



Strata/ Barrow Road, Barton-upon-Humber, DN18 6DB

Financial Viability Assessment

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Contents

EXECUTIVE SUMMARY.....	3
1. INSTRUCTION.....	6
2. CONFIDENTIALITY	7
3. BACKGROUND & CONTEXT.....	8
4. PROPOSED DEVELOPMENT.....	9
5. PLANNING CONTEXT.....	10
5.1. ADOPTED PLANNING POLICY.....	10
5.2. CIL, S106 & OTHER PLANNING CONTRIBUTIONS.....	10
5.3. BIODIVERSITY NET GAIN	10
6. APPROACH TO VIABILITY	11
6.1. NATIONAL PLANNING GUIDANCE.....	11
6.2. THE VIABILITY CHALLENGE	11
7. BENCHMARK LAND VALUE	13
7.1. LOCAL PLAN VIABILITY ASSESSMENT.....	13
7.2. EXISTING USE VALUE PLUS	13
7.2.1. Existing Use Value.....	13
7.2.2. Premium	14
7.2.3. Abnormal Costs.....	14
7.3. MARKET EVIDENCE	15
7.4. BENCHMARK LAND VALUE ASSESSMENT	15
8. GROSS DEVELOPMENT VALUE.....	16
8.1. COMPARABLE TRANSACTIONAL DATA	16
8.1.1. New Build Sales Data	16
8.1.2. Asking Price Data	16
8.2. MARKET SALES VALUES	17
8.3. AFFORDABLE SALES VALUES.....	18
9. BUILD COSTS	19
9.1. STANDARD BUILD COSTS	19
9.2. EXTERNAL WORKS	19
9.3. ABNORMAL COSTS.....	20
9.4. DEVELOPMENT PROFILE	20
9.5. STANDARISED INPUTS	21
10. APPRAISAL OUTPUTS.....	22
10.1. APPRAISAL 1 – 10% AFFORDABLE HOUSING	22
10.2. APPRAISAL 2 – 0% AFFORDABLE HOUSING	22
11. SENSITIVITY ANALYSIS	23

12. CONCLUSIONS.....24

Appendix 1 – RICS Professional Statement25

Appendix 2 – Site Location Plan28

.....28

Appendix 3 – Comparable Transactional Sales.....29

Appendix 4 – Appraisal 1, 10% Affordable Housing34

Appendix 5 – Appraisal 2, 0% Affordable Housing34

EXECUTIVE SUMMARY

- Continuum have been instructed on behalf of Strata (the “Client”) to prepare a financial viability appraisal to be submitted in support of the planning application pursuant to Land at Barrow Road, Barton upon Humber (the “site”);
- In accordance with this instruction, Continuum have independently assessed the proposed development to determine whether a policy compliant provision of affordable housing can be delivered, in accordance with Policy CS9 of the North Lincolnshire Core Strategy (2011);
- It has been robustly demonstrated in section 10 of this independent assessment that the proposed scheme is not able to provide a contribution towards affordable housing or other S106 planning obligation contributions whilst remaining financially viable;
- The site comprises agricultural land measuring circa 6.56 hectares (16.21 acres) and is located to the south of the A1077. It is bound to the west and northwest by residential development located off Glebe Way and Cornhill Drive with Baysgarth School beyond. Agricultural land bounds the remainder of the site. A new access and roundabout are proposed which will serve the site from the A1077. A site location plan is included at **appendix 2**;
- The detailed planning application to which this Financial Viability Assessment (FVA) relates is for the erection of a mix 173 no. 2, 3 and 4 bedroom units. It is understood that all the dwellings will be delivered to meet the NDSS;
- North Lincolnshire set out the affordable housing required from new build residential developments in Policy CS9 of the adopted Core Strategy (2011). Given the sites location in a market town there is a requirement for 20% affordable housing on-site unless it can be demonstrated that there is a financial viability challenge. To note, North Lincolnshire are currently preparing a new Local Plan, this will update the required affordable housing contribution, when adopted, to 10%, in recognition of market trends and changes since the Core Strategy was adopted. Therefore, Continuum have adopted a 10% affordable housing contribution given the anticipated change in affordable housing contribution percentage.
- The viability testing that supports adopted Policy CS9 is not available online, as such, reference has been made to the emerging evidence base which includes Local Plan & Community Infrastructure Levy Viability Assessment (2021) prepared by NCS;
- The PPG (2019) sets out “circumstances” that allow for the consideration of financial viability at the decision taking stage (paragraph 7). Of particular note is the reference to sites with high levels of site infrastructure/ abnormal costs. Further the Local Plan viability testing did not consider the additional cost associated with compliance with Part L of the building regulations that came into force in summer 2022. The abnormal costs and requirement to comply with Part L are considered sufficient to allow for the assessment of viability at the decision taking stage. In addition, the emerging North Lincolnshire Local Plan reduces the compliant provision of affordable housing from 20% to 10% of net additional units which should be taken into account in the decision making process;
- Two development scenarios have been undertaken which are included at section 10:
 - Appraisal 1 – 10% Affordable Housing; and
 - Appraisal 2 – 0% Affordable Housing.
- In order to establish the gross development value (GDV) for the site, estimated sales values provided by the Client have been included within the appraisal. These sales values have been cross checked against comparable estate housing developments in proximity of the market location to assess their acceptability. In addition, an independent marketing report prepared by Beilby Associates on behalf of the Client has been referenced in support the adopted sales values;

- Affordable housing values have been adopted to reflect the purchase price that Housing Associations are paying for mixed tenure housing from private sector housebuilders;
- Build costs have been adopted with reference to the BCIS average price index rebased to North Lincolnshire as per guidance contained within the PPG on Viability (2019). Standardised assumptions such as contingency, external works and professional fees are supported by relevant appeal decisions and Local Plan examinations;
- Benchmark Land Value (BLV) has been established following the existing use value plus (EUV+) a premium methodology as per the PPG on Viability (2019). The approach reflects abnormal costs associated with the site. The total BLV establishes equates to £2,836,750 (£175,000 per acre).
- A profit margin of 20% of GDV has been adopted in regard of the market units, this assumption falls within the range which is considered suitable in the PPG on Viability (2019). A lower profit margin of 6% has been adopted to account for the affordable housing which reflects the guaranteed final sale;
- Following site investigation works it is understood that the total abnormal costs for the site are circa £2,163,659 (circa £133,477 per acre). These costs have been included within the appraisal;
- Section 10 of this report demonstrates that the proposed scheme does not generate a residual land value (RLV) equivalent to the BLV adopted for the site when including a provision of 10% affordable housing (17 no. units). As such, the scheme would not be considered financially viable when delivering a policy compliant level of affordable housing. Thus, Continuum have undertaken a further assessment (Appraisal 2) to assess the maximum affordable contribution that can be viably delivered by the development. Appraisal 2, when assuming a provision of zero affordable housing does not achieve a RLV equivalent to the established BLV;
- The following table gives a summary of the findings of the viability appraisals undertaken by Continuum:

	Appraisal 1	Appraisal 2
Affordable Units	17 (10%)	0 (0%)
GDV	£40,513,500	£42,240,000
Profit (on GDV)	Market – 20% Affordable – 6%	Market – 20%
Residual Land Value	(-£868,607)	£30,638
Benchmark Land Value	£2,836,750	£2,836,750
Viability Challenge	Yes	Yes

- The viability appraisals undertaken have demonstrated that when the affordable housing provision is reduced to 0% (zero) the viability of the project still remains a challenge as RLV is significantly below the level of the established BLV;
- A sensitivity analysis (section 11) has been undertaken as per the RICS professional statement on viability (2021), the analysis considers increases and decreases in both cost and value and the resultant impact on residual land value (RLV). The build costs assumptions in this assessment are considered to be conservative given the volatility of the market and the sensitivity analysis shows that there would be a greater viability challenge should build costs increase. Recent research undertaken by Savills forecasts that sales values will decrease nationally throughout 2023, should sales values decrease the viability of the scheme will be further compromised;
- The Client is committed to delivering the project and recognise that they will need to be pragmatic if they wish to proceed. That pragmatism relates to the actual profit they are prepared to accept, below that deemed appropriate by the market, and the confidence they have in the future performance of the development;
- The proposed scheme will generate benefits for the Council in addition to planning obligations such as, the delivery of a new roundabout releasing land for development, the creation of new jobs, investment into the

local community and the delivery of housing in the Borough. On this basis it is considered the scheme strikes a balance between aspirations of both landowner and developer in relation to BLV and profit and benefits in the public interest;

- In line with national planning guidance and adopted development plan policies it has been demonstrated that the scheme is unable to generate a positive return whilst providing affordable housing on-site or contributing towards other S106 planning obligations.

1. INSTRUCTION

Continuum have been instructed by Strata (hereafter “the Client”) to prepare a financial viability assessment (FVA) pursuant to the proposed development at Barrow Road, Barton-upon-Humber, DN18 6DB (hereafter “the site”).

Continuum are a practice of property professionals specialising in viability in planning advising upon viability cases for both the public and private sector. This enables the provision of an informed and rounded approach that seeks to strike a balance between developer return, landowner return, and planning policy.

The proposed development comprises the erection of 173 no. units, provision of open space and the delivery of new roundabout which will provide access to the site and beyond to the South from Barrow Road (A1077). The scheme will also deliver a section of spine road which will, in time, form part of a relief road for the town. A proposed layout plan setting out the site’s situation is included at **appendix 2**.

Continuum have been instructed to determine the appropriate amount of affordable housing S106 obligations payments that are able to be provided to achieve a balance between the North Lincolnshire Council’s policy requirements and landowner and developer returns.

This financial viability assessment (FVA) has two tasks:

1. Assess in terms of legislation and professional practice guidelines whether the proposed development can achieve the aspirational return to the developer and landowner whilst providing policy compliance, using values and costs that are fair and evidenced; and
2. To advise the client, following evaluation, what the maximum achievable provision of affordable housing and S106 obligations that can be delivered as part of the planning permission at the site.

This FVA has been produced with reference to adopted national planning guidance following the stipulations as set out in the NPPF (2021) and the PPG on Viability (2019).

Appendix 1 confirms that this review is in accordance with the requirements set out within the RICS Professional Statement: Financial Viability in Planning (2019). The FVA has been prepared with reference to the RICS guidance note: Assessing viability in planning under the National Planning Policy Framework 2019 for England (2021).

This FVA does not constitute a formal valuation, as such, the guidance included in this report is exempt from regulations set out in the RICS Valuation Professional Standards (the Red Book) (2019).

2. CONFIDENTIALITY

This FVA is confidential to the client and their advisors. It has been prepared in accordance with Continuum's terms of engagement.

This FVA has been prepared on the basis that it will be made publicly available should our client require it to be as under Continuum's terms of engagement.

No party other than the client is entitled to rely on this report for any purpose whatsoever and Continuum accept no responsibility or liability to any other party other than the Client in respect of the contents of this report. This report must not, save as expressly provided for in our terms of engagement, be recited or referred to in any document, or copied or made available (in whole or in part) to any other person without our express prior written consent.

This FVA should not be disclosed to any third parties under either the Freedom of Information Act 2000 (sections 41 and 43 (2)) or under the Environmental Information Regulations.

3. BACKGROUND & CONTEXT

The site lies to the east of Barton upon Humber within the Borough of North Lincolnshire approximately 6 miles to the south west of Hull. The town is serviced by a train station that provides services to Grimsby Town and Cleethorpes.

The site comprises agricultural land measuring circa 6.56 hectares (16.21 acres) and is located to the south of the A1077. It is bound to the west and northwest by residential development located off Glebe Way and Cornhill Drive with Baysgarth School beyond. Agricultural land bounds the remainder of the site. A new access and roundabout are proposed which will serve the site from the A1077. A site location plan is included at **appendix 3**.

The site currently sits outside development limits in the adopted Development Framework but benefits from a draft allocation (H1P-13: Land off Barrow Road) in the emerging North Lincolnshire Local Plan for the development of up to 225 no. dwellings.

Policy CS9 of the adopted Core Strategy (2011) requires, based on the sites location, a provision of 20% affordable housing on-site for development schemes of over 15 units. This percentage requirement has been revised in draft Policy H3 of the emerging Local Plan which requires 10% affordable housing for all major development as per the NPPF (2021).

4. PROPOSED DEVELOPMENT

The proposed scheme forms a natural extension to Barton-upon-Humber's eastern boundary with the proposed units abutting the existing residential development to the southeast off Danson Close and Glebe Way. The development proposes the erection of 173 no. dwellings with associated works, with a proposed mix of 2, 3 and 4 bedroom units as follows. A new access is proposed from Barrow Road (A1077) in the form of a roundabout junction.

Type	Number	Area (sq ft)
Bungalow	1	858
Malmo	46	998
Geneva	57	1,204
Rosas (3 bed plus study)	28	1,246
Bologna	7	1,235
Oporto	24	1,345
Copenhagen	10	1,350
Total	173	

5. PLANNING CONTEXT

5.1. ADOPTED PLANNING POLICY

The North Lincolnshire Local Development Framework comprises the following documents:

- The Core Strategy (2011); and
- The Housing and Employment Land Allocations DPD (2016).

Policy CS9 of the Core Strategy (2011) sets out the approach to affordable housing. For new residential development of 5 or more dwellings in Market Towns, which Barton-upon-Humber is defined as within the hierarchy of settlements, will deliver an element of affordable housing. As per this policy, given the sites location, compliance equates to 20% of the net additional dwellings.

The proposed tenure split as set out in Policy CS9 is 70% affordable rent and 30% shared ownership. Since the adoption of the Core Strategy the government have sought to promote First Homes. For the purpose of this assessment, it has been assumed that First Homes form part of the shared ownership proportion and are thus subject to the equivalent discount from open market value (OMV).

The Council are currently preparing a new Local Plan which was submitted to the Secretary of State for Examination in Public in November 2022. Emerging Policy H3 of this document considers the delivery of affordable housing. For new residential development of 10 or more dwellings, schemes must make a provision of 10% affordable housing. Therefore, Continuum have adopted a 10% affordable housing contribution given the anticipated change in affordable housing contribution percentage. It is further stated that at least 25% of affordable housing delivered through planning obligations will be First Homes.

5.2. CIL, S106 & OTHER PLANNING CONTRIBUTIONS

North Lincolnshire are yet to publish a CIL charging schedule, as such it is assumed that all contributions towards infrastructure investment will be as part of the S106 agreement. Following the Client's formal pre-application meeting, no further Section 106 contributions have been requested by the Council. The council have informed the applicant that they have received grant funding for £1.285m which will cover the cost of the spine road and roundabout/S278 works. At present, the cost of the spine road and roundabout is the responsibility of the applicant and therefore Continuum have included this as a cost for the scheme. If the spine road and roundabout are constructed by North Lincolnshire Council, this cost will no longer be applicable.

Description	Cost
Spine Road & Roundabout/S278 Contributions	£1,285,000
Total	£1,285,000

5.3. BIODIVERSITY NET GAIN

It is understood following discussions with the Client that there will be a requirement to contribute towards biodiversity net gain (BNG). The cost of this is not known at this stage, though any additional cost to the Client will further worsen the viability of the proposed scheme.

6. APPROACH TO VIABILITY

The approach to assessing viability within the FVA is in compliance with national planning policy, namely the following documents:

- National Planning Practice Framework (NPPF) (2021); and
- National Planning Practice Guidance (PPG) on Viability (2014) (updated 2019).

The PPG (2019) sets out the required approach to assessing viability at both the plan and decision-making stage, seeking to 'strike a balance' between the aspirations of developer returns, landowner returns and benefits in the public interest through policy compliance.

Guidance prepared by Royal Institution of Chartered Surveyors (RICS) has also been taken in account in the preparation of this report with particular reference to the following documents:

- RICS Professional Statement: Financial Viability in Planning – Conduct and Reporting (2019); and
- RICS Guidance Note: Assessing viability in planning under the National Planning Policy Framework 2019 for England (2021).

The Professional Statement sets out mandatory requirements to be followed by RICS professionals with regard to conduct and reporting in relation to FVAs for planning in England. The Guidance Note sets out best practice of how FVAs should be undertaken and how to follow the PPG (2019). **Appendix 1** confirms that this review is in accordance with the requirements set out within the RICS Professional Statement: Financial Viability in Planning (2019).

6.1. NATIONAL PLANNING GUIDANCE

The approach to viability significantly changed following the publication of the revised NPPF in February 2019 and the updating of the PPG relating to viability in September 2019. Weight to be given to the viability assessment is now a matter for the decision maker and should be based upon the recency of the development plan and the supporting viability evidence, alongside the transparency and justification of the evidence submitted as the basis of the viability assessment.

Viability is defined at both the plan making and decision taking stage by the PPG (2019) as a process of 'striking a balance' between the aspirations of both developer and landowner returns and the aims of the planning system to secure maximum benefits in the public interest. Following this guidance, Continuum have ensured to effectively demonstrate a balance between the three components of viability in the submitted FVA.

The PPG (2019) states that to determine land value for the purposes of viability in planning, a benchmark land value (BLV) should be established using the existing use value plus (EUV+) a premium methodology. EUV is an assessment of the value of the site in its existing form irrespective of hope value. The plus represents a premium to provide an incentive for a reasonable landowner to release their land for development; any premium shall reflect the implications of abnormal costs and adopted planning policy.

6.2. THE VIABILITY CHALLENGE

Paragraph 7 of the PPG (2019) requires that particular circumstances be demonstrated by the Client to allow for viability to be assessed at the decision taking stage. Particular circumstances are not limited to but can include the following:

- *Where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan;*
- *Where further information on infrastructure or site costs is required;*
- *Where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent); or*

- *Where a recession or similar significant economic changes have occurred since the plan was brought into force.*

The site is subject to substantial infrastructure and site costs associated with the delivery of a new roundabout junction on Barrow Road. It is understood that the Council have achieved grant funding which will contribute towards its delivery. It is understood the cost of this investment is £1,285,000 based on work completed by the Council's engineering consultant LTP. At present, the cost of the spine road and roundabout is the responsibility of the client and therefore Continuum have included this cost within the appraisal. Should the Client be required to deliver the roundabout this will have a substantial impact on the viability of the proposed scheme.

In addition, the cost of compliance with Part L of the building regulations (2010 as amended) was not accounted for in the viability testing that informed the emerging Local Plan. This cost is estimated by the Client to equate to £661,089. This cost needs to be taken into account in any site specific viability assessment to ensure proposed developments are deliverable.

By virtue of substantial costs associated with Part L and the new roundabout it is considered "particular circumstances" dictate that in this case the assessment of financial viability at the decision taking stage is appropriate.

7. BENCHMARK LAND VALUE

Continuum have followed guidance contained within the PPG on Viability (2019) and used the existing use value plus (EUV+) premium methodology to calculate BLV.

The EUV+ methodology requires the following inputs:

- Estimation of the existing use value of a site;
- Allowance for a premium to landowners;
- Reflection of abnormal costs, site specific costs and professional fees associated; and
- Transactional data (to be used as a cross check) based on schemes that are fully compliant with the up-to-date development plan policies.

The subject site comprises greenfield land currently in agricultural use.

7.1. LOCAL PLAN VIABILITY ASSESSMENT

The viability assessment that informed Core Strategy (2011) is not available on-line and in any case predates both NPPFs and the updated viability guidance set out in the PPG in 2019. As such, reference is made to the North Lincolnshire Council Local Plan & CIL Viability Assessment (2021) prepared by NCS.

In the NCS viability assessment they establish a EUV for greenfield (agricultural) land at £20,000 per hectare (£8,097 per acre).

To establish BLV's within their assessment NCS follow the Shinfield approach where they assume that the landowner is able to benefit from 50% of the uplift in land value that is created by the grant of planning permission. To establish the gross residual value NCS have undertaken appraisals without any affordable housing or other S106 planning obligations.

Following this approach, NCS establish a greenfield BLV of £631,731 per hectare (£255,648 per acre). It should be noted that implicit flaws with the Shinfield methodology have been considered at length through Planning Inquiry and at the High Court (Parkhurst (2018)), and the methodology is now rarely used in practice. The methodology has largely been replaced by the Existing Use Value plus (EUV+) a premium as is set out in the PPG on Viability (2019) and RICS guidance note on viability (2021).

7.2. EXISTING USE VALUE PLUS

7.2.1. Existing Use Value

Existing Use Value (EUV) is the first component to be calculated when estimating the BLV. The EUV represents the value of the land in its current form and is based on comparable transactional sales data. For clarity, EUV is not the price paid for the land and should disregard hope value.

Paragraph 15 of the PPG (2019) states that EUV can be established by assessing the value of the specific site or type of sites using published sources of information such as:

“Land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams’ locally held evidence.”

To assess whether the appropriate value for agricultural land reference has been given to the Knight Frank Farmland Index (Q4 2022). The research undertaken by Knight Frank shows that the price of agricultural land had now reached the peak seen in 2015 and is forecast to continue to grow. The price for bare agricultural land is stated as averaging £8,300 per acre. This assessment is in line with the assumption made by NCS within their Local Plan & CIL Viability Assessment (2021).

To establish the EUV for the site, Continuum have adopted a slight premium above that set out in the Knight Frank research and the assumption made by NCS given the scale of the site and its location adjacent to existing housing development. A EUV of £10,000 per acre for greenfield land is used within Local Plan viability testing for other Borough's and site specific viability testing and considered to reflect the site's situation adjacent to residential development and has been used to establish BLV.

7.2.2. Premium

Paragraph 18 of the PPG on Viability (2019) sets out how premiums should be assessed for the purposes of establishing BLV. The premium should reflect a reasonable incentive allowing a sufficient contribution to comply with policy requirements. Premiums are paid out of the uplift in land value generated by planning permission for change of use or intensification of use.

For agricultural land, such as the subject site, premiums are assessed as a multiplier of the adopted EUV. There is no definitive guidance provided by the RICS nor within the PPG (2019) that sets out how premiums should be considered for the purpose of assessing viability. As such, Local Plan and CIL viability studies prepared following the revision of the PPG in 2019 have been reviewed to understand broad approaches. From those reviewed there is an element of consistency in approach with all using multipliers of between 10 – 35. The below table shows the assumptions made for viability studies for other Boroughs located in proximity of the North Lincolnshire:

Local Authority	Date Published	Greenfield Multiplier	Consultant
Wakefield Metropolitan Borough Council	2019	15 - 35	Cushman & Wakefield
Doncaster Metropolitan Borough Council	2019	15 - 20	CPV
Hambleton District Council	2019	17.5 – 30	Keppie Massie
Barnsley Metropolitan Borough Council	2019	10 - 20	CPV

In addition to the viability studies referenced above, it is understood that when examining the North Tyneside CIL Charging Schedule in 2018 that the Inspector found that a range of 20-30 times multiplier was acceptable for the purposes of establishing BLV based on a viability study prepared by Capita. Further, in the Waverley Borough Council CIL Examination (2018), the Inspector considered an appropriate premium for agricultural land to be 20 – 30 times EUV. Additionally, in the Cotswold District Council CIL Examination (2018), a premium of 20 times agricultural EUV was deemed unrealistically low by the Inspector. He asserted that a BLV equating to 28 x agricultural EUV was necessary to ensure that landowners do not become unwilling to sell their land for residential development.

The site's draft allocation in the emerging North Lincolnshire Local Plan under Policy H1P-13 (Land off Barrow Road) would impact the appropriate premium to apply. It is considered that the premium would be in a range of 15 – 25 as per methodologies established in Local Plan viability studies.

7.2.3. Abnormal Costs

Paragraph 14 of the PPG (2019) states that BLV should reflect the implications of abnormal costs. There are substantial abnormal costs at the site equating to circa. £2,163,659 (circa £133,477 per acre). Following the PPG on Viability (2019) abnormal costs should be taken into account in the establishment of BLV.

The Local Plan viability study (2021) did not take into account abnormal costs as it considered them to be site specific requirements and appropriate to be assessed at the decision taking stage.

Given the level of abnormal costs at the site as per the PPG on Viability (2019) these should be taken into account in the establishment of BLV. Abnormal costs should be taken into account in a reduction in the adopted premium. As such, a premium at the bottom of the range of 17.5 at the middle of the range has been adopted.

7.3. MARKET EVIDENCE

Paragraph 4 of the PPG on Viability (2019) allows for market evidence to be provided as a cross-check to support the establishment of BLV for the purposes of viability assessment. Continuum have engaged with land agents in addition to house builders to understand the tone of market values for residential land in vicinity of the site. It is understood from relevant discussions and information provided that market values support the assessment made by Continuum is in line with market evidence. Should more information be required in this regard, it can be provided on request.

7.4. BENCHMARK LAND VALUE ASSESSMENT

The Local Plan viability assessment is the first reference point when establishing BLV. As is set out section 7.1 the adopted land values for North Lincolnshire are £255,648 per acre. To note, the emerging Local Plan viability study (2021) prepared by NCS follows the Shinfield methodology established in appeal decision (ref: APP/X0360/A/12/2179141) thus does not follow the methodology as set out above.

BLV has been established, in light of all other material considerations as outlined in this report, following the EUV+ a premium methodology as per the provisions of the PPG on Viability (2019). EUV has been established as £10,000 per acre based on the current use of the site as agricultural farming land. Based on the gross site area of 16.21 acres this equates to an EUV of £162,100.

As per section 7.2 it is considered appropriate to use the multiplier methodology to establish a premium. In this case a range of 15 – 25 times EUV has been adopted.

The substantial abnormal costs at the site, equating to circa £2,163,659 (circa £133,559 per acre) need to be taken into account in the establishment of BLV. On this basis, it is considered a multiplier to the lower end of the range would be appropriate. However, the site benefits from a draft allocation (H1P-13) for residential development which also needs to be reflected in the establishment of BLV. As such, a multiplier in the middle of the range equating to 17.5 times EUV has been adopted.

Using a multiplier of 17.5 the BLV established equates to £2,836,750 (circa. £175,000 per acre / circa. £432,431 per ha). This is substantially below the land value benchmark used in Local Plan viability assessment, takes account of abnormal costs, and is considered appropriate for the purpose of this assessment. This is substantially below the BLV per net acre adopted within the Local Plan viability study.

8. GROSS DEVELOPMENT VALUE

Following the guidance contained in the PPG (2019) GDV has been assessed based on the estimated total sales value. For clarity, there is no grant funding nor external sources of income that will contribute to the calculation of GDV.

Strata have issued Continuum with a marketing report prepared by Bielby Associates which provides an estimate of indicative pricing for the house types proposed at the site. This assessment has been used to inform the adopted sales values within this financial viability assessment.

For the purpose of this assessment of financial viability, market evidence attained from existing new build comparable development sites and the Bielby Associates report has been used to inform the adopted sales values; the values have been adjusted to take into account variations in use, form, scale and location.

8.1. COMPARABLE TRANSACTIONAL DATA

There is relatively limited new build residential housing developments currently being delivered in the wider DN18 postcode save for two new developments in close proximity of the site.

8.1.1. New Build Sales Data

To assess appropriate sales values for the proposed scheme sales data has been sourced from a 1-mile radius of the subject site. All new build sales have been sourced from the Land Registry and Rightmove sold data from the period from January 2020 to today's date. In addition, reference has been made to the marketing report prepared by Bielby Associates. A full suite of comparable data is included at **appendix 3**.

It is considered that the most comparable development from which to establish sales values is Falkland Way by Keigar Homes. The scheme is located just 500 metres to the north of the site. It comprises a mix of 115 no. 2, 3-, 4- and 5-bedroom estate housing units. Sales began in 2020 achieving an average value of circa £185 psf. The majority of the scheme has now been sold. Continuum highlight there is recent resale information available from the previous 12 months (from the date of this report) for secondary sales in relation to the development Falkland Way. With reference to this data, there has been growth in the market since the date of the sales in 2020 which Continuum have taken into account for the pricing of the proposed units for this scheme.

Brewers Lane located off Pastures Road is a boutique development of high specification homes located circa 1 km from the subject site. The development will comprise a small mix of 3- and 4-bedroom homes. We have sourced 1 no. recorded sale from the scheme for a 3-bedroom unit sold in July 2022. A price of £200,000 was achieved equating to £178 psf was achieved.

8.1.2. Asking Price Data

In addition to sourcing sales data, Continuum have researched current asking price data as per the RICS guidance note, comparable evidence in real estate valuation (2019).

Asking price data has sales incentives built into the overall price which is not reflected in the transactional sales data creating an artificial premium above actual sales data, this need to be taken into account when using asking price data to inform adopted sales values for viability assessments. Continuum have assessed local new build developments asking prices within close proximity to the subject site, the most relevant comparable is Ferry Road, Barrow-Upon-Humber and Sunningdale Crescent, New Holland which provides gross sale asking prices in the local area. Continuum highlight that only the gross sale asking prices were available, but we have included the comparable data to illustrate sales values in the local market at present.

Data has been sourced from Rightmove. The following tables set out the current asking prices:

Address	Type	Gross Asking Price
Plot 5, Ferry Road, Barrow-Upon-Humber, North Lincolnshire, DN19	4-bedroom, detached	£319,950
Plot 7, Ferry Road, Barrow-Upon-Humber, North Lincolnshire, DN19	4-bedroom, semi	£299,950
Ferry Road, Barrow-Upon-Humber, North Lincolnshire, DN19	2-bedroom, bungalow	£234,950
Plot 10, Sunningdale Crescent, New Holland, Barrow-Upon-Humber, DN19	3-bedroom, detached	£225,950
Plot 12, Sunningdale Crescent, New Holland, Barrow-Upon-Humber, DN19	3-bedroom, detached	£225,000
Plot 9, Sunningdale Crescent, New Holland, Barrow-Upon-Humber, DN19	3-bedroom, detached	£219,950

8.2. MARKET SALES VALUES

The following table sets out the adopted open market sales values which have been supported by the comparable data included at **appendix 2**. It is Continuum's opinion that the sales from the Keigar Homes scheme at Falkland Way located circa 500 metres from the site represents the best transactional data and the adopted sales values are reflective of this scheme.

%	Description	Sq Ft	No.	Total Sq Ft	Value	£/Sq Ft	Revenue
0.6%	Bungalow	858	1	858	£220,000	£256	£220,000
26.6%	Malmo	998	46	45,908	£220,000	£220	£10,120,000
32.9%	Geneva	1,204	57	68,628	£235,000	£195	£13,395,000
16.2%	Rosas (3 bed)	1,246	28	34,888	£250,000	£201	£7,000,000

4.0%	Bologna	1,235	7	8,645	£295,000	£239	£2,065,000
13.9%	Oporto	1,345	24	32,280	£260,000	£193	£6,240,000
5.8%	Copenhagen	1,350	10	13,500	£320,000	£237	£3,200,000
100.0%			173	204,707			£42,240,000

8.3. AFFORDABLE SALES VALUES

For the affordable housings the following discounts have been adopted:

- Affordable Rent – 50% of Open Market Value; and
- Shared Ownership – 70% of Open Market Value.

With reference to Policy CS9 of the adopted Core Strategy (2011) a tenure split of 70% shared ownership and 30% shared ownership (inclusive of First Homes) has been adopted for the purpose of this assessment. The tenure split adopted is also consistent with the policies of the emerging Local Plan.

9. BUILD COSTS

The PPG (2019) states that build costs should be based on evidence which is reflective of local market conditions. Where possible costs shall be identified at the plan making stage and where applicable plan makers should identify where they are unable to assume costs and state where further viability assessment may be needed to support a planning application. Standard build costs should be based on appropriate data, which can include the BCIS database. The PPG (2019) states that appraisals should include abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites.

9.1. STANDARD BUILD COSTS

Costs have been determined on a per sq ft basis with reference to the BCIS. The lower quartile has been adopted as it is considered to be most reflective of the proposed scheme. The following tables set out the build costs that have been adopted for the purpose of this viability assessment:

Description	Build cost psf	Adjustment
BCIS LQ @ Q3 2023 for 2 storey estate housing (5 year)	£117.80	
OH&P stripped out as the Client will be constructing the units	£110.61	(-6.50%)
Costs stripped out to account for housebuilder efficiencies	£107.91	(-2.50%)

The general estate housing figure has been used to account for the range of units being delivered as part of the proposed development. Using the lower quartile BCIS rebased to Lincolnshire to assess base build costs is considered to reflect the costs that will be incurred by the Client.

It has become standard practice amongst consultants when using the BCIS average price index to apply a deduction to account for housebuilders undertaking the contractor's role in-house. The result of this is that the cost of contractor's profit and overheads are included in the developer's profit. This approach also reflects the cost efficiencies of a national housebuilder. Anecdotal evidence regarding BCIS data has considered that the majority of the build cost data from which it is based is sourced from contractors who deliver affordable housing on behalf of Registered Providers (RPs).

Continuum have reduced the BCIS cost by 6.5% to account for the embedded contractor OH&P and made a further 2.5% deduction to account for available housebuilders efficiencies created by economies of scale and access to supply chain efficiencies.

9.2. EXTERNAL WORKS

External works costs are not exclusive to but can include for the following:

- Standard Sustainable Urban Drainage;
- Service Connections;
- Standard adoptable roads, footpaths and sewers;
- Foul water sewers;
- Shared drives and car parking; and
- Standard landscaping.

The external works allowance adopted equates to circa 15% of base build costs. In viability assessments the allowance for external works pursuant to estate housing schemes usually ranges from 15-20%. The assumption made is at the bottom of the accepted range.

Once external costs are accounted for the total base build cost equates to £124.10 psf

9.3. ABNORMAL COSTS

Abnormal costs are defined as costs that the developer perceives to be in addition to 'normal' costs that are to be incurred in the delivery of a development. These costs will be treated over and above standard build costs.

Abnormal costs for the subject site have been estimated by Strata based on detailed site investigations and design development. Continuum have been provided with a schedule of abnormal costs as set out in the below table. This has been relied upon for the purposes of this assessment:

Description	Cost
Cut and Fill	£437,684.15
Flow control	£30,000.00
Tank 1240m3	£457,560.00
Tank 750m3	£355,500.00
Headwall	£22,500.00
Swales	£16,747.50
Basins inc track around	£74,517.54
Substation	£55,000.00
Retaining Walls	£714,150.00
Total	£2,163,659.19

Continuum have taken account for the adopted abnormal costs in the premium assumed to establish the adopted BLV as per the PPG on Viability (2019).

9.4. DEVELOPMENT PROFILE

For the two appraisals included in **section 10** the following development profile has been assumed. Both sales period assume the sale of 2.5 units per month:

Period	Policy Compliant	100% Market
Total Development Period	66	80
Pre-construction	6	6
Build	59	73
Market Sale Period	54 (beginning 6 months into construction)	68 (beginning 6 months into construction)
AH Sale	Golden Brick	N/A

9.5. STANDARDISED INPUTS

Description	Input/ Assumption	Comment
Profit Margin	Market – 20% of GDV Affordable – 6% of GDV	Savills ¹ forecast that house prices will fall by 10% through 2023 (Yorkshire & Humberside - 11%). The forecast follows the COVID-19 pandemic, Putin’s war in Ukraine and more UK specifically, Kwasi Kwarteng’s ill-fated mini budget which led to spiralling inflation at the highest rates seen since the 1970’s, interest rate increased, and difficulties with access to mortgage finance. All these points serve to increase sales risk. As such it is considered appropriate to adopt a profit margin at the top end of the range as set out in the PPG on Viability (2019). A reduced profit margin for affordable housing has been adopted given the guaranteed final sale to an RP
Professional Fees	7% of total costs	Industry standard assumption
Contingency	3% of build costs	Industry standard assumption
Abnormal Contingency	5% of abnormal build costs	Industry standard assumption
Finance Rate	7.5%	Blended average rate incl. of arrangement and exit fees, and the cost of borrowing through the development period. Assumed for a 100% debt funded scheme.
Sales & Marketing	3%	Industry standard assumption
Legal	£750 per unit	Industry standard assumption Reduced cost based on discussion with RPs
Land Acquisition	Agent Fee – 1% Legal Fee – 0.5% SDLT – Prevailing Rate	All applied to residual land value as an industry standard assumption

¹ [Savills UK | Savills forecast a 10% fall in the average UK house price, but return to peak in 2026 as affordability pressures ease](#)

10. APPRAISAL OUTPUTS

The output of all appraisals undertaken is the Residual Land Value (RLV) once all development costs (including profit margin) have been deducted from the total revenue generated (Gross Development Value).

The residual output of the appraisal has then been assessed against the established BLV for the subject site in order to understand the quantum of planning obligations including affordable housing that the proposed scheme can viably contribute towards.

Argus developer and widely used industry standard appraisal tool has been used to undertake the appraisals included at **appendix 4** and **appendix 5**.

10.1. APPRAISAL 1 – 10% AFFORDABLE HOUSING

Continuum have undertaken a policy compliant appraisal (**appendix 4**) as per Policy H3 of the North Lincolnshire Council's emerging plan, providing a contribution of 17 no. affordable units (10%). Affordable housing has been included at a discount to OMV as set out in section 8.3.

The scheme includes the total spine road & roundabout/S278 contributions equating to £1,285,000.

The residual land value output of the appraisal is a deficit of (-£868,607) when adopting a blended profit margin of 19% reflecting 20% of GDV for the market housing and 6% of GDV for the affordable dwellings. This residual land value is significantly below the BLV that has been established at section 7 of this report.

Given the residual land value is below the established BLV Continuum have undertaken a further assessment assuming the provision of 0% affordable housing (0 units) has been undertaken.

The full appraisal is included at **appendix 4**.

10.2. APPRAISAL 2 – 0% AFFORDABLE HOUSING

Appraisal 2 (**appendix 5**) mirrors Appraisal 1 with regard to assumptions in respect of values and costs. The assessment includes a provision of zero affordable units.

The scheme includes the total spine road & roundabout/ S278 contributions equating to £1,285,000.

The residual land value output of the appraisal is £30,638 which is significantly below the established BLV (see section 7). The output of this appraisal determines that the scheme is unable to viably contribute towards affordable housing and other S106 planning obligations whilst remaining financially viable.

The full appraisal is included at **appendix 5**.

11. SENSITIVITY ANALYSIS

As required by the RICS Professional Statement: Financial Viability: Conduct and Reporting (2019), Continuum have undertaken a sensitivity analysis of Appraisal 2 (**appendix 5**). The scheme has been tested using a step-up and step-down assessment of sales values to understand the impacts upon the viability of the scheme and the output RLV. Continuum have also tested the standard build costs using the same approach. In the sensitivity analysis Continuum have increased values and standard build costs in steps of 2.5% as well as decreased values and standard build costs in steps of 2.5%. The output of the sensitivity analysis is the RLV. The table below outlines the results:

Construction: Rate /ft ²					
Sales: Rate /ft ²	-5.000%	-2.500%	0.000%	2.500%	5.000%
-5.000%	£186,462	£824,433	£1,473,854	£2,135,116	£2,815,061
-2.500%	£539,178	£77,613	£713,252	£1,360,965	£2,019,575
0.000%	£1,250,620	£645,424	£30,638	£602,481	£1,248,400
2.500%	£1,950,234	£1,356,104	£751,653	£37,743	£492,384
5.000%	£2,641,020	£2,055,346	£1,461,587	£857,821	£244,750

The sensitivity analysis shows that it is only when there has been a relatively large increase in sales values and reduction in build costs that the proposed scheme is able to achieve a RLV equivalent or in advance of the BLV established within section 7.

With reference to research undertaken by Savills² it is understood that house prices are set to decrease by as much as 10% throughout the country in 2023 with a decrease of 8.5% predicted for Yorkshire and the Humber. It is further stated that the developments outside established centres will be the largest hit by house price decreases. Therefore, there is real potential for house prices to decrease which will negatively impact the achievable residual land value.

There is much discussion currently regarding build cost inflation, Avison Young³ comment with reference to the BCIS that material costs increased in the year to January 2022 by 18% and that these cost pressures were set to increase with increased pressure being placed upon development completion timelines for housebuilders. There is a real threat that build costs will increase above the conservative estimate within this report and should that be the case the residual land value achieved by the scheme would be further negatively impacted.

Forecasts for both house prices and construction costs show an outlook that will negatively impact financial viability of the proposed scheme which is on the cusp of viability based on the current assumptions. A decrease in sales values or inflationary pressure on construction cost could impact overall deliverability. Further, supporting the conclusion that no affordable housing can be borne by the development without compromising viability and deliverability.

² [Savills UK | Savills forecast a 10% fall in the average UK house price, but return to peak in 2026 as affordability pressures ease](#)

³ [The cost of building - 2022 Forecast UK \(avisonyoung.com\)](#)

12. CONCLUSIONS

It is the conclusion of this report that there is viability challenge pursuant to the proposed scheme at Barrow Road, Barton upon Humber should the scheme be required to provide 10% affordable housing (17 no. units) identified within the North Lincolnshire Council's emerging local plan.

Paragraph 7 of the PPG (2019) allows for viability to be assessed at decision taking stage if particular circumstances justify as such. Continuum consider the substantial abnormal costs at the site, and the additional costs associated with Part L, which were not considered in the viability testing, demonstrate particular circumstances for assessing viability at the decision taking stage. Further, the emerging Local Plan seeks to reduce the compliant provision of affordable housing from 20% to 10% of net additional dwellings showing that the viability of housing development in the Borough has worsened since the Core Strategy was adopted in 2011. Therefore, Continuum have adopted a 10% affordable housing contribution given the anticipated change in affordable housing contribution percentage.

It has been demonstrated through this assessment that when providing 10% affordable housing (17 no. units) on site and a spine road and roundabout/S278 contribution of £1,285,000 that there is a viability challenge. As such, Continuum have prepared a further assessment assuming 0% affordable housing and no contribution towards other S106 planning obligations (Appraisal 2). This scenario generates a positive RLV that is still below the BLV established at section 7 of this report, showing that a viability challenge remains. It is understood that the Client is willing to take a pragmatic approach to ensure the scheme is delivered by accepting a profit margin below that which is considered appropriate in the PPG on Viability (2019). The proposed scheme will generate benefits for the Council in addition to planning obligations, such as the delivery of a new roundabout opening up the potential for more housing development in the Borough, the creation of new jobs and investment into the local community. As such, it is considered a balance is struck between aspirations of both landowner and developer in relation to BLV and profit and benefits in the public interest.

The assessment made in this report has been done so objectively and impartially and is considered to robustly justify the viability challenge pursuant to, and the maximum contributions towards planning obligations that can be borne by, the proposed scheme at Barrow Road, Barton upon Humber.

Appendix 1 – RICS Professional Statement

This report has been prepared in accordance with the RICS Professional Statement: Financial viability in planning: conduct and reporting, 1st Edition published May 2019. The aim of the RICS Professional Statement (section 1.2) is to:

- Set out mandatory requirements on conduct and reporting in relation to FVAs for planning in England;
- Recognises the importance of impartiality, objectivity and transparency when reporting on such matters;
- Support and complement the government’s reforms to the planning process announced in July 2018 and subsequent updates, which include an overhaul of the NPPF and PPG on viability and related matters.

The RICS Professional Statement explains that:

“The primary policy and guidance on assessing viability in a planning context is provided in the NPPF 2019 and the PPG 2019. These have sought to change the emphasis on how viability should be approached in the planning system and the weight that should be given to viability assessments at the plan-making and development management stages.” (section 1.4).

This report has been set out in accordance with the government guidance on assessing viability in a planning which is provided in the NPPF (2019) and PPG on Viability (2019).

Sections 2.1 to 2.14 of the RICS Professional Statement set out the fourteen mandatory reporting and process requirements for all FVAs prepared on behalf of, or by applicants, reviewers, decisionmakers and plan-makers. Continuum confirm that this Financial Viability Assessment has been carried out in accordance with sections 2.1 to 2.14. The mandatory reporting requirements are set out under the headings below and expanded on where relevant in this Financial Viability Assessment report.

Section 2.1: Objectivity, Impartiality and Reasonableness Statement

Continuum confirm that this Financial Viability Assessment has been carried out by a suitably qualified practitioner who has acted with:

- with objectivity;
- impartially;
- without interference and;
- with reference to all appropriate available sources of information.

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

Continuum were instructed by the Client to prepare a financial viability assessment in respect of the proposed development at Barrow Road, Barton upon Humber.

Continuum can confirm that there is an absence of conflict of interest pursuant to the instruction. Continuum act only for the private sector on matters pertaining to financial viability in the Yorkshire market and can they have not been instructed previously by North Lincolnshire Council.

Section 2.3: A No Contingent Fee Statement

Continuum can confirm that they have no performance-related or contingent fees agreed with the Client.

Section 2.4: Transparency of Information

The PPG (2019) states that

“Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances.” (para. 21).

Continuum can confirm that this viability assessment has been prepared on the basis that it will be made publicly available should our Client require it to be as under our terms of engagement.

Section 2.5: Confirmation Where the Practitioner is Acting on Area-Wide and Scheme-Specific FVAs

Continuum are not currently acting on area wide or scheme specific FVA's within the Yorkshire and North East market.

Section 2.6: Justification of Evidence

In this FVA, Continuum have provided a detail evidence base to support the inputs assumed in the appraisal. Continuum have relied on standard industry inputs as well as inputs specific to the Client. Continuum have also adopted inputs recommended by the government national guidance PPG on Viability (2019) as well as the RICS Guidance, Financial Viability in Planning: Conduct and Reporting (2019).

Section 2.7 Benchmark Land Value

Continuum have assessed Benchmark Land Value in accordance with the requirements of section 2.7 of the RICS Professional Statement. The RICS Professional Statement is clear that when estimating the Benchmark Land Value, practitioners must follow the PPG on Viability (2019). The PPG defines Benchmark Land Value as:

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+).” (para. 13).

And;

“Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees...*
- *This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan.” (para. 14).*

Section 2.8: FVA Origination, Reviews and Negotiations

This document is an FVA, as per the RICS Professional Statement negotiations will occur subsequently to the submission of this document.

Section 2.9: Sensitivity Analysis

Continuum have undertaken a sensitivity analysis of certain inputs where it is assessed whether the position could be improved. This can be found in section 11 of this report.

Section 2.10: Engagement

Continuum can confirm that they advocated, and will advocate reasonable, transparent, and appropriate engagement between the parties at all stages of the viability process.

Section 2.11: Non-technical Summaries

The executive summary of this report has been provided as a non-technical summary, which outlines the key figures and issues that support the conclusion of the FVA.

Section 2.12: Author(s) Sign-off

This report has been produced by Alex Noteman MRICS in August 2023.

Section 2.13: Inputs to Reports Supplied by Other Contributors

Continuum can confirm that all contributions to this report relating to assessments of viability comply with the mandatory requirements as set out in the RICS Professional Statement.

Section 2.14: Timeframes for Carrying out Assessments

Continuum can confirm that adequate time has been allowed to produce this FVA having regards to the scale and complexities of this particular.

Appendix 2 – Site Location Plan



Appendix 3 – Comparable Transactional Sales

Scheme	Developer	Address	Date Sold	Sold Price	Property Type	Floor area sq ft	Price per sq ft
Falkland Way	Keigar Homes	17, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	31/05/2023	£150,000.00	Semi Detached	646	£232.20
Falkland Way	Keigar Homes	64, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	24/05/2023	£225,000.00	Semi Detached	1,119	£201.07
Falkland Way	Keigar Homes	23, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	00/01/2023	£180,500.00	Terraced	910	£198.35
Falkland Way	Keigar Homes	82, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	09/12/2022	£335,000.00	Detached	1,346	£248.89
Unknown	Unknown	Brambleleaf Close, Barton-Upon-Humber, North Lincolnshire, DN18	25/11/2022	£235,000.00	Detached (Bungalow)	775	£303.23
Falkland Way	Keigar Homes	56, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	25/11/2022	£365,000.00	Detached	2,196	£166.21
Falkland Way	Keigar Homes	19, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	00/11/2022	£150,000.00	Terraced	650	£230.77
Falkland Way	Keigar Homes	9, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	26/08/2022	£150,000.00	Semi-detached	646	£232.20
Falkland Way	Keigar Homes	5, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	00/08/2022	£150,000.00	Terraced	650	£230.77
Brewers Lane	Charworth Homes	4, Brewers Lane, Barton-Upon-Humber, North Lincolnshire DN18 5HD	27/07/2022	£200,000.00	Semi-detached	1,119	£178.66
Falkland Way	Keigar Homes	23, Herald Way, Barton-Upon-Humber, North Lincolnshire DN18 5GU	11/02/2022	£178,617.00	Terraced	915	£195.22
Falkland Way	Keigar Homes	25, Herald Way, Barton-Upon-Humber, North Lincolnshire DN18 5GU	21/01/2022	£139,950.00	Terraced	710	£197.00
Falkland Way	Keigar Homes	17, Herald Way, Barton-Upon-Humber, North Lincolnshire DN18 5GU	21/01/2022	£144,950.00	Semi-detached	646	£224.44
Falkland Way	Keigar Homes	21, Herald Way, Barton-Upon-Humber, North Lincolnshire DN18 5GU	17/12/2021	£139,950.00	Terraced	700	£200.03

Falkland Way	Keigar Homes	3, Herald Way, Barton-Upon-Humber, North Lincolnshire DN18 5GU	03/12/2021	£144,950.00	Semi-detached	646	£224.44
Falkland Way	Keigar Homes	27, Herald Way, Barton-Upon-Humber, North Lincolnshire DN18 5GU	26/11/2021	£139,950.00	Terraced	646	£216.70
Falkland Way	Keigar Homes	47, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	12/11/2021	£189,950.00	Semi-detached	1,130	£168.07
Falkland Way	Keigar Homes	45, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	01/10/2021	£184,950.00	Semi-detached	1,130	£163.64
Falkland Way	Keigar Homes	2, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	30/09/2021	£139,950.00	Semi-detached	646	£216.70
Falkland Way	Keigar Homes	8, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	24/09/2021	£172,500.00	Semi-detached	904	£190.78
Falkland Way	Keigar Homes	43, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	17/09/2021	£174,950.00	Semi-detached	904	£193.49
Falkland Way	Keigar Homes	14, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	13/08/2021	£157,500.00	Semi-detached	807	£195.10
Falkland Way	Keigar Homes	18, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	06/08/2021	£134,950.00	Semi-detached	646	£208.95
Falkland Way	Keigar Homes	12, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	30/07/2021	£139,950.00	Semi-detached	646	£216.70
Falkland Way	Keigar Homes	4, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	23/07/2021	£192,500.00	Semi-detached	1,130	£170.32
Falkland Way	Keigar Homes	17, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	02/07/2021	£140,665.00	Semi-detached	646	£217.80
Falkland Way	Keigar Homes	10, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	25/06/2021	£139,950.00	Semi-detached	646	£216.70
Falkland Way	Keigar Homes	37, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	31/03/2021	£299,950.00	Detached	1,485	£201.93
Falkland Way	Keigar Homes	35, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	26/03/2021	£217,500.00	Detached	1,259	£172.70
Falkland Way	Keigar Homes	39, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	19/03/2021	£182,500.00	Semi-detached	1,130	£161.47
Falkland Way	Keigar Homes	41, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	19/03/2021	£192,500.00	Semi-detached	1,130	£170.32

Falkland Way	Keigar Homes	33, Orangeleaf Way, Barton-Upon-Humber, North Lincolnshire DN18 5GB	12/03/2021	£95,000.00	Semi-detached	1,098	£86.53
Falkland Way	Keigar Homes	25, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	05/03/2021	£132,500.00	Terraced	646	£205.16
Falkland Way	Keigar Homes	33, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	26/02/2021	£189,950.00	Semi-detached	1,130	£168.07
Falkland Way	Keigar Homes	15, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	26/02/2021	£169,950.00	Semi-detached	904	£187.96
Falkland Way	Keigar Homes	84, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	19/02/2021	£319,950.00	Detached	2,196	£145.71
Falkland Way	Keigar Homes	88, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	12/02/2021	£364,950.00	Detached	2,368	£154.11
Falkland Way	Keigar Homes	11, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	05/02/2021	£137,500.00	Semi-detached	710	£193.55
Falkland Way	Keigar Homes	21, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	29/01/2021	£129,950.00	Terraced	700	£185.73
Falkland Way	Keigar Homes	86, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	22/01/2021	£319,950.00	Detached	2,196	£145.71
Falkland Way	Keigar Homes	29, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	22/01/2021	£299,950.00	Detached	1,485	£201.93
Falkland Way	Keigar Homes	90, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	22/01/2021	£229,950.00	Detached	1,141	£201.54
Falkland Way	Keigar Homes	23, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	15/01/2021	£162,500.00	Terraced	915	£177.61
Falkland Way	Keigar Homes	82, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	11/12/2020	£274,950.00	Detached	1,345	£204.35
Falkland Way	Keigar Homes	7, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	04/12/2020	£169,950.00	Semi-detached	904	£187.96
Falkland Way	Keigar Homes	5, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	04/12/2020	£137,500.00	Semi-detached	646	£212.90
Falkland Way	Keigar Homes	1, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	27/11/2020	£164,950.00	Semi-detached	904	£182.43
Falkland Way	Keigar Homes	3, Minerva Walk, Barton-Upon-Humber, North Lincolnshire DN18 5SD	27/11/2020	£134,950.00	Semi-detached	646	£208.95

Falkland Way	Keigar Homes	76, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	20/11/2020	£274,950.00	Detached	1,345	£204.35
Falkland Way	Keigar Homes	66, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	06/11/2020	£274,950.00	Detached	1,345	£204.35
Falkland Way	Keigar Homes	74, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	30/10/2020	£274,950.00	Detached	1,345	£204.35
Falkland Way	Keigar Homes	80, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	09/10/2020	£224,950.00	Detached	1,109	£202.90
Falkland Way	Keigar Homes	64, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	02/10/2020	£187,950.00	Semi-detached	1,119	£167.90
Falkland Way	Keigar Homes	78, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	25/09/2020	£224,950.00	Detached	1,109	£202.90
Falkland Way	Keigar Homes	70, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	22/09/2020	£319,950.00	Detached	2,196	£145.71
Falkland Way	Keigar Homes	72, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	11/09/2020	£319,950.00	Detached	2,196	£145.71
Falkland Way	Keigar Homes	68, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	11/09/2020	£359,950.00	Detached	2,368	£152.00
Falkland Way	Keigar Homes	64, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	14/08/2020	£219,950.00	Detached	1,109	£198.39
Falkland Way	Keigar Homes	56, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	24/07/2020	£317,500.00	Detached	2,196	£144.59
Falkland Way	Keigar Homes	58, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	26/06/2020	£289,950.00	Detached	1,485	£195.20
Falkland Way	Keigar Homes	62, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	26/06/2020	£219,950.00	Detached	1,109	£198.39
Falkland Way	Keigar Homes	52, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	12/06/2020	£359,950.00	Detached	2,368	£152.00
Falkland Way	Keigar Homes	27, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	29/05/2020	£219,950.00	Detached	1,109	£198.39
Falkland Way	Keigar Homes	54, Canberra View, Barton-Upon-Humber, North Lincolnshire DN18 5GR	03/04/2020	£319,950.00	Detached	2,196	£145.71
Falkland Way	Keigar Homes	68, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	21/02/2020	£189,950.00	Semi-detached	1,119	£169.68

Falkland Way	Keigar Homes	33, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	21/02/2020	£184,950.00	Semi-detached	1,216	£152.06
Falkland Way	Keigar Homes	70, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	14/02/2020	£209,950.00	Detached	1,216	£172.61
Falkland Way	Keigar Homes	66, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	07/02/2020	£189,950.00	Semi-detached	1,119	£169.68
Falkland Way	Keigar Homes	62, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	31/01/2020	£179,950.00	Semi-detached	1,119	£160.75
Falkland Way	Keigar Homes	56, Bayleaf Lane, Barton-Upon-Humber, North Lincolnshire DN18 5GQ	17/01/2020	£224,950.00	Detached	1,141	£197.16

Appendix 4 – Appraisal 1, 10% Affordable Housing

Please see separately provided document.

Appendix 5 – Appraisal 2, 0% Affordable Housing

Please see separately provided document.

Barrow Road
10% Affordable Housing

Development Appraisal
Trebbi Ltd
25 August 2023

APPRAISAL SUMMARY**TREBBI LTD****Barrow Road
10% Affordable Housing****Summary Appraisal for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Market Houses	156	186,087	205.79	245,481	38,295,000
Affordable Houses SR	12	13,076	103.82	113,125	1,357,500
Affordable Houses (SO & FH)	<u>5</u>	<u>6,223</u>	138.36	172,200	<u>861,000</u>
Totals	173	205,386			40,513,500

NET REALISATION**40,513,500****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)	(868,607)
	(868,607)

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Market Houses	186,087	124.10	23,093,397
Affordable Houses SR	13,076	124.10	1,622,732
Affordable Houses (SO & FH)	<u>6,223</u>	124.10	<u>772,274</u>
Totals	205,386		25,488,403

Standard Contingency	3.00%	764,652
Abnormal Contingency	5.00%	205,487
Part L Uplift		661,089
		1,631,228

Other Construction

Cut & Fill		437,684
Flow Control		30,000
Tank 1240m3		457,560
Tank 750m3		355,500
S278 (Roundabout)		1,285,000
Headwall		22,500
Swales		16,747
Basins inc track around		74,518
Substation		55,000
Retaining Walls		714,150
		3,448,659

PROFESSIONAL FEES

Pre-Construction Professional Fees	3.00%	861,457
Construction Professional Fees	3.00%	861,457
		1,722,914

DISPOSAL FEES

Sales & Marketing		3.00%	1,174,680
Sales Legal Fee	173 un	750.00 /un	129,750
			1,304,430

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)			
Land			(80,145)
Construction			168,326
Total Finance Cost			88,181

APPRAISAL SUMMARY**TREBBI LTD****Barrow Road****10% Affordable Housing****TOTAL COSTS****32,815,208****PROFIT****7,698,292****Performance Measures**

Profit on Cost%	23.46%
Profit on GDV%	19.00%
Profit on NDV%	19.00%

IRR	102.21%
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Profit Erosion (finance rate 6.500)	3 yrs 3 mths
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Barrow Road
0% Affordable Housing

Development Appraisal
Trebbi Ltd
25 August 2023

APPRAISAL SUMMARY**TREBBI LTD****Barrow Road
0% Affordable Housing****Summary Appraisal for Phase 1**

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Market Houses	173	204,707	206.34	244,162	42,240,000

NET REALISATION**42,240,000****OUTLAY****ACQUISITION COSTS**

Residualised Price			30,638		
				30,638	
Site Disposal		1.50%	460		
				460	

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost		
Market Houses	204,707	124.10	25,404,139	25,404,139	
Standard Contingency		3.00%	762,124		
Abnormal Contingency		5.00%	205,487		
Part L Uplift			661,089		
					1,628,701

Other Construction

Cut & Fill			437,684		
Flow Control			30,000		
Tank 1240m3			457,560		
Tank 750m3			355,500		
S278 (Roundabout)			1,285,000		
Headwall			22,500		
Swales			16,747		
Basins inc track around			74,517		
Substation			55,000		
Retaining walls			714,150		
					3,448,658

PROFESSIONAL FEES

Pre-Construction Professional Fees		3.00%	858,929		
Construction Professional Fees		3.00%	858,929		
					1,717,858

DISPOSAL FEES

Sales & Marketing		3.00%	1,267,200		
Sales Legal Fee	173 un	750.00 /un	129,750		
					1,396,950

FINANCE

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)					
Land			3,344		
Construction			161,252		
Total Finance Cost					164,597

TOTAL COSTS**33,792,000****PROFIT****8,448,000**

**Barrow Road
0% Affordable Housing****Performance Measures**

Profit on Cost%	25.00%
Profit on GDV%	20.00%
Profit on NDV%	20.00%
IRR	65.04%
Profit Erosion (finance rate 6.500)	3 yrs 6 mths