reporting, 1st Edition, May 2019, as well as the RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021.

As per the RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021 "FVAs are not valuations as such, but there is significant valuation content within an FVA. The valuation aspects are within the jurisdiction of the Red Book and other RICS mandatory statements and professional guidance. All RICS members must adhere to these provisions.

Advice given in this report is expressly provided to support S106 negotiations and is in accordance with the current UK national supplement published by the RICS (the RICS Red Book).

The report is subject to, and should be read in conjunction with, the attached General Terms and Conditions of Business.

No allowance has been made for any expenses of realisation, or for taxation (including VAT) that might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges that may be secured thereon.

Software: The viability assessment has been undertaken using ARGUS Developer 8.30.3.

Personnel: The viability assessment has been prepared by Hannah Partington MRICS, Director and peer reviewed by Mabel Kenyon MRICS, Director.

We confirm that the personnel responsible for this viability assessment are in a position to provide an objective and unbiased viability assessment and are competent to undertake the assignment in accordance with the current UK national supplement and are RICS Registered Valuers.

Status: In preparing this viability assessment we have acted as External Valuers, subject to any disclosures made to you.

When carrying out the enclosed Financial Viability Assessment, the RICS members who have undertaken this report have acted objectively, impartially, and without interference.

Disclosure: We confirm there are no conflicts of interest, or risk of conflict whilst undertaking this report.



We can confirm that we have not advised either the applicant or the LPA on the relevant planning application and have not previously provided advice in area-wide FVAs to help formulate policy for the LPA.

Contingent Fees:

We confirm that in preparing this report, no performance-related or contingent fee has been agreed.

Sources of Information:

We have carried out all the necessary enquiries with regard to planning issues and development considerations. We have not carried out a building survey or environmental risk assessment. We have not measured the premises and have relied on the floor areas provided.

We have been provided with the following reports, which we have relied upon:

- Financial Viability Assessment – April 2024 – Prepared by CBRE on behalf of Keepmoat Homes.
- Planning layout plan with reference n1720 008 C, dated 18.12.23, produced by nineteen47 on behalf of Keepmoat Homes
- PA.2023.1124 Lincolnshire Lakes Keepmoat – S106 liabilities
- CBRE Financial Viability Addendum dated 24 July 2024 produced on behalf of Keepmoat Homes Limited.

Market Conditions Explanatory Note:

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours.

In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only, and advise you to keep the valuation under regular review.

The development market especially faces challenges that are influencing the costs of construction and construction programmes. These issues, together with the risk of developer and/or contractor insolvency and a limited skilled labour force, risk causing increased volatility in land value and development project viability.

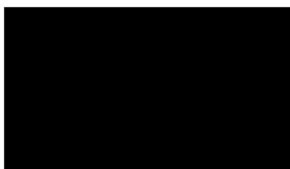
For the avoidance of doubt, due to the functioning nature of the market, our FVA is NOT reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.



**Confidentiality and
Publication:**

Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours sincerely

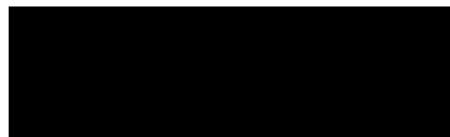


Hannah Partington MRICS

Director

For and on behalf of Jones Lang LaSalle Limited

Yours sincerely



Mabel Kenyon MRICS

Director

For and on behalf of Jones Lang LaSalle Limited

1. Introduction

1.1. Property Address

Property known as Land west of Carisbrooke Manor Lane, Burringham, at Lincolnshire Lakes, Scunthorpe.

1.2. Overview

This viability assessment review has been prepared by JLL on behalf of North Lincolnshire Council, the “Client” who are the “Local Authority” in relation to the proposed residential development of the Land west of Carisbrooke Manor Lane, Burringham, at Lincolnshire Lakes, Scunthorpe.

JLL have been instructed by of North Lincolnshire Council to review the Financial Viability Assessment (FVA) dated April 2024, produced by CBRE on behalf of Keepmoat Homes, the “Applicant”, with regards to the proposed scheme at Land west of Carisbrooke Manor Lane, Burringham, at Lincolnshire Lakes, Scunthorpe comprising 599 residential dwellings, (planning ref PA/2023/1124).

This report will include a market based S106 viability assessment to assist in discussions between North Lincolnshire Council and Keepmoat Homes, with regards to the level of S106 contribution the scheme can support, whilst ensuring a commercial level of developers profit to ensure delivery, and a residual land value that is in line with benchmark land values in order to incentivise the release of the land for residential development (RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021).

The report will include:

- A Residential Market Review;
- Review of justification and costs, inputs and assumptions contained within the Applicant’s FVA;
- Independent viability testing using Argus Developer and review of the Applicant’s FVA viability testing;
- Independent Viability Sensitivity Analysis and review of the Applicant’s FVA Sensitivity Analysis; and
- Conclusion.

Please note that where there is a grey shaded box within this report, this represents JLL’s comments with regards to the comments and assumptions contained within the (FVA) dated April 2024, produced by CBRE on behalf of Keepmoat Homes; and the subsequent addendum dated July 2024.

In order to assist our assessment, and draw appropriate conclusions, we have had regard to the scheme detailed within the Financial Viability Assessment (FVA) dated April 2024, produced by CBRE on behalf of Keepmoat Homes, the “Applicant” (and the subsequent addendum dated July 2024), which provides us with a layout and schedule of accommodation.

This report has been prepared to provide an independent review of these proposals and uses up to date assumptions to demonstrate whether the subject site has the capability to viably be delivered. It provides recommendations based on those results.

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

Planning Policy

Section 38(6) of the Planning and Compulsory Purchase Act (2004) requires decisions of development proposals to be taken in accordance with the adopted development plan for the area unless material considerations indicate

otherwise. The National Planning Policy Framework, Planning Practice Guidance and local planning policies, including Supplementary Planning Documents, are all material considerations.

National Planning Policy Framework

National planning policy is set within the new National Planning Policy Framework (NPPF), which was updated on 19 December 2023 (and is due to be updated in September 2024). This edition replaces the previous National Planning Policy Framework published in July 2021, and earlier revisions. Paragraphs 2 and 47 state that planning decisions should be made in accordance with the Development Plan unless material considerations suggest otherwise. The NPPF is a material consideration.

A presumption in favour of sustainable development lies at the heart of the Framework (Paragraphs 10 and 11). However, Paragraph 12 confirms that this does not preclude the Development Plan being the starting point for decision making. Paragraph 58 states that it is for the applicant to determine whether there are circumstances to justify the need for a viability assessment as part of a planning application. The decision maker should determine the weight to be afforded to the viability statement, taking into account all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any changing circumstances that have occurred since the plan was adopted. It also states that the viability assessment should reflect the recommended approach set out in national planning guidance, including standardised inputs.

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

Planning Practice Guidance

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

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

There are also a number of bus stops along the Burringham Road (B1450) which provides connections to Ashfield and Scunthorpe.

The nearest train station is Althorpe station which is c. 2.0 miles from the site which is situated on the Northern line between Doncaster and Scunthorpe. Scunthorpe train station which is located 2.4 miles from the site and is also situated on the Northern line between Doncaster and Scunthorpe.

2.3. Situation

The site is situated to the west of the town of Scunthorpe.

To the immediate north of the site is agricultural fields which form part of the wider Lincolnshire Lakes masterplan.

To the north east of the subject site is the Parklands Mobile Home estate.

To the immediate east of the site is Carisbrooke Manor Lane, the Carisbrooke Manor Assisted living centre, Lindsey Lodge Hospice and the Ashfield Park Home estate. Further to the east is an Asda supermarket, residential estates and Scunthorpe Town.

To the immediate south of the site is Burringham Road (B1450) and beyond is agricultural fields which form part of the wider Lincolnshire Lakes masterplan.

To the immediate west of the site is the M181 and beyond is agricultural fields which form part of the wider Lincolnshire Lakes masterplan.

With regards to amenities in proximity to the subject site, there is the Ashby Decoy Golf Club, The Silica Lodge, Garden Centre, Burringham Skate Park, One Stop convenience store and as already mentioned, an Asda supermarket.

With regards to schools, The Oasis Academy Parkwood is 1.2 miles from the site and is rated Ofsted Good, The Westcliffe Primary School is located 1.1 miles from the site and is rated Ofsted Good, the South Park Enterprise College is located 1.4 miles from the site and is rated Ofsted Requires Improvement, and The Enderby Road Infant School is located 1.2 miles from the site and is rated Ofsted Good.

The land use of the surrounding area is predominantly a mix of open countryside and residential uses.



3. Description

3.1. Site

3.1.1. Characteristics

The property comprises an irregular shaped development land parcel which extends 29.43 ha (72.73 acres) gross and 15.36 ha (37.95 acres) net.

The wider Lincolnshire Lakes development has outline planning consent for 2,500 dwellings including a village centre (Use Classes A1, A2, A3, A4, A5, B1 and D1), a health care facility (Use Class D1), community facilities (Use Class D1), a 3 form of entry primary school (Use Class D1), new roads and footpaths, informal areas of open space, play spaces and new wildlife habitats, water bodies and wetlands with all matters reserved for subsequent approval (ref PA/2015/0396).

The subject site has a planning application submitted (ref PA/2023/1124) for the development of 599 no. dwellings and lake, along with associated infrastructure, including landscaping, public open space and play area, pedestrian and cycle links, pumping station and sub-station.

The site is currently a greenfield land parcel which is used for agricultural (arable) purposes.

The site is currently accessed from Burringham Road (B1450) via an agricultural access on the southern site boundary.

The site topography is generally level.

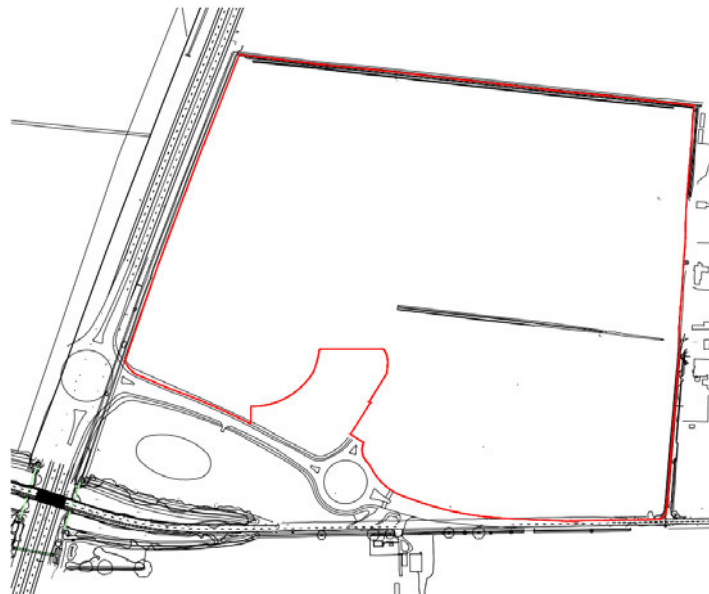
The site covering comprises predominantly arable crops.

There is a sporadic mature tree line that runs along the south west corner of the site boundaries although there are no trees within the site itself.

The norther site boundary is demarked by a drain. The eastern site boundary is demarked by Carisbrooke Manor Lane. The Southern site boundary is demarked by Burringham Road, (B1450) and the western site boundary is demarked by the M181.

There are some overhead power cables that run across the south of the site running in an east/west direction. There are also power cables that run across the eastern part of the site running in an north/south direction.

The property is shown for identification purposes on the plan below.

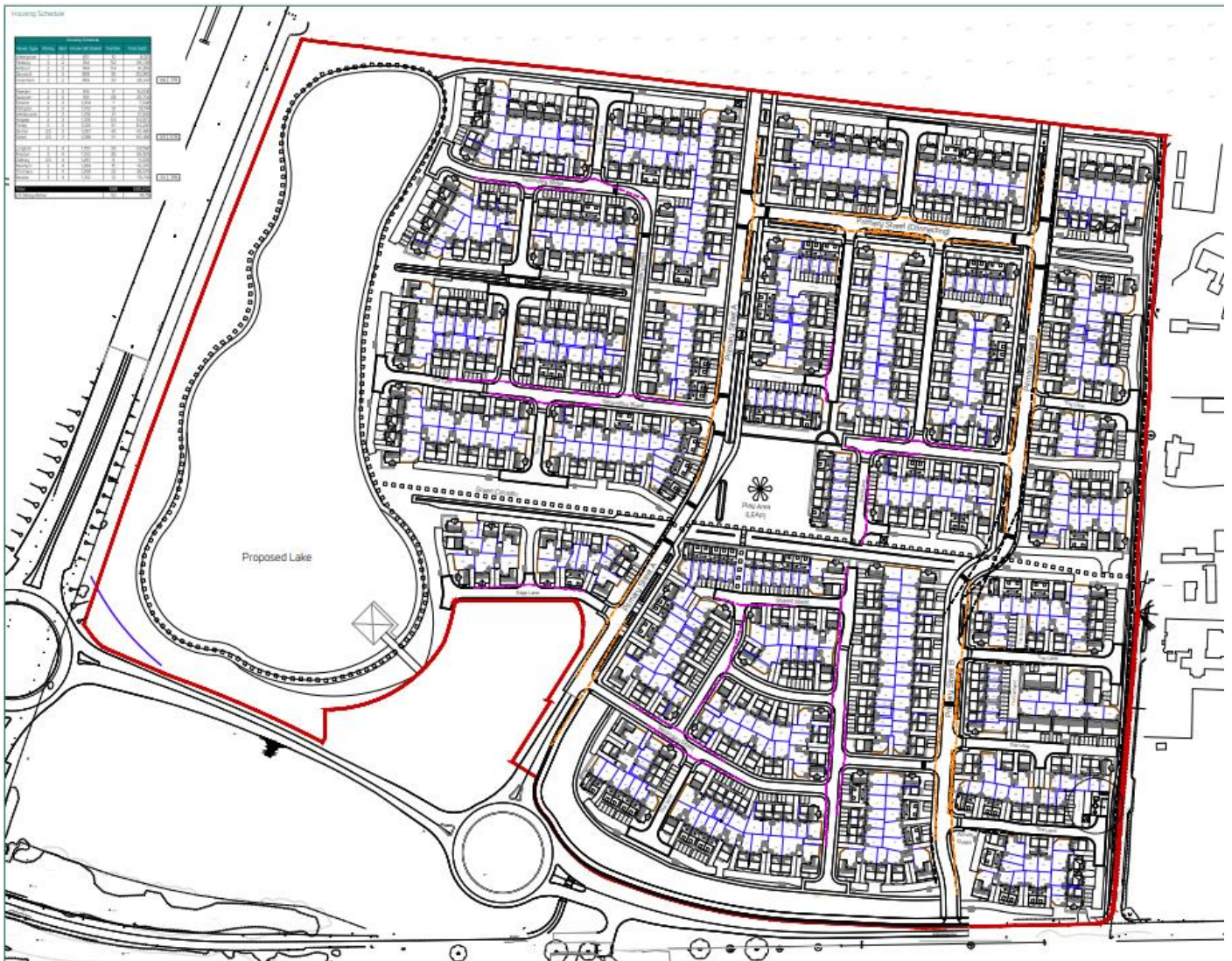


3. Proposed Development

3.1. Proposed Development

Keepmoat Homes have submitted a full planning application (PA/2023/1124) for the development of 599 no. dwellings and lake, along with associated infrastructure, including landscaping, public open space and play area, pedestrian and cycle links, pumping station and sub-station - NEW GENERAL DOCUMENT - Rebuttal - Financial Viability Statement.

The plan below illustrates the proposed residential scheme:



Upon completion, the proposed scheme will provide 599 no. new build dwellings, as shown in the below table, subject to achieving the required planning approval.

Amongst the 20 no. house types there is a combination of terraced, semi-detached and detached properties.

The site is accessed from a newly created roundabout to the south of the site boundary. We have assumed that the internal estate roads will be adopted upon completion and that all necessary rights of access and servicing are available.

We have obtained from the North Lincolnshire Planning portal a planning layout plan with reference n1720 008 C, dated 18.12.23, produced by nineteen47 on behalf of Keepmoat Homes.

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

RICS property measurement (incorporating International Property Measurement Standards Residential) 2nd edition, May 2018, requires us to report IPMS measurements in the report for this Property. As IPMS areas are not available to us for comparable data we have reported only Net Sales Areas (NSA) which we assume have been measured on the basis of the RICS Code of Measuring Practice 6th Edition 2007. We outline the sizes adopted for the purposes of this valuation exercise below:

| House Type | Description | Beds | Storeys | Parking | Sq M | Sq Ft | No | Total Sq M | Total Sq Ft |
|------------|---------------|------|---------|---------|--------|-------|----|------------|-------------|
| Watergrove | Semi-detached | 2 | 1 | CPS | 75.44 | 812 | 10 | 754.37 | 8,120 |
| Padbury | Mid Terrace | 2 | 2 | CPS | 70.98 | 764 | 10 | 709.78 | 7,640 |
| Padbury | End -Terrace | 2 | 2 | CPS | 70.98 | 764 | 18 | 1,277.60 | 13,752 |
| Padbury | Semi-detached | 2 | 2 | CPS | 70.98 | 764 | 24 | 1,703.47 | 18,336 |
| Ashburn | Mid Terrace | 2 | 2 | CPS | 70.98 | 764 | 1 | 70.98 | 764 |
| Ashburn | End -Terrace | 2 | 2 | CPS | 70.98 | 764 | 1 | 70.98 | 764 |
| Ashburn | Semi-detached | 2 | 2 | CPS | 70.98 | 764 | 52 | 3,690.86 | 39,728 |
| Darracott | Mid Terrace | 2 | 2 | CPS | 79.80 | 859 | 5 | 399.02 | 4,295 |
| Darracott | End -Terrace | 2 | 2 | CPS | 79.80 | 859 | 10 | 798.04 | 8,590 |
| Darracott | Semi-detached | 2 | 2 | CPS | 79.80 | 859 | 20 | 1,596.08 | 17,180 |
| Covenham | Mid Terrace | 2 | 2 | CPS | 79.80 | 859 | 3 | 239.41 | 2,577 |
| Covenham | End -Terrace | 2 | 2 | CPS | 79.80 | 859 | 6 | 478.82 | 5,154 |
| Covenham | Semi-detached | 2 | 2 | CPS | 79.80 | 859 | 24 | 1,915.29 | 20,616 |
| Fewston | Mid Terrace | 3 | 2 | CPS | 85.29 | 918 | 1 | 85.29 | 918 |
| Fewston | End -Terrace | 3 | 2 | CPS | 85.29 | 918 | 2 | 170.57 | 1,836 |
| Fewston | Semi-detached | 3 | 2 | CPS | 85.29 | 918 | 14 | 1,193.99 | 12,852 |
| Seacourt | Mid Terrace | 3 | 2 | CPS | 85.29 | 918 | 4 | 341.14 | 3,672 |
| Seacourt | End -Terrace | 3 | 2 | CPS | 85.29 | 918 | 8 | 682.28 | 7,344 |
| Seacourt | Semi-detached | 3 | 2 | CPS | 85.29 | 918 | 16 | 1,364.56 | 14,688 |
| Eldwick | Detached | 3 | 2 | CPS | 93.27 | 1,004 | 7 | 652.92 | 7,028 |
| Killington | Detached | 3 | 2 | ISG | 94.02 | 1,012 | 12 | 1,128.22 | 12,144 |
| Westbourne | Mid Terrace | 3 | 2 | CPS | 94.58 | 1,018 | 1 | 94.58 | 1,018 |
| Westbourne | End -Terrace | 3 | 2 | CPS | 94.58 | 1,018 | 2 | 189.15 | 2,036 |
| Westbourne | Semi-detached | 3 | 2 | CPS | 94.58 | 1,018 | 28 | 2,648.11 | 28,504 |
| Holgate | Mid Terrace | 3 | 2 | CPS | 94.58 | 1,018 | 3 | 283.73 | 3,054 |
| Holgate | End -Terrace | 3 | 2 | CPS | 94.58 | 1,018 | 6 | 567.45 | 6,108 |
| Holgate | Semi-detached | 3 | 2 | CPS | 94.58 | 1,018 | 36 | 3,404.71 | 36,648 |
| Holgate | Detached | 3 | 2 | CPS | 94.58 | 1,018 | 9 | 851.18 | 9,162 |
| Farley | End -Terrace | 3 | 2 | CPS | 94.76 | 1,020 | 1 | 94.76 | 1,020 |
| Farley | Semi-detached | 3 | 2 | CPS | 94.76 | 1,020 | 14 | 1,326.66 | 14,280 |
| Farley | Detached | 3 | 2 | CPS | 94.76 | 1,020 | 46 | 4,359.01 | 46,920 |
| Denton | Mid Terrace | 3 | 2.5 | CPS | 100.99 | 1,087 | 1 | 100.99 | 1,087 |
| Denton | End -Terrace | 3 | 2.5 | CPS | 100.99 | 1,087 | 2 | 201.97 | 2,174 |
| Denton | Semi-detached | 3 | 2.5 | CPS | 100.99 | 1,087 | 37 | 3,736.47 | 40,219 |
| Selset | Mid Terrace | 3 | 2.5 | CPS | 101.08 | 1,088 | 4 | 404.31 | 4,352 |
| Selset | End -Terrace | 3 | 2.5 | CPS | 101.08 | 1,088 | 7 | 707.55 | 7,616 |
| Selset | Semi-detached | 3 | 2.5 | CPS | 101.08 | 1,088 | 40 | 4,043.14 | 43,520 |
| Longford | Semi-detached | 4 | 2 | DSG | 107.12 | 1,153 | 4 | 428.47 | 4,612 |
| Longford | Detached | 4 | 2 | DSG | 107.12 | 1,153 | 26 | 2,785.05 | 29,978 |
| Prenton | Semi-detached | 4 | 2 | DSG | 107.12 | 1,153 | 10 | 1,071.17 | 11,530 |
| Prenton | Detached | 4 | 2 | DSG | 107.12 | 1,153 | 16 | 1,713.88 | 18,448 |
| Oldbury | Semi-detached | 4 | 2.5 | CPS | 119.57 | 1,287 | 8 | 956.53 | 10,296 |
| Oldbury | Detached | 4 | 2.5 | CPS | 119.57 | 1,287 | 1 | 119.57 | 1,287 |

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

| House Type | Description | Beds | Storeys | Parking | Sq M | Sq Ft | No | Total Sq M | Total Sq Ft |
|------------|-------------|------|---------|---------|--------|-------|------------|------------------|----------------|
| Newham | Detached | 4 | 2 | DSG/DDG | 119.75 | 1,289 | 15 | 1,796.28 | 19,335 |
| Thirlmere | Detached | 4 | 2 | ISG | 120.68 | 1,299 | 22 | 2,654.99 | 28,578 |
| Devoke | Detached | 4 | 3 | CPS | 121.89 | 1,312 | 12 | 1,462.67 | 15,744 |
| | | | | | | | 599 | 55,326.04 | 595,524 |

This viability assessment will also test the deliverability of this provision and whether this is deemed viable on the proposals.

This assessment does not provide critique of the development design, our role is limited to testing the viability of the proposals as detailed in the relevant planning application.

4. Planning

4.1. Planning

4.1.1. General

The property falls within the jurisdiction of North Lincolnshire Council.

The local planning policy falls under the North Lincolnshire Local Plan as adopted in May 2003. This plan has been replaced by the Local Development Framework.

Some of its policies have been replaced following the adoption of the Core Strategy and the Housing and Employment Land Allocations DPD.

The Lincolnshire Lakes Development falls within the Lincolnshire Lakes Area Action Plan (AAP) which was adopted on 10 May 2016 and will set out the planning policy framework to deliver the vision.

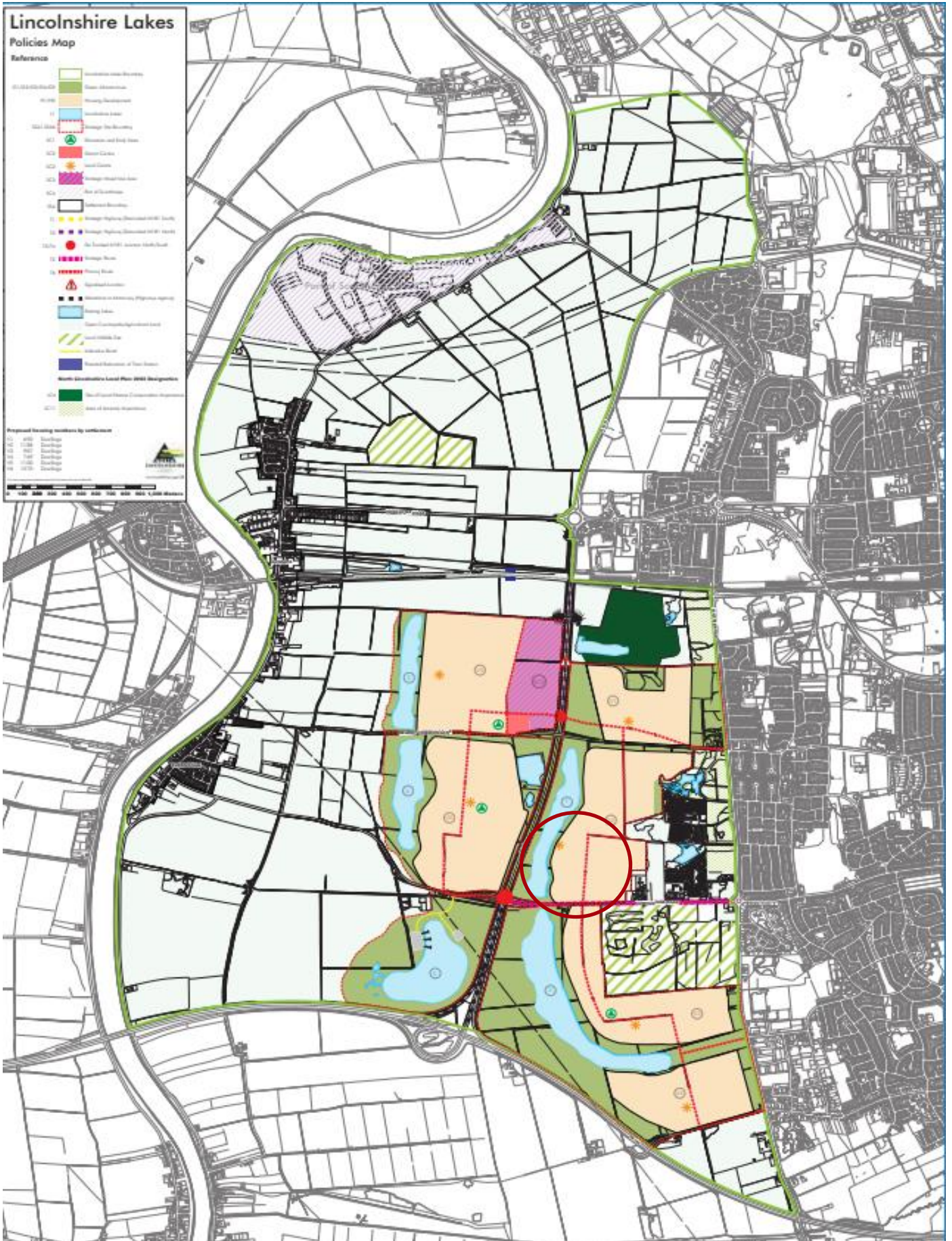
The Lincolnshire Lakes development is the creation of one of the largest residential developments, not just in the Yorkshire and Humber Region but in the whole of the UK, within North Lincolnshire on land west of Scunthorpe, creating new building jobs plus thousands more as new businesses are created.

North Lincolnshire Core Strategy which was adopted in June 2011 and provides a long term spatial planning framework for the development of North Lincolnshire up to 2026 (paragraph 5.29) identifies the following transformational principles of the Lincolnshire Lakes development:

- Residential development (6,000 no. new homes) including affordable and sustainable low density housing;
- Business developments that diversify the employment offer of the town, including offices with an attractive waterside setting;
- Flood alleviation to both the new community and existing Trentside villages through mitigation provided by the water bodies;
- Community facilities (including schools, health facilities, libraries, community centres etc);
- Leisure facilities (including water sports, sport stadia and recreational opportunities);
- A sustainable energy landscape with biomass and wind power;
- Sustainable tourism associated with the lakes unique waterside landscape setting;
- Green infrastructure throughout which compliments and improves the location's biodiversity character; and
- Sustainable transport infrastructure through improved access into the town, strong public transport, park and ride facilities and walking and cycling routes within the site that provide direct links to the existing networks.

All of which will be set within a unique lakeside setting with several large artificially created lakes connected by water channels.

A new M181 junction will be created to improve access routes to the motorway and make the area more accessible as a place to live, visit and work.



4.1.2. History

PA/2023/1124 - Planning permission for the development of 599 no. dwellings and lake, along with associated infrastructure, including landscaping, public open space and play area, pedestrian and cycle links, pumping station and sub-station. Awaiting Decision.

PA/SCR/2022/1 - EIA screening request relating to the erection of 599 no. dwellings including public open space, drainage attenuation, a lake with recreational routes and landscaping.

PA/2017/1386 - Planning permission for highway works to deliver a new terminating junction to the M181 motorway comprising a new at-grade roundabout to access the B1450 Burringham Road from the M181, new B1450 side roads and realignment of the existing B1450, two new additional roundabouts on the realigned B1450, drainage ponds and outfalls, landscaping and associated re-profiling and ancillary works. Approved with conditions. 17 January 2019.

PA/2016/1736 - Planning permission for engineering and excavation to form a lake (Lake 1) as part of the wider Lincolnshire Lakes proposal. Approved with conditions 1 November 2017.

PA/2015/0628 - Hybrid application for full planning permission for new road and footpaths, informal areas of open space, parklands, play areas and new wildlife habitats, attenuation ponds, recreational lakes and wetlands community; and outline planning permission with all matters reserved for non-residential institutions (Use Classes D1 and D2), leisure facilities (Use Classes A1 and A3) and storage (Use Class B8). Approved 5 August 2021.

PA/2015/0627 - Planning permission for highway works to deliver the new terminating junction to the M181 motorway (due to the de-trunked section of the highway to the north and south of the terminating junction) and the development of the eastern and western sections of the east west link road connecting to the B1450 Burringham Road. Approved 5 August 2021.

PA/2015/0396 - Outline planning permission for the development of up to 2,500 no. new homes including a village centre (Use Classes A1, A2, A3, A4, A5, B1 and D1), a health care facility (Use Class D1), community facilities (Use Class D1), a 3 form of entry primary school (Use Class D1), new roads and footpaths, informal areas of open space, play spaces and new wildlife habitats, water bodies and wetlands with all matters reserved for subsequent approval. Approved 5 August 2021.

4.1.3. S106 Agreement/Planning Gain

The Core Strategy states that –

- On a site of 15 no. or more dwellings in the Scunthorpe urban area a target of 20% affordable housing.
- A target affordable housing tenure mix of 70% social rented and 30% intermediate tenure.

The Lincolnshire Lakes Area Action Plan (AAP) states that up to 20% of the dwellings will be required to be affordable homes for developments of greater than 15 no. dwellings. Affordable housing provision of less than 20% will be subject to assessment of viability (with a full viability assessment to be provided by the developer) and subject to agreement by the Council on a case by case basis.

The Lincolnshire Lakes Area Action Plan (AAP) also indicates that contributions will be required towards –

- Primary Education
- Secondary Education
- District and Local Centre
- Sports and Leisure
- Health & Social Care

We note that there has been a previous S106 Agreement put in place for a larger 2,500 no. unit consented scheme (ref PA/2015/0396).

The outline consent is subject to a S106 Agreement dated 5 August 2021 between Maltgrade Ltd, J Jackson Ltd and North Lincolnshire Council which sets out the following obligations –

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

| Obligation | Amount | Trigger | Comment |
|--|---|---|--|
| Affordable Housing | 5% | Not to occupy more than 80% of OM housing until all AH units are complete. Not to occupy 50% of OM housing on each phase until all AH units are complete for that phase. | Any phase other than phase 1 or if earlier than the first 650 units Discounted Price – 80% of OMV |
| Allotment Land | 0.5 ha | | |
| De-trunking Contribution | £500,000 | Not to occupy more than 80% of OM housing | |
| Temporary Primary School Contribution | £250,000 | 385 units occupied | |
| Primary School Contribution | £6,000,000 | 20% - prior to first occupation 20% - prior to 100 th occupation 20% - prior to 400 th occupation 20% - prior to 1,000 th occupation 20% - prior to 2,000 th occupation | |
| Secondary Education Contribution | £5,000,000 | 1 st - £100,000 – 385 units occupied 2 nd - £1,000,000 – 750 units occupied 3 rd - £2,000,000 – 1,100 units occupied 4 th - £1,000,000 – 1,600 units occupied 5 th - £900,000 – 1,900 units occupied | |
| Highways Junction Improvements | £518,000 | Prior to 600 units | |
| Public Transport Contribution | £1,343,977 | Not to occupy more than 80% of OM housing. | |
| Strategic Route Improvement Contribution | £1,000,000 | Prior to 600 units | |
| Open Space | | Not to occupy more than 80% of OM housing on each phase until POS is laid out. | |
| Viability Reassessment | Net profit over the first 20% made from the Development | 1,250 th dwelling | |

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

The subject site has not received planning consent for the proposed 599 no. unit development, and hence there is no S106 Agreement available.

As such, North Lincolnshire Council have provided us with their expected S106 requirements, as detailed in the below table, which we have adopted within this FVA.

| Obligation | Amount | Trigger | Comment |
|----------------------------------|--|---|---|
| Affordable Housing | Up to 20% of houses onsite to be affordable products. 120 no. units if all 20% is provided. | 30 dwellings prior to occupation of the 100 th dwelling 30 dwellings prior to occupation of the 200 th dwelling 30 dwellings prior to occupation of the 300 th dwelling 30 dwellings prior to occupation of the 400 th dwelling | 50% Affordable Rent 50% Intermediate home ownership products such as discounted market sale. |
| Primary Education Contribution | 599 no. houses* x £4,807 = £2,879,393 * the number of eligible houses may be reduced if affordable dwellings are delivered | 30% on occupation of 10 th dwelling 30% on occupation of 100 th dwelling 40% on occupation of 200 th dwelling | |
| Secondary Education Contribution | 599 houses* x £5,795 = £3,471,205 * the number of eligible houses may be reduced if Affordable dwellings are delivered | 30% on occupation of 10 th dwelling 30% on occupation of 100 th dwelling 40% on occupation of 200 th dwelling | |
| Public Open Space | A minimum requirement of 10 sqm per dwelling of informal open space. All open space layout and play equipment specification to be agreed with the council. Based on 5,990 sq m being provided, the Council would request a contribution of £162,881.40 to cover the maintenance of the land for a period of 10 years. This figure may increase once the open space has been measured if it exceeds 5,990 sq m. | Open space to be provided prior to the occupation of the 200 th dwelling. The maintenance fee to be paid on occupation of the 200 th dwelling. If management company, then the management company should be set up prior to occupation of the 1 st dwelling. Open space to be provided and transferred to the management company on occupation of the 200 th dwelling. | If the open space is to be maintained by a private management company, then no contribution will be requested but this option should be secured within the S106 to ensure perpetuity. The details of the management company should be submitted to the council. Assumed Management company in place so no contribution accounted for within this FVA. |
| Area of Play | An area of play is required and should consist of 13 pieces of play equipment. The area of | To provide the area of play prior to occupation of the 150 th dwelling and the contribution to | If this area of play is transferred into a management company for perpetuity, then no |

| Obligation | Amount | Trigger | Comment |
|-------------------------|--|---|---|
| | play should be no less than 1, 400 sq m in size. | be payable on occupation of the 150 th dwelling. | contribution from the council will be requested. The details of the management company should be submitted to the council. |
| | For the council to adopt and maintain this area of play, a contribution of £116,612.00 will be requested. | If management company, then the management company should be set up prior to occupation of the 1 st dwelling. Open space to be provided and transferred to the management company on occupation of the 150 th dwelling. | Assumed Management company in place so no contribution accounted for within this FVA. |
| Recreation Contribution | A total Contribution of £472,249 is required towards the anticipated costs, which are broken down as follows: £54,579 for improvements towards natural Grass pitches for both adult and youth football £214,695 for swimming facilities, £195,379 towards sports hall and centre improvements £7,596 for improvements to indoor bowling facilities | 50% prior to the occupation of the 150 th dwelling 50% prior to the occupation of the 300 th dwelling | |
| Lake | | | The proposed lake on the development would need to be transferred into and maintained by a management company. This should be secured within the S106 agreement to ensure perpetuity. The details of the management company should be submitted to the council. Assumed Management company in place so no contribution accounted for within this FVA. |
| Health contribution | £864.03 per market dwelling | On occupation of the 100 th dwelling | |

| Obligation | Amount | Trigger | Comment |
|-----------------------|--|---|---------|
| Highways Contribution | <p>A contribution of £5,000 towards a TRO and associated signage will be required to amend the speed limit.</p> <p>The highways department are in discussions regarding a further S106 contribution towards the roundabout at the site access and/or footway/cycleway improvements along Burringham Road.</p> <p>The figure for above is yet to be confirmed, but for the purposes of the independent viability assessment, the highways department estimate the contribution to be around £365,000.</p> | <p>£5,000 for TRO to be payable on occupation of the 1st dwelling.</p> <p>Remaining unconfirmed figure to be paid on the occupation of the 50th dwelling.</p> | |
| BNG | A biodiversity net gain must be secured onsite, if this cannot be done through conditions onsite it may need to be included in a section 106 agreement. | | |
| Total | £7,710,401 | Based on 100% open market units | |
| Total | £6,329,477 | Based on policy complaint scheme with 20% on site affordable housing provision | |

We note that the CBRE FVA utilises a total S106 contribution of £6,334,477 which is the similar to the above.

4.1.4. CIL

We note that North Lincolnshire Council have not adopted a CIL charging schedule. We have therefore assumed that the proposed scheme is not liable to pay any CIL.

4.1.5. Listed Building Consent and Conservation Area

We note that the property is not located in a conservation area, nor is the site impacted by any Listed Buildings.

5. Market Commentary

5.1. Market Conditions Explanatory Note

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours.

In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only, and advise you to keep the valuation under regular review.

The development market especially faces challenges that are influencing the costs of construction and construction programmes. These issues, together with the risk of developer and/or contractor insolvency and a limited skilled labour force, risk causing increased volatility in land value and development project viability.

For the avoidance of doubt, due to the functioning nature of the market, our FVA is NOT reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

5.2. National Market Overview

- The Halifax House Price Index dated from August 2024 states that –
 - House prices increased by +0.3% in August, after +0.9% rise in July
 - Year-on-year prices are up +4.3%, the strongest rate since November 2022
 - Higher annual growth largely reflects the base impact of weaker prices a year ago
 - Typical property now costs £292,505 (compared to £291,585 in July), highest since August 2022
- Amanda Bryden, Head of Mortgages, said: “House prices increased by +0.3% in August, following a rise of +0.9% in July, with the typical property now costing £292,505. Annual growth has risen to +4.3%, the strongest rate since November 2022, but this is due in large part to the comparison with weaker growth this time last year.
- “Recent price rises build on a largely positive summer for the UK housing market. Prospective homebuyers are feeling more confident thanks to easing interest rates. That optimism is reflected in the latest mortgage approval figures, now at their highest level in almost two years.
- “Such has been the resilience of house prices that the average property is now just £1,000 shy of the record high set in June 2022 (£293,507). While this is welcome news for existing homeowners, affordability remains a significant challenge for many potential buyers still adjusting to higher mortgage costs.
- “However with market activity picking up and the possibility of further interest rate reductions to come, we expect house prices to continue their modest growth through the remainder of this year.”

With regards to Housing activity –

- HMRC monthly property transaction data shows UK home sales decreased in July 2024 compared to the previous month. UK seasonally adjusted (SA) residential transactions in July 2024 totalled 90,630 – down by - 0.6% from June's figure of 91,220 (up +6.9% on a non-SA basis). Quarterly SA transactions (May 2024 – July 2024) were approximately +5.1% higher than the preceding three months (February 2023 - April 2024). Year-on-year SA transactions were +6.7% higher than July 2023 (+13.2% higher on a non-SA basis). (Source: HMRC).

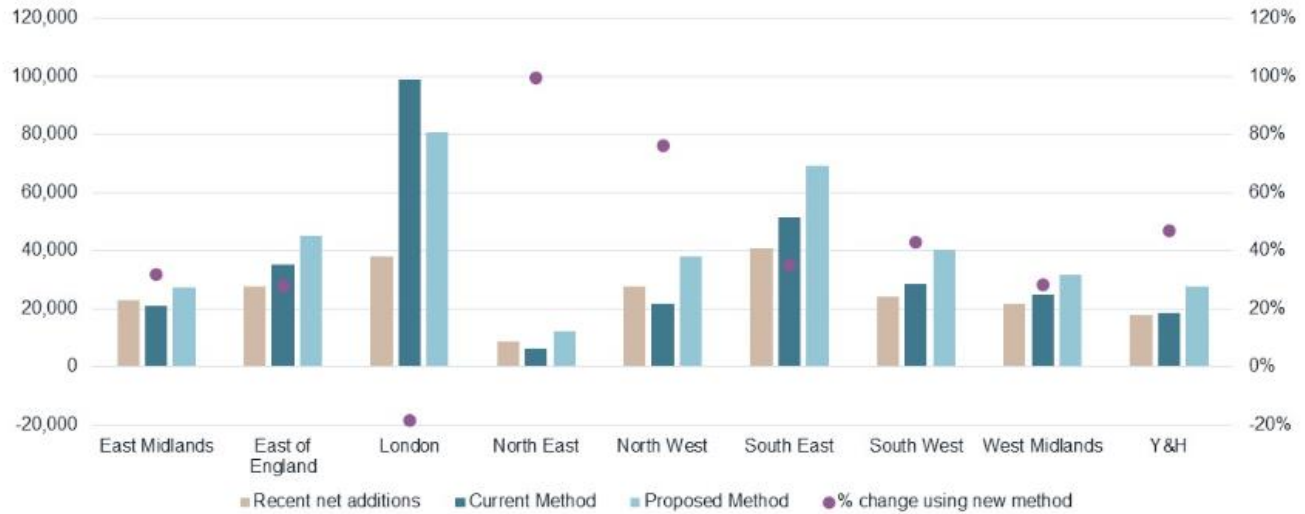
- Latest Bank of England figures show the number of mortgages approved to finance house purchases increased slightly in July 2024, by +2.3% to 61,985. Year-on-year the figure was +26.5% above July 2023. (Source: Bank of England, seasonally-adjusted figures)
- The RICS Residential Market Survey results for July 2024 show a stable trend in market activity. New buyer enquiries has a net reading of +2%, up from -6%, with agreed sales also up to -2%, from -6%. New instructions are back in positive territory at +2%, from -9%. (Source: Royal Institution of Chartered Surveyors (RICS) monthly report).

JLL Market Commentary – 1 August 2024

- The new rate cutting cycle has begun with the Bank of England's first rate cut since 2020. Although the drop from a 16-year high of 5.25% to 5% may not have a dramatic impact on mortgage rates in the short term, it will undoubtedly bolster confidence among hesitant buyers particularly if further rate cuts occur in the coming months. Until now the housing market has been surprisingly resilient, but the rate cut, alongside greater political certainty following the July election puts it in a strong position once buyers return.
- Budget black holes
- Those scrambling to get to the bottom of their to-do list before the summer break will recognise the urgency we've seen in recent days from government as it pushed forward on policy commitments before the summer recess.
- We now have a date for the autumn budget, due to take place on 30 October, where the chancellor will attempt to deal with the £21.9bn budget 'black hole'. Spending cuts worth £5.5bn have been announced, means testing will mean wealthier (or the least poor) pensioners losing their winter fuel allowance, and several infrastructure projects introduced under the Conservatives have bitten the dust or been firmly pushed into the long grass. Reeves has also committed to selling surplus public sector buildings and land. That leaves £16.4bn – meaning taxes are going up – although we'll need to wait until 30 October to find out which.
- Building more homes
- Angela Rayner has fast-tracked the consultation to overhaul the planning process, the announcement scraping in pre-recess on 30 July. The consultation, set to run over the summer, will close on 24 September, with a new National Planning Policy Framework (NPPF) promised by the year-end.
- Proposed changes to boost delivery include the reintroduction of mandatory housing targets. A brownfield first strategy will remain in place, with expectations that applications on brownfield land will be approved. We are promised clarity on how to define 'grey belt' land, with any land released from the Green Belt subject to 'golden rules', namely: 50% of homes delivered as affordable housing, an emphasis on access to green space, and a recognition of the need for local infrastructure.
- To enable delivery of affordable homes at scale, the government has committed to providing more direct grant funding and certainty around rent stability. A decision on the level of grant funding and rent settlement is promised for the next spending review.
- The onus will be on councils to make sure they have robust and up-to-date local plans, setting out land suitable for development. Councils will be expected to have an annually reviewed five-year land supply strategy. Quite a task, as government figures suggest just a third of councils have a Local Plan that is less than five years old.

New model for housing need means a 370,000 homes a year target

Indicative local housing need



Source: MHCLG (Net additions the average of 2020/21 - 2022/23)

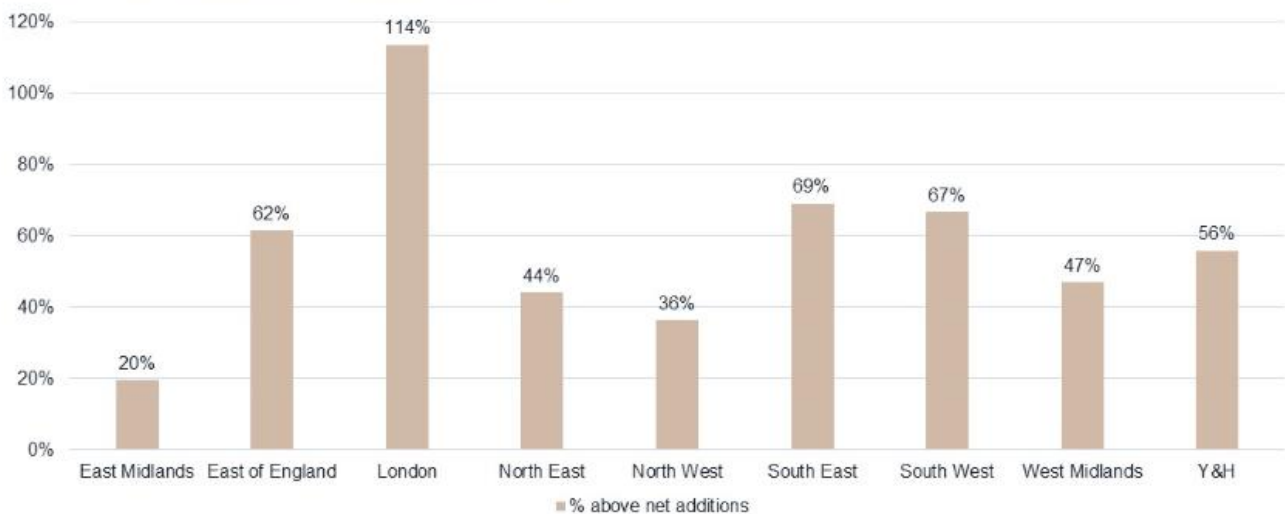
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- The government has also set out a new demand model, which will be used to underpin housing targets. This model calls for 370,000 homes per annum nationally, not far off double what we expect will be delivered this year.
- There has been some criticism that London will have a lowered target (down from circa. 100,000 to 80,000 homes) but numbers are still significantly higher than the 35,000 homes delivered in the last year and the 52,000 target in the London Plan. Comparing numbers in the new demand model still shows the capital would need to increase current delivery by 114%, the highest of any region.

London target lowered but it still needs to more than double delivery

Housing need - % above net additions to housing stock



Source: MHCLG (Net additions the average of 2020/21 - 2022/23)

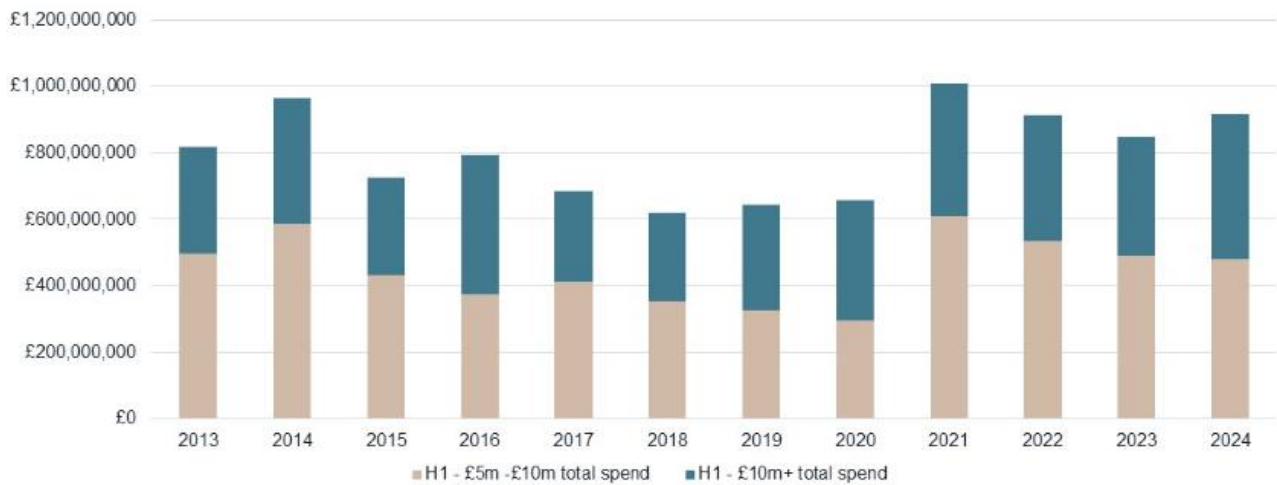
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- In other news...
- It's been a busy week for housing news outside Westminster too, the biggest being from the Bank of England, with the bank rate dropping to 5% following the August meeting of the MPC. Even prior to the announcement Lifetime Capital saw fixed rates breach the sub-4% barrier (albeit with high entry costs). Expect to see more competitive rates emerge in the coming weeks.
- Nationwide figures show house prices rose for the third consecutive month in July, with prices up 2.1% annually – the highest annual figure since December 2022. Mortgage approvals continued to hover around the 60,000 mark in June. This was down marginally on May (-0.3%) but up 12% on June 2023.

Total spend at £5million + above long run average in H1 2024

Total spend £5million+



Source: JLL Research, LonRes

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Forecasts

- The announcement of the July election (unintentionally) coincided with the release of our revised JLL housing market forecasts. Price falls, which we had forecast to see in early 2024 have largely failed to materialise, as more competitive rates entered the market. This means we now expect prices to rise by +2% nationally this year, compared to our previous forecast of -3% made in October 2023.
- Lower value markets are expected to outperform this year. As rates improve, we expect London to lead, with growth in both Central and Greater London expected to be higher than the national average over the five-year forecast period.
- Our research points to city centre markets as the primary driver of growth. The demand for urban living and the projected growth in households propel these markets forward over the five-year forecast period. As cities continue to attract young professionals and lifestyle seekers, the demand for rental properties in central locations is set to remain strong, contributing to the robust market performance.
- More balance appears to be emerging across the rental market, as the gap between tenant demand and landlord instructions reached its lowest level in four years, according to the RICS Residential Market Survey. A net +33 of respondents expect rent rises in the next three months. Though high, this is the lowest reading since 2021. Despite this shift, JLL expects a continued imbalance and anticipates rent increases across all markets year-on-year for the next five-year period. According to our updated forecast, which account for 2024 as an election year, rents are expected to rise by 4.5% nationally in 2024, with growth of 18.8% between 2024 and 2028.

| Sales price growth (% pa) | 2024 | 2025 | 2026 | 2027 | 2028 | Cumulative 2024-28 | Average pa 2024-28 |
|---------------------------|------|------|------|------|------|--------------------|--------------------|
| UK | 2.0 | 3.0 | 3.5 | 4.5 | 3.5 | 17.6 | 3.3 |
| Central London | 0.0 | 3.5 | 5.0 | 5.5 | 4.5 | 19.8 | 3.7 |
| Greater London | 1.0 | 3.5 | 4.5 | 4.5 | 4.0 | 18.7 | 3.5 |

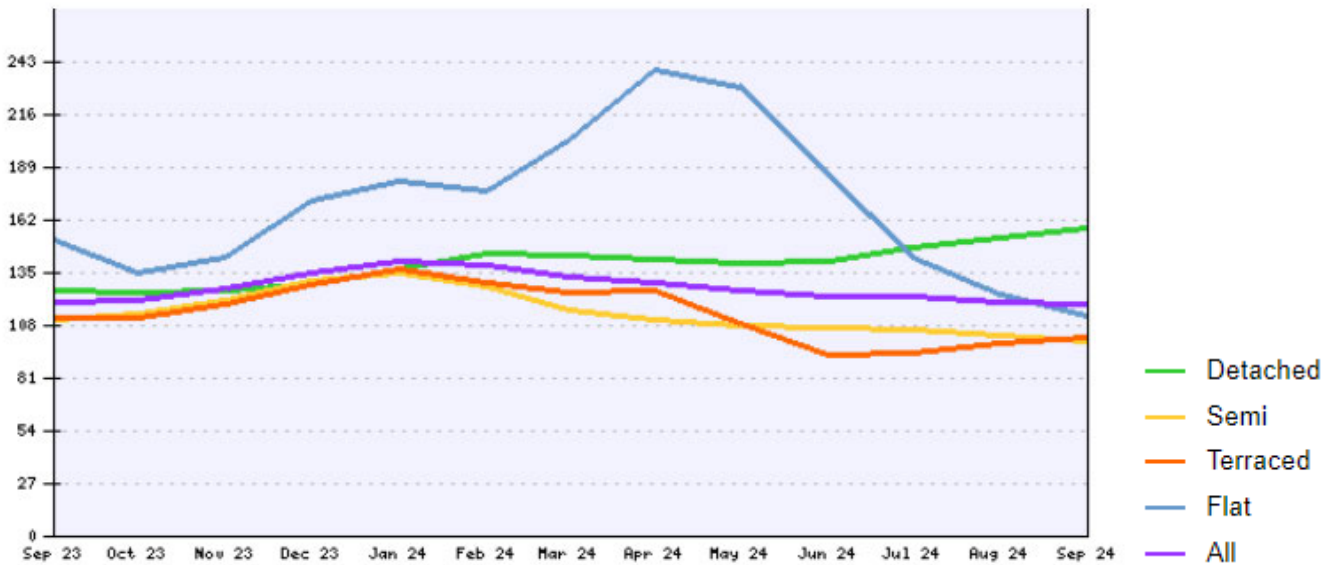
5.3. Local Market Review

According to Zoopla, there have been 792 sales in the last 12 months in Scunthorpe. In respect of property values, average house prices in Scunthorpe are below the national trends. According to Zoopla, as at September 2024, the average price paid was £166,101 in comparison to an average price for the UK of £329,776 (Zoopla, September 2024).

According to [Home.co.uk](https://www.home.co.uk), the average selling time in Scunthorpe is 86 days.

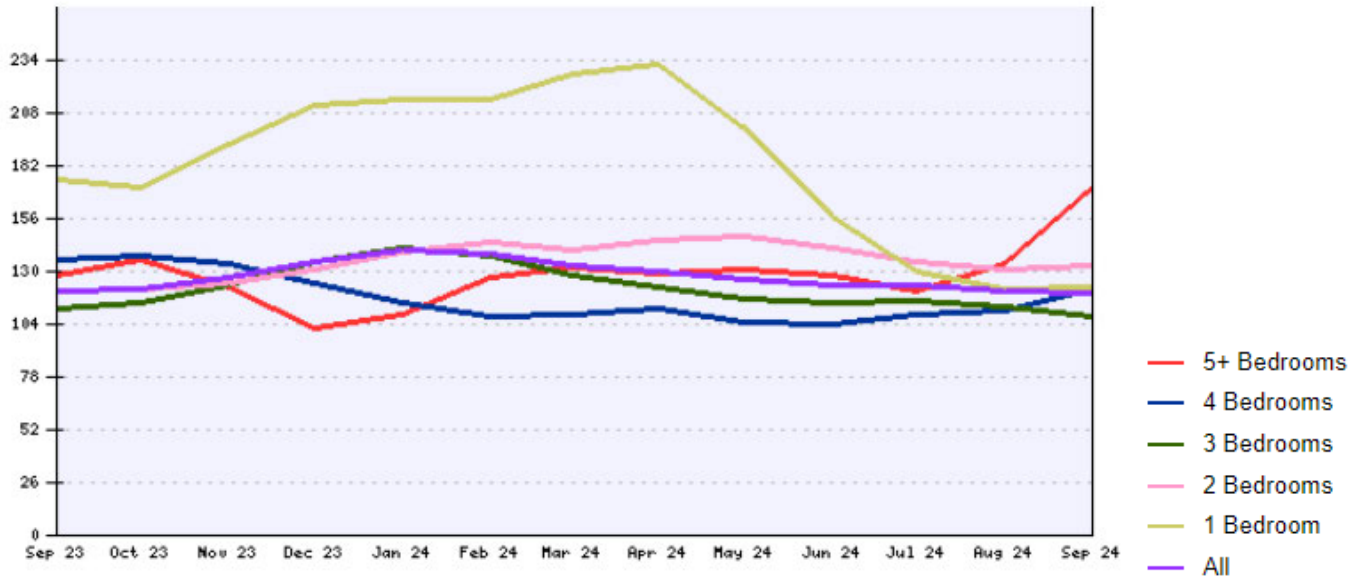
The below graph shows that average time on the market per dwelling type (Source: [Home.co.uk](https://www.home.co.uk)). The graph shows that terraced and semi-detached houses in general spent the least amount of time to sell whilst flats generally took the longest to sell.

Average Time On Market By Type in Scunthorpe (days)



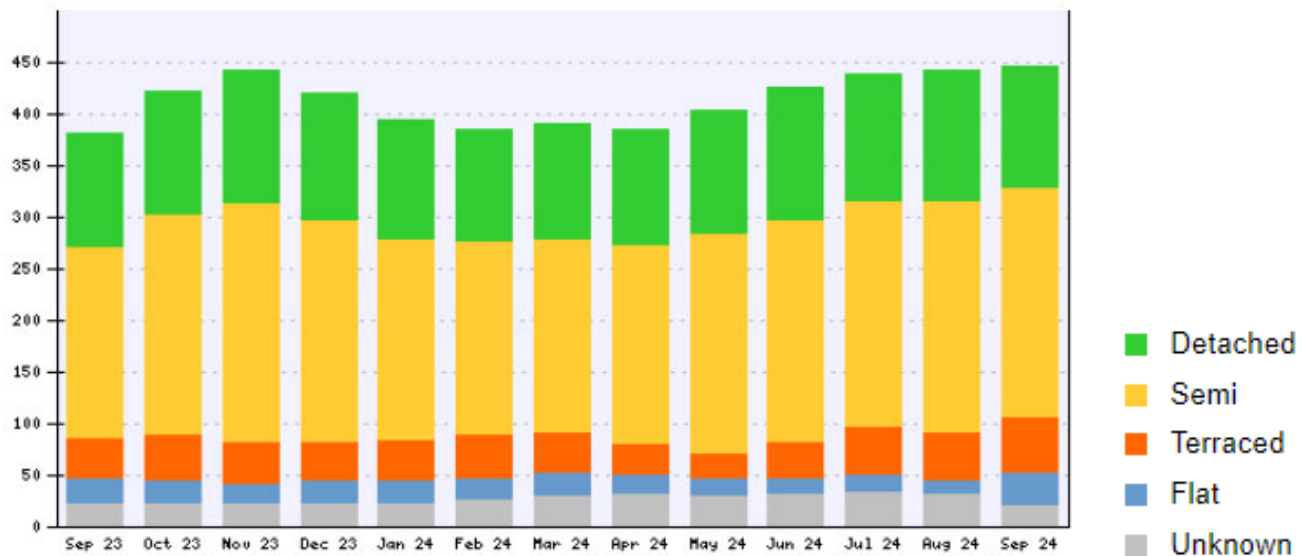
The below graph shows that average time on the market based on number of bedrooms (Source: [Home.co.uk](https://www.home.co.uk)). The graph shows that one bedroom properties take the longest time to sell, whilst three and four bed properties in general appear to sell the fastest.

Average Time On Market By Number of Bedrooms in Scunthorpe (days)



The below graph shows the number of properties advertised for sale in Scunthorpe based on dwelling type (Source: [Home.co.uk](https://www.home.co.uk)). The graph shows that the majority of stock available on the market are semi-detached and detached properties, with less terraced and flatted properties available for sale.

Number of Properties Found Advertised for Sale in Scunthorpe by Type



5.4. Sales Comparables

5.4.1. New Build

- We have had regard to the below new build sales evidence in order to assist in forming our opinion of Gross Development Value.
- We comment that there is some new build sales evidence in the area immediately surrounding the subject property, as well as other comparable schemes within c. 7 miles of the subject site, although much of this evidence is deemed historic in nature, being from early-mid 2022 when market conditions differed from the Valuation Date. We have therefore made adjustments to our opinion of value of the subject development accordingly accounting for the date of valuation.

- Due to the significant delays in uploading recent new build house sales evidence by the Land Registry, it is increasingly more difficult to build a picture of current market conditions given the lag in sales data.
- As such we have also had regard to new build asking prices and to a less extent resales evidence. With regards to new build asking prices, we have taken additional care to note the level of incentives that are being offered on each plot type to ensure that the below evidence is reflective of the net sales values.
- Below we detail the relevant new build sales evidence that is currently available.

Keigar Homes Limited – Burdock Gardens

- This development is located 1.3 miles from the subject site to the south west of Scunthorpe which would be deemed a similar location to the subject site.
- The development comprised 77 no. dwellings.
- We understand that this development has now reached Practical Completion.
- We note that the Keigar Homes product and specification is typically at the mid end of the range for SME housebuilders.
- Sales rate between April 2022 and January 2023 averaged c. 2.2 Open Market units per month
- The average gross price achieved between April 2022 and January 2023 was £224,616 which equates to an average £ per sq ft of £195 (av. unit size is 1,185 sq ft).
- Based on the above, we would anticipate the subject site to achieve lower sales values than this development given the lower specification product, although comment that the £ per sq ft at this development is skewed given the higher average unit size.
- Below is a table of completed relevant sales between April 2022 and January 2023:

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|------------------------|------------|-------------|--------------------------------------|-------|-------------|
| 24, Appledore Crescent | 13/01/2023 | £184,950 | 3 bed end terrace | 904 | £205 |
| 53, Appledore Crescent | 16/12/2022 | £239,950 | 3 bed detached with integral garage. | 1,109 | £216 |
| 55, Appledore Crescent | 09/12/2022 | £239,950 | 3 bed detached with integral garage. | 1,109 | £216 |
| 21, Appledore Crescent | 25/11/2022 | £194,950 | 3 bed Semi-Detached | 904 | £216 |
| 17, Appledore Crescent | 18/11/2022 | £152,500 | 2 bed Semi-Detached | 657 | £232 |
| 15, Appledore Crescent | 04/11/2022 | £194,950 | 3 bed Semi-Detached | 904 | £216 |
| 46, Dartmouth Road | 21/10/2022 | £327,500 | 5 bed Detached with integral garage | 2,174 | £151 |
| 34, Appledore Crescent | 30/09/2022 | £149,950 | 2 bed end terraced | 657 | £228 |
| 10, Appledore Crescent | 23/09/2022 | £199,950 | 3 bed town house with SDG | 1,141 | £175 |
| 6, Appledore Crescent | 16/09/2022 | £224,950 | 4 bed detached with SDG | 1,216 | £185 |
| 16, Appledore Crescent | 05/08/2022 | £199,950 | 3 bed Detached with SDG | 1,141 | £175 |
| 14, Appledore Crescent | 29/07/2022 | £199,950 | 3 bed town house with SDG | 1,141 | £175 |
| 12, Appledore Crescent | 29/07/2022 | £199,950 | 3 bed town house with SDG | 1,141 | £175 |
| 42, Dartmouth Road | 08/07/2022 | £279,950 | 4 bed detached with integral garage | 1,345 | £208 |
| 18, Appledore Crescent | 24/06/2022 | £189,950 | 3 bed town house | 1,141 | £166 |
| 4, Appledore Crescent | 10/06/2022 | £224,950 | 4 bed detached with SDG | 1,216 | £185 |
| 8, Appledore Crescent | 10/06/2022 | £189,950 | 3 bed town house with SDG | 1,141 | £166 |
| 33, Dartmouth Road | 10/06/2022 | £139,950 | 2 bed Semi-Detached | 657 | £213 |
| 19, Dartmouth Road | 10/06/2022 | £277,500 | 4 bed detached with integral garage | 1,345 | £206 |
| 2, Appledore Crescent | 13/05/2022 | £369,950 | 5 bed detached with DDG | 2,347 | £158 |

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|--------------------|------------|-------------|-------------------------------------|-------|-------------|
| 34, Dartmouth Road | 22/04/2022 | £279,950 | 4 bed detached with integral garage | 1,345 | £208 |
| 22, Dartmouth Road | 08/04/2022 | £279,950 | 4 bed detached with integral garage | 1,345 | £208 |

Gleeson Homes – Roman Court

- This development is located 1.4 miles from the subject site to the west of Scunthorpe which would be deemed a similar location to the subject site.
- The development comprised 85 no. 2, 3 and 4 bedroom dwellings.
- The development has now reached Practical Completion.
- We note that the Gleeson Homes product and specification is typically at the lower end of the range for volume housebuilders.
- Sales rate between April 2022 and June 2022 averaged c. 4.33 Open Market units per month.
- The average gross price achieved between April 2022 and June 2022 was £146,380 which equates to an average £ per sq ft of £200 (av. unit size is 731 sq ft).
- Based on the above, we would anticipate the subject site to achieve higher sales values than this development given the small scale nature of this development which is not large enough to establish its own value tone.
- Below is a table of completed relevant sales between April 2022 and June 2022:

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|-------------------|------------|-------------|--|-------|-------------|
| 4, Minerva Close | 30/06/2022 | £136,995 | Kerry - 2 bed Semi-Detached with SAG | 667 | £205 |
| 2, Minerva Close | 30/06/2022 | £128,995 | Cork - 2 bed Semi-Detached with SAG | 646 | £200 |
| 24, Ceres Grove | 29/06/2022 | £164,995 | Wexford - 3 bed Semi-Detached | 807 | £204 |
| 6, Minerva Close | 27/06/2022 | £118,995 | Kerry - 2 bed end terraced | 667 | £178 |
| 8, Minerva Close | 10/06/2022 | £151,995 | Wicklow - 3 bed end terrace | 775 | £196 |
| 10, Minerva Close | 30/05/2022 | £166,995 | Wicklow - 3 bed mid terrace with SAG | 775 | £215 |
| 14, Minerva Close | 29/04/2022 | £170,995 | Kildare - 3 bed Detached with int garage | 818 | £209 |
| 9, Minerva Close | 29/04/2022 | £127,995 | Cork - 2 bed Semi-Detached with SAG | 646 | £198 |
| 7, Minerva Close | 29/04/2022 | £160,995 | Kilkenny - 3 bed Semi-Detached with SAG | 775 | £208 |
| 17, Minerva Close | 29/04/2022 | £120,995 | Kerry - 2 bed Semi-Detached | 667 | £181 |
| 15, Minerva Close | 29/04/2022 | £120,995 | Kerry - 2 bed Semi-Detached | 667 | £181 |
| 12, Minerva Close | 29/04/2022 | £172,995 | Kilkenny - 3 bed Semi-Detached with SAG | 775 | £223 |
| 11, Minerva Close | 25/04/2022 | £158,995 | Fergus - 3 bed Semi-Detached with SIG | 818 | £194 |

Linden Homes – Falcons Place

- This development is located 2.63 from the subject site, to the south east of Scunthorpe which would be deemed a lower value area to the subject site.
- The latest phase of the development comprised 73 no. 2, 3 and 4 bedroom dwellings, with c. 51 affordable housing units.
- We understand that this development has now reached Practical Completion.
- We note that the Linden Homes product and specification is typically at the mid end of the range for volume housebuilders.
- Sales rate between May 2022 to December 2022 averaged c. 4.4 Open Market units per month

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- The average gross price achieved between May 2022 to December 2022 was £177,935 which equates to an average £ per sq ft of £209 (av. unit size is 858 sq ft).
- Based on the above, we would anticipate the subject site to achieve higher sales values than this development given the inferior situation of the Linden Homes development.
- Below is a table of completed relevant sales between May 2022 to December 2022:

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|----------------------|------------|-------------|---------------------|-------|-------------|
| 23, Bunting Mews | 23/12/2022 | £187,995 | 3 bed Semi-Detached | 861 | £218 |
| 10, Bunting Mews | 16/12/2022 | £199,995 | 3 bed Semi-Detached | 969 | £206 |
| 22, Bunting Mews | 16/12/2022 | £151,995 | 2 bed Semi-Detached | 646 | £235 |
| 20, Bunting Mews | 14/12/2022 | £151,995 | 2 bed Semi-Detached | 646 | £235 |
| 17, Bunting Mews | 09/12/2022 | £144,995 | 2 bed Semi-Detached | 646 | £225 |
| 15, Bunting Mews | 02/12/2022 | £144,995 | 2 bed Semi-Detached | 646 | £225 |
| 9, Bunting Mews | 30/11/2022 | £187,995 | 3 bed Semi-Detached | 861 | £218 |
| 7, Bunting Mews | 25/11/2022 | £187,995 | 3 bed Semi-Detached | 861 | £218 |
| 4, Bunting Mews | 25/11/2022 | £184,995 | 3 bed Terraced | 861 | £215 |
| 8, Bunting Mews | 18/11/2022 | £194,995 | 3 bed Semi-Detached | 969 | £201 |
| 1, Bunting Mews | 18/11/2022 | £179,995 | 3 bed Terraced | 861 | £209 |
| 9, Greenshank Drive | 10/11/2022 | £151,995 | 2 bed Terraced | 646 | £235 |
| 25, Greenshank Drive | 09/11/2022 | £195,000 | 3 bed Semi-Detached | 969 | £201 |
| 22, Greenshank Drive | 21/10/2022 | £179,995 | 3 bed Semi-Detached | 861 | £209 |
| 20, Greenshank Drive | 21/10/2022 | £179,995 | 3 bed Semi-Detached | 861 | £209 |
| 3, Bunting Mews | 07/10/2022 | £182,995 | 3 bed Terraced | 861 | £213 |
| 23, Greenshank Drive | 30/09/2022 | £189,995 | 3 bed Terraced | 969 | £196 |
| 18, Greenshank Drive | 30/09/2022 | £179,995 | 3 bed Semi-Detached | 861 | £209 |
| 14, Greenshank Drive | 31/08/2022 | £139,995 | 2 bed Semi-Detached | 646 | £217 |
| 16, Greenshank Drive | 31/08/2022 | £139,995 | 2 bed Semi-Detached | 646 | £217 |
| 10, Greenshank Drive | 30/08/2022 | £182,995 | 3 bed Semi-Detached | 861 | £213 |
| 12, Greenshank Drive | 26/08/2022 | £182,995 | 3 bed Semi-Detached | 861 | £213 |
| 21, Greenshank Drive | 07/07/2022 | £227,995 | 4 bed Detached | 1,141 | £200 |
| 19, Greenshank Drive | 30/06/2022 | £227,995 | 4 bed Detached | 1,141 | £200 |
| 17, Greenshank Drive | 30/06/2022 | £139,995 | 2 bed Terraced | 646 | £217 |
| 15, Greenshank Drive | 24/06/2022 | £131,995 | 2 bed Terraced | 646 | £204 |
| 7, Greenshank Drive | 24/06/2022 | £189,995 | 4 bed Semi-Detached | 1,109 | £171 |
| 5, Greenshank Drive | 24/06/2022 | £194,995 | 4 bed Semi-Detached | 1,109 | £176 |
| 11, Greenshank Drive | 24/06/2022 | £131,995 | 2 bed Terraced | 646 | £204 |
| 4, Greenshank Drive | 10/06/2022 | £174,995 | 3 bed Semi-Detached | 861 | £203 |
| 2, Greenshank Drive | 27/05/2022 | £171,995 | 3 bed Semi-Detached | 861 | £200 |
| 3, Greenshank Drive | 23/05/2022 | £227,995 | 4 bed Detached | 1,141 | £200 |
| 1, Greenshank Drive | 13/05/2022 | £227,995 | 4 bed Detached | 1,141 | £200 |

Gleeson Homes – Phoenix Meadows

- This development is located 2.93 miles from the subject site to the north of Scunthorpe which would be deemed an inferior location to the subject site.
- The development comprised 160 no. 2, 3 and 4 bedroom dwellings.
- The development has only recently commenced.
- We note that the Gleeson Homes product and specification is typically at the lower end of the range for volume housebuilders.
- To date, no sales have been registered with the Land Registry.
- With regards to incentives, the scheme is currently offering 5% deposit contributions on selected plots only.
- Current net asking prices range from £170,995 - £276,995 equating to an average net asking price on a £ per sq ft of £237 (av. unit size is 982 sq ft).
- Based on the above, we would anticipate the subject site to achieve similar sales values to this development given the similar specification.
- Current relevant asking prices at the development are as follows:

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF | Net Price | Net £ PSF |
|--------------------|--------|-------------|-------------------------|-------|-------------|-----------|-----------|
| Plot 76 - Tyrone | Asking | £179,995 | 3 bed semi-detached | 759 | £237 | £179,995 | £237 |
| Plot 86 - Tyrone | Asking | £179,995 | 3 bed semi-detached | 759 | £237 | £170,995 | £225 |
| Plot 9 - Calry | Asking | £234,995 | 3 bed detached with SIG | 864 | £272 | £234,995 | £272 |
| Plot 96 - Longford | Asking | £249,995 | 4 bed detached with SDG | 1,066 | £235 | £249,995 | £235 |
| Plot 88 - Dublin | Asking | £276,995 | 4 bed detached with SIG | 1,221 | £227 | £276,995 | £227 |
| Plot 97 - Dublin | Asking | £276,995 | 4 bed detached with SIG | 1,221 | £227 | £276,995 | £227 |

Phase 2 and 3 – 7 Lakes Holiday Park

- This development is located 5.3 miles from the subject site in Ealand which would be deemed a slightly higher value area when compared to the subject site.
- Phase 3 comprises 23 no dwellings and phase 2 comprises 16 no. dwellings.
- We note that the product and specification is at the upper end of the range for SME housebuilders.
- Sales rate between January 2023 and October 2023 averaged c. 0.7 open market units per month
- The average gross price achieved between March 2022 and October 2023 was £298,999 which equates to an average £ per sq ft of £210 (av. unit size is 1,437 sq ft).
- We note that it does not appear that any incentives are being offered on site.
- Current net asking prices range from £245,000 - £550,000 equating to an average net asking price on a £ per sq ft of £210 (av. unit size is 2,104 sq ft).
- Based on the above, we would anticipate the subject site to achieve lower sales values given the lower specification product at the subject site, although comment that the £ per sq ft at this development is skewed given the higher average unit size.
- Below is a table of completed relevant sales between March 2022 and October 2023:

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|---------------------|------------|-------------|----------|-------|-------------|
| 2, Lakeside View | 06/10/2023 | £375,000 | Detached | 1,798 | £209 |
| 4, Brickyard Court | 28/09/2023 | £430,000 | Detached | 2,217 | £194 |
| 15, Brickyard Court | 19/04/2023 | £420,000 | Detached | 2,013 | £209 |

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| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|---------------------|------------|-------------|---------------|-------|-------------|
| 8, Brickyard Court | 27/02/2023 | £395,000 | Detached | 2,045 | £193 |
| 5, Brickyard Court | 10/02/2023 | £165,000 | Semi-Detached | 764 | £216 |
| 3, Brickyard Court | 02/02/2023 | £165,000 | Semi-Detached | 764 | £216 |
| 11, Brickyard Court | 31/01/2023 | £330,000 | Detached | 1,442 | £229 |
| 19, Lakeside View | 28/04/2022 | £157,673 | Semi-Detached | 764 | £206 |
| 11, Lakeside View | 14/04/2022 | £365,000 | Detached | 1,798 | £203 |
| 15, Lakeside View | 07/04/2022 | £325,634 | Detached | 1,442 | £226 |
| 17, Lakeside View | 24/03/2022 | £160,677 | Semi-Detached | 764 | £210 |

- Current relevant asking and reservation prices agreed at this development are as follows:

| Address | Date | Gross Price | Type/Beds | Sq Ft | Gross £ PSF | Net Price | Net £ PSF |
|-------------------------|--------|-------------|--|-------|-------------|-----------|-----------|
| Plot 4 Willow Close | SSTC | £525,000 | 6 bed detached | 2,456 | £214 | £525,000 | £214 |
| Brickyard Court | Asking | £495,000 | 5 bed detached | 2,210 | £224 | £495,000 | £224 |
| Plot 8, Brickyard Court | Asking | £485,000 | 5 bed detached with detached garage | 2,210 | £219 | £485,000 | £219 |
| Plot 3, Willow Close | Asking | £470,000 | 5 bed detached with integrated single garage | 1,993 | £236 | £470,000 | £236 |
| Plot 2, Willow Close | Asking | £470,000 | 5 bed detached with integrated single garage | 1,993 | £236 | £470,000 | £236 |
| Plot 1, Willow Close | SSTC | £470,000 | 5 bed detached with integrated single garage | 1,993 | £236 | £470,000 | £236 |
| Plot 5 Flax Mill Way | Asking | £440,000 | 6 Bed | 1,969 | £223 | £440,000 | £223 |
| Plot 6 Flax Mill Way | Asking | £455,000 | 6 Bed | 1,969 | £231 | £455,000 | £231 |
| Plot 7 Flax Mill Way | Asking | £455,000 | 6 Bed | 1,969 | £231 | £455,000 | £231 |
| Plot 8 Flax Mill Way | Asking | £425,000 | 5 Bed | 2,111 | £201 | £425,000 | £201 |
| Plot 9 Flax Mill Way | SSTC | £245,000 | 3 Bed | 1,120 | £219 | £245,000 | £219 |
| Plot 10 Flax Mill Way | SSTC | £245,000 | 3 Bed | 1,120 | £219 | £245,000 | £219 |
| Plot 11 Flax Mill Way | Asking | £525,000 | 6 Bed | 2,456 | £214 | £525,000 | £214 |
| Plot 12 Flax Mill Way | Asking | £525,000 | 6 Bed | 2,456 | £214 | £525,000 | £214 |
| Plot 13 Flax Mill Way | Asking | £385,000 | 6 Bed | 2,242 | £172 | £385,000 | £172 |
| Plot 14 Flax Mill Way | Asking | £385,000 | 6 Bed | 2,242 | £172 | £385,000 | £172 |
| Plot 15 Flax Mill Way | Asking | £385,000 | 6 Bed | 2,242 | £172 | £385,000 | £172 |
| Plot 16 Flax Mill Way | Asking | £525,000 | 6 Bed | 2,456 | £214 | £525,000 | £214 |
| Plot 17 Flax Mill Way | SSTC | £440,000 | 5 Bed | 2,111 | £208 | £440,000 | £208 |
| Plot 18 Flax Mill Way | SSTC | £385,000 | 6 Bed | 2,242 | £172 | £385,000 | £172 |
| Plot 19 Flax Mill Way | SSTC | £440,000 | 5 Bed | 2,111 | £208 | £440,000 | £208 |
| Plot 20 Flax Mill Way | SSTC | £550,000 | 6 Bed | 2,456 | £224 | £550,000 | £224 |
| Plot 21 Flax Mill Way | Asking | £440,000 | 5 Bed | 2,111 | £208 | £440,000 | £208 |

| Address | Date | Gross Price | Type/Beds | Sq Ft | Gross £ PSF | Net Price | Net £ PSF |
|-----------------------|--------|-------------|-----------|-------|-------------|-----------|-----------|
| Plot 22 Flax Mill Way | Asking | £440,000 | 5 Bed | 2,111 | £208 | £440,000 | £208 |
| Plot 23 Flax Mill Way | Asking | £385,000 | 6 Bed | 2,242 | £172 | £385,000 | £172 |

Gleeson Homes – Meadowcroft

- This development is located 7.2 miles from the subject site in the village of Winterton which would be deemed a similar average value location to the subject site.
- The development comprised 110 no. 2, 3 and 4 bedroom dwellings.
- We note that the Gleeson Homes product and specification is typically at the lower end of the range for volume housebuilders.
- Sales rate between April 2022 and March 2023 averaged c. 2.83 Open Market units per month
- The average gross price achieved between April 2022 and March 2023 was £193,898 which equates to an average £ per sq ft of £226 (av. unit size is 865 sq ft).
- Gleeson Homes are currently offering incentives including 5% Deposit contributions, extras worth over £7,600 plus, price reductions worth up to £15,000 on select plots.
- Current net asking prices range from £155,495 - £242,495 equating to an average net asking price on a £ per sq ft of £223 (av. unit size is 867 sq ft).
- Based on the above, we would anticipate the subject site to achieve similar sales values to this development given the similar specification product.
- Below is a table of completed relevant sales between April 2022 and March 2023:

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|--------------------|------------|-------------|--|-------|-------------|
| 2, Poppyfield Way | 31/03/2023 | £256,995 | Waterford - 4 bed Detached | 1,173 | £219 |
| 9, Poppyfield Way | 23/12/2022 | £182,995 | Wicklow - 3 bed Semi-Detached with SDG | 807 | £227 |
| 1, Poppyfield Way | 23/12/2022 | £254,995 | Waterford - 4 bed Detached | 1,173 | £217 |
| 15, Poppyfield Way | 22/12/2022 | £204,995 | Kildare - 3 bed Detached | 818 | £251 |
| 17, Poppyfield Way | 22/12/2022 | £226,995 | Carlow - 4 bed Detached with SDG | 1,044 | £217 |
| 11, Poppyfield Way | 19/12/2022 | £182,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £236 |
| 19, Poppyfield Way | 09/12/2022 | £199,995 | Kildare - 3 bed Detached | 818 | £244 |
| 23, Poppyfield Way | 09/12/2022 | £185,995 | Kildare - 3 bed Semi -Detached | 818 | £227 |
| 21, Poppyfield Way | 30/11/2022 | £226,995 | Carlow - 4 bed Detached with SDG | 1,044 | £217 |
| 31, Poppyfield Way | 30/09/2022 | £197,995 | Kildare - 3 bed Detached | 818 | £242 |
| 12, Poppyfield Way | 30/09/2022 | £232,995 | Carlow - 4 bed Detached with SDG | 1,044 | £223 |
| 33, Poppyfield Way | 28/09/2022 | £232,995 | Waterford - 4 bed Detached | 1,173 | £199 |
| 10, Poppyfield Way | 31/08/2022 | £195,995 | Kildare - 3 bed Detached | 818 | £240 |
| 22, Grange View | 26/08/2022 | £173,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £225 |
| 24, Grange View | 26/08/2022 | £173,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £225 |
| 26, Grange View | 12/08/2022 | £176,995 | Kilkenny - 3 bed Detached with SDG | 775 | £228 |
| 31, Grange View | 30/06/2022 | £175,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £227 |
| 41, Grange View | 30/06/2022 | £171,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £222 |
| 39, Grange View | 30/06/2022 | £156,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £203 |

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| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF |
|------------------|------------|-------------|--|-------|-------------|
| 43, Grange View | 30/06/2022 | £191,995 | Renmore - 3 bed Detached with SDG | 807 | £238 |
| 25, Grange View | 24/06/2022 | £179,995 | Woodford - 3 bed Semi-Detached | 646 | £279 |
| 33, Grange View | 24/06/2022 | £186,995 | Kildare - 3 bed Detached | 818 | £229 |
| 29, Grange View | 23/06/2022 | £175,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £227 |
| 23a, Grange View | 23/06/2022 | £197,995 | Kildare - 3 bed Detached | 818 | £242 |
| 20, Grange View | 27/05/2022 | £186,995 | Renmore - 3 bed Detached with SDG | 807 | £232 |
| 17, Grange View | 24/05/2022 | £182,995 | Renmore 3 bed Semi-Detached | 807 | £227 |
| 18, Grange View | 13/05/2022 | £154,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £200 |
| 16, Grange View | 29/04/2022 | £154,995 | Wicklow - 3 bed Semi-Detached with SDG | 775 | £200 |
| 19, Grange View | 25/04/2022 | £174,995 | Kildare - 3 bed Detached | 818 | £214 |
| 12, Grange View | 11/04/2022 | £224,995 | Waterford - 4 bed Detached | 1,173 | £192 |
| 14, Grange View | 11/04/2022 | £184,995 | Kildare - 3 bed Detached | 818 | £226 |

- Current relevant asking prices at the development are as follows:

| Address | Date | Gross Price | Type | Sq Ft | Gross £ PSF | Net Price | Net £ PSF |
|--------------------|--------|-------------|------------------------------|-------|-------------|-----------|-----------|
| Plot 42 - Wicklow | Asking | £179,995 | 3 bed semi-detached with SDG | 772 | £233 | £155,495 | £201 |
| Plot 99 - Woodford | Asking | £193,995 | 3 bed semi-detached with SIG | 788 | £246 | £167,995 | £213 |
| Plot 25 - Kilkenny | Asking | £204,995 | 3 bed detached with SAG | 772 | £266 | £180,495 | £234 |
| Plot 98 - Kilkenny | Asking | £204,995 | 3 bed detached with SDG | 772 | £266 | £182,495 | £236 |
| Plot 26 - Carlow | Asking | £254,995 | 4 bed detached with SDG | 1,048 | £243 | £232,745 | £222 |
| Plot 15 - Carlow | Asking | £255,995 | 4 bed detached with SDG | 1,048 | £244 | £242,495 | £231 |

5.4.2. Sales Comparables – Resales

In addition to the new build sales evidence, we have also reviewed resales within 1.0 mile of the subject site as detailed below, which average a £ per sq ft of £123.

| Address | Date | Price | Type | Sq Ft | £ PSF |
|---|------------|----------|---------------|-------|-------|
| 87, Priory Lane, Scunthorpe DN17 1HD | 01/11/2023 | £111,000 | Semi-Detached | 463 | £240 |
| 16, Greyfriars Close DN17 1LE | 29/09/2023 | £130,000 | Semi-Detached | 614 | £212 |
| 34b, Quebec Road, Scunthorpe DN17 2TB | 09/02/2024 | £105,000 | Semi-Detached | 764 | £137 |
| 27, Byfield Road, Scunthorpe DN17 1RW | 27/10/2023 | £134,500 | Semi-Detached | 818 | £164 |
| 12, Ranby Road, Scunthorpe DN17 2EH | 11/08/2023 | £129,950 | Terraced | 829 | £157 |
| 7, Torbay Court, Scunthorpe DN17 1UT | 30/05/2023 | £114,000 | Semi-Detached | 850 | £134 |
| 47, Whitestone Road, DN17 1RE | 03/07/2023 | £137,500 | Semi-Detached | 861 | £160 |
| 50, Whitfield Road, Scunthorpe DN17 1RQ | 27/10/2023 | £148,750 | Semi-Detached | 861 | £173 |
| 60, Enderby Road, Scunthorpe DN17 2HD | 28/04/2023 | £110,000 | Terraced | 883 | £125 |

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| Address | Date | Price | Type | Sq Ft | £ PSF |
|---|------------|----------|---------------|-------|-------|
| 17, Beesby Road, Scunthorpe DN17 2EG | 11/08/2023 | £115,000 | Semi-Detached | 883 | £130 |
| 38, Beesby Road, Scunthorpe DN17 2EG | 13/06/2023 | £128,000 | Semi-Detached | 893 | £143 |
| 6, Enderby Road, Scunthorpe DN17 2HD | 15/09/2023 | £135,000 | Semi-Detached | 904 | £149 |
| 16, Salmonby Road, Scunthorpe DN17 2JJ | 04/08/2023 | £124,500 | Terraced | 915 | £136 |
| 7, Coningsby Road, Scunthorpe DN17 2HH | 12/05/2023 | £130,000 | Semi-Detached | 915 | £142 |
| 26, Low Leys Road, Scunthorpe DN17 2SE | 28/07/2023 | £187,000 | Semi-Detached | 926 | £202 |
| 7, Manby Road, Scunthorpe DN17 2LA | 14/04/2023 | £120,000 | Semi-Detached | 936 | £128 |
| 19, Thoresby Road, Scunthorpe DN17 2EZ | 03/11/2023 | £125,000 | Semi-Detached | 936 | £133 |
| 10, Ranby Road, Scunthorpe DN17 2EH | 12/07/2023 | £129,950 | Semi-Detached | 936 | £139 |
| 36, Salmonby Road, Scunthorpe DN17 2JJ | 19/07/2023 | £131,500 | Semi-Detached | 936 | £140 |
| 31, Beesby Road, Scunthorpe DN17 2EG | 17/10/2023 | £137,500 | Semi-Detached | 936 | £147 |
| 4, Low Leys Road, Scunthorpe DN17 2SE | 28/04/2023 | £145,000 | Semi-Detached | 936 | £155 |
| 3, Willoughby Road, DN17 2DG | 27/06/2023 | £115,000 | Terraced | 947 | £121 |
| 18, Ormsby Road, Scunthorpe DN17 2JG | 06/04/2023 | £119,000 | Terraced | 969 | £123 |
| 167, Burringham Road, DN17 2DF | 19/10/2023 | £122,000 | Semi-Detached | 969 | £126 |
| 10, Mavis Road, Scunthorpe DN17 1NA | 11/04/2023 | £135,000 | Semi-Detached | 969 | £139 |
| 13, Chaucer Avenue, DN17 1PH | 03/08/2023 | £134,000 | Semi-Detached | 980 | £137 |
| 9, Ottawa Road, Scunthorpe DN17 2TG | 16/06/2023 | £190,000 | Semi-Detached | 980 | £194 |
| 17, Bridges Road, Scunthorpe DN17 1NP | 07/07/2023 | £122,000 | Semi-Detached | 990 | £123 |
| 39, Woodside Drive, Scunthorpe DN17 2EA | 19/12/2023 | £204,000 | Detached | 990 | £206 |
| 5, Woodclose Road DN17 1RU | 14/07/2023 | £165,000 | Semi-Detached | 1,012 | £163 |
| 13, Riby Road, Scunthorpe DN17 2EN | 07/08/2023 | £137,000 | Semi-Detached | 1,023 | £134 |
| 4, Hartland Court, DN17 1XF | 28/04/2023 | £125,000 | Flat | 1,055 | £119 |
| 10, Meredith Avenue, DN17 1RH | 27/10/2023 | £145,000 | Semi-Detached | 1,055 | £137 |
| 94, Woodside Drive, Scunthorpe DN17 2EA | 21/07/2023 | £240,000 | Detached | 1,098 | £219 |
| 51, Meadow Road, Scunthorpe DN17 1RS | 30/06/2023 | £167,000 | Semi-Detached | 1,141 | £146 |
| 15, Maltby Road, Scunthorpe DN17 2JD | 27/10/2023 | £145,000 | Terraced | 1,152 | £126 |
| 45, Skelton Road, Scunthorpe DN17 1RB | 26/05/2023 | £192,000 | Detached | 1,313 | £146 |
| 30, Staniwell Rise, Scunthorpe DN17 1TF | 14/07/2023 | £260,000 | Detached | 1,496 | £174 |

Generally speaking when using resales as evidence to support new build values, a premium would be anticipated.

5.4.3. Sales Rate Conclusions

In conclusion, having regard to the new-build evidence available within the local area we have adopted a sales rate of c. £227 per sq ft on the Open Market units.

The CBRE FVA adopts £228 per sq ft on the Open Market units which the above evidence proves is acceptable.

6. Methodology

6.1. Methodology

According to the RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021, the fundamental issue in considering viability assessments in a town planning context is *to ensure that planning policies are realistic and their cumulative cost does not undermine deliverability of the plan, taking account of a variety of factors, including the reasonable expectations of landowners and developers*. It is this core principle which JLL have had regard to throughout the process. In undertaking the analysis of the proposal for development of the subject site, JLL have undertaken a residual appraisal using Argus Developer software. The appraisal explores the commercial viability of the site.

The RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021 states that –

“Viability assessments is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return”

As such, development convention and guidance on assessing the viability of schemes states that where a development proposal generates a commercially viable profit which is within an appropriate benchmark range, it is deemed financially viable and therefore likely to proceed. The question of how much this value needs to be is addressed below. Conversely, if the profit expectation is lower than the benchmark, it is deemed financially unviable in that it is unlikely to be pursued and developed as a commercial enterprise. This is based on the accepted assumption that a developer will always seek to bring forward the highest value and most profitable scheme.

The RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021 states that *Developer profit/return, for the purpose of plan making, the PPG states that an assumption of 15 – 20% of Gross Development Value may be considered a suitable return to developers in order to establish the viability of plan policies*. However, this is an average return and variations are anticipated depending on the anticipated level of risk to a developer. From JLL’s extensive experience of working with national and regional volume housebuilders, who are the type of developers anticipated to undertake the proposed development at the subject site, the required level of profit is typically in the region of 20% on GDV (25% on costs), although 20% profit on cost could be deemed acceptable on some opportunities.

A further consideration in this regard is in relation to a funder’s appetite to fund such a development. A “high street” lender will require valuation evidence that the scheme is commercially viable and returns an acceptable profit in order to be eligible for funding. General criteria in this regard requires a profit level in the region of 20% of GDV (25% on cost). However, we are aware of schemes in prime locations where funding has been made available for schemes showing a marginally lower realisable profit level has been deemed acceptable.

This type of viability appraisal is an industry standard method of assessing whether a scheme is financially viable. It involves estimating the value of the completed scheme (termed the Gross Development Value) and deducting all development costs to include, inter alia, site preparation costs, infrastructure costs, construction costs, professional fees, finance costs and the acquisition cost of the land (benchmark land value). The remaining balance is the profit derived from the development. If this reaches a commercial target level, which is in itself dependent on the nature of the scheme including the level of risk, then the scheme is viable. Alternatively a fixed/commercially acceptable level of profit can be used as an input into the appraisal, and the residual land value is compared to the Benchmark Land Value to determine viability which is the approach taken in this viability assessment.

In considering the benchmark for a commercially acceptable profit level (i.e., the competitive return to the developer), against which the profit levels of the proposed schemes are compared, we have had regard to the Government's National Planning Policy Framework (NPPF) (2023), and the RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021. The approaches outlined within these two documents both place an emphasis on enabling the delivery of development schemes.

The revision of the NPPF in February 2019 has placed less emphasis on commercial viability of delivery, than the previous version (2012) did. The wording of the revised NPPF is much stronger, as demonstrated in paragraph 12 of the NPPF:

*"Where a planning application conflicts with an up-to-date development plan (including any neighbourhood plans that form part of the development plan), permission should not usually be granted. Local planning authorities may take decisions that depart from an up-to-date development plan, **but only if material considerations in a particular case indicate that the plan should not be followed**"*

Paragraph 34 of the NPPF states that the level of development contributions should not undermine deliverability of the wider plan to bring forward development:

*"Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). **Such policies should not undermine the deliverability of the plan**"*

Paragraph 57 of the NPPF goes on to say that:

*"Planning obligations must only be sought where they meet **all of the following** tests: a) necessary to make the development acceptable in planning terms; b) directly related to the development; and c) **fairly and reasonably related in scale and kind to the development**"* as set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010.

Paragraph 58 of the NPPF then states that:

"It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available".

We have approached our assessment of the site viability by way of a residual appraisal.

A residual appraisal considers the Gross Development Value of the completed development under the Special Assumption that all works are complete at the date of valuation and then makes assumptions and deductions for all development costs to arrive at either a residual Site Value or developer's return (profit). In this FVA we have adopted the developer's profit as an input to development costs, leaving a residual land value as the output from which to benchmark viability.

In summary, the viability assessment process is as follows:

GROSS DEVELOPMENT VALUE

less

COSTS (Including Profit)

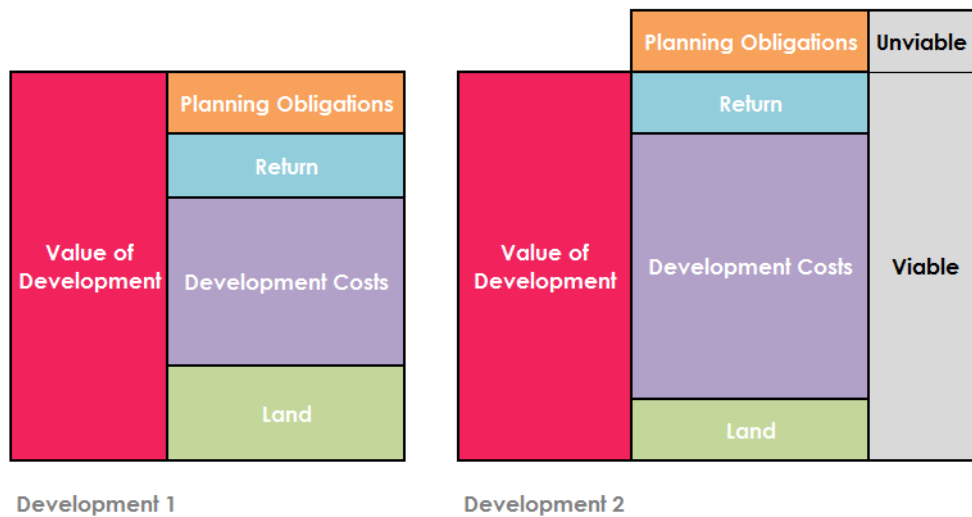
$$\begin{array}{c}
 \text{less} \\
 \text{PLANNING OBLIGATIONS} \\
 \text{equals} \\
 \text{RESIDUAL LAND VALUE} \\
 \text{Viability} \\
 \text{(a comparison to)} \\
 \text{BENCHMARK LAND VALUE}
 \end{array}$$

When site value is adopted as the benchmark the test applied in establishing whether a scheme is viable at a particular level of planning obligations (including Affordable Housing) is to consider whether the residual site value of the proposed scheme exceeds the benchmark land value of the property. If it does, then the site is likely to be released for development. If the residual site value is below the benchmark land value (BLV) then the site is considered unviable.

This assessment is fundamental in determining the commercial viability of the proposed schemes.

By way of illustration, Development 1 below shows how the gross sale proceeds less the value of development, match the cost of delivering it, including the obligations required by the planning authority and the developer's required return. This therefore highlights that the contributions are viable.

Development 2 illustrates how unusually significant development costs have an adverse impact upon the ability to deliver planning obligations in full, whilst maintaining a viable return for the land. This therefore highlights that the contributions are not viable.



6.1.1. Site Value/Benchmark Land Value

As stated above, one method of determining viability is whether the residual site value of the proposed scheme exceeds the benchmark land value of the property. If it does, then the site is likely to be released for development. If the residual site value is below the Benchmark Land Value (BLV) then the site is considered unviable.

After systematically removing the various costs and variables detailed above, the result is the Residual Land Value (RLV). To ascertain the likelihood of delivery and the level of risk associated with development viability, the resulting

residual land values are measured against a benchmark value. The BLV should reflect a minimum value that a landowner would reasonably be expected to sell/release their land for development.

It is standard practice for area-wide viability studies to test the residual values of schemes against a BLV. This approach is also advocated within the revised PPG guidance published in 2018 and updated in 2019 (Paragraph: 014 Reference ID: 10-014-20190509). Where the residual value exceeds the benchmark, a scheme is said to be viable and where it falls below the benchmark, it is not viable.

BLVs, therefore, play a central role in viability studies and PPG Viability sets out the principles that area wide viability studies should follow when taking land values into account based on an:

“Benchmark land value should:

- be based upon existing use value*
- allow for a premium to landowners*
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.”*

The RICS Professional Standard – Financial Viability in Planning: Conduct and Reporting, (1st Edition, May 2019) states that in the interest of transparency, when providing benchmark land values in accordance with the PPG for an FVA, RICS members must report the:

- Current/Existing Use Value
- Premium
- Market Evidence – All market evidence will be clearly set out in this report.
- All supporting considerations, assumptions and justifications adopted – which will be fully documented throughout this report.
- Alternative use value – We do not consider there to be an alternative use value (other than the proposed residential use) and hence this has not been reported.

Current/Existing Use Value

The RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021 defines the Existing Use Value as *the value of land in its existing use, with no expectation of that use changing in the foreseeable future* (based on Valuation of Development property, RICS Professional Standard, 1st edition, October 2019).

With The PPG on Viability defines EUV as:

“The value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value”.

The existing use of the property is greenfield agricultural land with outline planning consent, and a pending planning application for 599 no. dwellings.

PPG paragraph 015 advises specifically that the EUV **excludes** hope value from any assessment of the EUV.

Therefore, disregarding the housing planning allocation, and as the site has not yet been granted planning consent for the proposed scheme, the Current Use Value would be considered equivalent to agricultural value.

Given that the site is currently agricultural land, we have also had regard to agricultural land values within this valuation.

Below is a table of recent land sales evidence –

| Date | Address/ Location | Acres | Price | Price per Net Acre | Comment |
|--------|---------------------|-------|---------|--------------------|---------------------|
| Asking | Ealand, Near Crowle | 3.96 | £35,000 | £8,840 | Grade 2 arable land |

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

| | | | | | |
|-------------|--|-------|------------|---------|---|
| Asking | Stallingbrough Road, Healing | 24.55 | £200,000 | £8,147 | Parkland |
| Asking | Adlingfleet, East Yorkshire | 10.18 | £100,000 | £9,823 | Highly productive arable/grass land |
| Under Offer | Land at Moor Road, Doncaster | 56.3 | £475,000 | £8,437 | Grade 2/3 arable land. |
| Asking | Cadney, Brigg | 117 | £1,000,000 | £8,547 | Arable field. |
| Asking | Land, North Elmsall | 53.32 | £600,000 | £11,253 | Two single Grade 2 arable fields, the first of which is accessed directly from the A6201 Wrangbrook Lane. |
| Asking | Lindrick Dale, Worksop, South Yorkshire, S81 8BE | 7.58 | £70,000 | £9,235 | Grassland and suitable for mowing and grazing purposes |
| Asking | Sandtoft, North Lincolnshire | 6.59 | £65,000 | £9,863 | Arable field with potential for equestrian use. |
| Asking | Scotter, Gainsborough | 11.17 | £90,000 | £8,057 | Productive arable land |
| 12/23 | Hayton, Retford | 3 | £40,000 | £13,000 | Farm land |
| 10/22 | Marton, Gainsborough | 15 | £102,000 | £6,800 | Grade 3 land |
| 08/22 | Field Lane, Gainsborough | 7 | £85,000 | £12,142 | Freehold farmland |

The above comparables range from £8,057 - £13,000 per acre depending upon quantum and quality of the land available.

Excluding any element of hope value relating to the pending housing allocation, the Current Use Value would equate to c. £10,000 per acre.

Based on the 72.73 acres (gross) of the site, this equates to an **Existing Use Value** of the agricultural land of £727,300, say **£730,000**.

The CBRE FVA adopts an EUV of £10,000 per acre which we agree with.

Alternative Use Value

We consider the site is best delivered as residential.

Premium

The Premium, as detailed in PPG 016 reference ID: 10-016-20190509 is -

“The premium (or the ‘plus’ in EUV+) is the ... amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements”.

In assessing an appropriate Benchmark Land Value for the property, the guidance note states that the appropriate comparable evidence is essential in establishing site value for a specific scheme.

However, PPG paragraph 014 is clear that there ‘*may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*’

The PPG is clear that market evidence can be used as a cross-check for BLV, but should not be used in place of BLV, and it is not necessarily recommended that these are used as the basis for the input to a model. Therefore, land value benchmarks used to test for viability can be less than the value at which land is being traded in the market since it will be the minimum value that a landowner will sell at and not the auction price (the highest) value that the developer will pay. Also, PPG guidance notes that the BLV should be sufficiently below the market rate for alternative use of clean residential land to allow for possible on-costs, like policy requirements, remediation and opening costs, which would

normally be expected to be within the purchased land value for a clean and ready site. These costs are considered elsewhere and therefore it should be assumed that the BLV excludes any payment for these site costs.

Therefore, there should not be an expectation that every viability assessment will accord directly with transaction market evidence. The approach set out in this guidance note acknowledges these possibilities, and the recommended approach to the assessment of BLV set out in this guidance note is designed to identify both apparent divergences and the reasons for them. BLV should not be assumed to equate to market value. It is based on PPG requirements and a prescribed method that may not accord with assumptions and methods used to assess the price paid for land in the marketplace at any particular point in time. Recognising this possible divergence between BLV for planning purposes and prices paid in the market, PPG paragraph 011 states that *'Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan'*.

The appropriate scale of the uplift is not set out in any of the current guidance. But some guidance for the scale of the uplift on existing use value is found in two earlier reports. The first is the Homes and Communities Agency (former Homes England) guidance for its Area Wide Viability Model, which states that the required premium above the existing use value (EUV): *"Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For Greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value."*

Another report in 2011, undertaken for the then Department for Communities and Local Government, suggested that a premium of 25% over existing use value was required to bring forward industrial (i.e. Brownfield) land for redevelopment.

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

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

The level of uplift (multiplier) established through legal precedents therefore is 15 – 30 over and above EUV, though recognising that where abnormal development costs are higher, land value will be reduced.

It is also likely that the premium should only apply to the net developable area of the site. This is guided by reference to the "My Community – Viability Toolkit for Neighbourhood Planning", produced by Locality, which is an MHCLG (now DLUHC) endorsed and funded organisation that supports groups through the preparation of Neighbourhood Plans. In referring to things to consider when attempting to determine land values, it states: "Residential land – be aware that some land values are based on a gross basis (value of whole site) and net basis (value of the net developable area i.e. revenue generating land). The value on a net basis will exclude areas of open space and the like required in a Local Plan. It therefore represents the value of the net area. However, landowners must be paid for the whole site."

For this reason, the Benchmark Land Value should be decided on the EUV for the whole site, plus a premium on just the net developable area that delivers a return to the developer.

The subject site extends to 29.43 ha (72.73 acres) gross and 15.36 ha (37.95 acres) net.

Based on the above, assuming a premium uplift of 15 x the EUV of £10,000 per net acre would reflect a **EUV + of £5,692,500, say £5,690,000**, equating to £150,000 per net acre.

The CBRE FVA assumes a premium uplift of 17.5. In our experience, this is an over inflated uplift, which, in turn, produces an over inflated BLV.

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

We consider the principle of residential development is agreed in principle given the mixed use planning allocation and consider this level of BLV would reasonably incentivise the hypothetical landowner to release the site for residential redevelopment.

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

Assessing the BLV is a subjective exercise and often difficult to quantify, therefore, on this basis we consider the **Benchmark Land Value to be £6,420,000** (EUV of £730,000, plus £5,690,000 premium) has been adopted, which is considered to provide a conservative, but reasonable return for the landowner.

| Use | Acres (Gross) | Acres (Net) | EUV - £ per gross acre | EUV | EUV - £ per net acre | EUV + | BLV |
|-------------|---------------|-------------|------------------------|----------|----------------------|------------|------------|
| Residential | 72.73 | 37.95 | £10,000 | £730,000 | £150,000 | £5,690,000 | £6,420,000 |

The CBRE FVA calculates the BLV to be £7,370,000. The use of a 17.5 premium uplift has resulted in an over inflated BLV and has such been disregarded.

Benchmark Land Value Vs Market Land Price

In order to assist in determining the Market Value of the subject site, we have had regard to the below comparable market evidence.

The land comparables range from c. £88,500 to c. £515,000 per acre, and hence the land comparables are highly variable.

Land transaction data should be treated with care, as sites are highly variable with regards to abnormal costs, servicing and infrastructure costs, as well as planning obligations, although are a useful indicator of value.

| Address | Date | Gross Acre | Price | £ Per Acre | Comments |
|----------------------------------|---------|------------|------------|-----------------------|--|
| Irwin Road, Blyton | Asking | 1.10 | £300,000 | £272,730 (£33,333) | Greenfield – agricultural field with Outline Planning Permission for residential development of up to 9 no. houses |
| Muglet Lane, Maltby | Feb-24 | 0.40 | £190,000 | £475,000 (£23,750) | Planning consent for 8 no. semi-detached houses – small quantum |
| Phase 3 – 7 Lakes, Ealand | Aug-23 | 3.31 | £1,000,000 | £302,115 (£43,480) | 23 no. units – small quantum |
| Doncaster Road, Wath-upon-Deerne | May-23 | - | £250,000 | (£62,500) | Planning consent for 4 no. detached houses. |
| Land at Common Lane, Norton | Dec-21 | 0.54 | £176,500 | £325,000 (£44,125) | Outline consent for 4 no. detached houses |
| Phase 2 – 7 Lakes, Ealand | June-21 | 1.26 | £650,000 | £515,000 (£72,222) | 9 no. units – small quantum |
| Land at Lakeside, Scunthorpe | May -21 | 7.53 | £1,200,000 | £159,363 (£9,836) | Purchased by Linden Homes with full planning for 122 no. units. |

| | | | | | |
|---------------------------------|--------|-------|------------|-----------------------|--|
| North Moor Road, Scotter | Jul-20 | 12.74 | £3,503,500 | £275,000 | |
| Keigar Homes – Burdock Gardens | Mar-19 | 6.30 | £1,428,599 | £226,760 (£18,555) | 77 no. dwellings |
| Gleeson Homes – Roman Court | Mar-18 | 6.17 | £546,001 | £88,498 (£6,424) | 85 no. units. |
| Ulceby Church Lane | Mar-18 | 2.00 | £282,500 | £141,250 (£8,309) | With planning consent for 17 no. dwellings |
| Station Road, Kirton in Lindsey | Jan-18 | 6.00 | £850,000 | £141,666 | Purchased with outline consent. |

The CBRE FVA does not appear to have included any residential land sale evidence in order to cross check their BLV.

6.1.2. Residual Land Value

We have run the viability assessment appraisal of the proposed scheme in ARGUS Developer, which is an established real estate software program used by the property industry to model development projects.

6.1.3. Gross Development Value

As mentioned in section 5.4 of this report, the market evidence indicates that the sales rate on a per sq ft basis for new build open market housing is c. £227 per sq ft on the Open Market units, based on the scheme proposed by the Applicant.

Our opinion of GDV is shown below –

| House Type | Tenure | Description | Beds | Storeys | Sq Ft | No | Total Sq Ft | MV | £ PSF | Agg. MV |
|------------|--------|---------------|------|---------|-------|----|-------------|----------|-------|------------|
| Watergrove | AR | Semi-detached | 2 | 1 | 812 | 10 | 8,120 | £126,000 | £155 | £1,260,000 |
| Padbury | AR | Mid Terrace | 2 | 2 | 764 | 10 | 7,640 | £99,000 | £130 | £990,000 |
| Padbury | AR | End -Terrace | 2 | 2 | 764 | 18 | 13,752 | £102,000 | £134 | £1,836,000 |
| Padbury | INT | Semi-detached | 2 | 2 | 764 | 14 | 10,696 | £140,000 | £183 | £1,960,000 |
| Padbury | OM | Semi-detached | 2 | 2 | 764 | 10 | 7,640 | £175,000 | £229 | £1,750,000 |
| Ashbum | AR | Mid Terrace | 2 | 2 | 764 | 1 | 764 | £99,000 | £130 | £99,000 |
| Ashbum | AR | End -Terrace | 2 | 2 | 764 | 1 | 764 | £102,000 | £134 | £102,000 |
| Ashbum | OM | Semi-detached | 2 | 2 | 764 | 52 | 39,728 | £175,000 | £229 | £9,100,000 |
| Darracott | AR | Mid Terrace | 2 | 2 | 859 | 5 | 4,295 | £108,000 | £126 | £540,000 |
| Darracott | AR | End -Terrace | 2 | 2 | 859 | 10 | 8,590 | £111,000 | £129 | £1,110,000 |
| Darracott | INT | Semi-detached | 2 | 2 | 859 | 14 | 12,026 | £152,000 | £177 | £2,128,000 |
| Darracott | OM | Semi-detached | 2 | 2 | 859 | 6 | 5,154 | £190,000 | £221 | £1,140,000 |
| Covenham | AR | Mid Terrace | 2 | 2 | 859 | 3 | 2,577 | £108,000 | £126 | £324,000 |
| Covenham | AR | End -Terrace | 2 | 2 | 859 | 2 | 1,718 | £111,000 | £129 | £222,000 |
| Covenham | INT | End -Terrace | 2 | 2 | 859 | 4 | 3,436 | £148,000 | £172 | £592,000 |
| Covenham | OM | Semi-detached | 2 | 2 | 859 | 24 | 20,616 | £190,000 | £221 | £4,560,000 |
| Fewston | INT | Mid Terrace | 3 | 2 | 918 | 1 | 918 | £160,000 | £174 | £160,000 |
| Fewston | OM | End -Terrace | 3 | 2 | 918 | 2 | 1,836 | £205,000 | £223 | £410,000 |
| Fewston | OM | Semi-detached | 3 | 2 | 918 | 14 | 12,852 | £210,000 | £229 | £2,940,000 |
| Seacourt | INT | Mid Terrace | 3 | 2 | 918 | 4 | 3,672 | £160,000 | £174 | £640,000 |

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| House Type | Tenure | Description | Beds | Storeys | Sq Ft | No | Total Sq Ft | MV | £ PSF | Agg. MV |
|------------|--------|---------------|------|---------|-------|------------|----------------|----------|-------------|---------------------|
| Seacourt | INT | End -Terrace | 3 | 2 | 918 | 8 | 7,344 | £164,000 | £179 | £1,312,000 |
| Seacourt | OM | Semi-detached | 3 | 2 | 918 | 16 | 14,688 | £210,000 | £229 | £3,360,000 |
| Eldwick | OM | Detached | 3 | 2 | 1,004 | 7 | 7,028 | £230,000 | £229 | £1,610,000 |
| Killington | OM | Detached | 3 | 2 | 1,012 | 12 | 12,144 | £237,500 | £235 | £2,850,000 |
| Westbourne | INT | Mid Terrace | 3 | 2 | 1,018 | 1 | 1,018 | £176,000 | £173 | £176,000 |
| Westbourne | OM | End -Terrace | 3 | 2 | 1,018 | 2 | 2,036 | £225,000 | £221 | £450,000 |
| Westbourne | OM | Semi-detached | 3 | 2 | 1,018 | 28 | 28,504 | £230,000 | £226 | £6,440,000 |
| Holgate | OM | Mid Terrace | 3 | 2 | 1,018 | 3 | 3,054 | £220,000 | £216 | £660,000 |
| Holgate | OM | End -Terrace | 3 | 2 | 1,018 | 6 | 6,108 | £225,000 | £221 | £1,350,000 |
| Holgate | OM | Semi-detached | 3 | 2 | 1,018 | 36 | 36,648 | £230,000 | £226 | £8,280,000 |
| Holgate | OM | Detached | 3 | 2 | 1,018 | 9 | 9,162 | £240,000 | £236 | £2,160,000 |
| Farley | OM | End -Terrace | 3 | 2 | 1,020 | 1 | 1,020 | £225,000 | £221 | £225,000 |
| Farley | OM | Semi-detached | 3 | 2 | 1,020 | 14 | 14,280 | £230,000 | £225 | £3,220,000 |
| Farley | OM | Detached | 3 | 2 | 1,020 | 46 | 46,920 | £240,000 | £235 | £11,040,000 |
| Denton | INT | Mid Terrace | 3 | 2.5 | 1,087 | 1 | 1,087 | £180,000 | £166 | £180,000 |
| Denton | INT | End -Terrace | 3 | 2.5 | 1,087 | 2 | 2,174 | £184,000 | £169 | £368,000 |
| Denton | OM | Semi-detached | 3 | 2.5 | 1,087 | 37 | 40,219 | £235,000 | £216 | £8,695,000 |
| Selset | INT | Mid Terrace | 3 | 2.5 | 1,088 | 4 | 4,352 | £180,000 | £165 | £720,000 |
| Selset | INT | End -Terrace | 3 | 2.5 | 1,088 | 7 | 7,616 | £184,000 | £169 | £1,288,000 |
| Selset | OM | Semi-detached | 3 | 2.5 | 1,088 | 40 | 43,520 | £235,000 | £216 | £9,400,000 |
| Longford | OM | Semi-detached | 4 | 2 | 1,153 | 4 | 4,612 | £260,000 | £225 | £1,040,000 |
| Longford | OM | Detached | 4 | 2 | 1,153 | 26 | 29,978 | £270,000 | £234 | £7,020,000 |
| Prenton | OM | Semi-detached | 4 | 2 | 1,153 | 10 | 11,530 | £260,000 | £225 | £2,600,000 |
| Prenton | OM | Detached | 4 | 2 | 1,153 | 16 | 18,448 | £270,000 | £234 | £4,320,000 |
| Oldbury | OM | Semi-detached | 4 | 2.5 | 1,287 | 5 | 6,435 | £285,000 | £221 | £1,425,000 |
| Oldbury | OM | Semi-detached | 4 | 2.5 | 1,287 | 3 | 3,861 | £295,000 | £229 | £885,000 |
| Oldbury | OM | Detached | 4 | 2.5 | 1,287 | 1 | 1,287 | £295,000 | £229 | £295,000 |
| Newham | OM | Detached | 4 | 2 | 1,289 | 15 | 19,335 | £305,000 | £237 | £4,575,000 |
| Thirlmere | OM | Detached | 4 | 2 | 1,299 | 22 | 28,578 | £302,500 | £233 | £6,655,000 |
| Devoke | OM | Detached | 4 | 3 | 1,312 | 12 | 15,744 | £300,000 | £229 | £3,600,000 |
| | | | | | | 599 | 595,524 | | £215 | £128,062,000 |

With regards to the affordable housing, we have attributed the Affordable Rent units to predominantly the smaller two bed units, and the Intermediate units to the mid and end terraced 2 and 3 beds.

We have adopted 20% on site provision split 50% Affordable Rent @ 60% of OMV and 50% Intermediate Home Ownership @ 80% OMV.

Therefore, the total GDV adopted is £128,062,000 reflecting £227 per sq ft on the Open Market units, and £215 per sq ft overall.

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

The CBRE FVA has adopted a GDV of £125,190,391 which equates to c. £210 per sq ft (£228 per sq ft on the Open Market units). This takes account of 20.03% Affordable Housing with a tenure split of 50% Shared Ownership at c.70% of OMV, and 50% Affordable Rent at c. 40-45% of OMV.

CBRE have adopted LHA data to determine the transfer values for the Affordable Rented units.

Our in house Affordable Housing valuation specialists state that Affordable Rented tenure typically transfer at 55-60% of OMV. Hence the discount to OMV CBRE have adopted is more akin to Social Rented tenure not Affordable Rented tenure and hence their assumptions have been disregarded.

Equally, CBRE have adopted a transfer rate akin to Shared Ownership rather than an Intermediate tenure such as First Homes, which again has been disregarded.

CBRE have adopted a different Affordable Housing mix which attributes Affordable tenure units against the higher value units i.e. selecting a semi-detached as an Affordable unit instead of a mid or end terrace.

JLL have prioritised the smallest and terraced units for Affordable tenure to minimise the reduction in GDV.

6.1.4. Acquisition Costs

We have applied Stamp Duty Land Tax at the prevailing rate, as well as an agent fee of 1.00% and legal fee of 0.50% which is in line with commercially accepted levels.

Given that the site has submitted a Full planning application, we have not made any further allowance for planning application fees or site survey costs and have assumed that these costs have been expended.

The CBRE FVA adopts identical assumptions with regards to the acquisition costs.

6.1.5. Site Works and Abnormal Costs

Contained within the CBRE FVA dated April 2024 (and subsequent update dated July 2024), produced on behalf of Keepmoat Homes, there is a breakdown of the abnormal costs, as summarised in the below table:

| Cost Item | Cost |
|--|--------------------|
| Access roads | £3,809,543 |
| Off-site features | £183,997 |
| Primary and secondary distribution roads | £894,598 |
| Strategic landscaping | £1,279,152 |
| Services | £4,114,184 |
| Environmental works | £7,806,285 |
| Total: | £18,087,759 |
| Less duplicate street lighting | -£100,000 |
| Less inflated prelims – set all at 8% | -£435,149 |
| Total: | £17,552,610 |

All cost items include preliminaries, contingency (5%) and fees (6% professional fees and 8% Local Authority fees).

The above costs constitute abnormal costs only and do not make an allowance for house build and/or external works.

JLL's in house cost consultancy team have been instructed by North Lincolnshire Council to comment upon the accuracy of these costs. These comments are provided within the appendices.

The above table includes some deductions in which JLL's cost consultants suggest there has been an element of double counting and/or inflation of costs.

6.1.6. Construction Costs

Project specific costs are influenced by the size of the development project, through potential economies/diseconomies of scale and by altering the length of construction period and hence exposure to economic uncertainties. Regional and local economic factors can also influence costs via the relative cost and supply of labour and materials. Macro-economic variables over time may be significant in affecting supply costs through changing interest rates and inflation.

A potential alternative data sources appropriate for the estimation of such costs is the Building Cost Information Service (BCIS), a database maintained by the Royal Institution of Chartered Surveyors. The costs detailed within the BCIS reflect a rate per sq m on a gross internal floor area for the building cost with preliminaries apportioned, but

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

excluding external works, contingencies and design fees. It relates only to the construction of the dwelling and a sum must be added to for external plot works, including the road frontage of the dwelling.

For the purpose of the viability assessment we have utilised the most recent cost information sourced from Building Cost Information Service ('BCIS') for new-build housing for the North Lincolnshire region. We are aware that we previously rebased the costs to Scunthorpe however this location is no longer available on BCIS.

Results

Rebased to North Lincolnshire (88; sample 27) [Edit](#)

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 07-Sep-2024 07:27

MAXIMUM AGE OF RESULTS:

| Building function (Maximum age of projects) | £/m ² gross internal floor area | | | | | | Sample |
|--|--|--------|-----------------|--------|-----------------|---------|--------|
| | Mean | Lowest | Lower quartiles | Median | Upper quartiles | Highest | |
| New build | | | | | | | |
| 810.1 Estate housing | | | | | | | |
| Generally (15) | 1,352 | 693 | 1,143 | 1,299 | 1,480 | 4,634 | 1369 |
| Single storey (15) | 1,538 | 906 | 1,297 | 1,479 | 1,639 | 4,634 | 226 |
| 2-storey (15) | 1,302 | 693 | 1,122 | 1,260 | 1,425 | 2,811 | 1064 |
| 3-storey (15) | 1,409 | 835 | 1,177 | 1,356 | 1,604 | 2,727 | 74 |
| 4-storey or above (15) | 2,820 | 1,370 | 2,267 | 2,530 | 3,767 | 4,168 | 5 |

The 'Mean' build cost for the sample of standard estate housing (generally) stands at £1,352 per sq m (£125.61 per sq ft) inclusive of prelim costs, whilst the 'Median' of the range stands at £1,299 per sq m (£120.68 per sq ft). The 'Lower Quartile' stands at £1,143 per sq m (£106.19 per sq ft). The detailed sample of BCIS build costs however provides a wide range of costs of between £693 and £4,634 per sq m (£64.38 and £430.51 per sq ft) for estate housing (generally).

Base Build & Preliminary Costs

Having regard to BCIS, we have adopted the Lower Quartile costs for general estate housing equating to £1,143 per sq m (£106.19 per sq ft), which is in keeping with the nature of this scheme and the current market conditions.

The CBRE FVA assumes a base build cost of £103.61 per sq ft which is reflective of the BCIS Lower Quartile to Scunthorpe in Q1 2024. We are in agreement with this assumption, however have adopted the current BCIS Lower Quartile to North Lincolnshire at £106.18 per sq ft.

Externals

In addition to the cost of construction, we have also applied a cost equating to 10% of build costs to allow for plot externals, which is in keeping with the market norm.

The CBRE FVA assumes a 10% allowance for external works. We are in agreement with this assumption.

Garages

In addition to the cost of construction, we have made a separate allowance for garages.

- 59 no. single detached garages @ £7,500
- 15 no. double detached garages @ £10,000

An aggregate cost of £592,500 has therefore been assumed for garages.

The CBRE FVA assumes £15,000 per single garage and £25,000 per double garage. In our opinion, both costs are substantially over inflated and have been disregarded.

We also note that CBRE state there is 75 no. single garages, although we have only counted 59 no. single garages. Given the inconsistencies in CBRE's accommodation schedule vs the layout plan, we have disregarded CBRE's garage count.

Part L Regulations and Future Homes

We consider it appropriate to account for the future cost increases resulting from the introduction of the Future Homes Standards.

With regards to Part L, BCIS now includes an allowance for this and hence we have not made any additional allowance for this within our appraisal.

The "Future Homes and Buildings Standards: 2023 consultation" closed on the 27 March 2024, after being extended an additional 3 weeks from the original closing date of 6 March 2024.

Whilst we acknowledge the minor delay in the consultation, it is our view and the view of the Applicant that the proposed changes will be implemented with 2025 still very much being a target date; with relatively short notice, and likely during the course of the proposed development, given that the proposed development will take c. 7 years to reach Practical Completion.

The consultation makes reference to the previous timeline for the last Part L uplift, being –

- Adopted into Legislation on 15 December 2021;
- Implementation - 15 June 2022;
- A 12 month "plot by plot" transitional period running to 15 June 2023.

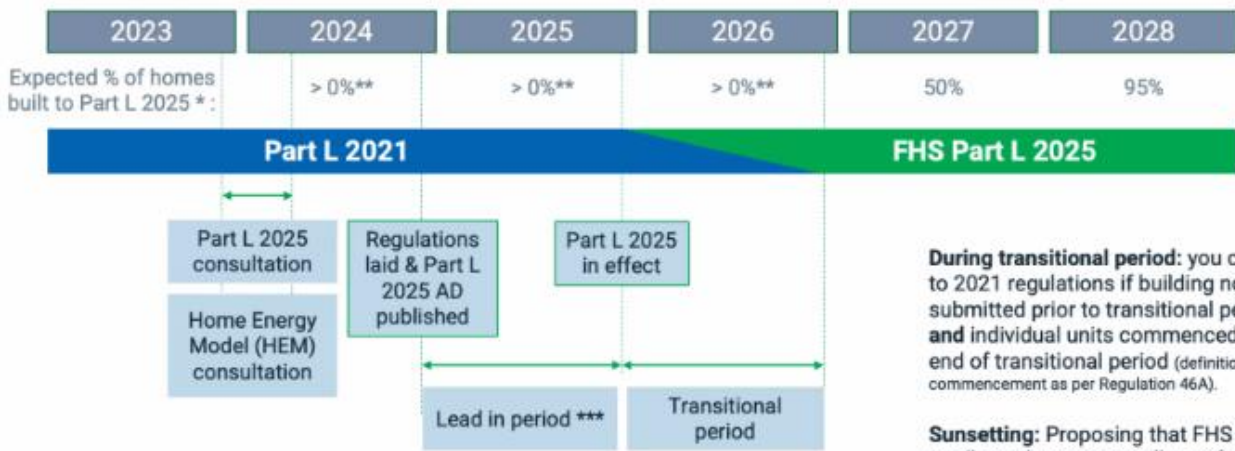
It would therefore not be unreasonable to assume that a similar programme would be followed for the proposed Future Homes and Buildings Standards changes. Should this be the case and the proposals are adopted into Legislation in December 2024, then implementation would likely be June 2025 followed by a 12 month "plot by plot" transition to June 26.

A key question in the consultation, we understand, is whether the timescale between the legislation date and the implementation date should be 6 months (as it was before) or 'up to' 12 months.



FHS 2025 Part L Timeline

Showing consultation option with up to 12-month lead in period ***



* Government assumption (FHS consultation stage Impact Assessment)
 ** Due to local authority requirements (such as the London Plan), and other drivers, a proportion of new homes are being built to a standard similar to the FHS 2025
 *** The consultation gives options for either a 6-month or up to 12-month lead in period. The 12-month option is illustrated here.

Based on the above, we would consider it reasonable to apply Future Homes costs to all plots due for delivery from June 26.

The Applicant has since undertaken some cost due diligence in relation to the latest consultation, which offers two options; one which will be financially worse for the developer but better for the homeowner/occupier, and a second which is the opposite, as shown below.

- What does Option 1 look like?
 - In nearly all cases, PV and heat pump are non-negotiable
 - Concerns that PV requirement will push what is practical on real-life sites. This could impact planning layouts, roof design and cause issues with excessive generation
- What does Option 2 look like?
 - Heat pump still necessary, but PV may be offset
 - Minimal fabric improvement over current standards
 - Could lead to higher running costs than AD-L 2021

In respect of Option 1, the consultation estimates a cost to the developer of approximately £6,200 per plot. The Applicant's Group Technical Department have reviewed this and feel this to be an accurate reflection of the cost which would be incurred to meet the requirements of that option, with the exception that the cost doesn't account for additional upgrades needed for air tightness, which would suggest an additional £200 per plot to account for this.

In respect of Option 2, the consultation estimates a cost to the developer of approximately £1,000 per plot, but with an increased consequential increase on the householder's energy bill.

Early views on the consultation is that it is unlikely the Government will choose Option 2, and are more likely to proceed with Option 1.

As such, for the purpose of this FVA, we have adopted £6,400 per plot based on the most likely cost option outlined above, for every unit that will be built from June 2026 (504 units), relating to Future Homes. This figure is in keeping with research undertaken by JLL and Homes England from House Builders, viability plan decisions and government papers (The Future Buildings Standard Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for non-domestic buildings and dwellings; and overheating in new residential buildings).

We have phased this cost on a monthly profile across the duration of the construction period, consistent with our phasing of standard build costs.

The CBRE FVA has attributed £4,500 per unit for Building Regulations Part L and F, which we believe is double counted as BCIS benchmarks now include these costs.

The CBRE FVA has also attributed £8,000 per unit built from January 2025 (565 units) for Future Homes Standards. We believe that this cost is over inflated and also applied to too many units.

The CBRE FVA has attributed £1,000 per unit to EV charging. This is double counted as it is included within the Future Homes cost.

Total

Hence the overall build cost (excluding abnormals and contingency) adopted within the viability appraisal equates to £123.22 per sq ft. We comment that the base build, preliminary and infrastructure costs combined (excluding contingency) appear broadly reasonable as we are seeing “all in” costs of between £120 - £150 psf from fully costed developments from volume house builders.

Given the developer provides a product at the lower end of the specification range and given the quantum of the development where there are cost efficiencies, the costs at the lower end of the range appear reasonable.

6.1.7. Contingency

We have included a 3% contingency on base build, garages, Future Homes and external works costs.

The CBRE FVA adopts a 3.0% contingency on all standard plot costs.

6.1.8. Professional Fees

In general terms, professional fees can range from 6% - 12% of construction costs depending on the complexities and scale of the scheme. Professional fees comprise of the cost to employ the services of architects, quantity surveyors, structural engineers, project managers etc.

In this instance we have adopted 6.0% on the base build costs, which is a consistent and robust standard figure, and typical for a development of this scale, particularly given the costs already expended relating to the preparation and submission of the pending planning application.

The CBRE FVA adopts 6.0% professional fees on all standard plot costs. Whilst we acknowledge this is an appropriate assumption in some instances, being usually smaller scale developments, given the scale of this development, we consider that 6.00% on base build costs only, is appropriate.

The CBRE FVA includes an allowance for “Planning Application Fees and Surveys” at £109,085 however this is double counting as the professional fees should be inclusive of these fees.

6.1.9. Planning Gain

As stated in section 4.1.3 of this report, we have adopted the current planning gain requirements amounting to £6,329,477 and 20% on site Affordable Housing provision within this viability assessment.

The CBRE FVA adopts 20% Affordable Housing and £6,334,477 of financial contributions which is broadly similar to our assumptions.

6.1.10. Disposal Costs

We have applied 1.0% marketing and 1.0% agent fees to the private units, plus £750 per unit legal fees across all tenures, which are in line with market practice.

The CBRE FVA adopts a 2.5% marketing and agent fee on the Open Market units which we believe is too high, given the quantum of the site.
The CBRE FVA also adopts £1,000 per unit legal fee for all tenures. Again, we believe this figure is too high, given the quantum of the site.

6.1.11. Finance Costs

Finance rate depends on the borrowing capability of the individual developer, however it is commercially accepted to adopt finance rates of between 6.5-7.0%. This finance rate is made up of the Bank of England Base Rate, an element of risk to the bank, and a profit level for the bank.

Based on current market conditions, we have adopted an interest rate of 7.00%.

The CBRE FVA adopts a 7.50% finance rate. This is thought to be slightly excessive particularly given the recent Bank of England Base Rate fall, the scale of the development and given that the Argus model assumes 100% debt when in reality there would be an element of equity.

6.1.12. Developer's Profit

As noted earlier in this report, the RICS Professional Standard on Assessing Viability in planning under the National Planning Policy Framework 2019 for England, 1st Edition March 2021 states that *Developer profit/return, for the purpose of plan making, the PPG states that an assumption of 15 – 20% of Gross Development Value may be considered a suitable return to developers in order to establish the viability of plan policies.*

For the purpose of this viability assessment we have adopted a Profit on Cost of 20% (16.67% Profit on GDV) for the Open Market units and 6.00% Profit on Cost (5.66% Profit on GDV) for the Affordable Housing units, which is a standard commercial assumption.

The CBRE FVA are targeting a 20% profit on GDV for the Open Market units and 6.00% profit on GDV on the Affordable units. Whilst the 20% profit on GDV sits within the acceptable range, this is at the top end of the range.

6.1.13. Timescale

Within our appraisal we have adopted the following timescales:

- Pre-construction – 3 months in month 1
- Construction – 120 months from month 4
- Sales – 120 months (2 outlets at 2.5 total units per month = 60 total sales p/a) from month 10.
- Note - these timescales reflect a sales rate on just the open market units of c. 4 units per month (48 Open Market units per year) which should be more than achievable for a scheme of this size.

The total development period is therefore 129 months.

We have adopted a 3 month pre-construction period to allow the site to be prepared and a site compound to be set-up. The construction period will commence following pre-construction. We have adopted a construction period of 120 months based on a completion and sales rate of 2.5 units per month on average, based on 2 outlets over the period of

development, allowing for a lag period of 6 months between start of construction and start of sales. We have assumed that final sales of units will be completed over a 6 month post-development period.

The CBRE FVA assumes similar timescales as detailed above.

6.1.14. Development Appraisal Summary

The full development appraisal summary is contained within the Appendix.

The key elements are summarised below (please note this is not intended as a computation of all costs deductions within the appraisal).

| | | |
|---|---------------------|---|
| Gross Development Value | £128,062,000 | Please see above table |
| Acquisition Costs | £102,648 | SDLT at prevailing rate, 1.0% agent and 0.5% legal fees |
| Construction Costs | £63,238,694 | £106.19 psf – BCIS Mean (North Lincs) |
| External Works | £6,323,869 | 10.00% of construction costs |
| Garages | £592,500 | Please see above |
| Future Homes | £3,225,600 | £6,400 p/u built after June 26 = 504 units |
| Contingency on Construction and External Costs | £2,201,420 | 3.00% of construction and external costs |
| Abnormals, Utilities and Infrastructure | £17,552,610 | As per costs provided |
| Contingency on Abnormals, Utilities and Infrastructure | £0 | Included in abs costs |
| S106 Obligations (excluding Affordable Housing) | £6,329,477 | As per costs provided |
| Professional Fees | £3,794,322 | 6.00% of construction costs |
| Marketing, Incentives, Sales Agent and Sales Legal Fees | £2,690,350 | 1.0% marketing and 1.0% agent fees to the Open Market units, plus £750 per unit legal fees across all tenures |
| Finance | £179,153 | 7.00% on all development costs |
| Profit on Cost | £19,929,082 | 20.00% on OM and 6.00% on AH |
| Residual Land Value | £1,902,276 | |
| Say | £1,900,000 | |

The above appraisal identifies that when adopting the above assumptions and S106 obligations, the scheme would be deemed commercially unviable, as this appraisal results in a residual land value (RLV) of £1,900,000 (rounded), which is below the Benchmark Land Value (BLV) of £6,420,000 and demonstrates the scheme is therefore deemed unable to provide 20% on site Affordable Housing, and the full S106 requirement of £6,329,477.

The CBRE FVA have adopted a fixed land cost of £7,368,550, and their appraisal produces a Profit on Cost of - 6.45%.

The reason why CBRE believe the scheme is “unviable” is –

- Attributing professional fees on all costs and not taking account of the development quantum
- Building Regulations Part L and F double counted;
- Over inflated Future Homes cost, attributed to too many units;
- EV charging point cost double counted;
- High costs of garage construction;
- Planning Application Fees and Surveys double counted;
- Higher than normal debt rate;
- Higher than normal disposal costs for the quantum of the development;

Land west of Carisbrooke Manor Lane, Burringham, Scunthorpe

- Higher level of profit adopted;
- Some double counting of within abnormal costs;
- Over-inflating preliminary costs within abnormals.

7. Sensitivity Analysis

7.1. Sensitivity Analysis

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

We have outlined a policy-compliant position incorporating the known planning gain contributions. We have also established a Benchmark Land Value (BLV) of £6,420,000.

This appraisal results in a residual land value (RLV) of £1,900,000 (rounded), which is below the Benchmark Land Value (BLV) of £6,420,000 and demonstrates the scheme is therefore deemed unable to provide 20% on site Affordable Housing, and the full S106 requirement of £6,329,477.

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

| Sales: Rate psf | Construction: Rate psf | | | | |
|-----------------|------------------------|-------------|-------------------|--------------|--------------|
| | -10.000% | -5.000% | 0.000% | 5.000% | 10.000% |
| -10.000% | -£1,044,127 | -£4,641,110 | -£8,273,907 | -£11,980,895 | -£15,731,267 |
| -5.000% | £3,754,470 | £464,648 | -£3,131,109 | -£6,758,845 | -£10,452,523 |
| 0.000% | £8,082,373 | £5,050,134 | £1,902,276 | -£1,621,097 | -£5,244,247 |
| 5.000% | £12,061,798 | £9,311,480 | £6,330,301 | £3,222,672 | -£111,213 |
| 10.000% | £15,797,852 | £13,224,056 | £10,522,819 | £7,599,177 | £4,528,515 |

To test the level of S106 obligations the scheme can support we have undertaken a sensitivity analysis in accordance with the RICS Professional Standard, Financial Viability in Planning: Conduct and Reporting (effective 1 September 2019).

We have run scenarios assuming reduced levels of S106 Contributions, but retaining a nil (0%) Affordable Housing on site provision.

| AH | Contribution | Land Value |
|------|--------------|------------|
| 100% | £6,329,477 | £1,900,000 |
| 0% | £4,711,000 | £6,420,000 |

The above demonstrates that the proposed scheme can support £4,711,000 of S106 contributions, and the nil (0%) on-site Affordable Housing provision.

Conclusion

This FVA has demonstrated a residual land value (RLV) of £1,900,000 (rounded), is below the Benchmark Land Value (BLV) of £6,420,000 and hence demonstrates the scheme is therefore deemed not viable and unable to provide 20% on site Affordable Housing, and the full S106 requirement of £6,329,477; however a sensitivity analysis demonstrates that the scheme is able to support **£4,711,000 of S106 contributions, and the nil (0%) on-site Affordable Housing provision.**

8. Conclusion & Recommendations

8.1. Conclusion and Recommendations

We have carried out a viability appraisal on the proposed scheme assuming the required planning gain of £6,329,477. This appraisal results in a Residual Land Value (RLV) of £1,900,000, which is below the Benchmark Land Value (BLV) of £6,420,000 and hence demonstrates the scheme is therefore deemed not viable and unable to provide 20% on site Affordable Housing, and the full S106 requirement of £6,329,477; however a sensitivity analysis demonstrates that **the scheme is able to support £4,711,000 of S106 contributions, and the nil (0%) on-site Affordable Housing provision.**

8.2. Confidentiality and Publication

Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Appendix

APPRAISAL SUMMARY

JLL

Appraisal Summary for Merged Phases 1 2

Currency in £

REVENUE

| Sales Valuation | Units | ft ² | Sales Rate ft ² | Unit Price | Gross Sales |
|-----------------|------------|-----------------|----------------------------|------------|--------------------|
| Open Market | 479 | 492,965 | 227.31 | 233,935 | 112,055,000 |
| AH | 120 | 102,559 | 156.08 | 133,392 | 16,007,000 |
| Totals | 599 | 595,524 | | | 128,062,000 |

NET REALISATION 128,062,000

OUTLAY

ACQUISITION COSTS

| | | | | | |
|--|--|-------|-----------|-----------|---------|
| Residualised Price (37.95 Acres @ 50,125.84 /Acre) | | | 1,902,276 | | |
| Stamp Duty | | | 74,114 | 1,902,276 | |
| Effective Stamp Duty Rate | | 3.90% | | | |
| Agent Fee | | 1.00% | 19,023 | | |
| Legal Fee | | 0.50% | 9,511 | | |
| | | | | | 102,648 |

CONSTRUCTION COSTS

| Construction | ft ² | Build Rate ft ² | Cost | |
|---------------|-------------------------------|----------------------------|-------------------|------------|
| Open Market | 492,965 | 106.19 | 52,347,953 | |
| AH | 102,559 | 106.19 | 10,890,740 | |
| Totals | 595,524 ft² | | 63,238,694 | |
| Contingency | | 3.00% | 2,201,420 | |
| Abnormals | | | 17,552,610 | |
| | | | | 82,992,723 |

Other Construction Costs

| | | | | |
|----------------------------------|--|--------|-----------|------------|
| Externals | | 10.00% | 5,234,795 | |
| Garages | | | 592,500 | |
| Future Homes - £6.4k - 504 units | | | 3,225,600 | |
| Externals | | 10.00% | 1,089,074 | |
| | | | | 10,141,969 |

Section 106 Costs

| | | | | |
|-------------------------|--------|--------------|-----------|-----------|
| Primary Education | 479 un | 4,807.00 /un | 2,302,553 | |
| Secondary Education | 479 un | 5,795.00 /un | 2,775,805 | |
| Recreation Contribution | | | 472,249 | |
| Health Contribution | 479 un | 864.03 /un | 413,870 | |
| Highways Contribution | | | 365,000 | |
| | | | | 6,329,477 |

PROFESSIONAL FEES

| | | | | |
|-------------------|--|-------|-----------|-----------|
| Professional Fees | | 6.00% | 3,794,322 | |
| | | | | 3,794,322 |

DISPOSAL FEES

| | | | | |
|-----------------|--------|------------|-----------|-----------|
| Sales Agent Fee | | 2.00% | 2,241,100 | |
| Sales Legal Fee | 599 un | 750.00 /un | 449,250 | |
| | | | | 2,690,350 |

TOTAL COSTS BEFORE FINANCE 107,953,765

FINANCE

| | | | | |
|---|--|--|--|---------|
| Debit Rate 7.000%, Credit Rate 0.000% (Nominal) | | | | |
| Total Finance Cost | | | | 179,153 |

TOTAL COSTS 108,132,918

PROFIT

19,929,082

Performance Measures

| | |
|-------------------------------------|--------------|
| Profit on Cost% | 18.43% |
| Profit on GDV% | 15.56% |
| Profit on NDV% | 15.56% |
| IRR% (without Interest) | 85.20% |
| Profit Erosion (finance rate 7.000) | 2 yrs 5 mths |

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