

19th November 2025

M Arden
S106 Officer
North Lincolnshire Council
Church Square House
30 – 40 High Street
Scunthorpe
DN15 6NL

Dear Millie

Lincolnshire Lakes, Viability Response

Thank you for sharing the CPV viability report.

We have now undertaken a full review and provide our comments below.

Our previous points of clarification, issued on 14th October, remain valid and these are repeated below for ease of reference.

Initial Clarifications

At para 3.5 of the CPV report it is stated that the residual land value based on 20% onsite affordable housing is £346,032 per acre. It then questions why AY's master developer appraisal assumes a lower land value of £331,334 per acre. **Response:** Within table 4.7 of the AY report the total revenue from the plot sales is £13,366,500 which equates to a value of £350,000 per acre when dividing by the site area (38.19 acres). CPV appear to be using a different site area (40.34 acres) to derive the value per acre.

The approach to delivery (i.e. Master Developer) was also questioned by CPV. **Response.** As the Council is aware the site has been beset with viability challenges for almost two decades and the site is currently controlled by receivers, following the previous landowner going into receivership/liquidation. The receiver selected Hargreaves Land as the preferred purchaser, following a full open market sales process. Therefore, the master developer approach has been market tested as the most appropriate route for bringing this site forward.

At para 6.2 of the CPV report there is a statement which suggests that Edge's estimate for the infrastructure costs appears to have reduced from their original estimate of £13,708,563 to a revised figure of £11,855,597. It is further stated that Hainstone consider the costs too high and they conclude that the total infrastructure works should be no more than £9,724,471. **Response.** These points are considered in further detail later.

Within the remainder of this note we set out below our counter arguments with respect to CPV's challenges relating to several of the assumptions used in our residual appraisals and cost allowances for the master developer.

Residual Appraisals – Assumptions

Sales Values

Within their report (para 5.4) CPV infer that we have relied upon sales evidence of new build house prices from within the DN15 postcode area and they state that no commentary is provided. This is incorrect. Appendix 4 of our original report provides a detailed note of the assumptions applied within our development appraisals. Within this note we confirm that sales evidence has been obtained from several new build housing schemes within Scunthorpe. A summary of the evidence relied upon is also included at the end of Appendix 4.

CPV confirmed in their report (para 5.5) that they initially considered Land Registry data for the postcode area DN17, within which the site is located. They also restricted their results to within the last 24-month period and to houses of a similar size. The evidence upon which they have relied upon is limited and relates to two schemes.

- *Lakeside View, Wroot Homes*, which is located 5 miles to the west of Scunthorpe on the outskirts of Ealand. Evidence was provided for three transactions, which all occurred in 2023. We have discounted this scheme as it is not directly comparable to the Scunthorpe market.
- *Dartmouth Fields, Kiegar Homes*. Evidence is presented for two transactions – both related to two storey detached properties. One sale from September 2023 and the other in February 2024. Both properties sold for £299,950, which equates to a value of £2,400psm (£223psf), based on identical unit sizes of 125sq.m (1,346sq.ft). Evidence of higher values were provided for two further sales (both in 2023) but these related to the sale of detached bungalows. CPV seem to have discounted these, which we agree with.

CPV applied a base sale price of £2,400psm (£223psf) based on these two transactions, but adjusted for inflation (see later).

We also considered sales evidence from Dartmouth Fields but identified a total of 41 transactions over a period from October 2022 to April 2024. This evidence was included within our original report at the end of Appendix 4 and is summarised below. This shows the average value from this scheme, across all property types is £2,201psm (£204psf).

Sales Values - Dartmouth Fields, Kiegar Homes

Property Type	Average Price £psm	Average Price £puff
Detached	£2,065	£192
Semi Detached	£2,125	£197
Terraced	£1,997	£186
All Properties	£2,201	£204

We also obtained evidence from Falcons Place, by Linden Homes and Phoenix Meadows, by Gleeson Homes. We identified 48 known transactions at Falcons Place over a period from October 2022 to August 2024. The average value, across all property types, was £2,330psm (£216psf).

Sales Values – Falcons Place, Linden Homes

Property Type	Average Price £psm	Average Price £psf
Detached	£2,307	£214
Semi Detached	£2,290	£213
Terraced	£2,414	£224
All Properties	£2,330	£216

We identified 47 known transactions at Phoenix Meadows over a period from June 2023 to December 2024. More than two thirds of the transactions (32 sales) occurred in 2024 of which 16 occurred in the second half of 2024. The average value across all property types was, £2,447psm (£226psf).

Nine transactions occurred in late November / December 2024, with an average value of £2,400psm (£223psf).

Sales Values – Phoenix Meadows

Property Type	Average Price £psm	Average Price £psf
Detached	£2,553	£237
Semi Detached	£2,361	£219
Terraced	-	-
All Properties	£2,447	£226

The average value for all property types across all three schemes equates to £2,303 (£214psf).

Within our assessment we applied a value of £2,422psm (£225psf), slightly higher than the average value from the 9 transactions which occurred at Phoenix Meadows in late 2024 (i.e. £223psf). Our report was issued in February 2025, therefore, a market value of £2,422psm (£225psf) reflected a true and accurate reflection of the market value at the time our assessment was completed.

Sales Inflation Adjustment

As stated previously the 'base sales value' assumption within the CPV assessment is based on two transactions, one dated September 2023 and the other February 2024. To recap CPV applied a base sale price of £2,400psm (£223psf), based on these two transactions.

This base value was then adjusted by 15.63% to derive a 'current day value' of £2,799psm (£260psf). Their methodology is based on the price difference between the average new build house price in North Lincolnshire between November 2023 and the latest figure (June 2025), based on data from the UK House Price Index.

They state that the average value as of November 2023 was £239,337 and the latest figure is £278,900, which is an increase of 15.53%. Applying this increase to the base sale rate of £2,400psm (£233psf), results in a current day value estimate of £2,777psm (£258psf) (rounded up). We have also referred to the House Price Index and based on the data available for North Lincolnshire the house price increase across North Lincolnshire over the period November 2023 to June 2025 (most recent figure available) is 12.20% for new build properties. Following CPV's approach the updated current sales value when applying an increase of 12.20% is £2,691psm (£250psf).

However, as highlighted previously, based on the evidence that we collated the average sales value in late 2024 averaged £2,400psm (£223psf). Our report was issued in February 2025 so the values that informed our original assessment were a true reflection of market value at the time our report was undertaken and issued.

Applying house price inflation based on House Price Index data across a wide geographical area such as North Lincolnshire at a local level should also be treated with caution, a fact which appears to be recognised by CPV.

Taking this into consideration CPV also considered the asking values for new build homes, focusing on the development at Phoenix Meadows, by Gleeson. They set out in their report the asking prices relating to six properties, which ranged in values from £2,487psm (£231psf) to £2,982psm (£277psf) with an average of £2,676psm (£249psf). After allowing a 5% reduction for incentives the average value reduced to £2,546psm (£237psf).

We have also considered asking prices from this scheme, across 55 properties, and the average asking price was £2,594psm (£241psf). Applying the same reduction for incentives (i.e 5%) reduces the average asking value to £2,465psm (£229psf).

However, CPV then discount this evidence of asking prices on the basis that "*Gleeson are a 'low cost' developer who typically offer a lower value product in the marketplace". They go on to acknowledge that the site may attract a similar low-cost developer such as Keepmoat Homes and Lovell but that it could equally attract a more mid-tier developer, such as Persimmon, Taylor Wimpey, Barratt Homes etc*".

This is not backed up by any evidence and through the transactions we have considered, Gleeson are currently achieving the highest sale prices in Scunthorpe.

Based on a mid-tier developer CPV claim that the values would likely be uplifted above the Gleeson figures and on balance they considered an adjustment to £2,637psm (£245psf) to be a reasonable value for the purpose of their modelling. This approach / assumption is not grounded in any evidence and is merely subjective opinion.

Having considered all of the above it is our strongly held opinion that CPV's assessment of value is considerably higher than the current market evidence would support. We maintain our position that a value of £2,422psm (£225psf) was a fair and accurate reflection of the market value at the time our assessment was issued (i.e. February 2025). Equally we

accept that there may have been some inflation in house prices, since we issued our report but based on the available evidence, current values would only be circa £2,465psm (£229psf), a small increase on our original assumption.

Build Costs

We note that CPV applied build costs (inclusive of preliminaries and external works) at £1,281psm (£118.98psf), which was only marginally lower than the construction rate applied in our assessment (i.e. £1,292psm /£120psf). We further note that CPV applied the lower quartile rate for 2 storey housing at £1,159psm (c£107.67psf) and then added an uplift of 10.5% for external works.

The current lower quartile rate for 2 storey housing is £1,179psm (£109.53), which increases to £121.03psf when applying the 10.5% uplift for external works.

In responding to CPV's assessment we have also taken the time to review our original assumptions and draw your attention to the following costs which were omitted from our previous appraisal but now need to be included to ensure we reflect the most accurate representation of viability as possible.

- *The cost of garages.* BCIS itself states that detached garages are not included in the BCIS rates. A separate allowance therefore needs to be included in the appraisal to reflect the cost of any garages. At this stage, the number of garages to be provided on site has yet to be determined. However, for the purposes of this assessment it is important that an allowance is factored into the testing. We have subsequently assumed that 71 garages would be provided on site (i.e. half of the total number of units on Plot HA1a would have a garage). We consider an average allowance of £12,500 per unit to be reasonable for the purposes of the viability testing.
- *Part L and F Building Regulations,* which require a 31% reduction in CO2 emissions. This came into full effect from June 2023. Therefore, these changes will impact on the subject site and have not yet filtered through appropriately into the BCIS data and therefore need to be allowed for separately. The Department of Levelling Up, Housing and Communities impact assessment suggested that the most cost-effective route to meeting the interim standards was through the use of Air Source Heat Pumps. Based on current estimates this will add an additional average cost of £4,070 per dwelling.
- *Electric Vehicle Charging Points.* In addition, it is now a requirement for electric vehicle charging points to be provided on new build schemes. We consider £1,000 per dwelling to be an appropriate allowance.
- *The Building Safety Levy (BSL)* is a tax on new residential buildings in England, aimed at enhancing building safety. It will come into effect on 1st October 2026 and anyone applying for building control approval relating to the provision of one or more dwellings on or after that date will be liable to pay the levy, save where an exemption applies. The following residential developments are exempt from the charge:
 - Most affordable rent, social rent and intermediate rent dwellings provided by a local authority or registered provider of social housing.
 - Shared ownership dwellings.

- Subject to meeting specific conditions, discounted rental properties provided by bodies which are neither a local authority nor a registered provider of social housing.
- Dwellings where the first and subsequent sales are for no more than 70% of their market value ("First Homes"). To be eligible, a planning obligation must be entered into prior to the first sale of the dwelling designed to ensure that any subsequent sale of the dwelling is for no more than 70 per cent of its market value.

Within this context we have assumed that all affordable housing is exempt from the charge. We have also assumed that all market dwellings will be liable for the charge. The rate for non-previously developed land within North Lincolnshire is £16.95psm (£1.57psf).

- *Future Homes Standard.* In addition to the Part L & F Building Regulations changes referred to above, as well as the requirement for electric vehicle charging points, we would also highlight the government's aspiration for a 'Future Homes' standard to be introduced. The Department for Energy Security and Net Zero confirmed in the summer that the FHS will be published in the autumn and the vast majority of homes will have solar panels included as a 'Functional Requirement' and the Building Regulations will be amended to explicitly promote solar. We understand that legislation will be laid before Parliament in December 2025 and will come into effect December 2026. A 12-month Transitional Arrangement Period will run to Dec 2027 after which all new homes commenced will be to the Future Homes Standard. The Government's analysis of solar costs (2024 – 25) states that the average cost for 'small scale' solar PV installation for systems between 0 and 4Kw (by far the most common installation) is £1,564per KW. The costs include the cost of the solar PV generation equipment, cost of installing and connecting to the electricity supply. They do not include the cost for any additional device installed with the solar panels, such as battery storage. According to the Renewable Energy Hub a 4kW solar PV system is the UK's most common solar array. Assuming a 4kW array the average price per dwelling would equate to £6,256, excluding any additional costs associated with battery storage etc.

Within our appraisal we have applied a contingency of 3% and applied this to the build costs. This is acknowledged by CPV at para 5.11 of their assessment but then at para 5.18 they state that AY add a further 2% for contingency, which they deem to be reasonable and accepted in their appraisal. To avoid any confusion a contingency of 3% was included in our original assessment and we still maintain this is a reasonable allowance for the purpose of appraising the viability of this scheme.

At para 5.24 of the CPV report, it states that AY included marketing costs at 2.5% of revenue plus £500 per unit on the market value dwellings for legal costs. To clarify we included an allowance for Disposal Costs (sales and marketing) at 3% of GDV from the open market sales, which we maintain is a reasonable assumption for the purpose of appraising the viability of this scheme,

We note that CPV has accepted the allowance for professional fees at 6% of construction costs and a finance rate of 7%.

Developers profit is a crucial component in determining the viability of a development and the residual land value. The standard and widely accepted benchmark for developer profit in

standard viability assessments for market housing is 20% of GDV. However, this figure is subject to risk-based variation. For smaller, less complex, lower risk sites with straight forward planning and stable market conditions profits can fall within a general range of 15 to 20% of GDV.

For larger, more complex or higher risk projects target returns can typically range between 20% and 25% of GDV and up to 30% for SME's.

UK Government planning practice guidance generally considers a developer profit of between 15% and 20% of GDV to be a "suitable" benchmark for viability assessments, although specific site circumstances can justify a different figure. PPG also states that a lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk.

CPV adopted a profit on GDV of 17.5% for the open market sales but adopted a lower profit of 6% for the affordable homes on the assumption they are presold and transferred in bulk to a single party. However, there is currently no pre-sale agreement with a single entity /Register Provider at known end values therefore the delivery risk associated with the affordable dwellings isn't mitigated or reduced and does not, therefore, justify a lower margin on the affordable dwellings.

On this basis we still maintain that a reasonable profit for testing the viability of the proposals is a blended rate equal to 18% of GDV.

Updated Development Appraisal

We have updated our residual development appraisal for plot HA1a based on the above changes / variations. For transparency these include:

- OMS sales value increased to £2465psm (229psf).
- Build costs increased to £1,302.80psm (£121.03psf), inclusive of preliminaries and external works
- New cost for garages.
- New cost for Part L and F Building Regulations.
- New cost for electric vehicle chargers.
- New cost for Building Safety Levy.
- New cost for Future Homes Standard.
- Maintain contingency at 3% of build /construction costs.
- Maintain professional fees at 6% of build / construction costs.
- Maintain finance at 7%.
- Maintain developers profit at blended rate of 18% GDV.

Replicating the approach applied in our original assessment we have used a residual method of valuation to determine the anticipated revenue that could be generated from the sale of Plot HA1a and used the resultant land value (£per acre basis) as a proxy for the remaining plots.

The results of our updated appraisals, taking into account the above changes, are presented in the table below and the corresponding appraisals are attached.

Updated Serviced Plot Values

Plots	Size (acres)	Base	Scenario 1	Scenario 2	Scenario 3	Scenario 4
		£141,500*	£180,000*	£217,500*	£253,500*	£289,000*
Plot HA1a	10.00	£1,415,000	£1,800,000	£2,175,000	£2,535,000	£2,890,000
Plot HA1b	7.00	£990,500	£1,260,000	£1,522,500	£1,774,599	£2,023,000
Plot HA2	13.02	£1,842,330	£2,343,600	£2,831,850	£3,330,570	£3,762,780
Plot HA3	8.17	£1,156,055	£1,470,600	£1,776,975	£2,071,095	£2,361,130
Total	38.19	£5,403,885	£6,874,200	£8,306,325	£9,681,165	£11,036,910

*Residual values (£ per acre) rounded to nearest £500

Base - Affordable housing at 20%

Scenario 1 - Affordable Housing at 15%

Scenario 2 - Affordable Housing at 10%

Scenario 3 - Affordable Housing at 5%

Scenario 4 - Zero Affordable Housing

Master Developer Outcome

At para 6.2 of the CPV report there is a statement which suggests that Edge's estimate for the infrastructure costs appears to have reduced from their original estimate of £13,708,563 to a revised figure of £11,855,597. This isn't recognised. Our appraisal (including report) and supporting cost plan clearly show the costs at £13,708,563.

We note that the costs for the foul drainage infrastructure (£1,852,969) have been excluded by Hainstone, which appears to be the difference between the costs in our original assessment (£13,708,563) and the 'revised figure' quoted at para 6.2 of CPV's assessment (£11,855,597).

The omission of these costs has subsequently been confirmed as an error. We understand that Hainstone has issued an updated document to resolve this, but this has not been shared.

At para 6.2 it is further stated that Hainstone consider the costs too high and they conclude that the total infrastructure works should be no more than £9,724,471. However, if we add back on the foul drainage costs, which were excluded in error, the assessment by Hainstone puts the infrastructure costs at £11,577,437.

Clarification has previously been sought as to the reasons for the reduction in infrastructure costs within Hainstone's assessment. We note the following feedback was provided.

"In terms of rates, where specific items appeared high and have not been evidenced, we applied reasoned adjustments informed by benchmark data, check measures and rates we have seen on comparable schemes. I would suggest it is on the Applicant to provide evidence of their proposed rates if they don't agree with our assessment".

A copy of the Edge cost plan was included at Appendix 3 of our original report. However, I have attached an updated version of this document, which provides further information on rates, inclusions and sources of data. A 'cost plan rational' is also included at Appendix 3 of this updated

document. Based on this report and supporting evidence Edge maintain that their original cost estimates (£13,708,565) are more than reasonable and justified for the purpose of viability testing. However, these costs were based on cost estimates as at Q1 2025, the revised infrastructure costs allowing for inflation are currently £13,984,107.16. The inflation assessment is also set out within the updated cost plan from Edge.

At 6.3 of the CPV Assessment it is stated that a contingency allowance of 5% is more than reasonable. This is a matter of professional opinion, and we maintain that our previous allowance of 10% is also reasonable for viability testing, recognising the stage of project development. However, to move discussions forward we would accept a contingency of 7.5%, reflecting the midpoint between our respective positions.

At 6.4 of the CPV assessment it is stated that their assumptions relating to professional fees are based on single reference scheme in Norwich. Based on this scheme they have included an allowance of 10% and applied this to the infrastructure costs. No further information is provided so we are unable to form an opinion on whether the reference scheme represents a like for like comparison to the subject site. Furthermore, reference to a single scheme, doesn't provide a sufficient evidence base upon which to challenge our original assumptions. However, whilst we still believe our original allowance is reasonable, we are prepared to proceed based on 10% for professional fees, applied to infrastructure costs.

We note that CPV has accepted the S106 costs set out within our original assessment, except the costs for recreation for which they were given an alternative figure from the Council of £472,912. This represents a saving of c£77,000 on the cost included in our assessment (£550,000).

Since issuing our original report I understand that Sport England has requested £978,612 for outdoor sport and other sport improvements. More recently there has also been a request for a SAMMS payment of £66,500. These additional costs have now been included in our assessment.

CPV state at para 6.8 of their assessment that they do not accept a development management fee as a fixed cost and instead consider that all remuneration to the master developer should be through a developer profit. Firstly, we would clarify that the development management fee in our original assessment was based off 2.5% of the project costs and was not a fixed cost.

The development management fee is a payment for a developer's services, such as project planning and management, and is typically a fixed fee or a percentage of total costs, representing the cost of their labour and expertise. Fees typically range between 3% to 8% based on project size. For larger projects such as this, fees can range between 1 and 3% of project costs. It is important to recognise that the development management fee is distinct from the 'profit' which is the remaining income after all the development costs (including development management fees and all other project costs) are deducted. On this basis we are strongly of the opinion that a development management fee is a reasonable cost to include within the viability analysis and an allowance of 2.5% of project costs is also considered to be reasonable for the purpose of testing viability.

With respect to profit, CPV state at para 6.9 of their assessment that a 15% profit on cost is reasonable for the purpose of testing. For transparency, their allowance is inclusive of the recovery of development management fees so the actual profit would be equal to 12.5% of costs, when mirroring our allowance for development management fees at 2.5%.

It must also be recognised that for master developers, profit expressed as a simple cash margin (i.e. profit on cost) does not reflect the time value of money and the opportunity cost of their capital. Therefore, master developers adopt financial metrics that account for the timing of cashflows, with returns being commonly expressed as Return on Capital Employed (ROCE). For higher risk projects such as this (i.e large-scale, long-term developments with significant upfront infrastructure costs) a higher target ROCE is required to compensate for the increased risk and the time that capital is tied up.

Therefore, a simple cash margin of profit on cost is irrelevant for master developers. Instead, the ROCE is the more important metric and target ROCE rates often need to be at least 25%. Within our original assessment we targeted a ROCE of between 22% and 23% and still believe this to be reasonable for the purpose of viability testing.

We note that CPV has applied a finance rate of 7% whereas in our original report we applied a cost of finance at 4.25%, recognising that the Applicant will borrow money from Group and will incur a cost of capital below the current Bank of England base rate. At the time of preparing our original assessment the base rate was 4.75% whereas it is now 4%. Therefore, we have lowered our finance rate to 3.5%.

Updated Results / Conclusions

We have updated our viability results taking into account the above and present the findings within the attached table. This shows that the scheme is unviable even with all the affordable housing and S106 contributions removed (refer to Scenario 5). Even if we adopt the infrastructure costs set out within the Hainstone assessment (i.e. £11,577,437), reduce the master developer contingency to 5% and exclude the development management fee, the scheme would still be unviable, generating a loss of circa £4.9m (Scenario 5a). This analysis reinforces the findings within our original assessment in that the scheme is unable to viably support any S106 contributions, including affordable housing.

Whilst the scheme is currently unviable, it is important to recognise that the Applicant is taking a long-term view on the assumption that when accounting for growth / place-based premiums the scheme could produce a positive outturn in the future.

Yours sincerely



Dale Robinson
Director

For and on behalf of Avison Young (UK) Limited

Encs

Updated Viability Results
Plot HA1a Development Appraisals
Updated Edge Cost Plan

Updated Viability Results

Item	Base Appraisal (20% affordable)	Scenario 1 (15% affordable housing)	Scenario 2 (10% affordable housing)	Scenario 3 (5% Affordable Housing)	Scenario 4 (No Affordable Housing)	Scenario 5 (No Affordable or S106)	Scenario 5a (No Affordable or S106)
Residual Land Value (£ pe acre)	£141,500	£180,000	£217,500	£253,500	£289,000	£289,000	£289,000
Sale of Plot HA1 a	£1,415,000	£1,800,000	£2,175,000	£2,535,000	£2,890,000	£2,890,000	£2,890,000
Sale of Plot HA1 b	£990,500	£1,260,000	£1,522,500	£1,774,500	£2,023,000	£2,023,000	£2,023,000
Sale of Plot HA 2	£1,842,330	£2,343,600	£2,831,850	£3,330,570	£3,762,780	£3,762,780	£3,762,780
Sale of Plot HA 3	£1,156,055	£1,470,600	£1,776,975	£2,071,095	£2,361,130	£2,361,130	£2,361,130
Total Revenue (A)	£5,403,885	£6,874,200	£8,306,325	£9,681,165	£11,036,910	£11,036,910	£11,036,910
Acquisition Costs	£1,634,220	£1,634,220	£1,634,220	£1,634,220	£1,634,220	£1,634,220	£1,634,220
Main Infrastructure Works	£13,984,107	£13,984,107	£13,984,107	£13,984,107	£13,984,107	£13,984,107	£11,577,437
Contingency	£1,048,808	£1,048,808	£1,048,808	£1,048,808	£1,048,808	£1,048,808	£578,872
Project Fees	£1,503,292	£1,503,292	£1,503,292	£1,503,292	£1,503,292	£1,503,292	£1,215,631
S106 - Travel Plan Monitoring	£5,000	£5,000	£5,000	£5,000	£5,000	-	-
S106 - Public Transport Contribution	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	-	-
S106 - Education Contribution *	£4,925,800	£5,233,663	£5,541,525	£5,849,388	£6,157,250	-	-
S106 - Recreation Contribution	£472,912	£472,912	£472,912	£472,912	£472,912	-	-
S106 - Area of Play	£250,000	£250,000	£250,000	£250,000	£250,000	-	-
S106 - Health Contribution*	£392,614	£417,155	£441,693	£466,232	£490,771	-	-
S106 - Sport England Contribution	£978,612	£978,612	£978,612	£978,612	£978,612		
S106 - SAMMS Contribution	£66,500	£66,500	£66,500	£66,500	£66,500		
Development Management Fee	£454,261	£454,261	£454,261	£454,261	£454,261	£454,261	-
Finance Costs	£1,894,651	£1,844,682	(£1,796,426)	£1,750,738	£1,709,605	£1,243,866	£927,876
Total Costs (B)	£28,810,776	£29,093,211	(£29,377,356)	(£29,664,069)	£30,032,425	£19,868,554	£15,934,046
Developers Profit (A - B)	(£23,406,691)	(£22,219,011)	(£21,071,031)	(£19,982,904)	(£18,995,515)	(£8,831,644)	(£4,897,126)
ROCE	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Profit on Cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Avison Young

* These contributions are based on a cost per market dwelling (i.e exclude affordable housing) so as the provision of affordable housing reduced these S106 contributions increase due to the higher number of market dwellings.

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Base Appraisal
20% Affordable

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Base Appraisal

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
2 bed dwellings - open market	43	30,100	229.00	160,300	6,892,900	0	6,892,900
3 bed dwellings - open market	43	42,140	229.00	224,420	9,650,060	0	9,650,060
4 bed dwellings - open market	28	35,700	229.00	291,975	8,175,300	0	8,175,300
3 bed affordable (rent)	20	19,600	229.00	224,420	4,488,400	(1,795,360)	2,693,040
3 bed affordable (intermediate)	8	7,840	229.00	224,420	1,795,360	(359,072)	1,436,288
Totals	142	135,380			31,002,020	(2,154,432)	28,847,588

TOTAL PROJECT REVENUE **28,847,588**

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (10.00 Acres @ 141,323.30 /Acre)	1,413,233
	1,413,233
Land Transfer Tax	85,600
Effective Land Transfer Tax Rate	6.06%
	85,600

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
2 bed dwellings - open market	30,100	121.00	3,642,100
3 bed dwellings - open market	42,140	121.00	5,098,940
4 bed dwellings - open market	35,700	121.00	4,319,700
3 bed affordable (rent)	19,600	121.00	2,371,600
3 bed affordable (intermediate)	7,840	121.00	948,640
Totals	135,380 ft²		16,380,980
Contingency		3.00%	566,303
			16,947,283

Other Construction Costs

Garages			887,500
Part L and F Building Regs	142 un	4,070.00 /un	577,940
Electric Vehicle Charging Points	142 un	1,000.00 /un	142,000
Future Homes Standard	142 un	6,256.00 /un	888,352
Building Safety Levy	107,940 ft ²	1.57	169,466
			2,665,258

PROFESSIONAL FEES

Project Fees	6.00%	1,124,086
		1,124,086

DISPOSAL FEES

Sales and Marketing	3.00%	741,548
		741,548

TOTAL COSTS BEFORE FINANCE **22,977,008**

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)		
Land		514,845
Construction		163,170
Total Finance Cost		678,014

TOTAL COSTS **23,655,022**

PROFIT

5,192,566

Performance Measures

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	30.58%
Profit Erosion (finance rate 7.000)	2 yrs 10 mths

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 1
15% Affordable Housing

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 1

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
2 bed dwellings - open market	43	30,100	229.00	160,300	6,892,900	0	6,892,900
3 bed dwellings - open market	50	49,000	229.00	224,420	11,221,000	0	11,221,000
4 bed dwellings - open market	28	35,700	229.00	291,975	8,175,300	0	8,175,300
3 bed affordable (rent)	15	14,700	229.00	224,420	3,366,300	(1,346,520)	2,019,780
3 bed affordable (intermediate)	<u>6</u>	<u>5,880</u>	229.00	224,420	<u>1,346,520</u>	<u>(269,304)</u>	<u>1,077,216</u>
Totals	142	135,380			31,002,020	(1,615,824)	29,386,196

TOTAL PROJECT REVENUE **29,386,196**

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (10.00 Acres @ 179,909.33 /Acre)	1,799,093	
		1,799,093
Land Transfer Tax	111,838	
Effective Land Transfer Tax Rate	6.22%	
		111,838

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
2 bed dwellings - open market	30,100	121.00	3,642,100
3 bed dwellings - open market	49,000	121.00	5,929,000
4 bed dwellings - open market	35,700	121.00	4,319,700
3 bed affordable (rent)	14,700	121.00	1,778,700
3 bed affordable (intermediate)	<u>5,880</u>	121.00	<u>711,480</u>
Totals	135,380 ft²		16,380,980
Contingency		3.00%	566,303
			16,947,283

Other Construction Costs

Garages			887,500
Part L and F Building Regulations	142 un	4,070.00 /un	577,940
Electric Vehicle Charging Points	142 un	1,000.00 /un	142,000
Future Homes Standard	142 un	6,256.00 /un	888,352
Building Safety Levy	114,800 ft ²	1.57	180,236
			2,676,028

PROFESSIONAL FEES

Project Fees	6.00%	1,124,086	
			1,124,086

DISPOSAL FEES

Disposal Costs (Sales and Marketing)	3.00%	788,676	
			788,676

TOTAL COSTS BEFORE FINANCE **23,447,005**

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land		557,551	
Construction		92,118	
Total Finance Cost			649,670

TOTAL COSTS **24,096,675**

PROFIT

5,289,521

Performance Measures

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	30.81%
Profit Erosion (finance rate 7.000)	2 yrs 10 mths

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 2
10% Affordable Housing

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 2

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
2 bed dwellings - open market	43	30,100	229.00	160,300	6,892,900	0	6,892,900
3 bed dwellings - open market	57	55,860	229.00	224,420	12,791,940	0	12,791,940
4 bed dwellings - open market	28	35,700	229.00	291,975	8,175,300	0	8,175,300
3 bed affordable (rent)	10	9,800	229.00	224,420	2,244,200	(897,680)	1,346,520
3 bed affordable (intermediate)	<u>4</u>	<u>3,920</u>	229.00	224,420	<u>897,680</u>	<u>(179,536)</u>	<u>718,144</u>
Totals	142	135,380			31,002,020	(1,077,216)	29,924,804

TOTAL PROJECT REVENUE **29,924,804**

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (10.00 Acres @ 217,298.52 /Acre)	2,172,985			2,172,985
Land Transfer Tax	137,263			
Effective Land Transfer Tax Rate	6.32%			137,263

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
2 bed dwellings - open market	30,100	121.00	3,642,100
3 bed dwellings - open market	55,860	121.00	6,759,060
4 bed dwellings - open market	35,700	121.00	4,319,700
3 bed affordable (rent)	9,800	121.00	1,185,800
3 bed affordable (intermediate)	<u>3,920</u>	121.00	<u>474,320</u>
Totals	135,380 ft²		16,380,980
Contingency		3.00%	566,303
			16,947,283

Other Construction Costs

Garages			887,500
Part L and F Building Regulations	142 un	4,070.00 /un	577,940
Electric Charging Points	142 un	1,000.00 /un	142,000
Future Homes Standard	142 un	6,256.00 /un	888,352
Building Safety Levy	121,660 ft ²	1.57	191,006
			2,686,798

PROFESSIONAL FEES

Project Fees	6.00%	1,124,086	1,124,086
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DISPOSAL FEES

Disposal Costs (Sales and Marketing)	3.00%	835,804	835,804
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TOTAL COSTS BEFORE FINANCE **23,904,220**

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land		551,338	
Construction		82,780	
Total Finance Cost			634,118

TOTAL COSTS **24,538,338**

PROFIT

5,386,466

Performance Measures

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	31.17%
Profit Erosion (finance rate 7.000)	2 yrs 10 mths

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 3
5% Affordable Housing

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 3

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales	Adjustment	Net Sales
2 bed dwellings - open market	43	30,100	229.00	160,300	6,892,900	0	6,892,900
3 bed dwellings - open market	64	62,720	229.00	224,420	14,362,880	0	14,362,880
4 bed dwellings - open market	28	35,700	229.00	291,975	8,175,300	0	8,175,300
3 bed affordable (rent)	5	4,900	229.00	224,420	1,122,100	(448,840)	673,260
3 bed affordable (intermediate)	<u>2</u>	<u>1,960</u>	229.00	224,420	<u>448,840</u>	<u>(89,768)</u>	<u>359,072</u>
Totals	142	135,380			31,002,020	(538,608)	30,463,412

TOTAL PROJECT REVENUE **30,463,412**

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (10.00 Acres @ 253,660.58 /Acre)	2,536,606			2,536,606
Land Transfer Tax	161,989			
Effective Land Transfer Tax Rate	6.39%			161,989

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
2 bed dwellings - open market	30,100	121.00	3,642,100
3 bed dwellings - open market	62,720	121.00	7,589,120
4 bed dwellings - open market	35,700	121.00	4,319,700
3 bed affordable (rent)	4,900	121.00	592,900
3 bed affordable (intermediate)	<u>1,960</u>	121.00	<u>237,160</u>
Totals	135,380 ft²		16,380,980
Contingency		3.00%	566,303
			16,947,283

Other Construction Costs

Garages			887,500
Part L and F Building Regulations	142 un	4,070.00 /un	577,940
Electric Charging	142 un	1,000.00 /un	142,000
Future Homes Standard	142 un	6,256.00 /un	888,352
Building Safety Levy	128,520 ft ²	1.57	201,776
			2,697,568

PROFESSIONAL FEES

Project Fees	6.00%	1,124,086	1,124,086
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DISPOSAL FEES

Disposal Costs (Sales and Marketing)	3.00%	882,932	882,932
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TOTAL COSTS BEFORE FINANCE **24,350,465**

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land		552,474	
Construction		77,052	
Total Finance Cost			629,526

TOTAL COSTS **24,979,992**

PROFIT

5,483,420

Performance Measures

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	31.62%
Profit Erosion (finance rate 7.000)	2 yrs 10 mths

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 4
Zero Affordable Housing

Hargreaves Land
Lincolnshire Lakes (North) - Plot HA1a
Scenario 4

Project Pro Forma for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
2 bed dwellings - open market	43	30,100	229.00	160,300	6,892,900
3 bed dwellings - open market	71	69,580	229.00	224,420	15,933,820
4 bed dwellings - open market	<u>28</u>	<u>35,700</u>	229.00	291,975	<u>8,175,300</u>
Totals	142	135,380			31,002,020

TOTAL PROJECT REVENUE **31,002,020**

DEVELOPMENT COSTS

ACQUISITION COSTS

Residualized Price (10.00 Acres @ 289,123.52 /Acre)		2,891,235		2,891,235
Land Transfer Tax		186,104		
Effective Land Transfer Tax Rate	6.44%			186,104

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
2 bed dwellings - open market	30,100	121.00	3,642,100
3 bed dwellings - open market	69,580	121.00	8,419,180
4 bed dwellings - open market	<u>35,700</u>	121.00	<u>4,319,700</u>
Totals	135,380 ft²		16,380,980
Contingency		3.00%	566,303
			16,947,283
Other Construction Costs			
Garages			887,500
Part L and F Building Regs	142 un	4,070.00 /un	577,940
Electric Charging Points	142 un	1,000.00 /un	142,000
Future Homes Standard	142 un	6,256.00 /un	888,352
Building Safety Levy	135,380 ft ²	1.57	212,547
			2,708,339

PROFESSIONAL FEES

Project Fees	6.00%	1,124,086	1,124,086
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DISPOSAL FEES

Disposal Costs (Sales and Marketing)	3.00%	930,061	930,061
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TOTAL COSTS BEFORE FINANCE **24,787,108**

FINANCE

Debit Rate 7.000%, Credit Rate 0.000% (Nominal)			
Land		561,489	
Construction		73,056	
Total Finance Cost			634,546

TOTAL COSTS **25,421,653**

PROFIT

5,580,367

Performance Measures

Profit on Cost%	21.95%
Profit on GDV%	18.00%
Profit on NDV%	18.00%
IRR% (without Interest)	32.14%
Profit Erosion (finance rate 7.000)	2 yrs 10 mths

**Second Order of
Cost Estimate**

Lincolnshire Lakes

Hargreaves Land

February 2025

QA Sign Off

Prepared by Bradley Cooke

Checked by Tim Shaw

Arithmetically checked by Sam Cocker

Design Stage RIBA Stage 2

Gateway 1

Revision 13B

Issue Date 06.02.25

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EDGEPS LIMITED (EDGE)

(Registered Office) 3 Heritage Mews, High Pavement, Nottingham, NG1 1HN

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Appendix A	Information Used

Executive Summary

1.00 Overall project cost summary

1.01	Total estimated construction cost excluding Client design fees and Contractor risk allowances excluding completion of the East-West Link road.	13,708,564.93
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1.02 The estimated project costs includes for the following principal cost headings:

- a) Site Works
- b) Services
- c) Highways, Roads & Cycleways
- d) Street Works Generally
- e) Drainage
- f) Preliminaries

1.03 The principal exclusions from the cost estimate includes:

- a) VAT
- b) Client contingency
- c) Professional fees and surveys
- d) Abnormal ground conditions
- e) Major service diversions
- f) Asbestos and the removal of other contaminants
- g) Any increase in capital cost resulting from a detailed life cycle cost assessment
- h) Any costs associated with any onerous planning obligations (e.g. Section 38, 104, 106, 278 agreements)
- i) Inflation after Q1 2025 has been excluded
- j) Legal costs
- k) Finance costs
- l) Changes to building legislation
- m) Any costs associated with the impact of COVID-19 of the construction cost of the works
- n) Implication of Brexit including change in currency exchange rates and tariffs
- o) Land purchase
- p) IT and data requirements
- q) Out of hours working
- r) Client costs

2.00 Assumptions and Clarifications

- a) Measurements for all earthworks and surcharging is taken from BWB - Earthworks Strategy - P9
- b) Services to be laid according to details provided by BWB
- c) Details unknown for drainage connection to Scotter Road. Assumed 2.3km and breaking through existing road.
- d) 10% main contractor preliminaries
- e) 5% included for main contractor overheads and profits
- f) Lighting columns assumed to be placed at 30m centres.
- g) 2nr underground pumping stations have been included, Specifications and details unknown but assumed similar to those of Unity
- h) Ducting provided for data connection. It is assumed that BT/Openreach will feed cables to the developments
- i) Any imported fill to be a combination of 6f5 and 2C, with 2C preferred, subject to availability
- j) Plot drainage has been excluded
- k) No allowance has been included for bulking of earthwork material in the quantities.
- l) An all in cost has been included for substations, as no detail has been provided. Substations include HV panelling, LV panelling and switches, enclosure and fencing.
- m) Lime stabilization costs have been kept the same for now, until the update from BWB confirms the requirement.
- n) It is assumed that excess material after surcharge is to be stored on temporary stockpiles
- o) Surcharge Volumes have been increased to allow for the lower density of the material being used.
- p) On plot attenuation drainage has been excluded and assumed to be provided by housing developers
- q) Ducting along rising main route has been excluded, as requirement unknown at this stage.
- r) Ducting along rising main route has been excluded, as requirement unknown at this stage.

- s) Wetland areas have been measured based upon drawing number 6024-OOB-ZZ-DD-D-L_000003.
- t) Tree planting has been included as semi-mature and has been numbered as per the drawing provided.
- u) The hedgerow is assumed to be mature upon installation.
- v) All other planting is assumed to be seeding and includes fertiliser, and soil cultivation.
- w) Play surface has been benchmarked against RubaFlex 35mm deep and requires type 1 sub-base.
- x) Bridges assumed to be timber framed (no detail available).
- y) Drainage lines to SUDS basins assumed to have not changed.
- z) No changes to plot areas and overall surcharge strategy and requirements.

1.0 COST ESTIMATE SUMMARY

Gross Site Area (m2) 232,694

Gross Site Area (acres) 57.50

Ref	Section Construction	Area (Acres)	Total	£/m2	£/acre	Previous total	Movement
1.0	Site Wide Enabling	57.5	923,554	3.97	16,062	743,300	180,254
2.0	HA1a	10	2,164,396	9.30	216,440	2,222,031	-57,635
3.0	Road 1	4.4	1,193,591	5.13	271,271	1,108,307	85,284
4.0	HA1b	10	1,752,822	7.53	175,282	1,866,284	-113,462
5.0	HA2	10.1	1,691,403	7.27	167,466	1,763,222	-71,820
6.0	Road 2	1.7	579,059	2.49	10,071	512,979	66,081
7.0	HA3	8.4	1,693,296	7.28	201,583	1,775,738	-82,441
8.1	Foul Drainage - Phase 1		1,779,449	7.65		1,722,047	
8.2	Foul Drainage - Phase 2		73,520	0.32		71,148	
9.0	Wetland and SUDS Basins	10.5	1,782,312	7.66	169,744	495,280	1,287,032
10.0	Wetlands BG2	2.4	75,164	0.32	7,158		
Totals £			13,708,565	58.59	1,227,917	12,280,335	1,428,230

2.0 COST ESTIMATE SUB SUMMARY

Gross Site Area (m2) 232,694

Gross Site Area (acres) 57.50

Ref	Section	Total	£/m2
Construction			
1.0	Site Wide Enabling	923,554	3.97
1.1	Site Works	23,100	0.10
1.2	Services	310,530	1.31
1.3	Highways, Roads & Cycleways	-	-
1.4	Street Works Generally	440,190	1.86
1.5	Drainage	-	-
1.6	Prelims/ OHP/ Inflation	149,734	0.63
2.0	HA1a	2,164,396	9.30
2.1	Site Works	1,602,446	6.76
2.2	Services	-	-
2.3	Highways, Roads & Cycleways	-	-
2.4	Street Works Generally	-	-
2.5	Drainage	211,040	0.89
2.6	Prelims/ OHP/ Inflation	350,910	1.48
3.0	Road 1	1,193,591	5.13
3.1	Site Works	334,967	1.41
3.2	Services	-	-
3.3	Highways, Roads & Cycleways	624,510	2.64
3.4	Street Works Generally	40,600	0.17
3.5	Drainage	-	-
3.6	Prelims/ OHP/ Inflation	193,515	0.82
4.0	HA1b	1,752,822	7.53
4.1	Site Works	1,039,850	4.39
4.2	Services	291,270	1.23
4.3	Highways, Roads & Cycleways	-	-
4.4	Street Works Generally	-	-
4.5	Drainage	137,520	0.58
4.6	Prelims/ OHP/ Inflation	284,182	1.20
5.0	HA2	1,691,403	7.27
5.1	Site Works	958,069	4.04
5.2	Services	291,270	1.23
5.3	Highways, Roads & Cycleways	-	-
5.4	Street Works Generally	-	-
5.5	Drainage	167,840	0.71
5.6	Prelims/ OHP/ Inflation	274,224	1.16

2.0 COST ESTIMATE SUB SUMMARY

Gross Site Area (m2) 232,694

Gross Site Area (acres) 57.50

Ref	Section	Total	£/m2
6.0	Road 2	579,059	2.49
6.1	Site Works	128,158	0.54
6.2	Services	-	-
6.3	Highways, Roads & Cycleways	330,920	1.40
6.4	Street Works Generally	26,100	0.11
6.5	Drainage	-	-
6.6	Prelims/ OHP/ Inflation	93,882	0.40
7.0	HA3	1,693,296	7.28
7.1	Site Works	1,068,575	4.51
7.2	Services	252,750	1.07
7.3	Highways, Roads & Cycleways	-	-
7.4	Street Works Generally	-	-
7.5	Drainage	97,440	0.41
7.6	Prelims/ OHP/ Inflation	274,531	1.16
8.0	Foul Drainage	1,852,968	7.96
8.1	Site Works	-	-
8.2	Services	5,500	0.02
8.3	Highways, Roads & Cycleways	-	-
8.4	Street Works Generally	-	-
8.5	Drainage	1,547,050	6.53
8.6	Prelims/ OHP/ Inflation	300,418	1.27
9.0	Wetland and SUDS Basins	1,782,312	7.66
9.1	Site Works	1,270,149	5.36
9.2	Services	-	-
9.3	Highways, Roads & Cycleways	-	-
9.4	Street Works Generally	-	-
9.5	Drainage	223,200	-
9.6	Prelims/ OHP/ Inflation	288,963	1.22
9.0	Wetlands BG2	75,164	0.32
9.1	Site Works	62,978	0.27
9.2	Services	-	-
9.3	Highways, Roads & Cycleways	-	-
9.4	Street Works Generally	-	-
9.5	Drainage	0	-
9.6	Prelims/ OHP/ Inflation	12,186	0.05
		13,708,565	59

3.0 Site Wide Enabling					
Ref	Description	Quant	Unit	Rate	Total
1	Site Works				23,100
a	Fencing to the side of the Ditch. 1100mm high, 6 line with concrete posts at 2.75m, Including 8nr End Straining posts.	570	m	30.00	17,100
b	6nr Gates for above fencing	6	nr	1,000.00	6,000
2	Services				310,530
a	Sub station, including HV Panel, LV Panels and switching to HA1a.	1	nr	250,000.00	250,000
b	Allowance for LV Connection	25	m	110.00	2,750
c	HV Armoured cable including connections to Sub stations	180	m	173.00	31,140
d	Water main; all laid in trenches including excavation and backfill with	180	m	125.00	22,500
e	Ducting for data and telephone feeds - Feeds assumed by others	180	m	23.00	4,140
3	Highways, Roads & Cycleways				
	N/A				
4	Street Works Generally				440,190
a	North South Cycle Road (Including Lighting)	146	m	560.00	81,760
b	East West Cycle Road - Connecting to Brumby Common Lane (including lighting)	736	m	310.00	228,160
c	Allowance for connections at Scotter road	1	item	130,270.00	130,270
5	Drainage				
	<i>Measured Elsewhere</i>				
Total Construction Costs £					773,820
6	Preliminaries				
a	Main Contractor preliminaries	10	%		77,382
b	Main Contractor overheads and profits	5	%		42,560
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		29,792
Total Carried Forward to Summary £					923,554

4.0 HA1a					
Ref	Description	Quant	Unit	Rate	Total
1	Site Works				1,602,446
	Topsoil				
a	Site Strip - 390mm of topsoil to use for Surcharge (including future phases)	222,170	m3	3.50	777,595
	Fill				
b	Level formation using site area (cut)	4,047	m3	1.50	6,071
c	Fill required from BG3 (Excavate, move and fill)	29,375	m3	3.50	102,813
d	Lime stabilisation of fill.	50,000	m2	11.00	550,000
e	Compaction of sub-formation level - at 300mm depths for HA1a	100,000	m2	0.40	40,000
	Surcharge				
f	Additional Bulk fill for surcharge, take from BG3 & BG4	25,848	m3	3.50	90,468
g	Extra over for Surcharge testing	50,000	m2	0.71	35,500
2	Services				
	<i>Measured elsewhere</i>				
3	Highways, Roads & Cycleways				
	<i>N/A</i>				
4	Street Works Generally				
	<i>N/A</i>				
5	Drainage				211,040
a	Formation of SUDS Basin for attenuation per plot requirements	1,719	m3	80.00	137,520
b	Formation of Swale (assumed lining, filter drains etc)	919	m3	80.00	73,520
Total Construction Costs £					1,813,486
6	Preliminaries				
a	Main Contractor preliminaries	10	%		181,349
b	Main Contractor overheads and profits	5	%		99,742
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		69,819
Total Carried Forward to Summary £					2,164,396

5.0 Road 1 (to serve HA1a)					
Ref	Description	Quant	Unit	Rate	Total
1	Site Works				334,967
	Topsoil				
	Fill				
a	Level formation using site area (cut)	1,800	m3	1.50	2,700
b	Fill required from BG3	10,627	m3	3.50	37,195
c	Lime stabilisation of fill.	18,000	m2	11.00	198,000
d	Compaction of sub-formation level - at 300mm depths for HA1 Phase 1a	36,000	m2	0.40	14,400
	Surcharge				
e	Relocation of material from earlier phases	34,946	m3	2.00	69,892
f	Extra over for Surcharge testing	18,000	m2	0.71	12,780
2	Services				
	<i>Measured elsewhere</i>				
3	Highways, Roads & Cycleways				624,510
a	Strategic East - West Road	313	m	1,870.00	585,310
b	Extra Over for Bus Turning	28	m	1,400.00	39,200
4	Street Works Generally				40,600
a	Road markings and signs	1	item	13,000.00	13,000
b	Lighting columns; assumed 30m centres	12	nr	2,300.00	27,600
5	Drainage				
a	Formation of SUDS Basin for attenuation per plot requirements (included in HA1a)				
Total Construction Costs					£ 1,000,077
6	Preliminaries				
a	Main Contractor preliminaries	10	%		100,008
b	Main Contractor overheads and profits	5	%		55,004
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		38,503
Total Carried Forward to Summary					£ 1,193,591

6.o HA1b					
Ref	Description	Quant	Unit	Rate	Total
1 Site Works					1,039,850
	Topsoil				
	Fill				
a	Level formation using site area (cut)	4,047	m3	1.50	6,071
b	Fill required from BG4	20,894	m3	3.50	73,129
c	Lime stabilisation of fill.	35,000	m2	11.00	385,000
d	Compaction of sub-formation level - at 300mm depths for HA1 Phase	70,000	m2	0.40	28,000
	1a				
	Surcharge				
e	Relocation of material from earlier phases	178,987	m3	2.00	357,974
f	Extra over for Surcharge testing	35,000	m2	0.71	24,850
g	Relocation of surplus material to future HA2	60,729	m3	2.00	121,458
h	Relocation of previous phase surplus to stockpile	21,684	m3	2.00	43,368
2 Services					291,270
a	Sub station, including HV Panel, LV Panels and switching.	1	nr	250,000.00	250,000
b	Allowance for LV Connection	25	m	110.00	2,750
c	HV Armoured cable including connections to Sub stations	120	m	173.00	20,760
d	Water main; all laid in trenches including excavation and backfill with	120	m	125.00	15,000
e	Ducting for data and telephone feeds - Feeds assumed by others	120	m	23.00	2,760
3 Highways, Roads & Cycleways					
	N/A				
4 Street Works Generally					
	N/A				
5 Drainage					137,520
a	Formation of SUDS Basin for attenuation per plot requirements	1,719	m3	80.00	137,520
Total Construction Costs £					1,468,640
6 Preliminaries					
a	Main Contractor preliminaries	10	%		146,864
b	Main Contractor overheads and profits	5	%		80,775
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		56,543
Total Carried Forward to Summary £					1,752,822

7.0 HA2					
Ref	Description	Quant	Unit	Rate	Total
1 Site Works					958,069
	Topsoil Fill				
a	Level formation using site area (cut)	4,087	m3	1.50	6,131
b	Fill required from BG4	21,520	m3	3.50	75,320
c	Lime stabilisation of fill.	36,000	m2	11.00	396,000
d	Compaction of sub-formation level - at 300mm depths for HA1 Phase 1a	72,000	m2	0.40	28,800
	Surcharge				
e	Relocation of material from earlier phases.	183,934	m3	2.00	367,868
f	Extra over for Surcharge testing	36,000	m2	0.71	25,560
g	Relocation of surplus material to Stock pile	29,195	m3	2.00	58,390
2 Services					291,270
a	Sub station, including HV Panel, LV Panels and switching.	1	nr	250,000.00	250,000
b	Allowance for LV Connection	25	m	110.00	2,750
c	HV Armoured cable including connections to Sub stations	120	m	173.00	20,760
d	Water main; all laid in trenches including excavation and backfill with	120	m	125.00	15,000
e	Ducting for data and telephone feeds - Feeds assumed by others	120	m	23.00	2,760
4 Street Works Generally					
	N/A				
5 Drainage					167,840
a	Formation of SUDS Basin for attenuation per plot requirements	1,802	m3	80.00	144,160
b	Formation of Swale (assumed lining, filter drains etc)	296	m3	80.00	23,680
Total Construction Costs £					1,417,179
6 Preliminaries					
a	Main Contractor preliminaries	10	%		141,718
b	Main Contractor overheads and profits	5	%		77,945
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		54,561
Total Carried Forward to Summary £					1,691,403

8.0 Road 2 (to serve HA2/HA3)					
Ref	Description	Quant	Unit	Rate	Total
1	Site Works				128,158
	Topsoil				
	Fill				
a	Level formation using site area (cut)	684	m3	1.50	1,026
b	Fill required from BG4	4,041	m3	3.50	14,144
c	Lime stabilisation of fill.	7,000	m2	11.00	77,000
d	Compaction of sub-formation level - at 300mm depths for HA1 Phase 1a	14,000	m2	0.40	5,600
	Surcharge				
e	Relocation of Surcharge material to HA3	12,709	m3	2.00	25,418
f	Extra over for Surcharge testing	7,000	m2	0.71	4,970
2	Services				
	<i>Measured Elsewhere</i>				
3	Highways, Roads & Cycleways				330,920
a	Strategic East - West Road	156	m	1,870.00	291,720
b	Extra Over for Bus Turning	28	m	1,400.00	39,200
4	Street Works Generally				26,100
a	Allowance for road markings and signs	1	item	10,000.00	10,000
b	Lighting columns; assumed 30m centres	7	nr	2,300.00	16,100
5	Drainage				
a	Formation of SUDS Basin for attenuation per plot requirements (Included in HA2)				
Total Construction Costs					£ 485,178
6	Preliminaries				
a	Main Contractor preliminaries	10	%		48,518
b	Main Contractor overheads and profits	5	%		26,685
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		18,679
Total Carried Forward to Summary					£ 579,059

9.0 HA 3					
Ref	Description	Quant	Unit	Rate	Total
1	Site Works				1,068,575
	Topsoil				
	Fill				
a	Level formation using site area (cut)	3,400	m3	1.50	5,100
b	Fill required from BG4	20,072	m3	2.00	40,144
c	Lime stabilisation of fill.	34,000	m2	11.00	374,000
d	Compaction of sub-formation level - at 300mm depths for HA1 Phase	68,000	m2	0.40	27,200
	1a				
	Surcharge				
e	Relocation of Surcharge material from HA2	122,824	m3	2.00	245,648
f	Extra over for Surcharge testing	34,000	m2	0.71	24,140
g	Relocation of all remaining Surcharge material to Next Phase	176,172	m3	2.00	352,343
2	Services				252,750
a	Sub station, including HV Panel, LV Panels and switching.	1	nr	250,000.00	250,000
b	Allowance for LV Connection	25	m	110.00	2,750
3	Highways, Roads & Cycleways				
	N/A				
4	Street Works Generally				
	N/A				
5	Drainage				97,440
a	Formation of SUDS Basin for attenuation per plot requirements	1,218	m3	80.00	97,440
Total Construction Costs £					1,418,765
6	Preliminaries				
a	Main Contractor preliminaries	10	%		141,877
b	Main Contractor overheads and profits	5	%		78,032
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		54,622
Total Carried Forward to Summary £					1,693,296

10.0 Foul Drainage								
Ref	Description	Quant	Unit	Rate	Total	Phasing Split		
						Phase 1 (Road 1)	Phase 2 (Road 2)	Link Road Completion
1	Site Works							
	<i>Measured elsewhere</i>							
2	Services				5,500	5,500		
a	Allowance for LV Connection from Scotter Road to Pump Station FPS01	50	m	110.00	5,500	5,500		
3	Highways, Roads & Cycleways							
	<i>N/A</i>							
4	Street Works Generally							
	<i>N/A</i>							
5	Drainage				1,547,050	1,485,450		
a	Foul Drainage associated with Road 1, including 2nr manholes (Green line)	228	m	400.00	91,200	91,200		
b	Foul Drainage as sociated with North-South Cycle Road, including 3nr manholes (Black line)	133	m	400.00	No Longer Required			
c	Foul Drainage Associated with Road 2, including 4nr manholes (Purple line)	154	m	400.00	61,600		61,600	
d	Foul Drainage associated with Pumping station FPS02, including 1nr manhole, North to south run. (Blue line)	715	m	400.00	286,000	286,000		
e	Continuation of Foul Drainage (Blue line) Running East-West. assumed breaking through road, Anticipated total length 2.3km to connect to Brumby Common. Including traffic/pedestrian management. Breaking out existing surface, excavation and storage of excavated material, infill & making good with higher spec finish.	1,585	m	450.00	713,250	713,250		
f	Foul Drainage associated with continuing East-West Road, including 5nr manholes (Pink line) (East West Additional)	0	m	0.00	excl			excl
g	<i>Note, all foul drainage, assumed 225mm pipe laid on gravel bed at average depth of 2.5m, Including Manholes.</i>							
h	Allowance for 1nr underground Pumping Station in Phase (FPS01)	1	nr	395,000.00	395,000	395,000		
Total Construction Costs					£ 1,552,550	1,490,950	61,600	0
6	Preliminaries							
a	Main Contractor preliminaries	10	%		155,255	149,095	6,160	0
b	Main Contractor overheads and profits	5	%		85,390	82,002	3,388	0
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		59,773	57,402	2,372	Excl'd
Total Carried Forward to Summary					£ 1,852,968	1,779,449	73,520	0

11.0 Wetlands & SUDS Basins					
Ref	Description	Quant	Unit	Rate	Total
1	Site Works				1,270,149
	SoftWorks/Seeding				
a	Mowable grass seeding	6,000	m2	3.00	18,000
b	Native Meadow Grassland Seeding	12,500	m2	3.10	38,750
c	Wildflower Seeding	7,000	m2	3.25	22,750
d	Wet Meadow Seeding	1,600	m2	3.75	6,000
e	Marginal Seeding	6,000	m2	5.00	30,000
f	Aquatic Seeding	1,000	m2	4.50	4,500
g	Scrub Seeding	4,500	m2	3.25	14,625
h	Semi-Mature Tree Planting - mixed sizes	100	nr	450.00	45,000
i	Tree planting - Mixed sizes - WIPS	223	nr	35.00	7,805
j	Hedgerow - mature	735	m	80.00	58,800
k	Resin Bound Gravel	673	m2	80.00	53,840
l	Play Surface (Rubaflex Playground surfacing 35mm thick)	1,700	m2	50.00	85,000
m	Type 1 sub-base; 200mm for Play surface and Resinbound Gravel	475	m3	53.00	25,155
n	Extra over allowance for play park	1	item	50,000	50,000
o	Bridges (assumed treated timber)	2	nr	5,000	10,000
p	Excavation of Vole ditches and Wetland	1,355	m	590.35	799,924
2	Services				
	N/A				
3	Highways, Roads & Cycleways				
	N/A				
4	Street Works Generally				
	N/A				
5	Drainage				
a	Formation of Swale (assumed lining, filter drains etc)	2,790	m3	80.00	223,200
Total Construction Costs £					1,493,349
6	Preliminaries				
a	Main Contractor preliminaries	10	%		149,335
b	Main Contractor overheads and profits	5	%		82,134
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		57,494
Total Carried Forward to Summary £					1,782,312

12.0 Wetlands BG2					
Ref	Description	Quant	Unit	Rate	Total
1	Site Works				62,978
	SoftWorks/Seeding				
a	Wildflower Seeding	5,750	m2	3.25	18,688
b	Marginal Seeding	2,500	m2	5.00	12,500
c	Semi-Mature Tree Planting - mixed sizes - Within 11.0 Wetland		nr	450.00	0
d	Hedgerow - mature	133	m	80.00	10,640
e	Loose Bound Gravel Pathway	423	m2	50.00	21,150
2	Services				
	N/A				
3	Highways, Roads & Cycleways				
	N/A				
4	Street Works Generally				
	N/A				
5	Drainage				
	N/A				
Total Construction Costs £					62,978
6	Preliminaries				
a	Main Contractor preliminaries	10	%		6,298
b	Main Contractor overheads and profits	5	%		3,464
c	Inflation - from Q1 2024 to Q1 2025	3.33	%		2,425
Total Carried Forward to Summary £					75,164

Appendices

Appendix A - Information Used

Reference number	Document title	Revision	Size	Scale
Architects information	7730-SMR-00-ZZ-DR-A-8006-S3-P8	8	A1	1:2000
	7730-SMR-00-ZZ-DR-A-8007-S3-P7	7	A1	1:2000
	7730-SMR-00-ZZ-DR-A-8008-S3-P3	3	A1	1:2000
	7730-SMR-00-ZZ-DR-A-8010-S3-P1	1	A1	Various
	7730-SMR-00-ZZ-DR-A-8012-S3-P1 Phasing	1	A1	1:2000
	7730-SMR-00-ZZ-DR-A-8002-S3-P12	12	A1	1:2000
	7730-SMR-00-ZZ-DR-A-8007-S3-P12	12	A1	1:2000
	7730-SMR-01-ZZ-DR-A-8007-S3-P12	12	A1	1:2000
Other information	LIN-BWB-XX-XX-DR-C-0500-S1-P01_SW Attenuation Strategy	1	A4	None
	LIN-BWB-XX-XX-DR-C-0510-S1-P01_FW Network Strategy	1	A4	None
	LIN-BWB-DGT-XX-CA-C-0001-Earthworks Strategy_P09	3	A4	None
	LIN-BWB-ZZ-XX-RP-LE-0002_Ph2 - P2	2	A4	None
	LIN-BWB-DGT-XX-CA-C-0001-Earthworks Strategy - topsoil surcharge strategy_P08	8	A4	None
	LIN-BWB-XX-XX-DR-C-0510-S1-P02_FW Network Strategy	2	A4	None
	LIN-BWB-XX-XX-DR-C-0500-S1-P03_SW Attenuation Strategy	3	A4	None
	LIN-BWB-XX-XX-DR-C-0605-S1-P01_Surcharge Strategy Plan Phase HA1	1	A4	None
	LIN-BWB-XX-XX-DR-C-0606-S1-P01_Surcharge Strategy Plan Phase HA2	1	A4	None
	LIN-BWB-XX-XX-DR-C-0607-S1-P01_Surcharge Strategy Plan Phase HA3	1	A4	None
	LIN-BWB-XX-XX-M3-C-0604-Parcel HA1	N/A	N/A	N/A
	LIN-BWB-XX-XX-M3-C-0605-Parcel HA2	N/A	N/A	N/A
	LIN-BWB-XX-XX-M3-C-0606-Parcel HA3	N/A	N/A	N/A

Appendix B - Rates Description		
Description	Inclusions	Source
225mm dia clay pipe; average depth 2.5m - Section 10.0 Foul Drainage	Includes trench excavation by machine, to an average depth of 2.5m, laying and connection of 225mm diameter clay pipe, filling with excavated material	Coalville Housing Development, verified with Spons.
Allowance for 2nr underground Pumping Stations - Section 10.0 Foul Drainage	Excavation and removal of material,	Hargreaves Unity - scheme to develop two 250k square feet plots.
Compaction of sub-formation level - at 300mm depths - Section 4.0 HA1a, Section 6.0 HA1b, Section 7.0 HA2, Section 9.0 HA3	Assumed suitable machinery for compaction	Hargreaves Unity - scheme to develop two 250k square feet plots.
Drainage connection, assumed breaking through road, anticipated length 2.3km. Including traffic/pedestrian management. Breaking out existing surface, excavation and storage of excavated material, infill & making good with higher spec finish. - Section 10.0 Foul Drainage	Including traffic/pedestrian management. Breaking out existing surface, excavation and storage of excavated material, infill & making good with higher spec finish.	Spons
Ducting for data and telephone feeds - Feeds assumed by others - Section 3.0 Site Wide Enabling	Includes trench excavation by machine, to an average depth of 2.5m, laying suitable ducting, filling with excavated material	Spons
Extra Over for HV Armoured cable - Section 3.0 Site Enabling Works, Section 6.0 HA1b, Section 7.0 HA2	Supply and install of HV armoured cable, Spec unknown	Spons
Extra over for Surcharge testing - Section 4.0 HA1a, Section 5.0 Road 1, Section 6.0 HA1b, Section 7.0 HA2, 8.0 Road 2, 9.0 HA3		Rate provided by Hargreaves Land
Lighting columns; assumed 30m centres - Section 5.0 Road 1, Section 8.0 Road 2	Allowance for Lighting columns,	Project Spur Development
Lime stabilisation of fill. - Section 4.0 HA1a, Section 5.0 Road 1, Section 6.0 HA1b, Section 7.0 HA2, Section 8.0 Road 2, Section 9.0 HA3	Allowance for dispersal of lime	Previous Schemes
Manholes - 1200mm dia; 3090mm deep - Section 10.0 Foul Drainage	Includes hole excavation, supply and install of manholes and any required connections.	Hargreaves Unity - scheme to develop two 250k square feet plots.
Excavate and Removal of material from BGX for Surcharging Phase 1b <i>and similar</i> - Section 4.0 HA1a, Section 5.0 Road 1, Section 6.0 HA1b, Section 7.0 HA2, Section 8.0 Road 2, Section 9.0 HA3	Included excavation by machine, to a depth of 1.0m and transport and unloading, by machine to surcharge locations, forming of surcharge Bund by machine, and includes for any compaction required	Hargreaves Unity - scheme to develop two 250k square feet plots. Blindwells Scheme
Removal of stripped topsoil to fill BG-A & BG-B via temporary spoil heaps <i>and similar</i> - Section 3.0 Site Wide Enabling, 4.0 HA1a, 5.0 Road 1, Section 6.0 HA1b, Section 7.0 HA2	Includes for excavation and removal by machine, and to be double handled to new settlement location	Hargreaves Unity - scheme to develop two 250k square feet plots. Blindwells Scheme
Relocation of all remaining Surcharge material to Next Phase - Section 7.0 HA2, Section 9.0 HA3	Includes for removal of soil, by machine, to long term spoil heaps.	Hargreaves Unity - scheme to develop two 250k square feet plots.
Road markings and signs - Section 5.0 Road 1, Section 8.0 Road 2	Allowance included for any markings or signage required, as yet unspecified	Allowance
Site Strip - 390mm to BGA & BGB areas to prepare area for cut. - Section 4.0 HA1a	Removal of topsoil to form bund	Hargreaves Unity - scheme to develop two 250k square feet plots.
Supply and place Cable ductwork, excavation to 600mm, laid on sand bed, and backfilled, excluding Armoured cable. - Section 3.0 Site Wide Enabling	Includes excavation to 1.5m depth, ductwork for cabling to be laid in trenches, backfill with type 1 hardcore and any associated connections. Assumed cabling to be done by others.	Spons
Surcharge Relocation, based upon assumed wastage of 5% <i>and similar</i> - Section 4.0 HA1a, Section 5.0 Road 1, Section 6.0 HA1b, Section 7.0 HA2, Section 8.0 Road 2, Section 9.0 HA3	Includes machine handling of surcharge to move from 1 location to another, forming into surcharge mounds and compaction required	Hargreaves Unity - scheme to develop two 250k square feet plots. Blindwells Scheme
Water main - Section 3.0 Site Wide Enabling	Includes excavation to 2.5m depth, pipes to be laid in trenches, backfill with type 1 hardcore and any associated connections	Spons
Foul Drainage - Section 10.0 Foul Drainage	Foul drainage works include installation of pipework and manholes across various site roads and connections to pumping stations as part of the overall drainage network.	Severn Trent

EDGE

Lincolnshire Lakes – Cost Plan Analysis

Cost Plan Rational

The cost estimate for the Lincolnshire Lakes development was prepared in February 2025 following a series of detailed discussions, design reviews, and benchmarking exercises to ensure the outputs are robust and reflective of current market expectations.

Several meetings were held with BWB to discuss the evolving design and associated cost implications. These sessions focused particularly on the rationale behind the proposed surcharging strategy and the practicalities of material sourcing for cut-and-fill operations. The design team worked collaboratively to identify suitable areas for obtaining and redistributing material, including the potential reuse of spoil heaps.

To provide greater cost certainty, EDGE engaged with a local contractor to obtain market tested input on the estimated costs for infill works. This validated the preliminary allowances within the cost plan and provided assurance that the figures reflect realistic delivery costs under current regional conditions.

The estimate also draws upon cost data and lessons learned from previous Hargreaves Land schemes completed by EDGE, alongside benchmark information from the Blindwells development – a comparable site in terms of ground conditions and infrastructure requirements. This comparative analysis helped ensure that key assumptions, particularly around earthworks and infrastructure delivery, are grounded in recent, relevant experience.

Area plans produced by the design team were carefully reviewed and adjusted where necessary to align with engineering and viability considerations. These refinements were subsequently incorporated into the cost plan, ensuring that the latest design iterations and development phasing are accurately represented.

It should be noted that foul drainage infrastructure has been excluded by Hainstone within the viability report. Within the cost plan EDGE provided, this was included at £1,852,969 and would increase Hainstone costs to £11,577,439 based on the viability report.

Inflation Assessment

Basis Of Cost Estimate

EDGE Original Cost Plan	£13,708,565
Base Date	1Q25
Current Date	4Q25

BCIS All-In TPI Indices

1Q25	399
4Q25	407
Difference	8
Percentage Increase	2.01%

Inflation Calculation

Original Cost Plan	£13,708,565
Percentage Increase	2.01%
Revised Cost Plan Including Inflation	£13,984,107.16