MAXEY GROUNDS

VIABILITY ASSESSMENT

OF

SITE AT JAMES ROAD
CROWLAND
PETERBOROUGH

FOR

ASHWOOD HOMES

ASSESSMENT DATE
19th MAY 2021

BY

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MAXEY GROUNDS

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NON-TECHNICAL SUMMARY

This is a financial viability assessment to establish the viability of a scheme for residential development of a site previously used for allotments at James Road, Crowland. The proposed development comprises 49 residential units, with 12 affordable houses and a further 8 units to be provided to the Parish Council as part of payment for the land, along with a £50,000 contribution towards a local play area.

The Gross Development Value (GDV) is calculated using market evidence from similar schemes in the area, and therefore values of between £2,226 and £2,767 per m^2 have been adopted, giving sale values of between £202,000 and £365,000 for market units, which accurately reflects the market for the various types of dwelling. Prices per m^2 have been adjusted to reflect the size of unit and accommodation.

A basic build cost of £1,131 per m^2 has been adopted, which is the weighted average BCIS lower quartile figure calculated on a pro-rata basis to reflect the number of different types of dwelling i.e. detached, semi-detached and terraced. Due to ground conditions, the proposed units will need to be piled; an additional cost of £5,000 per unit has been adopted to reflect this.

Additional costs for additional stone fill to the roads on the site and the dewatering are required. A basic road construction cost of £2,100 per m has been used for adopted roads and £1,200 per m has been used for private roadways. These costs are based on figures from developments in the local area and are considered standard development costs in this area.

Other costs for additional footpath, Triax and Geotextile under the road, crossing to existing dyke, imported soil, screen walls and retaining walls have been provided by the Client and are based on construction costs on similar sites in the region.

Other costs adopted, including 6% for Design & Professional Fees, 2.5% Contingency, costs for garages and driveways, plot specific external works of £2,500 per plot, 2.5% for marketing, £750 for legal fees on sale and an interest rate of 6.0%, have all been previously agreed as appropriate on other sites in this area.

A profit level of 17.5% has been adopted for market units, and 6% for affordable housing, which is considered to be the minimum level of profit a developer would accept to undertake this scheme.

As required under NPPF and PPG, we have considered an Existing Use Value (EUV) + Premium approach to land value, however, in this instance the consideration for the land is a £50,000 contribution to the Parish Council for improvements to a local play area plus provision of 8 x residential units to be retained and rented by the Parish Council. Therefore, we have adopted a land price of £1 in the HCA DAT, and inputted the £50,000 as an additional cost plus the 8 x residential units have been included within the residential

batching so the cost of their construction is allowed for, with income from their disposal a notional £1 per unit.

Using the Homes & Communities Agency Development Appraisal Tool (HCA DAT) spreadsheet, we have inputted the land value, calculated GDV and deducted all costs for the development to establish the viability of the scheme. The results are as follows:

Scheme	Surplus/Deficit
49 units with 12 Affordable Housing Units (and land purchase price of £50,000 contribution plus provision of 8 x residential units)	-£641,279
49 units with no Affordable Housing (but with land purchase price of £50,000 contribution plus provision of 8 x residential units)	-£190,573

We have conducted a sensitivity analysis which shows variations of the scheme with no affordable housing, the results of this are outlined further in the Report, but our conclusions are as follows.

A fully policy-compliant scheme is clearly not viable once land cost, construction and other costs have been deducted from GDV. Removing all affordable housing still results in a non-viable scheme, therefore it is not viable to deliver the site with any affordable housing, and the developer will have to accept a profit level of less than 17.5%.

However if the Developer is to deliver the scheme on this basis, there is provision for 8 rented units, under the control of the Parish Council, to the community as a form of affordable housing.

INSTRUCTIONS

We refer to instructions from Ashwood Homes to provide a Financial Viability Assessment (FVA) for the site and our Conditions of Instructions Letter and Standard FVA Conditions Of Engagement & Terms of Business dated 3rd March 2021, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for Ashwood Homes.

Purpose of FVA

This FVA is required to establish the viability of development of a site having regard to the requirements for affordable housing that might be imposed in connection with residential development of the site.

Asset to be Appraised

The appraisal is of a development site situated at James Road, Crowland. The site is identified by the plans within Appendix II

Scheme-Specific/Area Wide FVA

This FVA is in relation to providing a response to the issue of viability on a site-specific scheme. We have not provided any advice to the Local Planning Authority.

Interest in the Property

This FVA is conducted on the basis that the land it refers to is owned freehold with vacant possession.

Classification of Property

The property is proposed to be developed by Ashwood Homes with 49 residential properties constructed for sale.

RICS Guidance/Professional Statements

In preparing this FVA, the Valuers have acted in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019. The Valuers have acted with objectively, impartially, without interference and with reference to all appropriate available sources of information.

Although FVA work is outside the scope of the RICS Valuation – Global Standards 2020, any valuation utilised in the appraisal has been prepared in accordance with RICS Valuation

– Global Standards 2020. Furthermore, This FVA has been undertaken in accordance with the requirements of PS2 (Ethics, Competency, Objectivity and Disclosures) of the RICS Valuation – Global Standards 2020.

Bases of Value

All valuations provided within this report are on the basis **Market Value**, defined by the RICS Valuation – Global Standards 2020 as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The Benchmark Land Value (BLV) has been considered on the basis of Existing Use Value (EUV) plus a Premium. However, the land purchase price in this case is not a solely cash consideration, as it has been agreed as a contribution of £50,000 to the Parish Council for improvements to a play area plus provision of 8 x constructed dwellings for the Parish Council as managed affordable dwellings. In modelling we have taken the actual basis of consideration as representing the land cost.

Appraisal Date

The appraisal and any valuations provided within this report are as at 19th May 2021.

Identity of Valuer

The appraisal has been undertaken by J R Maxey MA (Cantab) FRICS FAAV RICS Registered Valuer and V J McIlroy BSc (Hons) MRICS FAAV RICS Registered Valuer.

Material Involvement

Neither Maxey Grounds & Co LLP nor the named Valuers have any conflict of interest in preparing this appraisal. We have carried out work for Ashwood Homes in the past but we have no interest in the proposed transaction.

Status of the Valuer

The appraisal has been prepared by corporate members of the Royal Institution of Chartered Surveyors who are also members of the RICS Valuer Registration Scheme, acting as External Valuers.

Currency

The appraisal and any valuations within are reported in pounds sterling (£).

Fee

In accepting these instructions, no performance-related or contingent fees have been agreed.

Assumptions and Caveats

1. In making this report, Maxey Grounds & Co LLP has met the relevant requirements of the RICS Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019 and any valuations within this appraisal have been carried out in accordance with the RICS Valuation – Global Standards 2020 and that, unless otherwise stated, have made the following assumptions which Maxey Grounds & Co LLP is under no duty to verify:

a) that no high alumina cement, concrete or calcium chloride additive or other potentially deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;

b) that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;

c) 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 are or will be unlawful;

d) that inspection of those parts which have not been inspected would neither reveal material defects nor cause Maxey Grounds & Co LLP to alter the appraisal materially;

e) that no formal environmental assessment will be provided and 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 any neighbouring property. The report will not identify the existence of contamination but in the Surveyor's visual inspection concludes that there may be material contamination the Valuer will report that further investigation is required.

2. In arriving at conclusions, no allowance has been made for costs of acquisition or realisation, nor any VAT, Capital Gains Tax, nor any other tax, nor similar liability or claimable allowances which might arise on the sale of the property.

3. In arriving at our conclusions, no allowance has been made for personal goodwill, removable fittings, loose furniture or equipment.

4. We have not investigated the existence of mortgages, leases or hire purchase agreements in respect of plant and machinery, and our valuation assumes any such liabilities have been discharged.

5. We have not undertaken any site investigations to determine the suitability of ground conditions or services for any new extended or proposed buildings or dwellings.

6. In the case of agricultural property, we accept no responsibility regarding, and offer no advice on, the possibility of latent infestations of the soil or of any disease that may affect crops or stock.

7. With regard to Town and Country Planning matters, employees of local planning authorities always give information on the basis that it should not be relied upon and that formal searches should be made if confirmation of the information is required. Although for the purposes of this report we have assumed that such informal information is correct, we recommend that, if you should need to rely upon such information, you should instruct solicitors to instigate formal searches.

8. No indications of past or present contaminative land uses were noted during the inspection. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated sub-soils or ground waters. In the event of contamination being discovered further specialist advice should be obtained

We have assumed that the information and opinions we have been given are complete and correct in respect of the properties and that further investigations would not reveal more information sufficient to affect value. We consider that this assumption is reasonable in the circumstances.

Special Assumptions

For the purposes of this appraisal, we have assumed that the properties that are the subject of the planning application are completed in accordance with the plans that have been supplied to us, and on the timescale as set out in the Residential Planning Section of the HCA DAT spreadsheet.

Extent of Investigations

Whilst we have taken into account the apparent state of repair of the property in our appraisal, we have not carried out a building survey, nor have we inspected those parts of the property that are covered, unexposed or inaccessible. Unless otherwise stated, such parts have been assumed to be in good repair and condition. We cannot express an opinion about, or advise upon, the condition of uninspected parts and this Report shall not be taken as making any implied representation or statement about such parts. We have not arranged for the testing of electrical, heating or other services and we cannot, therefore, give any warranty as to the soundness of these items. Whilst the site has been inspected briefly as this report is in advance of the development, it is undertaken as a desktop exercise.

Nature and Sources of Information Provided

We have been provided with copies of all plans for the proposed development by the Client. Copies of plans are attached as Appendix II to this report.

Evidence utilised to establish Market Values has been obtained from information from the client as to current sales levels being achieved for similar properties on sites in Crowland and other nearby villages, and other evidence sources including Rightmove Plus. Affordable rental levels have also been determined by confirming the maximum Local Housing Allowance Rates on Direct Gov for the area. Figures for appropriate levels of management and repair costs have been confirmed by local planning authorities, as utilised in the appraisal tool.

The BLV has been considered having regard to the EUV and an appropriate premium sufficient to ensure land comes forward for development. However, land value in this instance has been inputted as a notional £1 due to the payment being £50,000 to the Parish Council modelled as a contribution towards a local play area, plus provision of 8 x constructed dwellings for the Parish Council, modelled on the basis of their anticipated build cost with a notional income from each unit of £1, given these are required to be transferred to the Parish Council at no consideration. (The £1 figures reflect that the HCA DAT will not accept nil values for cost of value).

Abnormal costs estimates have been provided by the Client, based on costs from other sites or adopted using our own knowledge, benchmark levels and from published price information by BCIS.

All inputs and information relied upon for this appraisal are researched, evidenced and, in our opinion, reasonably justified, and details are in Appendix III and IV.

Use and Publication of this Report

This appraisal is provided for the stated purpose and for the sole use of the party to whom it is addressed. Maxey Grounds & Co LLP accepts responsibility to the Client named at the start of this Report alone that this report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accept no responsibility whatsoever to any person other than the client himself.

RICS Valuation – Professional Standards

Although Viability Appraisal work is outside the scope of the RICS Valuation Standards, any valuation utilised in the appraisal has been prepared in accordance with the RICS Valuation – Global Standards 2020.

Appraisal Methodology

In undertaking the appraisal, we have utilised the Homes & Community Agency Development Appraisal Tool to analyse the viability of the proposed development. We have considered various levels of affordable housing provision to analyse the sensitivity relevant to differing levels of provision.

The valuation of market values is based upon the comparable method of valuation utilising evidence of transactions of similar properties in the area. A Schedule of Evidence is attached as Appendix III to this report which outlines the sale values adopted for the appraisal.

The assumed costs of construction are set out in Appendix IV of this report and are based upon knowledge and experience of other similar development schemes, information and costs provided by the Client, and upon published price information, such as BCIS.

Anticipated timescales for development are stated in Appendix IV.

The likely contribution from a Housing Association is based upon benchmarking from similar sites and is calculated by the HCA DAT model.

Affordable rents are based upon 80% of market rent, which is also the maximum permitted level confirmed by Local Housing Allowance Rates published on Direct Gov for that area. Given the scale of the development, it has been assumed that the normal requirement of 70% of any affordable housing as affordable rented and 30% shared ownership.

Sensitivity analysis has been undertaken looking at either +5% or -5% on values and build costs to measure the relevant effect on residential land value, which is then compared with BLV to establish the viability surplus or deficit.

Land Value

As required under NPPF and PPG, we have considered an EUV + Premium approach to land value, whilst putting this in context by review of market transactions. However, the land consideration that has been agreed is a £50,000 contribution to the Parish Council for improvements to a local play area plus provision of 8 x residential units to be transferred to the Parish Council to be used as managed affordables in the parish.

Within the HCA DAT spreadsheets we have used a land value of £1, we have then inputted the £50,000 as an additional cost and we have also included the 8 x residential units within the residential batching to ensure the cost of these units is properly allowed for. The GDV of these units has been inputted as £1 per unit to reflect the fact they are not being sold.

Valuer Competence

The appraisal has been undertaken by Chartered Surveyors who are members of the RICS Valuer Registration Scheme possessing the necessary local knowledge of the market, and the necessary skills and understanding to undertake the appraisal competently. The appraisal has been carried out in accordance with the RICS Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019.

INSPECTION

Date of Inspection

The site has been briefly inspected, but as development of the site has not yet commenced, the viability assessment has been conducted as a desktop exercise.

Property Address

The property is a development site known as James Road, Crowland. The site location is shown on the Plans within Appendix II.

Property Description

The property is a greenfield development site upon which it is proposed to develop 49 residential units. No construction work has yet commenced. Plans of the proposed scheme have been supplied by the Client and this appraisal has been based upon those plans. The gross site area is approximately 1.69 Hectares. The size of the units (Gross Internal Area) is provided by way of schedule on the plans and within the inputs to the Development Appraisal Tool, an electronic copy of which has been provided.

Gross Development Value

Gross Development Value (GDV) has been calculated using comparable evidence from another site being developed by the Client in Crowland where direct comparables of house types are available.

There is recent direct comparable for the Clyde house type (end-terraced/semi-detached version), Aire house type, Lock house type (semi-detached version), Mere house type (semi-detached version) and Tay house type on the nearby Kingsgate Mews development, therefore we have adopted the same values for this site.

For the Rutland house-type, we have used the same rate per m^2 as for the Lock and Mere semi-detached house types due to the accommodation being similar and the Rutland being only $1m^2$ smaller.

For the Lock detached house type, we have adopted the same value as for the Mere detached house type, given they have the same gross internal area and the same number of bedrooms.

For the Ribble house type, we have used the same rate per m^2 as was achieved by this house type on a development by Ashwood Homes on Crease Drove, Crowland.

There isn't a direct comparable for the Severn house type, therefore we have adopted a similar price per m^2 as the Ribble house type given the gross internal area and the number of bedrooms is similar.

For the Shared Ownership values, we have reflected the fact they don't have garages. Similarly for the Affordable Rented values, where the house types are similar to market ones we have adjusted for the fact there are no garages.

Costs

A basic build cost of £1,131 per m^2 has been adopted, which is the weighted average BCIS lower quartile figure for the different house types i.e. detached, semi-detached and terraced, calculated on a pro-rata basis to reflect the number of different types. Due to ground conditions, the proposed units will need to be piled at an average cost of £5,000 per unit, this has been added as an additional capital cost.

The costs for SUDs and storm attenuation, additional filling to the site and the dewatering are due to the ground conditions and the Flood Risk of the area, and this has a significant impact on the costs. SUDs and storm attenuation has been calculated at around £87,000, additional filling to site and dewatering have been calculated to be around £90,000 altogether.

We have used road costs which include the footpath on both sides of £2,100 per linear metre for adopted and £1,200 per linear metre for private. Triax and Geotextile under the road has been included at an additional cost of £10,000, additional stone fill approx. 1,000m^3 costing £60,000, and the additional footpath (57m long) has been calculated to cost £250 per m. Furthermore, a crossing to the existing dyke is required, and a cost of £20,000 has been allowed to accommodate for the 375mm pipe and backfill.

A cost for general site landscaping of £5,000 has been adopted, plus a cost for imported soil at a rate of £15 per m^3, the Client has estimated that 12,440m^2 of imported soil will be required giving a cost of £186,600.

80m of screen walls and 50m of retaining walls will be required, as indicated in the attached plans. The Client has advised that screen walls will cost £288 per m giving a cost of £23,040, and the retaining walls will need to be 1.5m and will cost £400 per m, giving a total cost of £20,000.

All of these costs are based on actual figures for similar developments in the area.

An off-site foul sewer of 156m long will be required with 150mm pipe at a depth of between 2.0 – 3.0m. It's estimated cost is around £109,000. Part of it (approximately 66m) will have to go under existing highway meaning alterations to maintain the existing Fire Station access during construction may be necessary. A specific cost for this has not yet been obtained therefore we have not allowed for this in our Viability Assessment, however any additional cost will only worsen the viability position.

The costs adopted for each garage type have previously been accepted by the Council.

Due to part of the land purchase price being provision of 8 x residential units, a £1.35 million bond has been arranged to the Parish Council at a cost of £17,188 to the Client.

Other costs adopted, including 6% for Design & Professional Fees, 2.5% Contingency, onsite establishment and welfare, costs for driveways, plot specific external works of £2,500 per plot, 2.5% for marketing, £750 for legals and an interest rate of 6.0% are all standard costs and have been previously accepted on sites in this area.

There are no other Section 106 costs required.

Services

The cost of normal service provision to each unit i.e. electricity connection, water connection, sewer connection, and water infrastructure charges and ancillary costs such as BT conduit, are included within the BCIS total build figure. However, there is an additional cost for installing an off-site foul sewer, which is outlined above.

Condition

The site is a greenfield development site previously used for allotments with no development work yet commenced.

General Comments

This appraisal is to ascertain the viability of the proposed scheme in relation to the intended form of development, having regard to standard affordable housing provision and the purchase price (being a contribution to the Parish Council of £50,000 plus provision of 8 x residential units).

The principal appraisal works from a scheme with 12 affordable housing units and a land purchase price by way of a £50,000 contribution to the Parish Council for play area improvements plus provision of 8 x residential units to be rented. Thereafter, we have appraised an alternative scenario with 0 affordable housing provision for comparison.

We have adopted a developer's profit level of 17.5% which is considered to be the minimum level a developer would consider undertaking this scheme, given the scale of the scheme, infrastructure requirements and current market conditions. A profit level of 6% for affordable housing has also been adopted.

Having undertaken valuations of the various dwelling types to arrive at the market value set out within Appendix III, and calculating affordable rent levels, analysis was undertaken utilising the HCA Development Appraisal Tool, the results of which are explained below.

Appraisal Outputs

The full output of the HCA DAT tool for a full policy-compliant scheme is set out within Appendix V i.e. 49 units with 12 affordable housing units. This scheme produces a **deficit** of £641,279.

If all affordable housing is removed, this results in the **deficit** being reduced to £190,573. The full HCA DAT output for this scheme is outlined in Appendix VI.

Justification for Viability Assessment

During viability testing which helped formulate the South East Lincolnshire Local Plan, various typologies were tested which resulted in a positive viability position with planning policies applied, rather than the deficit that is shown for a policy-compliant scheme at the James Road, Crowland site. As per the Planning Practice Guidance, it is necessary to investigate why there is such a difference between these two positions, therefore we have compared the closest typology used in 2017, i.e. greenfield site for 150 dwellings, with the site known as James Road, Crowland. We have adopted the percentages and values per unit accepted in the Local Plan Viability and applied them to a site of 49 units to get a direct comparison on costs. The differences are highlighted in the following table:

Appraisal Input	**2017 Viability Study (Rates/Percentages based on Greenfield - 150 dwellings)**	**James Road, Crowland (49 units)**
Density	30 dwellings per Ha	29 dwellings per Ha
Average Value	£1,900 per m^2	£2,488 per m^2
Average Dwelling Size	100m^2	90m^2
Build Cost	£911 per m^2	£1,131 per sqm
Externals	£446,390 (10% on build cost)	£1,676,831 (31.9% on build cost)
Contingency	3% on build cost	2.5% on build cost
Professional Fees	7% on build cost	6% on build cost
S106	Up to £5,000 per dwelling	£0 per dwelling
Sales/Marketing	3% on revenue	2.5% on revenue
Developer Profit	17.5% Market, 6% Affordable	17.5% Market, 6% Affordable
BLV	£300,000 per Ha	£50,000 plus 8 x built units
Abnormals	£490,000 (£10,000 per unit)	With externals

The main points affecting the viability position for the site at James Road in comparison with the Local Plan position are as follows:

- The build density at James Road is marginally lower than used in the 2017 Local Plan Viability Study, as is the build density on a m^2 per Ha basis. For the James Road site, there is an average of 2,620m^2 per Ha, in the 2017 Viability Study they allowed

for 3,000m^2 per Ha. This is a significant difference and puts further pressure on the viability position.

- The build costs adopted have increased by around 24% compared with the Local Plan viability study, which was conducted around 4 years ago, therefore a significant uplift is expected. The build cost adopted for James Road, Crowland is based on the BCIS lower quartile cost of construction which has been calculated on a pro-rata basis to reflect the different number of detached, semi-detached and terraced houses. There is also the added cost of having piled foundations, and this issue was not modelled in the Local Plan Viability study.

- The sales values are around 31% higher than the figures used the in Local Plan viability study, and this is reasonable considering price inflation since 2017 and the fact that Crowland has some of the highest prices in the region due to its proximity to Peterborough. The values adopted for James Road, Crowland are based on what has been achieved on other Ashwood Homes sites in Crowland, and this constitutes clear and strong evidence to justify the values adopted. The rate per m^2 is partly due to the smaller unit size.

- There is clearly a difference between the way externals and abnormals have been categorised, with externals in the Local Plan study totalling 10% on build cost and abnormals in the Local Plan study totalling £10,000 per unit. We have categorised all externals at James Road, Crowland together totalling 31.9% on build cost. Applying these figures combined to a site of 49 units would give figures for the Local Plan study of £446,390 for externals and £490,000 for abnormals, i.e. a total of £936,390, compared with £1,676,831 for all externals for James Road specifically, this is an overall difference of £740,441.

  These increased costs are due to the fact the Local Plan study doesn't model the provision of garages, and the additional on-site costs which are in place to satisfy planning conditions relating to Flood Risk which enable the site to be safely developed i.e. dewatering, extra filling to the road and site to increase levels, and SUDs. This lead to an underassessment of the costs of infrastructure to a residential site.

The factors above combine to result in a different viability position compared with the Local Plan whole viability study, and thus results in the need to revisit the viability position in order for the development to be delivered.

SENSITIVITY ANALYSIS

A change of +5% or -5% in build costs and Gross Development Value has been considered to assess the sensitivity of the scheme to such changes.

The effects reflected in the model using no affordable housing are shown in the table below:

	Build Costs At BCIS Level	+5%	-5%
GDV at Evidence Level	-£190,573	-£440,070	+£58,306
+5%	+£87,619	-	+£335,599
-5%	-£528,933	-£779,325	-

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that a fully policy-compliant scheme for 49 units with 12 affordable housing units, and a £50,000 contribution to the Parish Council and provision of 8 x residential units by way of payment for the land will show a financial **deficit** (present value) of £641,279, based upon the current market value and affordable rents of the proposed units, the projected costs and profit level adopted within the appraisal.

We are further of the opinion that if the scheme had no affordable housing provision, this **deficit** (present value) would be reduced to £190,573. Therefore, it is not viable to provide any affordable housing or other S106 cash contributions unless the developer is willing to accept a profit level of less than 17.5%. If the scheme with 8 dwellings being transferred to the Parish Council was delivered it would provide 8 affordable rented units under parish Council control for the benefit of the community

Signature

We confirm that we have carried out the appraisal as set out in this report.

John Maxey

J R MAXEY MA (Cantab) FRICS FAAV RICS Registered Valuer
For and on behalf of Maxey Grounds & Co LLP

Victoria McIlroy

V J McIlroy BSc(Hons) MRICS FAAV RICS Registered Valuer
For and on behalf of Maxey Grounds & Co LLP

Date of Report:
19th May 2021

This report has been signed electronically whilst the authors are working remotely. The Authors verify that they have produced the report, are satisfied with the contents and affirm that it has been verified using the internal verification process which is in place at Maxey Grounds & Co LLP.

APPENDICES

Appendix I – Copy of Instruction Correspondence

MAXEY GROUNDS

Your Ref:
Our Ref: JRM/VJM/PS/21046
Date: 3rd March 2021

Mr A King
Ashwood Homes
Gateway Business Park
1 Goodison Road
Spalding
Lincolnshire
PE12 6FY

Dear Mr King,

Re: Confirmation of Financial Viability Assessment Instructions
Asset: Development Site at James Road, Crowland

I refer to instructions to provide a Financial Viability Assessment (FVA) of the above. This letter, together with our attached Standard Valuation Conditions of Engagement & Terms of Business, confirms the basis upon which the FVA will be undertaken.

Client: Ashwood Homes

Purpose of Valuation: To establish viability of the proposed development

Asset to be Valued: Development Site at James Road, Crowland

Area Wide/Scheme-Specific FVA: This FVA is in relation to a scheme-specific site. We have not provided any advice to the Local Planning Authority.

Interest to be Valued: Freehold.

Classification of Asset: Land for development.

RICS Guidance/Professional Statements: This work and the FVA prepared is undertaken in accordance with the RICS Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019. Although FVA work is outside the scope of the RICS Valuation Standards, any valuation utilised in the appraisal has been prepared in accordance with RICS Valuation – Global Standards 2020. This guidance requires the Valuer to make an objective and justified assessment of the viability position and requires a clear distinction between the objective report and any subsequent advocacy/negotiation in terms of agreeing a viability position.

Basis or Bases of Value: Market Value.

Valuation Date: As at date of report.

22-24 Market Place
March
Cambridgeshire PE15 9JH

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maxeygrounds.co.uk

Chartered Surveyors, Auctioneers, Valuers, Land & Estate Agents since 1792
Offices in March and Wisbech

Maxey Grounds is the trading name of Maxey Grounds & Co LLP, a Limited Liability Partnership. Regulated by RICS. Registered in England & Wales. Registration Number: OC367348. Registered Office: 22-24 Market Place, March, Cambridgeshire PE15 9JH. Members: Alan J. Faulkner MSc MRICS FAAV MCIArb MNAEA MARLA, John R. Maxey MA (Cantab) FRICS FAAV, Shirley A. Pollard BA MRICS FAAV, Paula A.V. Clarke ANAEA. Associates: Victoria J. McIlroy BSc (Hons), MRICS, FAAV, Natalie T. Jeary MSc, BA (Hons), MRICS, FAAV

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Identity of Valuer: J R Maxey MA (Cantab) FRICS FAAV RICS Registered Valuer, assisted by V J McIlroy BSc (Hons) MRICS FAAV RICS Registered Valuer for and on the behalf of Maxey Grounds & Co LLP.

Material Involvement: Neither Maxey Grounds & Co LLP nor the valuers have any conflict of interest in preparing this viability assessment. We have previously carried out work for Ashwood Homes but we have no interest in the proposed transaction.

Assumptions Adopted: As per FVA Conditions of Engagement & Terms of Business, as attached, with no additions.

Special Assumptions: For the purposes of this FVA, we have assumed that the sites under consideration are developed on the basis of the type of development and timescale as described within each model.

Nature and source of the information to be relied upon: Maxey Grounds & Co LLP are able to rely upon any information provided by the Client referred to in the FVA.

Extent of Investigation: As per FVA Conditions of Engagement & Terms of Business.

Valuation Fee: Our fee will be £3,500 + vat for the report plus £200 + vat per hour for any additional work, but we will assess the likelihood of reduction before committing to full reporting given previous assessments have shown viability in Crowland is better.

This Confirmation of FVA Instructions Letter, which is supplied in duplicate, should be read in conjunction with the attached Maxey Grounds & Co LLP FVA Conditions of Engagement & Terms of Business (Version 15 May 2020). Please sign and return one copy at your earliest convenience to agree the Conditions of Engagement & Terms of Business. The Report will not be issued until the signed copy has been received.

Yours sincerely

J R MAXEY MA (Cantab) FRICS FAAV RICS Registered Valuer
For and on behalf of Maxey Grounds & Co LLP
jmaxey@maxeygrounds.co.uk

(Enc)

MAXEY GROUNDS

I the undersigned hereby acknowledge that I have read and accept the terms set out in this Confirmation of FVA Instructions Letter and attached Maxey Grounds & Co LLP Standard FVA Conditions of Engagement & Terms of Business (Version 15 May 2020).

Signed:.....

Date .....

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MAXEY GROUNDS & CO LLP

STANDARD FINANCIAL VIABILITY ASSESSMENT CONDITIONS OF ENGAGEMENT & TERMS OF BUSINESS

These Conditions of Engagement and Terms of Business shall apply subject to any modification or amendment set out in the covering Confirmation of Financial Viability Assessment (FVA) Instructions Letter. Maxey Grounds & Co LLP shall advise the Client in writing as to FVA of the relevant interest specified by the Client in the subject asset (the FVA Report). The following shall form the basis of the terms on which the FVA will be undertaken:

1. The Client shall be the individual or body as identified in the covering Confirmation of FVA Instructions Letter.
2. The purpose of the FVA shall be as set out in the covering Confirmation of FVA Instructions Letter.
3. The asset subject to the FVA shall be as set out in the covering Confirmation of FVA Instructions Letter.
4. The interest to be appraised shall be as set out in the covering Confirmation of FVA Instructions Letter.
5. The classification of the asset to be appraised shall be as set out in the covering Confirmation of FVA Instructions Letter.
6. Unless otherwise specifically set out in the covering Confirmation of FVA Instructions Letter, the value advised by Maxey Grounds & Co LLP shall be the Market Value, defined by the RICS Valuation- Global Standards 2020: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" and/or the Market Rent, defined by the RICS Valuation - Global Standards 2020 as: "The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" and/or the statutory definition of Market Value defined by the Taxation of Chargeable Gains Act 1992 or Inheritance Tax Act 1984 or Finance Act 2003, broadly defined as: "The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time" and/or the Investment Value, defined by the RICS Valuation - Global Standards 2020 as: "The value of an asset to the owner or a prospective owner for individual investment or operational objectives" and/or the Fair Value, defined by the RICS Valuation - Global Standards 2020 as: "The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties" and/or the Fair Value, defined by the International Accounting Standards Board as: "The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date".
7. The valuation date shall be as set out in the covering Confirmation of FVA Instructions Letter.
8. Unless otherwise specifically set out in the covering Confirmation of FVA Instructions Letter Maxey Grounds & Co LLP warrant that they have had no previous material involvement in the property.
9. The valuation shall be undertaken by/under the supervision of a Corporate Member of the Royal Institution of Chartered Surveyors who is also a member of the RICS Valuer Registration Scheme, acting as an External Valuer.
10. Maxey Grounds & Co LLP's aggregate liability arising out of, or in connection with this FVA, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed £2,000,000. This clause shall not exclude or limit Maxey Grounds & Co LLP's liability for actual fraud, and shall not limit the liability for death or personal injury caused by their negligence.
11. None of Maxey Grounds & Co LLP's employees, partners, or consultants individually has a contract with the Client or owes the Client a duty of care or personal responsibility. The Client agrees that they will not bring any claim against any such individuals personally in connection with the services provided.
12. If the Client suffers loss as a result of Maxey Grounds & Co LLP's breach of contract or negligence, Maxey Grounds & Co LLP's liability shall be limited to a just and equitable proportion of the Client's loss having regard to the extent of responsibility of any other party. Maxey Grounds & Co LLP's liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between the Client and them, the Client's difficulty in enforcement, or any other cause.
13. The FVA provided by Maxey Grounds & Co LLP shall be in pounds sterling.
14. In preparing the report, Maxey Grounds & Co LLP will meet the relevant requirements of the RICS Financial Viability Planning: Conduct and Report 1st Edition, May 2019 and, although FVA work is outside the scope of the RICS Valuation Standards, any valuation utilised in the appraisal has been prepared in accordance with RICS Valuation – Global Standards 2020. This guidance requires the Valuer to make an objective and justified assessment of the viability position and requires a clear distinction between the objective report and any subsequent advocacy/negotiation in terms of agreeing a viability position.
15. The following assumptions which, unless otherwise stated in the covering Confirmation of FVA Instructions letter, Maxey Grounds & Co LLP is under no duty to verify:

a) that no high alumina cement, concrete or calcium chloride additive or other potentially deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;

b) that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;

c) 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 are or will be unlawful;

d) that inspection of those parts which have not been inspected would neither reveal material defects nor cause Maxey & Grounds & Co LLP to alter the valuation materially;

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e) that no formal environmental assessment will be provided and 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 any neighbouring property. The report will not identify the existence of contamination but if the Valuer's visual inspection concludes that there may be material contamination the Valuer will report that further investigation is required.

16. Maxey Grounds & Co LLP shall carry out such inspections and investigations as are, in the Valuer's professional judgment, appropriate and possible in the particular circumstances having regard to the apparent state of repair and condition of the property but shall be under no duty to carry out a structural survey nor to inspect those parts of the property which are covered, unexposed or inaccessible. Such parts will be assumed to be in good repair and condition. Maxey Grounds & Co LLP shall be under no duty to arrange for the testing of electrical, heating, plant or other services. The FVA provided by Maxey Grounds & Co LLP will not purport to express an opinion about or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts.

17. Maxey Grounds & Co LLP shall, unless otherwise expressly agreed, rely upon information provided by the Client or the Client's legal or other professional advisers relating to tenure, tenancies and other relevant matters.

18. The FVA report is provided for the stated purpose of the named client. Maxey Grounds & Co LLP 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 person other than the Client himself. Any such person relies upon the report at his own risk, even if that third party pays all or part of Maxey Grounds & Co LLP's fees, or is permitted to see a copy of the valuation report. If Maxey Grounds & Co LLP do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of engagement, as set out herein.

19. The FVA will be undertaken by a Chartered Surveyor possessing the necessary local knowledge of the market, and the necessary skills and understanding to undertake the FVA competently.

20. Maxey Grounds & Co LLP shall charge a fee for the FVA as set out in the covering Confirmation of FVA Instructions Letter. That fee shall be settled in full within 28 days of the invoice date. Interest on amounts outstanding at the due date will be subject to interest from the invoice date until the date of actual payment at the rate of 4% per annum above Barclays Bank plc base rate from time to time.

21. Maxey Grounds & Co LLP, in line with the Rules of Conduct set out by RICS, have a written complaints handling procedure. If you are unhappy with any aspect of the service you receive in respect of these instructions to provide a valuation, a copy of this document is available upon request.

22. As a firm regulated by RICS, all reports produced by Maxey Grounds & Co LLP, including this FVA, are subject to monitoring by RICS. By accepting these Conditions of Engagement and Terms of Business your consent to inspection of the report by RICS personnel or their agents is implied.

23. Maxey Grounds & Co LLP's contract with the named client for the provision of this FVA is subject to English Law. Any dispute in relation to this contract, or any aspect of the FVA, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English Law, regardless of who initiates proceedings in relation to the FVA.

In this Agreement words importing one gender only include the other gender; words importing the singular include the plural number and vice versa; words importing persons include corporations and vice versa.

Version 15 May 2020

Appendix II – Copies of Plans and Photographs

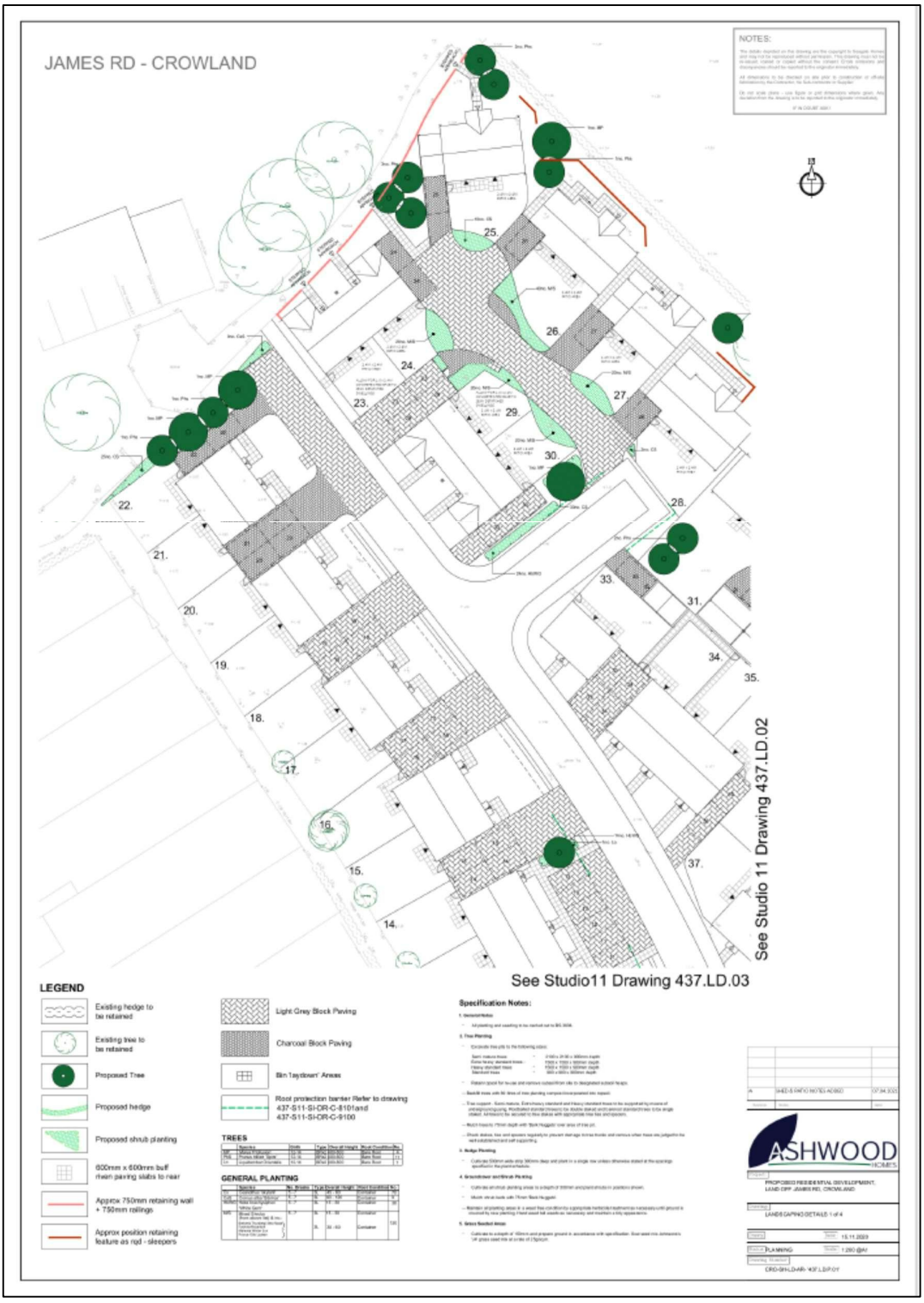
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Site Plan



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Landscaping Plan



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Boundary Treatment Plan



Google Earth Aerial Photograph



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Appendix III – Accommodation Schedule and Comparable Evidence

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Accommodation Schedule

James Road Crowland

Accommodation Schedule

Type	Number	Beds	Type	Garages	Size	Total Area	Value	Total Value	£/sq m	Plots
For Parish Council										
Elsden	4	2	SD	None	87	348	£1	£4	£0	23, 24, 29, 30
Elsden	1	2	D	Sing	87	87	£1	£1	£0	27
Oakham	3	2	D	Sing	108	324	£1	£3	£0	25, 26, 28
Total:	8					759		£8		
Affordable Rented										
A516	2	1	S/D	None	48	96	£140,000	£280,000	£2,917	21, 22
A732	1	2	M/T	None	68	68	£175,000	£175,000	£2,574	17
A732	3	2	S/D or E/T	None	68	204	£185,000	£555,000	£2,721	16, 18, 19
Clyde	2	3	S/D	Sing	73	146	£202,000	£404,000	£2,767	14, 15
Total:	8					514		£1,414,000		
Shared Ownership										
A732	3	2	S/D	None	68	204	£185,000	£555,000	£2,721	6, 7, 20
Clyde	1	3	S/D	Sing	73	73	£202,000	£202,000	£2,767	1
Total:	4					277		£757,000		
Market										
Clyde	3	3	S/D	Sing	73	219	£202,000	£606,000	£2,767	2, 41, 42
Aire	9	3	S/D	Sing	81	729	£208,000	£1,872,000	£2,568	8, 9, 10, 11, 12, 13, 32, 33, 34
Rutland	1	3	S/D	Sing	99	99	£242,500	£242,500	£2,450	44
Lock	2	3	S/D	Sing	100	200	£245,000	£490,000	£2,450	43, 46
Lock	4	3	D	Sing	100	400	£265,000	£1,060,000	£2,650	35, 39, 48, 49
Mere	2	3	S/D	Sing	100	200	£245,000	£490,000	£2,450	31, 45
Ribble	4	4	D	Dbl	119	476	£288,000	£1,152,000	£2,420	4, 36, 38, 47
Severn	2	4	D	S Integ	114	228	£275,000	£550,000	£2,412	3, 5
Tay	2	4	D	Dbl	164	328	£365,000	£730,000	£2,226	37, 40
Total:	29					2,879		£7,192,500		
					91					
Overall Totals:	49					4,429		£9,363,508		

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Comparable Evidence

Woodruffe, Crowland

Plot No. & Type	Style	Beds	Garage/Parking	GIA (sqft)	GIA (sqm)	Gross Price	Gross Price per Sqm (£)	Incentives/Deductions	Extras (additional)	Net Price (£)	Net Price per Sqm (£)	Notes
1 - Lock	Semi	3	Single/OR	1,079	100	£245,000	£2,443	£150	£0	£244,850	£2,442	Exchanged
2 - Mere	Semi	3	Single/OR	1,080	100	£245,000	£2,441	£150	£0	£244,850	£2,439	Exchanged
3 - Mere	Det	3	Single/OR	1,080	100	£267,000	£2,660	£12,600	£0	£254,400	£2,535	Release price, not sold
4 - Dee	Semi	2	None/OR	732	68	£184,000	£2,705	£150	£0	£183,850	£2,702	Reserved
5 - Dee	Semi	2	None/OR	732	68	£184,000	£2,705	£0	£0	£184,000	£2,705	Reserved
6 - Dee	Semi	2	None/OR	732	68	£184,000	£2,705	£150	£0	£183,850	£2,702	Reserved
7 - Dee	Semi	2	None/OR	732	68	£184,000	£2,705	£150	£0	£183,850	£2,702	Reserved
8 - Clyde	Semi	3	Single/OR	783	73	£202,500	£2,783	£500	£0	£202,000	£2,776	Reserved
9 - Clyde	Mid Terr	3	Single/OR	783	73	£190,000	£2,611	£150	£0	£189,850	£2,609	Reserved
10 - Clyde	Semi	3	Single/OR	783	73	£202,500	£2,783	£500	£0	£202,000	£2,776	Reserved
11 - Tay	Det	4	Double/OR	1,770	164	£365,000	£2,219	£0	£0	£365,000	£2,219	Rederved
50 - Nene	Det	3	Single/OR	1,080	100	£265,000	£2,640	£150	£0	£264,850	£2,639	Rederved
51 - Nene	Det	3	Single/OR	1,080	100	£265,000	£2,640	£15,400	£0	£249,600	£2,487	Release price, not sold
93 - Aire	Semi	3	Single/OR	902	84	£208,000	£2,481	£150	£0	£207,850	£2,479	Reserved
94 - Aire	Semi	3	Single/OR	902	84	£208,000	£2,481	£10,500	£0	£197,500	£2,356	Release price, not sold
95 - Aire	Semi	3	Single/OR	902	84	£208,000	£2,481	£0	£0	£208,000	£2,481	Reserved
96 - Aire	Semi	3	Single/OR	902	84	£208,000	£2,481	£0	£0	£208,000	£2,481	Reserved
97 - Clyde	Semi	3	Single/OR	783	73	£202,500	£2,783	£0	£0	£202,500	£2,783	Reserved
98 - Mere	Semi	3	Single/OR	1,080	100	£246,000	£2,451	£150	£0	£245,850	£2,449	Reserved
99 - Mere	Semi	3	Single/OR	1,080	100	£245,000	£2,441	£150	£0	£244,850	£2,439	Reserved
100 - Lock	Semi	3	Single/OR	1,079	100	£245,000	£2,443	£150	£0	£244,850	£2,442	Reserved
101 - Aire	Semi	3	Single/OR	902	84	£207,500	£2,475	£150	£1,408	£208,758	£2,490	Reserved
102 - Aire	Semi	3	Single/OR	902	84	£207,500	£2,475	£0	£0	£207,500	£2,475	Reserved
103 - Aire	Semi	3	Single/OR	902	84	£207,500	£2,475	£150	£0	£207,350	£2,473	Reserved
104 - Aire	Semi	3	Single/OR	902	84	£207,500	£2,475	£150	£0	£207,350	£2,473	Reserved
105 - Clyde	Semi	3	Single/OR	783	73	£202,000	£2,776	£150	£0	£201,850	£2,774	Reserved
106 - Clyde	Semi	3	Single/OR	783	73	£202,000	£2,776	£150	£0	£201,850	£2,774	Reserved
107 - Clyde	Semi	3	Single/OR	783	73	£202,000	£2,776	£0	£0	£202,000	£2,776	Reserved
108 - Clyde	Semi	3	Single/OR	783	73	£202,000	£2,776	£150	£0	£201,850	£2,774	Reserved

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Appendix IV – Costs, Values and Other Assumptions Adopted and S106 Requirements

Viability Assessment	Ref 21046				
Client	Ashwood Homes				
Site	Site at James Road, Crowland				
Statement of Assumptions Made within Appraisal Calculations					
Site area 1.69 Ha. Cost of land is £50,000 contribution to Parish Council for Play Area					
plus provision of 8 x constructed dwellings (as per accommodation schedule) for Parish Council to manage as affordable dwellings in the parish.					
(For purposes of HCA DAT, land value has been inputted as £1 as spreadsheet won't accept £0).					
Total of 49 x Units (see detailed Accommodation Schedule)					
12 x Affordable Dwellings split into:	70% affordable rented (8)				
	30% shared ownership (4)				
Plus 8 x Units for Parish Council					
Construction and Development Costs (Standard)					
Timescales	Construction 1st October 2021 - 1st April 2023				
	OM Sales start from 1st April 2022 and finish 1st October 2023				
Build Cost Market & Affordable Housing (4,429 sqm)			£1,131 / sqm	£5,009,199	
Basic BCIS Build Cost broken down as follows:					
	Detached:	Total 1,843 sqm	£1,211 / sqm	£2,231,873	
	Semi:	Total 2,518 sqm	£1,074 / sqm	£2,704,332	
	Terraced:	Total 68 sqm	£1,050 / sqm	£71,400	
	Total:	4,429 sqm	£5,009,199 ÷ 4,429 sqm = £1,131 / sqm		
Additional Cost for Piling		Houses	£5,000 per plot	£245,000	
Total House Build					**£5,254,199**
Overall House Build £/sqm			£1,186 per sqm		
6% Design and Professional Fees					
2.5% Contingency Allowance			(Greenfield site)		
SUDs and Storm Attenuation	(inc. balancing pond, filter drains, 3 x headwalls, hydrobrake manhole, off-site storm pipework)			£87,141	**£87,141**
Roads	Approx 275m run of adopted roadway at £2,100 per m run			£577,500	
	Approx 147m run of unadopted roadway at £1,200 per m run			£176,400	
	Triax and Geotextile under road			£10,000	
	Crossing to Existing Dyke (375mm pipe and backfill with stone)			£20,000	
	Additional footpath 57m @ £250 per m			£14,250	**£798,150**
Parking	94 parking spaces at £600 per space			£56,400	**£56,400**
Garages	11 singles @ £9,000 each			£99,000	
	13 doubles @ £13,000 each			£169,000	**£268,000**
Onsite establishment and welfare (inc. site office, services etc)				£20,000	**£20,000**
Plot specific external works (i.e. patio, fencing etc) @ £2,500 per plot				£122,500	**£122,500**
General Site Landscaping				£5,000	
Imported Soil (12,440 cu m @ £15 per cu m)				£186,600	**£191,600**
Screen Walls (80m @ £288/m)				£23,040	
Retaining Walls (1.5m high, 50m @ £400 per m)				£20,000	**£43,040**
Site Works	Dewatering (cost for one side)			£30,000	
	Filling under road with stone to Raise Levels (Various Depths - approx. 1,000 cu m @ £60 per cu m)			£60,000	**£90,000**
Total Externals					**£1,676,831**
Off-Site Works					
Off-site Foul Sewer (156m, 150mm pipe, 2.0-3.0m deep, part (approx. 66m) under adopted highway)				£109,239	
Alteration to Fire Station Access (whilst off-site foul sewer works going on)				TBC	
Total Off-Site Works					**£109,239**
Affordable Housing & S106 Contributions					
Affordable Housing				25% provision	
Total Cash S106					**£0**
Finance and SDLT					
Cost of £1.35 million Bond to Parish Council				£17,188	
Finance costs of £10,000 arrangement costs plus £5,000 survey and valuation cost plus 6.0% interest(ave)					
Marketing / agents' costs for Market units of 2.5% selling and £750 per unit legal costs					
Developer cost of sale to RP				£5,000	
Developers return of 17.5% on Market units and 6% on Affordables					

BCIS®

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£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.
Last updated: 13-Mar-2021 00:40
> Rebased to South Holland (99; sample 6)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,253	637	1,092	1,218	1,370	2,849	1233
810.1 Estate housing							
Generally (15)	1,253	606	1,069	1,207	1,370	4,340	1569
Single storey (15)	1,406	800	1,192	1,353	1,573	4,340	252
2-storey (15)	1,212	606	1,055	1,181	1,323	2,625	1211
3-storey (15)	1,291	781	1,055	1,241	1,453	2,593	101
4-storey or above (15)	2,634	1,279	2,116	2,363	3,518	3,894	5
810.11 Estate housing detached (15)	1,619	941	1,211	1,380	1,630	4,340	21
810.12 Estate housing semi detached							
Generally (15)	1,248	741	1,075	1,223	1,372	2,310	369
Single storey (15)	1,389	890	1,192	1,372	1,542	2,310	73
2-storey (15)	1,214	741	1,074	1,194	1,330	2,090	283
3-storey (15)	1,187	888	946	1,165	1,273	1,815	13
810.13 Estate housing terraced							
Generally (15)	1,288	781	1,066	1,217	1,423	3,894	305
Single storey (15)	1,439	968	1,224	1,361	1,660	2,053	30
2-storey (15)	1,244	787	1,050	1,196	1,373	2,625	225
3-storey (15)	1,301	781	1,039	1,218	1,435	2,593	48
4-storey or above (10)	3,706	3,518	-	-	-	3,894	2

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Appendix V – HCA Appraisal Tool Output – Policy-Compliant Scheme

HCA Development Appraisal Tool — Printed 19/05/2021

Surplus (Deficit) from input land valuation at 23/3/2021 -£641,279

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	James Road Crowland	Date of appraisal	23/03/2021
Site Reference	JRM/VJM 21046	Net Residential Site Area	1.69
File Source		Author & Organisation	JRM
Scheme Description	49 Units with 8 for PC and 12 x AH	Registered Provider (whet	0

Housing Mix (Affordable + Open Market)

Total Number of Units	49	units
Total Number of Open Market Units	37	units
Total Number of Affordable Units	12	units
Total Net Internal Area (sq m)	4,429	sq m
% Affordable by Unit	24.5%	
% Affordable by Area	17.9%	
Density	29	units/ hectare
Total Number of A/H Persons	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	1.69	hectares
Net Site Area	1.69	hectares
Net Internal Housing Area / Hectare	2,621	sq m / hectare

equals 11,414 sqft per acre

Average value (£ per unit)	Open Market Phase 1:	Open Market Phase 2:	Open Market Phase 3:	Open Market Phase 4:	Open Market Phase 5:	Total
1 Bed Flat Low rise	£0	£0	£0	£0	£0	
2 Bed Flat Low rise	£0	£0	£0	£0	£0	
3 Bed Flat Low rise	£0	£0	£0	£0	£0	
4 Bed + Flat Low rise	£0	£0	£0	£0	£0	
1 Bed Flat High rise	£0	£0	£0	£0	£0	
2 Bed Flat High rise	£0	£0	£0	£0	£0	
3 Bed Flat High rise	£0	£0	£0	£0	£0	
4 Bed + Flat High rise	£0	£0	£0	£0	£0	
2 Bed House	£49,001	£0	£0	£0	£0	
3 Bed House	£224,763	£0	£0	£0	£0	
4 Bed + House	£304,000	£0	£0	£0	£0	
Total Revenue £	**£7,192,508**	**£0**	**£0**	**£0**	**£0**	**£7,192,508**
Net Area (sq m)	3,638	-	-	-	-	3,638
Revenue (£ / sq m)	£1,977	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£7,192,508**

Capital Value of Private Rental

Phase 1	£0
Phase 2	£0
Phase 3	£0
Phase 4	£0
Phase 5	£0
Total PR	£0

CAPITAL VALUE OF OPEN MARKET HOUSING			**£7,192,508**	£ 1,977 psqm
BUILD COST OF OPEN MARKET HOUSING Inc Contingency	**£4,217,442**	£ 1,159 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£2,975,066**

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

Type of Unit	Social Rented	Shared Ownership (all phases)	Affordable Rent (all phases)	Total
1 Bed Flat Low rise				
2 Bed Flat Low rise				
3 Bed Flat Low rise				
4 Bed + Flat Low rise				
1 Bed Flat High rise				
2 Bed Flat High rise				
3 Bed Flat High rise				
4 Bed + Flat High rise				
2 Bed House		£371,933	£569,793	£941,726
3 Bed House		£135,370	£227,922	£363,293
4 Bed + House				
	£0	£507,304	£797,715	£1,305,018
£ psqm of CV (phase 1)	-	1,654	1,552	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£1,305,018**	
RP Cross Subsidy (use of own assets)			£0	
LA s106 commuted in lieu			£0	
RP Re-cycled SHG			£0	
Use of AR rent conversion income			£0	
Other source of AH funding			£0	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£1,305,018**	
BUILD COST OF AFFORDABLE HOUSING Inc Contingency	**£916,987**	£ 1,159 psqm		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				**£388,032**

HCA Development Appraisal Tool — Printed 19/05/2021

Car Parking

No. of Spaces	Price per Space (£)	Value
94	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£56,400	

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£0
Affordable Rent	£0
Open market (all phases)	£0
Capitalised Annual Ground Rents	£0

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME		£8,497,526
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£5,190,829	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£3,306,697

Non-Residential

	Cost	Values
Office	£0	£0
Retail	£0	£0
Industrial	£0	£0
Leisure	£0	£0
Community Use	£0	£0
Community Infrastructure Levy	£0	

CAPITAL VALUE OF NON-RESIDENTIAL SCHEME		£0
COSTS OF NON-RESIDENTIAL SCHEME	£0	
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL		£0

GROSS DEVELOPMENT VALUE OF SCHEME		£8,497,526
TOTAL BUILD COSTS	£5,190,829	
TOTAL CONTRIBUTION TO SCHEME COSTS		£3,306,697

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£20,000	408	0.2%	11,834
Roads and Sewers		£798,150	16,289	9.4%	472,278
Screening and Retaining Walls		£43,040	878	0.5%	25,467
Site Landscaping		£191,600	3,910	2.3%	113,373
Off Site Works		£109,239	2,229	1.3%	64,636
Public Open Space		£50,000	1,020	0.6%	29,586
SUDs		£87,141	1,778	1.0%	51,563
Plot specific external works		£122,500	2,500	1.4%	72,485
Garages		£268,000	5,469	3.2%	158,580
Site Works		£90,000	1,837	1.1%	53,254
		£1,779,670		20.9%	1,053,059
Other site costs					
Fees and certification	6.0%	£303,936	6,203	3.6%	179,844
Other Acquisition Costs (£)		£37,000	755		
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Piling		£245,000	5,000	2.9%	144,970
Bond for PC		£17,188	351	0.2%	10,170
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£262,188		3.1%	155,141
Total Site Costs inc Fees		£2,382,794	48,628		

Statutory 106 Costs (£)	
Education	£0
Sport & Recreation	£0
Social Infrastructure	£0
Public Realm	£0
Affordable Housing	£0
Transport	£0
Highway	£0
Health	£0
Public Art	£0
Flood work	£0
Community Infrastructure Levy	£0
Other Tariff	£0
Other 1	£0
Other 2	£0
Other 3	£0
Other 4	£0
Statutory 106 costs	£0

Marketing (Open Market Housing ONLY) — per OM unit

HCA Development Appraisal Tool — Printed 19/05/2021

Sales/letting Fees	2.5%	£179,813	4,860		
Legal Fees (per Open Market unit):	£750	£27,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000	417		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£212,563**			
Total Direct Costs			**£7,786,186**		
Finance and acquisition costs					
Land Payment		£1	0	per OM home	1 per hectare
Arrangement Fee		£10,000	7.9%	of interest	
Misc Fees (Surveyors etc)		£5,000	0.06%	of scheme value	
Agents Fees		£0			
Legal Fees		£0			
Stamp Duty		£0			
Total Interest Paid		£125,616			
Total Finance and Acquisition Costs			**£140,617**		
Developer's return for risk and profit					
Residential					
Market Housing Return (Inc OH) on Valu	17.5%	£1,258,689	34,019	per OM unit	
Affordable Housing Return on Cost	6.0%	£53,677	4,473	per affordable unit	
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit	
Non-residential					
Office	£0				
Retail	£0				
Industrial	£0				
Leisure	£0				
Community-use	£0	£0			
Total Operating Profit			**£1,312,366**		
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)					
TOTAL COST			**£9,239,369**		
Surplus/(Deficit) at completion 1/10/2023				**(£741,842)**	
Present Value of Surplus (Deficit) at 23/3/2021				**(£641,279)**	
Scheme Investment MIRR		**15.9%**	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value		0.0%		Peak Cash Requirement	-£2,124,909
Site Value (PV) per hectare		-£379,455	per hectare	-£177,645 per acre	

Appendix VI – HCA Appraisal Tool Output – No Affordable Housing and No S106 Cash Contribution

HCA Development Appraisal Tool — Printed 19/05/2021

Surplus (Deficit) from input land valuation at 23/3/2021 -£198,573

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	James Road Crowland	Date of apprasal	23/03/2021
Site Reference	JRM/VJM 21046	Net Residential Site Area	1.69
File Source		Author & Organisation	JRM
Scheme Description	49 Units with 8 for PC and No AH	Registered Provider (wher	0

Housing Mix (Affordable + Open Market)

Total Number of Units	49	units
Total Number of Open Market Units	49	units
Total Number of Affordable Units	0	units
Total Net Internal Area (sq m)	4,429	sq m
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
Density	29	units/ hectare
Total Number of A/H Persons	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Gross site Area	1.69	hectares
Net Site Area	1.69	hectares
Net Internal Housing Area / Hectare	2,621	sq m / hectare

equals 11,414 sqft per acre

Average value (£ per unit)	Open Market Phase 1:	Open Market Phase 2:	Open Market Phase 3:	Open Market Phase 4:	Open Market Phase 5:	Total
1 Bed Flat Low rise	£0	£0	£0	£0	£0	
2 Bed Flat Low rise	£0	£0	£0	£0	£0	
3 Bed Flat Low rise	£0	£0	£0	£0	£0	
4 Bed + Flat Low rise	£0	£0	£0	£0	£0	
1 Bed Flat High rise	£0	£0	£0	£0	£0	
2 Bed Flat High rise	£0	£0	£0	£0	£0	
3 Bed Flat High rise	£0	£0	£0	£0	£0	
4 Bed + Flat High rise	£0	£0	£0	£0	£0	
2 Bed House	£108,158	£0	£0	£0	£0	
3 Bed House	£221,559	£0	£0	£0	£0	
4 Bed + House	£304,000	£0	£0	£0	£0	
Total Revenue £	**£9,363,508**	**£0**	**£0**	**£0**	**£0**	**£9,363,508**
Net Area (sq m)	4,429	-	-	-	-	4,429
Revenue (£ / sq m)	£2,114	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£9,363,508**

Capital Value of Private Rental

Phase 1	£0
Phase 2	£0
Phase 3	£0
Phase 4	£0
Phase 5	£0
Total PR	£0

CAPITAL VALUE OF OPEN MARKET HOUSING £9,363,508 £ 2,114 psqm

BUILD COST OF OPEN MARKET HOUSING Inc Contingency £5,134,429 £ 1,159 psqm

CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING **£4,229,079**

AH Residential Values

AH & RENTAL VALUES BASED ON NET RENTS

Type of Unit	Social Rented	Shared Ownership (all phases)	Affordable Rent (all phases)	Total
1 Bed Flat Low rise				
2 Bed Flat Low rise				
3 Bed Flat Low rise				
4 Bed + Flat Low rise				
1 Bed Flat High rise				
2 Bed Flat High rise				
3 Bed Flat High rise				
4 Bed + Flat High rise				
2 Bed House				
3 Bed House				
4 Bed + House				
	£0	£0	£0	£0
£ psqm of CV (phase 1)	-	-	-	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £0

RP Cross Subsidy (use of own assets)	£0
LA s106 commuted in lieu	£0
RP Re-cycled SHG	£0
Use of AR rent conversion income	£0
Other source of AH funding	£0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING) £0

BUILD COST OF AFFORDABLE HOUSING Inc Contingency £0 #DIV/0!

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING **£0**

HCA Development Appraisal Tool — Printed 19/05/2021

Car Parking

No. of Spaces	Price per Space (£)	Value
94	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£56,400	

Ground rent

	Capitalised annual ground rent
Social Rented	£0
Shared Ownership	£0
Affordable Rent	£0
Open market (all phases)	£0
Capitalised Annual Ground Rents	£0

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME		£9,363,508
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£5,190,829	
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME		£4,172,679

Non-Residential

	Cost	Values
Office	£0	£0
Retail	£0	£0
Industrial	£0	£0
Leisure	£0	£0
Community Use	£0	£0
Community Infrastructure Levy	£0	

CAPITAL VALUE OF NON-RESIDENTIAL SCHEME		£0
COSTS OF NON-RESIDENTIAL SCHEME	£0	
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL		£0

GROSS DEVELOPMENT VALUE OF SCHEME		£9,363,508
TOTAL BUILD COSTS	£5,190,829	
TOTAL CONTRIBUTION TO SCHEME COSTS		£4,172,679

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£20,000	408	0.2%	11,834
Roads and Sewers		£798,150	16,289	8.5%	472,278
Screening and Retaining Walls		£43,040	878	0.5%	25,467
Site Landscaping		£191,600	3,910	2.0%	113,373
Off Site Works		£109,239	2,229	1.2%	64,638
Public Open Space		£50,000	1,020	0.5%	29,586
SUDs		£87,141	1,778	0.9%	51,563
Plot specific external works		£122,500	2,500	1.3%	72,485
Garages		£268,000	5,469	2.9%	158,580
Site Works		£90,000	1,837	1.0%	53,254
		£1,779,670		19.0%	1,053,059
Other site costs					
Fees and certification	6.0%	£303,936	6,203	3.2%	179,844
Other Acquisition Costs (£)		£37,000	755		
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Piling		£245,000	5,000	2.6%	144,970
Bond for PC		£17,188	351	0.2%	10,170
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£262,188		2.8%	155,141
Total Site Costs Inc Fees		£2,382,794	48,628		

Statutory 106 Costs (£)	
Education	£0
Sport & Recreation	£0
Social Infrastructure	£0
Public Realm	£0
Affordable Housing	£0
Transport	£0
Highway	£0
Health	£0
Public Art	£0
Flood work	£0
Community Infrastructure Levy	£0
Other Tariff	£0
Other 1	£0
Other 2	£0
Other 3	£0
Other 4	£0
Statutory 106 costs	£0

Marketing (Open Market Housing ONLY) — per OM unit

HCA Development Appraisal Tool — Printed 19/05/2021

Sales/letting Fees	2.5%	£234,088	4,777		
Legal Fees (per Open Market unit):	£750	£36,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000			
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£275,838**			
Total Direct Costs			**£7,849,461**		
Finance and acquisition costs					
Land Payment		£1	0	per OM home	1 per hectare
Arrangement Fee		£10,000	12.4%	of interest	
Misc Fees (Surveyors etc)		£5,000	0.05%	of scheme value	
Agents Fees		£0			
Legal Fees		£0			
Stamp Duty		£0			
Total Interest Paid		£80,891			
Total Finance and Acquisition Costs			**£95,892**		
Developer's return for risk and profit					
Residential					
Market Housing Return (Inc OH) on Valu	17.5%	£1,638,614	33,441	per OM unit	
Affordable Housing Return on Cost	6.0%	£0		per affordable unit	
Return on sale of Private Rent	0.0%	£0	#DIV/0!	per PR unit	
Non-residential					
Office	£0				
Retail	£0				
Industrial	£0				
Leisure	£0				
Community-use	£0	£0			
Total Operating Profit			**£1,638,614**		

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£9,583,966**	
Surplus/(Deficit) at completion 1/10/2023		**(£220,458)**
Present Value of Surplus (Deficit) at 23/3/2021		**(£190,573)**

Scheme Investment MIRR **29.2%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	0.0%	Peak Cash Requirement	-£2,054,217
Site Value (PV) per hectare	-£112,765 per hectare	-£52,792 per acre	