

Viability Review

First Floor
9 Bond Court
Leeds
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Prepared on:

Proposed Development at
Land at Falkland Way
Barton-Upon-Humber
DN18 5GR



Our ref: J0089233

On behalf of: North Lincolnshire Council

North Lincolnshire Council

Review Date : 8th April 2025



Source: Google Maps

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1 INSTRUCTION AND RICS COMPLIANCE

1.1 Client ('Client')

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

FAO: Millie Arden [REDACTED]

1.2 Instructions ('Instructions')

In accordance with instructions received from North Lincolnshire Council ('NLC') (enclosed in **Appendix 2**) we have been instructed to provide a review ('Review') of a financial viability assessment report prepared by Andrew Martinelli at Devvia Property Consultancy Ltd ('Devvia' / 'Devvia's Report') dated 15th January 2025 and to confirm our opinion of the viability of the proposed development.

This Review may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.

This Review is provided for the stated purpose and for the sole use of the named Client. The Valuer accepts responsibility to the Client alone that the Report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the Review at their own risk.

Neither the whole nor any parts of the Review nor any reference to it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and content in which it may appear.

1.3 Identification and Status of the Valuer ('Valuer')

This Review has been undertaken by Sam Dodd MRICS (RICS No: 6781274) for and on behalf of Carter Jonas LLP.

We confirm that the Valuer has no known material connection or involvement with the subject of the valuation or the Client.

The Valuer is an RICS Registered Valuer and is in a position to provide an objective and unbiased valuation. The Valuer has sufficient current local and regional knowledge of the particular market together with the skills and understanding required and is competent to undertake the valuation.

1.4 The Subject of the Valuation (the 'Property')

Land at Falkland Way, Barton-Upon-Humber – Phases 5&6 DN18 5GR. The site is a housing development.

1.5 Inspection

The Property was inspected on 4th March 2025. We have assumed there have been no changes in the physical characteristics of the Property between the date of inspection and the publication of the Report.

2 REVIEW OF DEVVIA'S VIABILITY ASSESSMENT

We have reviewed Devvia's Report in line with the recommended practice within the National Planning Policy Framework (NPPF), the Royal Institution of Chartered Surveyors (RICS) Financial Viability in Planning Guidance Note (1st Edition) and the National Planning Policy Guidance (NPPG) on Viability (July 2018, updated September 2019). A copy of Devvia's Report is attached at **Appendix 1**.

We comment on Devvia's Report, commenting on each section. It is not our intention to reiterate information (their report should be read in conjunction with this report) rather we comment only where appropriate or to confirm detail, as follows:

2.1 Subject Location

Devvia adequately described the location of the Property.

2.2 Subject Description

Devvia briefly describe the site as follows:

'The proposed development includes two-storey 2,3,4 and 5-bedroom dwellings of terraced, semi-detached and detached house types, as well as 2 bed bungalows specifically for the over 55 age group.'

2.3 Planning Status, Proposed Development and S106 contributions

We understand that a planning application has been submitted and approved for the development of 317 dwellings (PA/2020/1628). This development forms phases 5 and 6 of a wider scheme which was completed by Keiger Homes ('The Developer') over the last 15 years.

We understand that a S106 agreement has been signed by The Developer. The Developer has agreed to make the following contributions detailed within the S106 agreement regardless of the outcome of the viability negotiations:

- On site open space to be provided and transferred to the council
- On site open space contribution - £104,669.80
- 50% of the off-site open space contribution – this has been paid already totalling £97,485.75 with indexation)
- Approximately 1 acre of land to be transferred to the council to be used to extend the existing cemetery
- Drainage - £25,000 (for the maintenance of the phase 4 balancing pond). The balancing pond for phases 5 and 6 is to be offered to Anglian Water for adoption and if it is not adopted a contribution of £100,298 is required.

The remaining contributions detailed in the S106 agreement are detailed below:

- Education - (£8,851 per dwelling) £2,363,217
- 50% of the off-site open space - £81,154.50
- Recreation - £216,039
- Highways - £100,000
- Public Transport - £17,118
- Archaeology - £2,000

In addition to the above contributions, the S106 details that No.50 (15.77%) affordable dwellings are to be provided with the following split of affordable house types:

- 28 Affordable rented houses
- 11 Shared ownership houses
- 11 Discounted market value houses

The Devvia Report assesses the viability of the scheme whilst allowing for all the above contributions.

We have relied on the plans which have been submitted on the planning portal which align with the schedule of accommodation detailed in the appraisal provided alongside Devvia's Report. There are some discrepancies between the accommodation schedule in the body of Devvia's Report and the appraisal however, we have adopted the schedule in the appraisal which we understand to be correct and correlate with the plans on the planning portal. We assume that all measurements have been calculated in accordance with the RICS Property Measurement (incorporating International Property Measurement Standards) 2nd Edition January 2018, on a gross internal area ('GIA') basis.

2.4 Benchmark Land Value ('BLV')

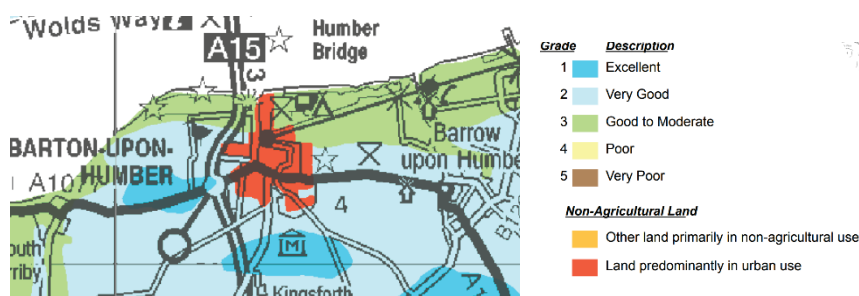
The existing Property comprises agricultural greenfield land extending to 26.72 acres (10.81 hectares). There are no buildings on the land.

Devvia have followed the established approach of establishing a Benchmark Land Value ('BLV') for the Property. As stated in the NPPF, the BLV for the Property should be determined using an 'Existing Use Value (EUV) Plus' approach. This is the Existing Use Value ('EUV') of the Property, plus a premium for the landowner, of which the premium should reflect the minimum return (incentive) where it is considered a reasonable landowner would be willing to sell their property.

The first consideration then is the EUV of the site whilst the second consideration is the appropriate premium or minimum competitive return at which a reasonable landowner would sell their site based on the alternative options available to them.

Devvia have assessed the EUV as agricultural land and have adopted a rate of £20,000 per hectare (£8,092 per acre).

The value of arable farmland depends upon the location, size and importantly the quality of the land, which is categorised into five gradings - from 1 to 5, with 1 being the best and 5 the worst. Barton-upon-Humber is situated in 'urban' land which does not fall into one of the categories however the land immediately to the east of Barton-Upon-Humber is grade 2 and grade 3.



Based on comparable evidence in the area, we would expect prime grade 1 land values in the area to be in the order of £10,000 to £12,000 per acre. Given the urban location of the Property and its mostly urban designation, we consider the rate adopted by Devvia of £8,092 per acre to be appropriate.

For existing uses, the PPG states that a 'premium' uplift should be applied to encourage the landowner to release the site for development. The guidance does not specify a 'premium'; however, it should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. This approach is referred to as 'Existing Use Value Plus' (EUV+) within the PPG.

When determining a suitable premium for greenfield sites, a multiplier is often applied. Legal precedents have seen multipliers adopted ranging from 10 to 30 times. This ranges due to factors such as planning, allocations and necessary expense required on a site. It should also be analysed alongside transactional evidence.

Devvia have adopted a multiplier of 15 times which is in the range detailed above and has been compared to recent transactions. This results in a BLV of £3,240,000.

We do not disagree with this approach.

2.5 Appraisal Modelling Assumptions – Gross Development Value (GDV)

2.6 Open Market Housing

As mentioned above, the accommodation schedule detailed in the body of Devvia's Report differs from the appraisal that was appended. The main differences we noted and the assumptions we have made, after reviewing the plans, are as follows:

- The report states 8 detached 'Canterbury' units and 33 semi-detached 'Canterbury' units however the appraisal has 7 detached and 34 semi-detached units. We have adopted the latter.
- The report states 9 end-terraced 'Mill' units and 19 mid-terraced 'Mill' units whereas the appraisal states 16 end-terraced and 12 mid-terraced. We have adopted the latter.
- The report states the 'Sutton' semi-detached units are 101 sq m but the appraisal states 96 sq m. We have adopted the latter.
- The report states the 'Mill' semi-detached units are 124 sq m but the appraisal states 121 sq m. We have adopted the latter.
- The valuation section of the appraisal adopts an area of 73 sq m for the 'Teal A' however the construction section states an area of 70 sq m. We have adopted 73 sq m.

We have therefore adopted the accommodation schedule for the market housing as shown below:

Market House Type	Sq m	Sq ft	No.	Total sq ft
Duchess - 5 bed detached	200	2,153	18	38,750
Buckingham - 5 bed detached	203	2,185	12	26,221
Kingston - 4 bed detached	139	1,496	18	26,931
Earl - 5 bed detached	238	2,562	3	7,685
Wordsworth - 3 bed detached	113	1,216	18	21,894
Chatsworth - 4 bed detached	136	1,464	14	20,494
Chatsworth - 4 bed detached	136	1,464	2	2,928
Canterbury - 3 bed detached	84	904	6	5,425
Canterbury - 3 bed detached w/garage	84	904	1	904
Canterbury - 3 bed semi detached	84	904	22	19,892
Canterbury - 3 bed semi detached w/garage	84	904	12	10,850
Canterbury - 3 bed mid terrace	84	904	1	904
Malvern - 2 bed semi-detached	59	635	16	10,161
Haywood - 4 bed detached	114	1,227	8	9,817
Haywood - 4 bed detached	114	1,227	1	1,227
Haywood - 4 bed semi-detached	114	1,227	4	4,908
Ancholme - 3 bed semi-detached	102	1,098	7	7,685
Ancholme - 3 bed semi-detached w/ garage	102	1,098	7	7,685
Stanford - 3 bed detached	81	872	2	1,744
Cleveland - 2 bed semi-detached	65	700	1	700
Cook - 2 bed semi-detached	77	829	20	16,576
Sutton - 3 bed semi-detached	96	1,033	20	20,667
Sutton - 3 bed mid terrace	94	1,012	17	17,201
Mill - 4 bed end terrace	139	1,496	16	23,939
Mill - 4 bed mid terrace	121	1,302	12	15,629
Total			258	320,818

Over 55's House type	Sq m	Sq ft	No.	Total sq ft
Teal A - 2 bed detached bungalow	73	786	8	6,286
Teal B - 2 bed detached bungalow	63	678	1	678
Total			9	6,964

To assess the GDV of the dwellings, Devvia have applied a range of values from £150,000 to £440,000 to the market dwellings and £200,000 to £220,000 to the over 55's units. The resulting GDV equates to £64,676,800.

In order to assess the GDV of the proposed market dwellings, we have researched comparable sales within Barton-upon-Humber.

There have been no newbuild house sales within Barton-Up-on-Humber in the last two years. Before this there were earlier phases of development at the Property, which were completed and sold by the Developer between 2015 and 2021. The below tables summarises some of the most recent sales from 2020 and 2021:

Address	Description	Date	Price	Sq ft	£ psf
47 Canberra View	The Ancholme - A 3 bedroom, 2 bathroom semi detached house	12.11.21	£189,950	1,098	£173
45 Canberra View	The Ancholme - A 3 bedroom, 2 bathroom semi detached house	01.10.21	£184,950	1,098	£168

Address	Description	Date	Price	Sq ft	£ psf
37 Canberra View	The Chatsworth - A 4 bedroom, 2 bathroom detached house with a detached single garage.	31.03.21	£299,950	1,464	£205
35 Canberra View	The Haywood - A 4 bedroom, 2 bathroom semi detached house with a detached single garage.	26.03.21	£217,500	1,227	£177
41 Canberra View	The Ancholme - A 3 bedroom, 2 bathroom semi detached house	19.03.21	£192,500	1,098	£175
33 Canberra View	The Ancholme - A 3 bedroom, 2 bathroom semi detached house	26.02.21	£189,950	1,098	£173
84 Canberra View	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	19.02.21	£319,950	2,153	£149
88 Canberra View	The Buckingham - A 5 bedroom, 3 bathroom detached house with a detached double garage.	12.02.21	£364,950	2,185	£167
86 Canberra View	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	22.01.21	£319,950	2,153	£149
29 Canberra View	The Chatsworth - A 4 bedroom, 2 bathroom detached house with a detached single garage.	22.01.21	£299,950	1,464	£205
76 Canberra View	The Kingston - A 4 bedroom, 2 bathroom detached house with an integral garage.	20.11.20	£274,950	1,496	£184
80 Canberra View	The Wordsworth - A 3 bedroom, 2 bathroom detached house with an integral single garage.	09.10.20	£224,950	1,216	£185
70 Canberra View	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	22.09.20	£319,950	2,153	£149
68 Canberra View	The Buckingham - A 5 bedroom, 3 bathroom detached house with a detached double garage.	11.09.20	£359,950	2,185	£165
64 Canberra View	The Wordsworth - A 3 bedroom, 2 bathroom detached house with an integral single garage.	14.08.20	£219,950	1,216	£181
58 Canberra View	The Chatsworth - A 4 bedroom, 2 bathroom detached house with a detached single garage.	26.06.20	£289,950	1,464	£198
52 Canberra View	The Buckingham - A 5 bedroom, 3 bathroom detached house with a detached double garage.	12.06.20	£359,950	2,185	£165
Average			£272,309	1,585	£175

The above evidence ranges from £149 to £205 psf with an average of £175 psf. The sales are however now 4 or 5 years old and we would therefore expect the units at phases 5 and 6 to achieve higher rates psf.

Given the limited newbuild evidence in Barrow, we have expanded our search area. The nearest newbuild development to the Property, with sales in the last two years, is another scheme being completed by the Developer in Barrow-Upon-Humber, a smaller village located approximately 2 miles to the east of Barton. The Developer has provided us with the sales from this scheme which we understand were achieved over the last year:

Address	Description	Price	Sq ft	£psf
Plot 1	The Buckingham - A 5 bedroom, 3 bathroom detached house with a detached double garage.	£394,950	2,185	£181
Plot 2	The Buckingham - A 5 bedroom, 3 bathroom detached house with a detached double garage.	£389,950	2,185	£178
Plot 3	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	£339,950	2,153	£158
Plot 4	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	£339,950	2,153	£158
Plot 5	The Chatsworth - A 4 bedroom, 2 bathroom detached house with a detached single garage.	£315,000	1,464	£215
Plot 7	The Kingston - A 4 bedroom, 2 bathroom detached house with an integral garage.	£299,950	1,496	£201
Plot 8	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	£339,950	2,153	£158
Plot 9	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	£339,950	2,153	£158
Plot 10	The Buckingham - A 5 bedroom, 3 bathroom detached house with a detached double garage.	£399,950	2,185	£183
Plot 12	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	£344,950	2,153	£160
Plot 14	The Chatsworth - A 4 bedroom, 2 bathroom detached house with a detached single garage.	£319,950	1,464	£219
Plot 15	The Wordsworth - A 3 bedroom, 2 bathroom detached house with an integral single garage.	£249,950	1,216	£206
Plot 16	The Kingston - A 4 bedroom, 2 bathroom detached house with an integral garage.	£299,950	1,496	£201
Plot 28	The Teal - over 55s 2 bedroom, 1 bathroom detached bungalow	£219,950	753	£292
Plot 29	The Teal - over 55s 2 bedroom, 1 bathroom detached bungalow	£224,950	753	£299
Plot 31	The Malvern - A 2 bedroom, 1 bathroom semi detached house.	£149,950	635	£236
Plot 32	The Canterbury semi - A 3 bedroom, 2 bathroom semi detached house	£194,950	904	£216
Plot35	The Canterbury semi - A 3 bedroom, 2 bathroom semi detached house	£204,950	904	£227
Plot 36	The Malvern - A 2 bedroom, 1 bathroom semi detached house.	£142,000	635	£224
Plot 38	The Wordsworth - A 3 bedroom, 2 bathroom detached house with an integral single garage.	£249,950	1,216	£206
		£288,055		£204

The above evidence ranges from £158 to £224 psf with an average of £204 psf.

Also relevant is the re-sale evidence from the subject development, over the last two years, which we have detailed below:

Bayleaf Lane					
Number	House Type / Description	Date	Price	Sq ft	£psf
11	Packland - 3 bedroom, 2 bathroom detached house with an integral single garage.	03/06/2024	£285,000	1,184	£241
37	Ancholme - 3 bed semi-detached with single garage	01/05/2024	£230,000	1,119	£206
8	Packland - 3 bedroom, 2 bathroom detached house with an integral single garage.	19/04/2024	£275,000	1,152	£239
68	Ancholme - 3 bed semi-detached with single garage	26/01/2024	£210,000	1,119	£188
12	Stanford - 3 bed semi-detached house	03/10/2023	£237,000	861	£275
2	3 bed detached house with detached single garage	04/07/2023	£280,000	1,313	£213
64	Ancholme - 3 bed semi-detached with single garage	24/05/2023	£225,000	1,119	£201
Average			£248,857	1,124	£223
Brambleleaf Close					
Number	House Type / Description	Date	Price	Sq ft	£psf
11	Kingston - 4 bed detached house with integral garage	13/02/2024	£290,000	1,345	£216
9	Wordsworth - 3 bed detached house with integral garage	08/01/2024	£245,000	1,109	£221
4	Canterbury - 3 bed semi with single garage	21/09/2023	£220,000	904	£243
Average			£251,667	1,119	£227
Appleleaf Lane					
Number	House Type / Description	Date	Price	Sq ft	£psf
53	3 bed semi-detached	23/11/2024	£190,000	1,109	£171
24	2 bed semi-detached house	03/10/2024	£155,000	635	£244
31	3 bed end terraced house with detached double garage	26/07/2024	£235,000	1,205	£195
27	3 bed semi-detached house with double garage	18/04/2024	£235,000	1,313	£179
14	3 bed semi-detached house	13/10/2023	£220,000	1,108	£199
32	3 bed semi-detached house	09/02/2024	£170,000	842	£202
Average			£200,833	1,035	£198
Canberra View					
Number	House Type / Description	Date	Price	Sq ft	£psf
40	Kingston - 4 bed detached house with integral garage	05/12/2024	£270,000	1,345	£201
39	Ancholme - 3 bed semi-detached house	22/11/2024	£217,500	1,130	£192
50	Chatsworth - 4 bed detached with detached double garage	18/11/2024	£330,000	1,485	£222

54	Duchess - 6 bed detached with integral garage included in area	15/11/2024	£347,500	2,195	£158
15	4 bed semi-detached house with single garage	19/07/2024	£220,000	1,216	£181
32	Buckingham - 5 bed detached house with detached double garage	05/06/2024	£385,000	2,368	£163
Average			£295,000	1,623	£186
Orangeleaf Way					
Number	House Type / Description	Date	Price	Sq ft	£psf
14	3 bed detached house with integral garage	05/07/2024	£234,000	1,011	£231
10	A 5 bedroom, 3 bathroom detached house with an integral single garage.	10/01/2024	£325,000	2,195	£148
20	A 4 bedroom, 2 bathroom detached house with a detached double garage.	21/09/2023	£349,950	1,457	£240
Average			£302,983	1,554	£207

The re-sales from the earlier phases of the development have achieved prices ranging from £158 to £275 psf with an average of £207 psf. The larger dwellings such as the Duchess and Buckingham House types have achieved lower rates psf due to quantum.

Given the dwellings for the subject development will be newbuild, we expect these to achieve a higher rate psf. Typically we expect new build to achieve between 5% and 15% above re-sales prices.

There are some newbuild properties which form part of phases 5 and 6 at the development currently for sale with the below asking prices:

Address	Description	Price	Sq ft	£psf
Plot 324	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	£359,950	2,162	£166
Plot 334	The Duchess - A 5 bedroom, 3 bathroom detached house with an integral single garage.	£349,950	2,163	£162
Plot 332	The Duchess - A 5 bedroom detached house with an integral single garage.	£349,950	2,164	£162
Plot 323	The Earl - A 5 bedroom detached house with detached double garage	£469,950	2,562	£183
Plot 331	The Buckingham - A 5 bedroom detached house with detached double garage	£429,950	2,185	£197
Plot 337	The Kingston - a 4 bed detached house with integral garage	£314,950	1,496	£211
Plot 335	The Chatsworth - A 4 bedroom, 2 bathroom detached house with a detached garage.	£329,950	1,496	£221
Plot 336	The Wordsworth - A 3 bedroom, 2 bathroom detached house with an integral garage.	£264,950	1,216	£218
Plot 338	The Wordsworth - A 3 bedroom, 2 bathroom detached house with an integral garage.	£264,950	1,216	£218
Average		£348,283	1,851	£193

Often with newbuild properties, we find that the achieved prices are similar to the asking prices. If a discount is given it is usually by way of incentives / upgrades.

With that in mind, we consider that the achieved prices at the scheme will be similar to the above asking prices. This is supported by the second hand sales at the scheme which are achieving slightly lower rates psf. We therefore consider that the GDV of the scheme is largely self-evidencing.

The GDV adopted by Devvia is shown in the following table:

House Type	Sq ft	£ psf	Value	No units	GDV
Duchess - 5 bed detached	2,153	£158	£339,950	18	£6,119,100
Buckingham - 5 bed detached	2,185	£183	£400,000	12	£4,800,000
Kingston - 4 bed detached	1,496	£201	£300,000	18	£5,400,000
Earl - 5 bed detached	2,562	£172	£440,000	3	£1,320,000
Wordsworth - 3 bed detached	1,216	£206	£250,000	18	£4,500,000
Chatsworth - 4 bed detached	1,464	£222	£324,950	14	£4,549,300
Chatsworth - 4 bed detached	1,464	£222	£324,950	2	£649,900
Canterbury - 3 bed detached	904	£232	£210,000	6	£1,260,000
Canterbury - 3 bed detached w/garage	904	£243	£220,000	1	£220,000
Canterbury - 3 bed semi detached	904	£221	£200,000	22	£4,400,000
Canterbury - 3 bed semi detached w/garage	904	£232	£210,000	12	£2,520,000
Canterbury - 3 bed mid terrace	904	£194	£175,000	1	£175,000
Malvern - 2 bed semi-detached	635	£236	£150,000	16	£2,400,000
Haywood - 4 bed detached	1,227	£200	£245,000	8	£1,960,000
Haywood - 4 bed detached	1,227	£187	£230,000	1	£230,000
Haywood - 4 bed semi-detached	1,227	£187	£230,000	4	£920,000
Ancholme - 3 bed semi-detached	1,098	£191	£210,000	7	£1,470,000
Ancholme - 3 bed semi-detached w/ garage	1,098	£200	£220,000	7	£1,540,000
Stanford - 3 bed detached	872	£241	£210,000	2	£420,000
Cleveland - 2 bed semi-detached	700	£214	£150,000	1	£150,000
Cook - 2 bed semi-detached	829	£222	£183,750	20	£3,675,000
Sutton - 3 bed semi-detached	1,033	£198	£204,750	20	£4,095,000
Sutton - 3 bed mid terrace	1,012	£197	£199,500	17	£3,391,500
Mill - 4 bed end terrace	1,496	£158	£236,250	16	£3,780,000
Mill - 4 bed mid terrace	1,302	£177	£231,000	12	£2,772,000
Total / average		£195		258	£62,716,800

Over 55	Sq ft	£ psf	Value	No. units	GDV
Teal A - 2 bed detached bungalow	786	£280	£220,000	8	£1,760,000
Teal B - 2 bed detached bungalow	678	£295	£200,000	1	£200,000
Total		£281		9	£1,960,000

The above GDV of the market dwellings equates to an average of £195.49 psf. This is lower than some of the resales at the scheme and all of the asking prices of the newbuild properties listed on Rightmove at the Property. We therefore consider that the GDV adopted for the market housing by Devvia is low.

We have made an assessment of the GDV based on the 'sold' and 'for sale' evidence, shown in the following table:

House Type	£ psf	Value	Say	GDV
Duchess - 5 bed detached	£165	£355,209	£355,000	£6,390,000
Buckingham - 5 bed detached	£195	£426,089	£425,000	£5,100,000
Kingston - 4 bed detached	£210	£314,198	£315,000	£5,670,000
Earl - 5 bed detached	£180	£461,125	£460,000	£1,380,000
Wordsworth - 3 bed detached	£220	£267,591	£267,500	£4,815,000
Chatsworth - 4 bed detached	£230	£336,695	£337,500	£4,725,000
Chatsworth - 4 bed detached	£225	£329,375	£330,000	£660,000
Canterbury - 3 bed detached	£240	£217,000	£217,500	£1,305,000
Canterbury - 3 bed detached w/garage	£245	£221,521	£222,500	£222,500
Canterbury - 3 bed semi detached	£235	£212,479	£212,500	£4,675,000
Canterbury - 3 bed semi detached w/garage	£240	£217,000	£217,500	£2,610,000
Canterbury - 3 bed mid terrace	£220	£198,917	£200,000	£200,000
Malvern - 2 bed semi-detached	£245	£155,592	£155,000	£2,480,000
Haywood - 4 bed detached	£220	£269,959	£270,000	£2,160,000
Haywood - 4 bed detached	£220	£269,959	£270,000	£270,000
Haywood - 4 bed semi-detached	£215	£263,823	£265,000	£1,060,000
Ancholme - 3 bed semi-detached	£215	£236,052	£235,000	£1,645,000
Ancholme - 3 bed semi-detached w/ garage	£210	£230,563	£230,000	£1,610,000
Stanford - 3 bed detached	£250	£217,969	£217,500	£435,000
Cleveland - 2 bed semi-detached	£235	£164,419	£165,000	£165,000
Cook - 2 bed semi-detached	£225	£186,485	£187,500	£3,750,000
Sutton - 3 bed semi-detached	£215	£222,167	£222,500	£4,450,000
Sutton - 3 bed mid terrace	£210	£212,479	£212,500	£3,612,500
Mill - 4 bed end terrace	£190	£284,275	£285,000	£4,560,000
Mill - 4 bed mid terrace	£200	£260,486	£260,000	£3,120,000
Total				£67,070,000

Over 55	£ psf	Value	Say	GDV
Teal A - 2 bed detached bungalow	£290	£227,872	£227,500	£1,820,000
Teal B - 2 bed detached bungalow	£295	£200,047	£200,000	£200,000
Total				£2,020,000

We have adopted the above GDV for the market dwellings.

2.7 Affordable Housing

The S106 document details the following affordable housing requirements:

50 (15.77%) affordable dwellings are to be provided with the following split of affordable house types:

- 28 Affordable rented houses
- 11 Shared ownership houses
- 11 Discounted market value houses

The purpose of our Review is to establish to what extent the scheme can support the S106 obligations / contributions. Initially, we have adopted the above level of affordable housing in our appraisal.

Devvia have adopted the following transfer rates for the different affordable house types:

Affordable House Type	Units	Transfer Rates % of MV
Affordable Rented	28	55%
Shared Ownership	11	75%
Discounted Market Value	11	70%

In practice, affordable housing is offered out to tender to affordable housing providers who will make an offer for the units which will not necessarily be the rate set by the local authority, however, typically the achieved rate is higher. This has been referenced in Devvia's Report and consequently we have adopted the same transfer rates in our appraisal for the affordable rented and shared ownership dwellings. Regarding the discounted market value units, the S106 document states that the units are to be sold at a value that equates to 20% less than Market Value. We have therefore adopted an 80% transfer rate for the discounted market value units. We have therefore calculated the following GDV of the affordable dwellings:

Affordable Rented	MV	Transfer Rate	Value	GDV
Normanby - 2 bed semi detached bungalow AR	£200,000	55%	£110,000	£220,000
Canterbury - 3 bed mid terrace AR	£200,000	55%	£110,000	£330,000
Malvern - 2 bed semi-detached AR	£155,000	55%	£85,250	£511,500
Cleveland - 2 bed mid terrace AR	£150,000	55%	£82,500	£247,500
Cook - 2 bed semi-detached AR	£187,500	55%	£103,125	£1,031,250
Sutton - 3 bed mid terrace AR	£212,500	55%	£116,875	£467,500
Affordable Rented Total				£2,807,750

Shared Ownership	MV	Transfer Rate	Value	GDV
Normanby - 2 bed semi detached bungalow SO	£200,000	75%	£150,000	£1,200,000
Cook - 2 bed semi-detached SO	£187,500	75%	£140,625	£421,875
Shared Ownership Total				£1,621,875

Discounted MV	MV	Transfer Rate	Value	GDV
Canterbury - 3 bed mid terrace DM	£200,000	80%	£160,000	£480,000
Malvern - 2 bed semi-detached DM	£155,000	80%	£124,000	£496,000
Cleveland - 2 bed mid terrace DM	£150,000	80%	£120,000	£120,000
Cook - 2 bed semi-detached DM	£187,500	80%	£150,000	£450,000
Discounted MV Total				£1,546,000
All Affordables Total				£5,975,625

We have adopted the above GDV in our appraisal.

2.8 Appraisal Modelling Assumptions – Costs

We have assessed the costs used by Devvia in their appraisal:

2.9 Build Costs and Abnormal Costs

Devvia have had a cost estimate provided by cost consultants Gill Associates. The build costs in this estimate for the houses totals £44,188,969 which equates to £120.69 psf on the GIA. We have compared these costs to BCIS. If we adopt the average of the median and lower quartile BCIS rates for the different house types, this equates to an average build cost of £122.91 psf. Given this is similar to the costs provided which have been prepared by cost consultants, we have adopted these costs

within our appraisal. BICS includes construction costs and preliminaries but not external works (nor abnormal costs).

Devvia have also included costs for external works of £4,813,521 in their appraisal which were provided in the cost estimate. Other costs which were included with the cost estimate are as follows:

Other Construction Costs	Total Cost
Water	£333,953
Electric & Gas	£567,747
Street Lighting	£98,600
Total	£1,000,300

These costs, in addition to the external costs, equate to 13.16% of the construction costs which from our experience is fairly typical for a site of this nature. We have therefore adopted these within our appraisal.

Devvia have included a cost for construction of the garages of £1,026,000, equating to approximately £12,500 per single and £22,500 per double. From our experience these costs appear reasonable, so we have adopted the same.

They have also included the following abnormal costs in their appraisal.

Abnormal Costs	Amount
Earthworks	£537,001
Drainage	£983,540
Archaeology	£726,948
Foul Pumping Station	£160,000
Balancing Pond	£93,240
Total	£2,500,729

We are not cost consultants (quantity or building surveyors), but we do review a good number of residential developments. On a price per acre basis, at £93,583 per acre, these appear fairly typical for a greenfield agricultural site. We have therefore adopted all of these costs within our appraisal.

2.10 Contingency

Devvia have applied a contingency of 3% to the entire scheme which we consider appropriate.

2.11 Acquisition Costs

Overall acquisition costs are applied to reflect stamp duty land tax (SDLT), agent's fees and legal fees. We consider the SDLT, legal fees of 0.5% and agents fees of 1% adopted by Devvia to be appropriate.

2.12 Disposal Costs

Marketing costs have been included in Devvia's appraisal totalling £209,500 which equates to approximately £800 per market dwelling. We consider these are somewhat low, however, we have adopted these costs in our appraisal.

Devvia have adopted sales agent fees have been at 1% on the market units, which appear typical, so we have adopted the same.

The legal fees have been included by Devvia on 77 units at £750 per unit and on the over 55's units at 0.5%. The total costs equate to £67,550 (£213 per unit). We consider that some legal fees have been omitted from Devvia's appraisal given the costs included are on 77 market units and not on any affordable units.

We consider a typical legal fee is likely in the order of £500 per unit for the market units.

The affordable units will most likely be transacted as lots. The fee of 0.5% on the affordable units equates to £28,912, which we consider is reasonable.

This gives a total cost of c.£162,000, which we have adopted.

2.13 Professional fees

Devvia have applied professional fees of 7% of build costs.

We would consider this percentage rate to be appropriate for a smaller one off scheme or from a smaller developer.

For the size of the subject development we consider most purchasing developers, who would undertake a development of this scale, will have standard house types (resulting in lower architects costs) and will have some professionals 'in house' (such as project managers and engineers) which off-set some of the costs.

We have consulted with our in house development team and from our own experience, we would expect professional fees to be in the order of 3-5% for a scheme of this size from an established developer such as Keigar Homes.

We have therefore adopted the mid-point of this range of 4% in our appraisal.

2.14 Planning Obligations

A S106 agreement had been signed by the developer with the contributions detailed above. The contributions total £2,990,353 and the developer has agreed to pay £227,155.55 regardless of the outcome of this viability assessment.

We have therefore adopted the £227,155.55 as a minimum in review of the figures.

2.15 Profit

Devvia have adopted a profit level of 15% on GDV for the market dwellings and 6% on costs for the affordable dwellings. With the GDV and costs adopted, this equates to a total blended profit on GDV for the scheme of 14.28%.

The assessment of 'profit' is as much an assessment of risk, particularly whether the costs and GDV adopted are correct, and the build and sales timescale. We often see higher profits adopted, but given the above figure is the level Devvia have adopted, presumably Keigar Homes are accepting of this level of profit. We have therefore adopted the same in our appraisal.

2.16 Finance

Devvia have applied a debit rate of 7% and a credit rate of 1.5% against the development.

Typically, we experience larger developers having a revolving facility at 1-2% above base rate, so we agree with this level. Mostly we do not experience either developers or valuers applying a credit rate, however this makes marginal difference.

We have therefore adopted the same rates.

2.17 Timescales

We have not been provided with a detailed breakdown of the timescales that Devvia have adopted however were informed by the Developer that they included a sales rate of 30 per year.

We have reviewed the sales rate in Barton and there have been an average of 153 dwellings sold per year in the town over the last two years. In addition to this, as mentioned, there have been no newbuild schemes recently in the area and we consider that this will result in an increased demand due to limited competition.

We therefore consider a slightly higher sales rate 36 per year (3 per month) is appropriate resulting in a total sales period of 86 months for the market units. We have therefore adopted a construction timescale of 86 months to tie in with this as well as a 6 month pre-construction period before development of the dwellings commences. We have assumed that sales start 9 months after the start of construction. The sales then dovetail after the construction.

2.18 Devvia Conclusion

Devvia concludes that based on their inputs, including the S106 obligations and with 50 affordable dwellings, the resulting residual value is negative £2,703,547, i.e. the development of the site is unviable with this level of S106 / affordable obligations.

3 CARTER JONAS APPRAISALS

In the review above we have stated where we have agreed with the inputs by Devvia, these include:

- The BLV as the land value
- The profit level
- The finance rate
- The construction costs including external works and abnormals
- Agents, legal, market and stamp duty fees on both acquisition of the site and sale of the completed dwellings
- Developers contingency

The inputs we have amended include:

- A higher GDV totalling £75,065,625
- A lower rate of professional fees of 4%
- A shorter timescale
- The transfer rates of the discounted market value units

Based on this we have prepared the following appraisal:

APPRAISAL SUMMARY		CARTER JONAS LLP			
Falkland Way - Kiegar Homes (reduced S106)					
Appraisal Summary for Phase 1					
Currency in £					
REVENUE					
Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Market Housing	258	320,818	209.06	259,961	67,070,000
Affordable Housing	50	38,341	155.85	119,512	5,975,625
Over 55's Housing	9	8,964	290.06	224,444	2,020,000
Totals	317	366,123			75,065,625
NET REALISATION				75,065,625	
OUTLAY					
ACQUISITION COSTS					
Fixed Price		3,240,000			
Fixed Price			3,240,000		
Stamp Duty				3,240,000	
Effective Stamp Duty Rate		4.68%			
Agent Fee		1.00%	32,400		
Legal Fee		0.50%	16,200		
				200,100	
CONSTRUCTION COSTS					
Construction	ft²	Build Rate ft²	Cost		
Market Housing	320,818	120.69	38,719,524		
Affordable Housing	38,341	120.69	4,627,375		
Over 55's Housing	8,964	120.69	840,485		
Totals	366,123 ft²		44,187,385	44,187,385	
Contingency		3.00%	1,431,423		
Abnormals			2,500,729		
Externals			4,813,521		
Water, Gas and Electric			901,700		
Street Lighting			98,600		
				9,745,973	
Other Construction					
Garages			1,026,000		
				1,026,000	
Section 106 Costs					
Section 106 Costs Surplus			350,000		
Drainage contribution			25,000		
Onsite open space adoption			104,870		
50% offsite open space contribution			97,488		
				577,156	
PROFESSIONAL FEES					
Professional Fees		4.00%	1,808,535		
				1,808,535	
MARKETING & LETTING					
Marketing	267 un	800.00 /un	213,600		
				213,600	
DISPOSAL FEES					
Sales Agent Fee		1.00%	690,900		
Market Housing Legals	267 un	500.00 /un	133,500		
Affordable Housing Legals		0.50%	29,878		
				854,278	
Project: Falkland Way - Kiegar Homes (reduced S106)					
ARGUS Developer Version: 8.20.003					
Date: 15/04/2025					
APPRAISAL SUMMARY		CARTER JONAS LLP			
Falkland Way - Kiegar Homes (reduced S106)					
FINANCE					
Debit Rate 7.000%, Credit Rate 1.500% (Nominal)					
Land			1,642,820		
Construction			922,947		
Other			(70,612)		
Total Finance Cost				2,495,155	
TOTAL COSTS				64,348,183	
PROFIT				10,717,442	
Performance Measures					
Profit on Cost%		16.66%			
Profit on GDV%		14.28%			

It is therefore our opinion that in this scenario, a viable development can be provided whilst meeting the affordable housing requirements and a total £577,156 worth of S106 contributions.

The main reason for the difference in viability is the differing GDV's, professional fees and timescales.

We have also been asked by the council to provide a scenario where a 10% level of affordable housing is provided in order to determine what the resulting S106 contributions could be whilst still providing a viable scheme. In this scenario, we have assumed that 32 affordable houses will be provided and 285 market dwellings will be provided. In this scenario, we have calculated the GDV to be £76,303,375 and a profit level based on 15% on GDV for the market units and 6% on costs for the affordable units to be 14.56%. All our other assumptions have remained the same. The appraisal is shown below:

APPRAISAL SUMMARY		CARTER JONAS LLP			
Falkland Way - Kiegar Homes (10% Affordables)					
Appraisal Summary for Phase 1					
Currency in £					
REVENUE					
Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Market Housing	278	335,661	209.78	255,127	70,415,000
Affordable Housing	32	23,498	164.63	120,887	3,868,375
Over 55's Housing	0	0,000	290.06	224,444	2,020,000
Totals	317	366,123			76,303,375
NET REALISATION				76,303,375	
OUTLAY					
ACQUISITION COSTS					
Fixed Price		3,240,000			
Fixed Price			3,240,000		
				3,240,000	
Stamp Duty			151,500		
Effective Stamp Duty Rate		4.68%			
Agent Fee		1.00%	32,400		
Legal Fee		0.50%	16,200		
				200,100	
CONSTRUCTION COSTS					
Construction	ft²	Build Rate ft²	Cost		
Market Housing	335,661	120.69	40,510,928		
Affordable Housing	23,498	120.69	2,835,974		
Over 55's Housing	0,000	120.69	840,485		
Totals	366,123 ft²		44,187,385	44,187,385	
Contingency		3.00%	1,431,423		
Abnormals			2,500,729		
Externals			4,813,521		
Water, Gas and Electric			901,700		
Street Lighting			98,600		
				9,745,973	
Other Construction					
Garages			1,026,000		
				1,026,000	
Section 106 Costs					
Section 106 Costs Surplus			1,220,000		
Drainage contribution			25,000		
Onsite open space adoption			104,670		
50% offsite open space contribution			97,486		
				1,447,156	
PROFESSIONAL FEES					
Professional Fees		4.00%	1,808,535		
				1,808,535	
MARKETING & LETTING					
Marketing	285 un	800.00 /un	228,000		
				228,000	
DISPOSAL FEES					
Sales Agent Fee		1.00%	724,350		
Market Housing Legals	285 un	500.00 /un	142,500		
Affordable Housing Legals		0.50%	19,342		
				886,192	
Project: Falkland Way - Kiegar Homes (10% Affordables)					
ARGUS Developer Version: 8.20.003					
Date: 15/04/2025					

APPRAISAL SUMMARY		CARTER JONAS LLP
Falkland Way - Kiegar Homes (10% Affordables)		
FINANCE		
Debit Rate 7.000%, Credit Rate 1.500% (Nominal)		
Land		1,630,836
Construction		870,074
Other		(72,961)
Total Finance Cost		2,427,949
TOTAL COSTS		65,197,290
PROFIT		11,106,085
Performance Measures		
Profit on Cost%		17.03%
Profit on GDV%		14.56%

It is our opinion that in this scenario, a viable development can be provided whilst providing a 10% level of affordable housing whilst providing a total £1,447,156 worth of S106 contributions.

4 CONCLUSION

We have reviewed the financial viability appraisal prepared by Devvia and agree with the majority of the inputs with the exception of the GDV, professional fees and timescales.

Having adjusted the inputs to where we consider appropriate, we conclude that the proposed scheme cannot support all of the S106 contributions detailed in the S106 agreement and provide 50 affordable dwellings.

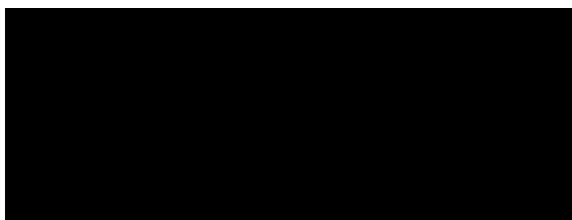
It is our opinion however that the proposed scheme could be provided whilst meeting the level of affordable houses (50) detailed in the S106 document and providing a reduced level of contributions totalling £577,156.

It is also our opinion that the proposed scheme could be provided whilst providing 10% level of affordable housing (32) and providing a reduced level of contributions totalling £1,447,156.

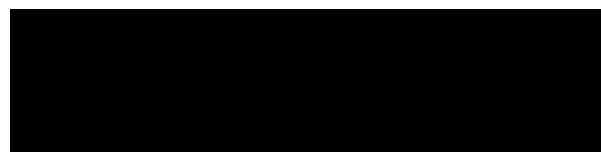
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This Report and valuation has been carried out by Sam Dodd MRICS (RICS No: 6781274), an RICS Registered Valuer qualified for the purpose.

Sam Dodd MRICS RICS Registered Valuer.



Peer reviewed by Bruce Allan MRICS Partner RICS Registered Valuer.



For and on behalf of Carter Jonas LLP
 Date of Report: 8th April 2025
 Carter Jonas LLP Reference: J0086546

Appendix 1 Instruction Email

From: Millie Arden [REDACTED]
Sent: Tuesday, 11 February 2025 15:39
To: Bruce Allan [REDACTED]
Subject: [Ext Msg] RE: Carter Jonas - Review of Viability Appraisal - Canberra View, Barton-Upon-Humber DN18 5GR

Good afternoon Bruce,

Please accept this email as confirmation to proceed with the independent viability review for Phase 5 and 6 of the Land off Canberra View, Barton-Upon Humber, DN18 5GR.

The planning application to modify the S106 agreement can be found at the following link: [PA/2025/140 | North Lincolnshire Planning Portal](#) and the Section 106 agreement is attached to this email.

The Full Planning permission can be found at the following link: [PA/2020/1628 | North Lincolnshire Planning Portal](#)

The viability assessment is available on the planning portal for PA/2025/140, along with the multiple appendices and site location plan.

As previously mentioned, the applicant/developer will be covering the cost of your review. The applicant is KEIGAR HOMES LIMITED.

Please can you arrange for the invoice to be addressed to the below address:

KEIGAR HOMES LIMITED

Keigar Lodge
Canberra View
Barton-Upon-Humber
North Lincolnshire
DN18 5GR

Please email the invoice to me and I will ensure this is passed along to Keigar Homes for payment.

It should be noted that Keigar Homes have made an upfront, early payment of £97,485.75 as 50% of the offsite Open Space Contribution (Schedule 1, Part 4, Paragraph 2 of the attached S106). Keigar Homes are not challenging this payment as stated within their application form.

If you need any further information, please do not hesitate to contact me.

Thank you

Kind regards,

Millie Arden

Section 106 Officer | Place Planning & Housing | Communities

✉ North Lincolnshire Council, Church Square House, 30 – 40 High Street, Scunthorpe, DN15 6NL

@ [REDACTED] or [REDACTED]
📞 [REDACTED]

Appendix 2

Letter of Engagement

Millie Arden
North Lincolnshire Council
Church Square House
30 – 40 High Street
Scunthorpe
DN15 6NL



24th February 2025

Dear Millie

RESIDENTIAL VIABILITY ASSESSMENT REPORT

Client: North Lincolnshire Council (the 'Client')
Property: Land at Falkland Way, Barton-Upon-Humber – Phases 5&6 DN18 5GR (the 'Property')
Developer: Keigar Homes Limited (the 'Developer')
Viability Appraiser: Devvia Property Consultancy (the 'Appraiser')
Purpose: Submission to the Local Authority for assessment of S106 / affordable contributions
Interest: Freehold
Type / Use: Residential Development
Currency: Pound Sterling (£ GBP)

Thank you for your instruction to act on your behalf. This Letter of Engagement ("Letter") should be read in conjunction with our Terms of Engagement ("Terms") which are available in the Terms & Conditions section at the foot of our website (www.carterjonas.co.uk), or by request.

This Letter sets out the agreement between the parties. Any subsequent changes will be discussed with you and where appropriate a new Letter or written confirmation of agreed variations will be issued.

We are required to confirm the following details prior to submission of our reports. We would be grateful if you could reply by email that the Letter and Terms are agreed. Please note that we will be unable to release any report until this has been received.

1. Our services

Carter Jonas is instructed to undertake a viability review ('Review') of the Financial Viability Appraisal prepared by Devvia Property Consultancy on Land at Falkland Way, Barton-Upon-Humber – Phases 5&6. Our Review will be completed in accordance with the appropriate sections of the current RICS Valuation – Global Standards ('Red Book Global'), incorporating the IVSC International Valuation Standards and the relevant, current UK national supplement, and the Gov.Uk Guidance notes on Viability.

2. Instruction

You have instructed us to provide a Review to assess whether the Financial Viability Appraisal reasonably assesses the appropriate level of S106 / affordable housing contributions that the development can support at an appropriate profit.

We will review the report prepared by Devvia Property Consultancy. If the report is clear and contains reasoned and well demonstrated arguments that support their proposed level of S106 / affordable contributions, then we will report so. If however, we consider there are elements of the report / appraisal that require reviewing / updating then rather than just reporting that we will reply to the appraiser and give them the opportunity for them to update their report. We will justify why we consider specific matters / point ought to be updated to the Appraiser. If the Appraiser does not want to update their report, we will conclude our report, setting out clearly the matters that we consider are appropriate or inappropriate. We will recalculate the appraisal with the inputs that we consider are necessary / appropriate and what the resultant level of S106 / affordables can be supported.

The submitted Financial Viability Appraisal is likely to include both construction costs and abnormal costs. We will review the construction costs and compare these to Building Cost Information Services (BCIS) costs. These comprise build costs and preliminaries but not externals nor abnormal costs. We will review the externals and abnormal costs and comment whether they appear at a reasonable level compared to other developments. If we consider they appear inappropriate we will ask the appraiser or developer to provide further evidence that the costs are appropriate. Usually we would expect costs to have been prepared by an appropriate contractor or qualified quantity surveyor. We are not Building Surveyors nor Quantity Surveyors nor specialist cost consultants in this regard. If we consider we are unable to 'sign off' construction costs, externals or abnormal costs we may require that you instruct a third party quantity surveyor to comment on the costs provided.

3. Fees and expenses

The fee has been agreed at £4,500 plus VAT.

We will invoice Keigar Homes Limited and obtain cleared funds before inspecting the Property and commencing our review.

4. Review / Report Date

Once our fees have been paid we will inspect the Property and begin our Review. We will within 10 days review the report and either report or, if necessary, return to the Appraiser to give them the opportunity to update their report. In the event of the latter we are then beholden to the appraiser to reply, which we cannot control. We will copy the developer in any correspondence so they are aware of the position and can keep pressure on the appraiser to reply within a reasonable period.

5. Status of the Valuer and Disclosure of Involvements

The assessment will be undertaken by Carter Jonas's Valuation team within which there are several surveyors who undertake viability reviews. Any report / review will be peer reviewed by a partner / associate partner. We will act as an External Valuer, as defined by the Red Book.

The Valuer(s) is an RICS Registered Valuer and is in a position to provide an objective and unbiased assessment. The Valuer has sufficient current local and regional knowledge of the particular market

together with the skills and understanding required and is competent to undertake the valuation / assessment.

6. Assumptions or Departures

In preparing the review, unless otherwise stated by the Valuer, the following assumptions will be made which the Valuer shall be under no duty to verify:

- 6.1 That good title can be shown and that the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.
- 6.2 That the Property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the Property, nor its condition, nor its use, nor its intended use, is or will be unlawful.
- 6.3 Unless otherwise stated, that no contaminative or potentially contaminative uses have ever been carried out on the Property and that there is no potential for contamination of the subject property from past or present uses of the Property or from neighbouring property.
- 6.4 There have been no changes in the physical characteristics of the Property between the date of our inspection and the publication of our Report.

7. Extent of Investigations

The Valuer will carry out inspections and investigation to the extent necessary to produce an assessment, which is professionally adequate for its purpose.

Unless agreed otherwise with you:

- 7.1 We confirm that your instructions are to inspect the site (or as much of the site as is practical or reasonable given current buildings, boundaries or third party involvements).
- 7.2 We will rely on the appraisers measurements of the proposed scheme and assume all units will be compliant with housing standards specification.
- 7.3 We will rely upon public access website and verbal information obtained from the relevant local planning or municipal authority which will be assumed to be correct. We will initially review standard policy requirements regarding potential S106 matters. If planning consultants or architects are instructed, we will discuss with them the policy requirements. No responsibility can be accepted for any misstatement of omission in information supplied to us at the time of our enquiries. No formal search of planning registers will be made.

8. Nature and Source of Information to be relied upon

The Valuer shall, unless otherwise expressly agreed, rely upon information provided by the Appraiser and Developer and / or the client's legal or other professional advisors relating to tenure, leases and all other relevant matters.

The Valuer accepts no responsibility or liability for the true interpretation of the Appraiser's legal title in the Property.

9. Report Format

The Report will be produced in accordance with the requirements of VPS3 of the Red Book.

10. Consent to Publication

Neither the whole nor any parts of the report nor any reference to it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and content in which it may appear.

11. Limitations

The Review will be provided for the stated purpose and for the sole use of you the Client. It will be confidential to you and your professional advisors. The Valuer accepts responsibility to you alone that the Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any parties other than you. Any such parties rely upon the report at their own risk.

12. Third Party Reliance

Responsibility for our valuation extends only to you, to whom it is addressed. The Review we prepare no the Financial Viability Report must not be made available to funders for funding purposes.

Where you provide a copy of and/or permit another party(ies) to rely upon our report without obtaining our express written consent and fail to provide us with the written consent of any other party (ies) who have received our report to be bound by this letter, you agree to indemnify us for any and all liability which arises from the use of or reliance upon our report by such unauthorised party.

13. Professional Indemnity Insurance (PII)

Carter Jonas LLP has PII cover in accordance with RICS requirements please refer to our Terms.

14. Limitation of Liability

It is our Policy to exclude and/or limit our liability to Client's in certain situations. Please read the "Limit of Liability" section in our Terms. Given we are providing a Review of a third parties report (the Appraiser) we are not able to provide any professional indemnity insurance nor reliance to you, the Appraiser nor the Developer.

15. Compliance and Duty of Care

This report may be investigated the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.

You acknowledge that any duty of care which an individual Chartered Surveyor / Valuer would otherwise owe to you, whether he / she be a partner, associate or an employee of Carter Jonas LLP, is specifically excluded on the basis that you are entirely relying on the duties owed to you by Carter Jonas LLP, Chartered Surveyors, as a well established professional practice.

16. Complaints Procedure

Carter Jonas LLP is regulated by the RICS and is registered with relevant ombudsman services. Please refer to our Terms.

17. Conflicts of Interest

Carter Jonas LLP has procedures in place to ensure that appropriate conflicts checks are carried out on every instruction so that any conflicts, or potential conflicts in accordance with the RICS guidance. Please refer to our Terms.

18. Abortive Fees and Additional Work

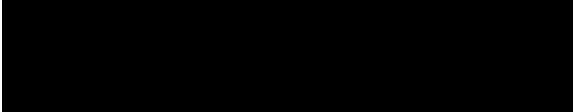
In the event that you withdraw your instructions to us prior to completion of a Review, we reserve the right to charge a fair and reasonable proportion of our fees and any agreed disbursements.

19. Financial Advice

Nothing in the valuation or advice we provide to you shall constitute financial advice or assistance.

I trust you will find all in order but please do not hesitate to call me about this Letter or our Terms. To confirm your acceptance of these Terms please return a signed copy to me or provide your written acceptance by email, otherwise your continuing instructions will amount to acceptance of these Terms.

Yours sincerely

A large black rectangular redaction box covering the signature area.

Bruce Allan MRICS

E: 

M: 

Appendix 3

Devvia Viability Review