MAXEY GROUNDS

VIABILITY ASSESSMENT

OF

SITE AT SPALDING ROAD
GOSBERTON
SPALDING
LINCOLNSHIRE

FOR

D & R HOMES (GOSBERTON) LTD

ASSESSMENT DATE

28th FEBRUARY 2022

BY

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MAXEY GROUNDS

NON-TECHNICAL SUMMARY

This is a financial viability assessment to establish the viability of a scheme for residential development at a site at Spalding Road, Gosberton for 28 dwellings with policy level contributions of 25% affordable housing plus S106 cash contributions of £89,320. Construction of the site has not yet commenced.

The Gross Development Value (GDV) is calculated using market evidence from the house sales on new-build sites in the local area. As such, values of between £2,656 and £3,210 per m^2 have been adopted, giving sale values of between £150,000 and £330,000 for market units, which accurately reflects the market for the various types of dwelling.

A basic build cost of £1,371 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 and semi-detached bungalows. We have made an adjustment to the price per m^2 for detached bungalows to reflect an appropriate yet cautious increase on the price per m^2 for semi-detached bungalows.

A basic road construction cost of £2,300 per linear metre has been used for adopted roads and £1,500 per linear metre for private roads. This cost is based upon figures from developments in the local area and are considered appropriate.

The costs for the attenuation pond have been estimated at this stage but are based upon developments in the local area and the rates are deemed appropriate, the cost for the 315m length of pipe for surface water attenuation outflow has been provided by the Client. We have assumed that single sided dewatering will be required, the rate per linear metre of adopted road is based upon costs from other sites nearby. The cost for site demolition has been provided by the Client.

Other costs adopted, including 6% for design & professional fees, 2.5% contingency, standard road construction costs, costs for garages and driveways, plot specific external works of £2,500 per plot, 3% for marketing, £750 for legals and an interest rate of 6.25% have all been previously accepted on 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 adopted the Existing Use Value (EUV) + Premium approach to land value. An EUV for the land of £25,000 per gross hectare has been adopted which is agricultural value. To this, a premium of £250,000 per gross hectare has been added which is deemed a sufficient sum to bring the land forward for development. This gives an overall BLV of £275,000 per gross hectare.

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
28 units with 25% affordable housing plus S106 cash contributions of £89,320	- £369,908
28 units with 10.7% affordable housing and reduced S106 cash contributions of £3,000	- £287

We have conducted a sensitivity analysis which shows variations of the scheme with 10.7% affordable houses and reduced cash S106 contributions of £3,000, the results of this are outlined further in the report, but our overall conclusions are as follows.

A full policy-compliant scheme for a site of 28 units with 25% affordable housing plus S106 cash contributions of £89,320 is clearly not viable with a financial **deficit** (present value) of nearly £370,000 once land cost, construction and other costs have been deducted from GDV. If all the affordable housing and S106 cash contributions are removed, this results in a surplus, therefore we had adjusted the level of affordable housing and the cash S106 contributions in order to reach a viable position. A scheme of 28 units with 10.7% affordable housing and reduced cash S106 contributions of £3,000 results in a marginal **deficit** (present value) of £287, therefore meaning the scheme is viable.

INSTRUCTIONS

We refer to instructions to provide a Financial Viability Assessment (FVA) for the site dated and our Conditions of Instructions Letter and Standard FVA Conditions Of Engagement & Terms of Business dated 2nd February 2022, a copy of which is in Appendix I of this Report.

Client

This report has been prepared for D & R Homes (Gosberton) Ltd.

Purpose of FVA

This FVA is required to establish the viability of development of the site having regard to the requirements for affordable housing and potential other Section 106 planning requirements that might be imposed in connection with a planning application for residential development.

Asset to be Appraised

The appraisal is of a development site at Spalding Road, Gosberton, Spalding, Lincolnshire.

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

This is appraisal is for Land which is to be developed with 28 dwellings.

RICS Guidance/Professional Statements

In preparing this FVA, the Valuer has acted in accordance with the RICS Professional Statement Financial Viability in Planning: Conduct and Reporting 1st Edition, May 2019. The Valuer has 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 2022, any valuation utilised in the appraisal has been prepared in accordance with RICS Valuation – Global Standards 2022 incorporating the International Valuation Standards. Furthermore, this FVA has been undertaken in accordance with the requirements of PS2 (Ethics, Competency, Objectivity and Disclosures) of the RICS Valuation – Global Standards 2022.

Bases of Value

All valuations provided within this report are on the basis **Market Value**, defined by the RICS Valuation – Global Standards 2022 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. EUV has been established using comparable evidence. We have also had regard to market evidence of development land as appropriate.

Appraisal Date

The appraisal and any valuations provided within this report are as at 28th February 2022.

Identity of Valuer

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

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 Engaged 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 2022 incorporating the International Valuation Standards 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 our 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.

   However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported.

9. The RICS Valuation – Global Standards 2022, incorporating the International Valuation Standards include a requirement to measure residential property on the basis of the International Property Measurement Standards: Residential. However, as FVA work is outside the scope of the RICS Valuation – Global Standards 2022, we have utilised the Gross Internal Area of the proposed development as provided to us by the developer.

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 plans and planning documents 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 the Client, our own records, and other evidence sources including Rightmove Plus. Affordable rental levels have also been confirmed by enquiries of housing associations and the local planning authority who have also provided figures for appropriate levels of management and repair costs, as utilised in the appraisal tool.

The BLV has been established having regard to the EUV and an appropriate premium sufficient to ensure land comes forward for development.

S106 requirements have been calculated using information from South Holland District Council (SHDC) supplied by the Client. Some specific site costs have been provided by the Client and other costs have been assumed 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 unless otherwise agreed upon and specified within the Confirmation of Financial Viability Assessment Instructions. 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 2022 incorporating the International Valuation Standards.

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 has been undertaken using the Market Approach to analyse the sale or rent of other similar properties in the area. The Market Approach is defined within

VPS5 of the RICS Valuation – Global Standards 2022 as 'The market approach is based on comparing the subject asset with identical or similar assets (or liabilities) for which price information is available, such as a comparison with market transactions in the same, or closely similar, type of asset (or liability) within an appropriate time horizon.'

A Schedule of Evidence is attached as Appendix III to this report.

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 also stated in Appendix IV.

Information on the Section 106 requirements likely to be sought by SHDC has been supplied by the Client. These are also reproduced within Appendix IV. The likely contribution from a Housing Association is based upon benchmarking from similar sites.

Affordable rents are based upon 80% of market rent, and verified by confirming the maximum permitted level by Local Housing Allowance Rates published on Direct Gov for that area. Given the scale of the development, the normal requirement of 70% of any affordable housing as affordable rented and 30% shared ownership, this is confirmed by correspondence from SHDC. The affordable housing mix is split as 25% as one-beds, 40% as two-beds, 30% as three-beds and 5% as four-beds.

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 adopted an EUV + Premium approach to land value, whilst putting this in context by review of market transactions.

The EUV of agricultural land is around £25,000 per gross hectare. An appropriate premium to then bring it forward for residential development would be a further £250,000 per gross hectare, giving a benchmark land value of around £275,000 per gross hectare. These values are widely accepted as being appropriate.

Therefore, the total benchmark land value of the site is £459,250, say £460,000. The actual agreed price for the land exceeds this value but has not been utilised in our calculations.

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

This viability assessment has been conducted as a desktop exercise.

Property Address

The property is a development site at Spalding Road, Gosberton, Spalding, Lincolnshire. The site location is shown on the Plans and Photographs within Appendix II.

Property Description

The property is a greenfield development site upon which it is proposed to develop 28 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 1.67 Hectares. The size of the units (Gross Internal Area) is provided by way of schedule from the client and within the inputs to the Development Appraisal Tool, an electronic copy of which has been provided.

Gross Development Value

There is a variety of newbuild sales evidence from the surrounding areas. A schedule of comparable evidence is in Appendix III of this report. We have summarised the values adopted below.

There isn't any newbuild evidence for 1-bed semi-detached newbuild bungalows, however there is for 2-bed semi-detached newbuild bungalows, therefore we have adjusted the sale price down to reflect the accommodation. As such, as we have adopted £150,000 for the HTA type.

For the HTB type, there is comparable evidence for other 2-bed semi-detached newbuild bungalows, however they are significantly smaller than those proposed at the subject site. Therefore, we have increased the sale price achieved up to £200,000 which is more appropriate.

For the HTC type, there isn't any newbuild comparable evidence for 2-bed detached bungalows of this size, therefore we have adopted an average price per sqm achieved for the comparables of £3,125 per sqm to make a sale price of £260,000 which is appropriate for this type of dwelling.

For the HTD and HTE types, we had adopted just over £3,200 per sqm which is comparable to 3-bed detached bungalows of this size with single garages. This gives a sale price of £330,000.

Costs

A build cost of £1,371 per m^2 has been adopted, which is the weighted average BCIS lower quartile figure, with an appropriate adjustment to reflect detached bungalows, in order to accurately reflect the different types of dwelling on the site. The build cost for the integral garages has been allowed for in the overall build cost of the relevant units, however we have allocated a separate capital cost for attached and detached garages which are based upon actual build costs of similar schemes in the area.

Expanding on the build costs further, we have adopted a basic build cost based on BCIS lower quartile costs for the area, but looking at the dwelling type (detached and semi-detached bungalows) individually. Breaking down the stated BCIS figure to the dwelling types gives a figure of £1,303 per m^2 for semi-detached bungalows. For the detached bungalows, we have adopted £1,433 per m^2 which reflects a 10% increase in build costs from semi-detached to detached units. Looking at the build costs of houses, the price per m^2 is 16.5% higher for detached houses than for semi-detached houses, therefore taking a cautious approach the build cost of detached bungalows per m^2 is at least 10% higher than for semi-detached bungalows, as such adopting £1,433 per m^2 is appropriate. If we apply these figures to the housing mix being provided this gives an average figure of £1,371 per m^2.

Looking at the “generally” figure, it is very close to the cost per m^2, with decent sample sizes, for semi-detached and terraced units, and in our view this suggests that the majority of the “generally” sample are semi-detached or terraced units. We can find no information as to the makeup of sites for the “generally” figure, but on the basis of our rationale explained above, then clearly an adjustment is both required and warranted to accurately reflect the mix of different dwelling types on a development, particularly where there are large numbers of detached dwellings, as is the case at Spalding Road, Gosberton.

BCIS shows a significant increase for detached units which would be expected – an additional elevation with a finished brickwork skin rather than a common cavity internal wall between attached housing, additional windows in this elevation, additional eaves timber to the roof and additional scaffolding whilst it is constructed are only some of the additional costs that are incurred with detached units rather than semi-detached or terraced units. As such, adopting the “generally” figure does not accurately reflect the housing mix at Spalding Road, Gosberton, which clearly departs from the mix within the sample used to determine the “generally” BCIS figure.

The costs for the 315m pipework for the surface water outflow and demolition costs have been provided by the Client. The rate of dewatering cost has been adopted based on costs on other sites nearby, however we have assumed single side only at this stage. If double-sided dewatering is required, the cost will be doubled (as a minimum) and therefore will only worsen the viability position.

Other costs adopted, including 6% for Design & Professional Fees, 2.5% Contingency, standard road construction costs, costs for garages and driveways, plot specific external

works of £2,500 per plot, 3% for marketing, £750 for legals and an interest rate of 6.25% have all been previously accepted on sites in this area.

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.

Planning

It is understood that this appraisal is prior to planning consent being issued and for the purposes of supporting a planning application, and for the purposes of this appraisal it is assumed that consent for the scheme would be approved in accordance with the plans submitted.

Condition

The site was previously used as agriculture. Any structures on site will be demolished as part of the scheme and thus their existing condition is only relevant in the context of their demolition cost.

Sustainability

- Flood Risk

The majority of the site lies within Flood Zone 3.

- Radon

The Radon Map is indicative and is not site specific, however the site does not appear to be affected by Radon Gas. If radon has been noted in the area, advice should be taken from suitably qualified advisors and this may affect the values reported.

- Invasive Vegetation

This appraisal has been undertaken as a desktop study. Specific investigations into the site have not been undertaken by the Valuer. If evidence of invasive vegetation such as Japanese Knotweed or Himalayan Balsam is found on site, a specialist program of removal and remediation will be required which would significantly increase costs, depending on the area affected. If invasive vegetation is discovered, the Valuer should be notified in order to update this appraisal if required.

General Comments

This appraisal is to ascertain the viability of the proposed scheme in relation to the intended form of development and standard affordable housing provision by way of calculating the residential land value and comparison of this with a BLV. Development of the site has not started, therefore this appraisal has been undertaken as a desktop exercise. The developer

intends to vary policy-level S106 obligations to improve viability of the site and to ensure it can be delivered.

Our principal appraisal assesses the scheme of 28 units with 25% affordable housing units and a total of £89,320 S106 cash contributions to be provided. Thereafter, the alternative scenarios are appraised involving no affordable housing and no S106 cash contributions, and reduced affordable housing of 10.7% and reduced S106 cash contributions.

Market conditions for development are currently such that viability for many schemes is marginal. 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.

We have adopted an existing use value of the site of £25,000 per gross hectare as it was agricultural land. To this, we have added a premium of £250,000 per gross hectare, which is considered to give the minimum return to the landowner at which land is likely to be made available for development. This gives an overall value for the site of £460,000 for the site.

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. 28 units with 25% affordable housing and S106 cash contributions. This scheme produces a **deficit** of £369,908.

If all affordable housing and S106 cash contributions are removed, this results in a surplus of £237,843. Therefore, we have analysed various types of contribution.

Appendix VI gives the amended output figures for a scheme with reduced affordable housing of 10.7% and reduced S106 cash contribution of £3,000. This results in a marginal deficit of £287 and is therefore viable.

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 the site Spalding Road, Gosberton. 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 30 dwellings with the site at Spalding Road, Gosberton. We have adopted the percentages and values per unit accepted in the Local Plan Viability

and applied them to a site of 28 units to get a direct comparison on costs. The differences are highlighted below:

Appraisal Input	2017 Viability Study (Rates/Percentages for 30 dwellings)	Spalding Road, Gosberton (28 dwellings)
Density	30 dwellings per Ha	16.8 dwellings per Ha
Average Value	£1,900 per sqm	£2,846 per sqm
Average Dwelling Size	100 sqm	83 sqm
Build Cost	£911 per sqm	£1,371 per sqm
Externals	£318,495 (10% on build cost)	£919,525 (29% on build cost)
Contingency	3% on build cost	3% on build cost
Professional Fees	7% on build cost	6% on build cost
S106	Up to £5,000 per dwelling	£3,190 per dwelling
Sales/Marketing	3% on revenue	3% on revenue
Developer Profit	17.5% Market, 6% Affordable	17.5% Market, 6% Affordable
BLV	£300,000 per Ha	£275,000 per Ha
Abnormals	£280,000 (£10,000 per unit)	£0 (£0 per unit)

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

- The density of the scheme is lower than assumed in the Local Plan study, which has a negative impact on viability. The scheme is for 28 units on 1.67 Ha. Furthermore, given the scheme is entirely bungalows, this reduces the density per hectare as the footprint size is greater than if it was developed with 2-storey units.

- The average size of the dwellings at Spalding Road, Gosberton is smaller than those for the Local Plan study, reflecting appropriate designs for the site and area, but which impacts the viability position by reducing GDV.

- The build costs adopted have increased by around 50.5% compared with the Local Plan viability study, which was conducted over 4 years ago, therefore a significant uplift is expected, particularly more recently with the Covid-19 pandemic putting additional pressure on the supply chain. The build cost adopted for Spalding Road, Gosberton is based on the weighted average BCIS lower quartile cost of construction for detached and semi-detached bungalows, and is considered reasonable.

- The sales values are around 50% higher than the figures used the in Local Plan viability study, and this is reasonable considering price inflation since 2017. The values adopted for Spalding Road, Gosberton are based on what has been achieved on other newbuild sites in Gosberton and the surrounding area, and this constitutes clear and strong evidence to justify the values adopted.
  However, it is worth noting that this whole site is for bungalows, which attract a premium of around £500 per sqm extra over the price achieved per sqm for houses,

therefore the comparison of sale prices on a £ per sqm basis between the Local Plan position and that at Spalding Road, Gosberton isn't like for like. The price per sqm is also skewed by the fact the average unit size is significantly smaller than that used in the Local Plan, therefore pushing up the price per sqm. Generally, the increase in sale prices is not enough to account for the increased build costs.

- 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 the externals at Spalding Road, Gosberton totalling 29% on build cost, and abnormals in the Local Plan study totalling £10,000 per unit and the abnormals for Spalding Road, Gosberton being included in the externals' cost. Applying these figures combined to a site of 28 units would give figures for the Local Plan study of £318,495 for externals and £280,000 for abnormals, compared with £919,525 for externals including abnormals for Spalding Road, Gosberton specifically, this is an overall difference of around £321,030.
  The 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 and SUDs.

The factors above combined 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 10.7% affordable housing and reduced S106 cash contributions is shown in the table below:

	At BCIS Level	+5%	-5%
GDV at Evidence Level	-£287	-£165,299	+£164,326
+5%	+£222,483	+£57,962	+£386,849
-5%	-£223,767	-£389,027	-£58,639

CONCLUSIONS

Appraisal Conclusions

We are of the opinion that a fully policy-compliant scheme for 28 units with 25% affordable dwellings and S106 cash contributions of £89,320 will show a financial **deficit** (present value) of around £369,908, based upon the current market value and affordable rents of the proposed units, the projected costs and profit level adopted within the appraisal and BLV for the site of £460,000.

We are further of the opinion that if the scheme had no affordable housing provision or cash S106 requirements this would result in a surplus. As such, we have adjusted the affordable housing and S106 cash contributions in order to assess the position in which the site is viable. If the scheme has 10.7% affordable housing and reduced cash S106 requirements of £3,000, this results in a marginal **deficit** (present value) of £287, and is therefore viable.

As such, the site is not viable for development on the basis of the provision of affordable housing of the level proposed by South Holland District Council. If the requirement for affordable housing were reduced to 10.7% and the cash S106 contributions were reduced to £3,000, delivery of the site is viable.

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 LLP

Victoria McIlroy

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

Date of Report:
28th February 2022

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 LLP.

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APPENDICES

Appendix I – Copy of Instruction Correspondence

MAXEY GROUNDS

Your Ref:
Our Ref: JRM/VJM/22002
Date: 2nd February 2022

D & R Homes (Gosberton) Ltd
Celey House
4A The Wentworths
Long Sutton
Lincolnshire
PE12 9RT

Dear Sirs

Re: Confirmation of Financial Viability Assessment Instructions
Asset: Development Site at Spalding Road, Gosberton

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: D & R Homes (Gosberton) Ltd

Purpose of Valuation: To establish viability of the proposed development.

Asset to be Valued: Development Site at Spalding Road, Gosberton

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 2022. 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

T: 01354 602030
E: professional@maxeygrounds.co.uk
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: OC357348. 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

MAXEY GROUNDS

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 named valuers have any conflict of interest in preparing this viability assessment.

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 site under consideration is 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 £4,000 + VAT for the initial Report, with additional time spent, including revisions and negotiations with the Local Planning Authority, charged at £200 + VAT per hour.

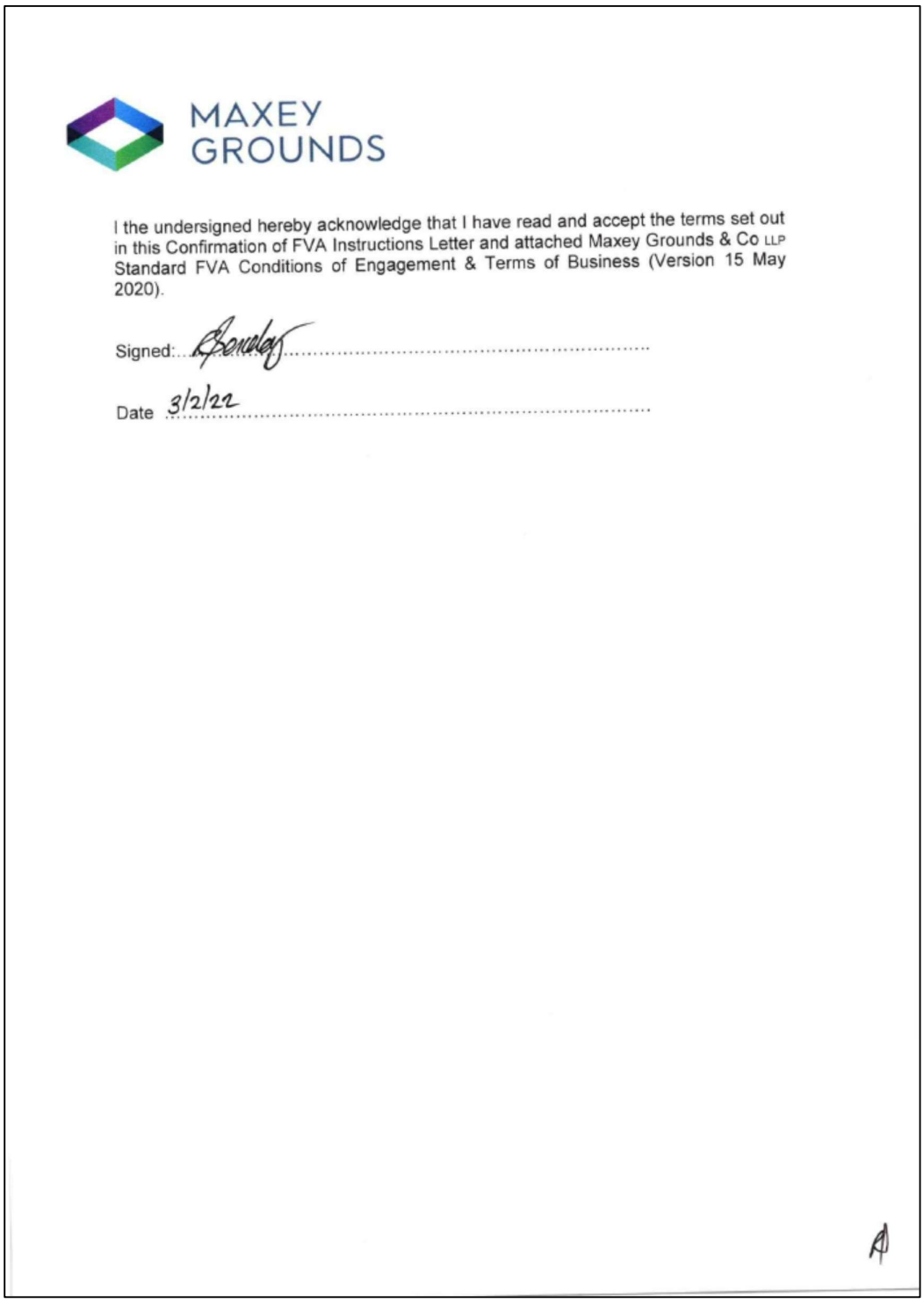
This Confirmation of FVA Instructions Letter, which is supplied in duplicate, should be read in conjunction with the attached Maxey Grounds & Co LLP FVA Conditions of Engagement & Terms of Business (Version 15 May 2020). Please sign and return one copy at your earliest convenience to agree the Conditions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

Yours faithfully

Victoria McIlroy

V J McIlroy BSc (Hons) MRICS FAAV RICS Registered Valuer
For and on behalf of Maxey Grounds & Co LLP
vmcilroy@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 3/2/22 .....

MAXEY GROUNDS

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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 2022: "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 2022 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 2022 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 2022 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 2022. 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;

MAXEY GROUNDS

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

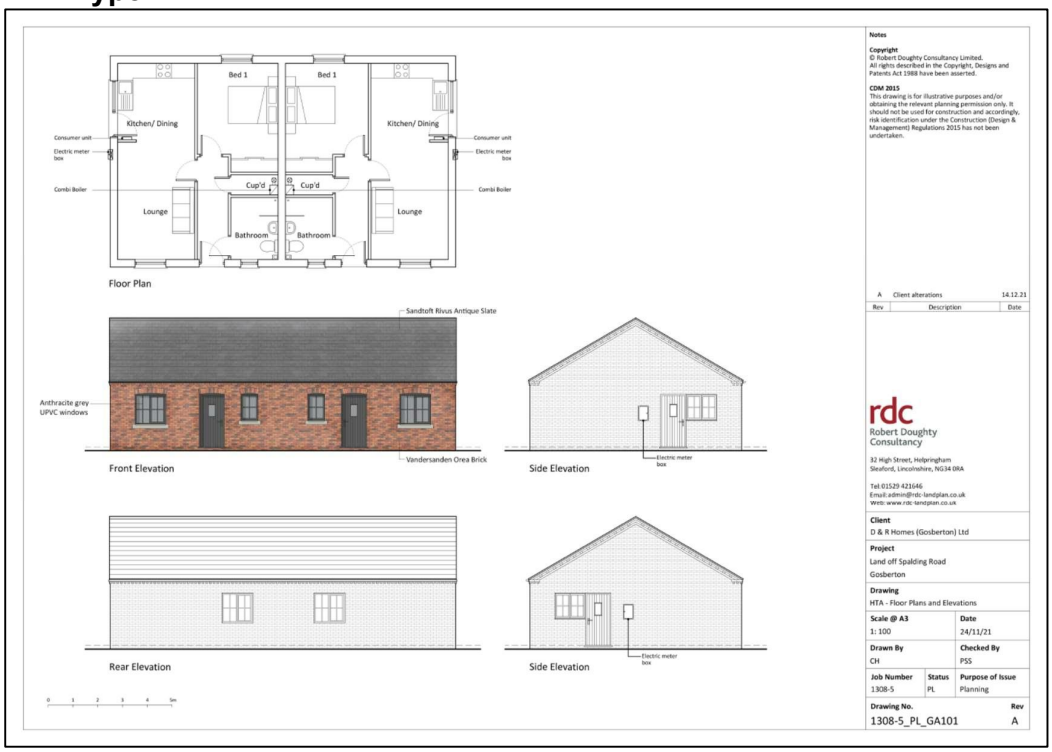
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Site Plan



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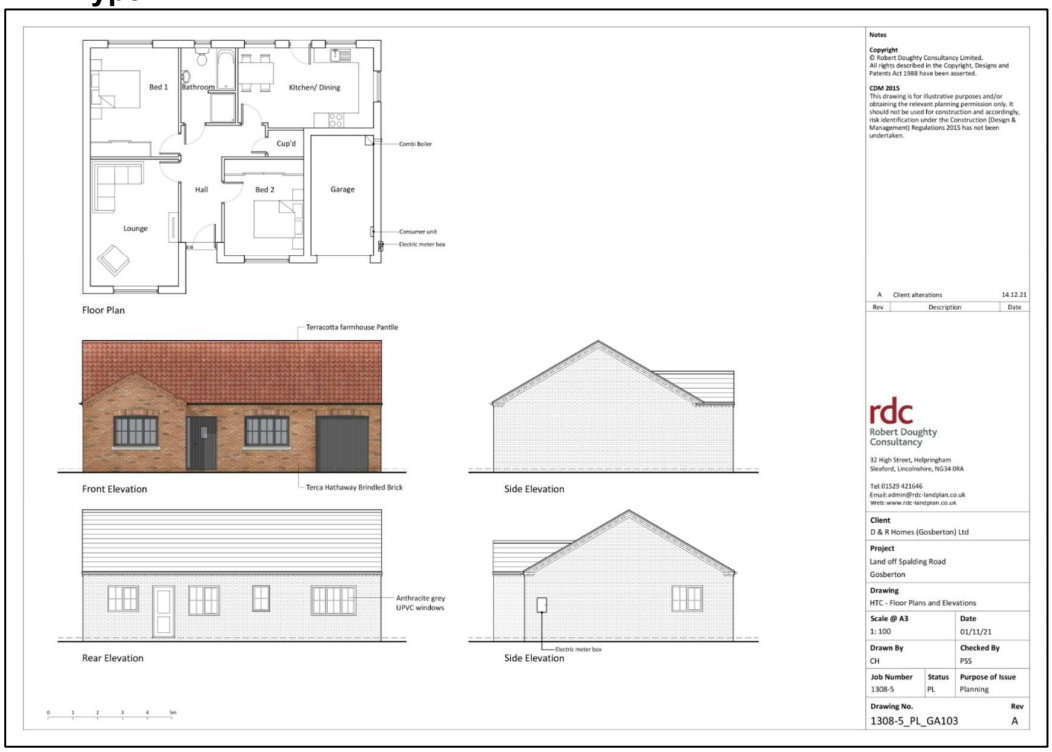
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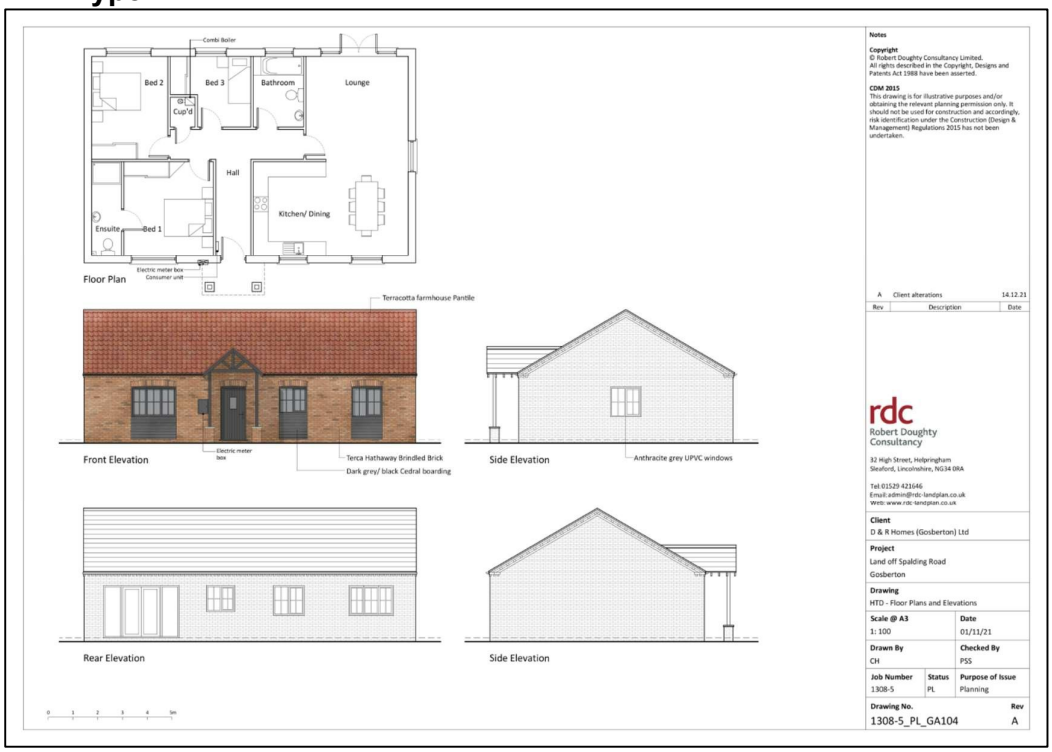
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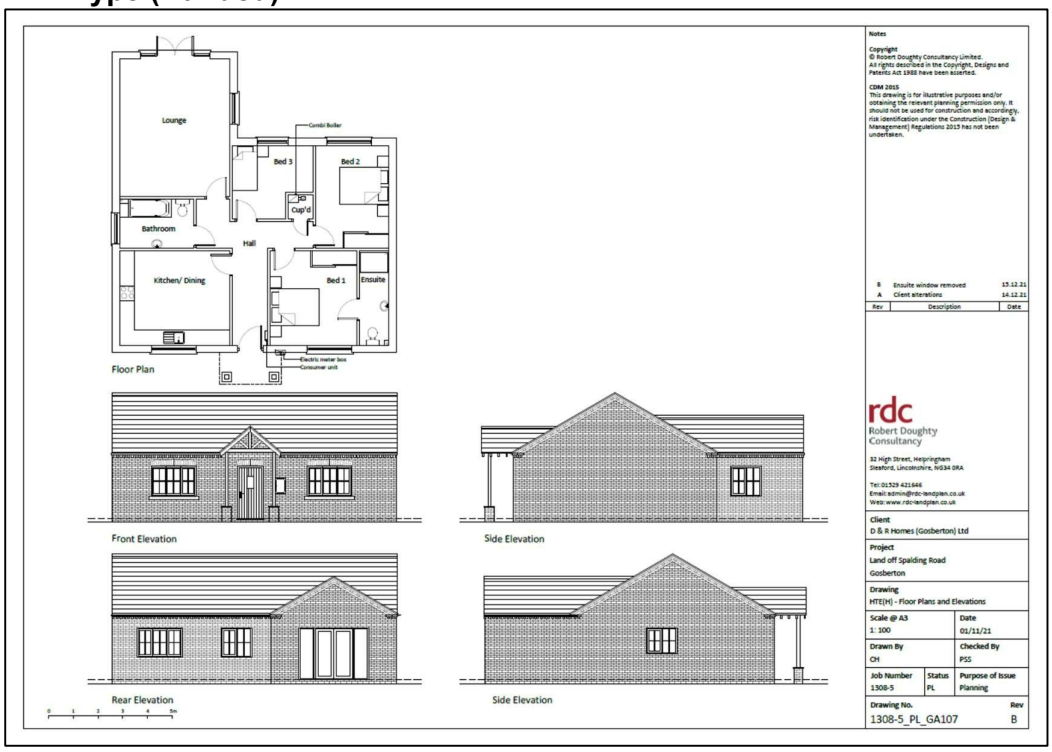
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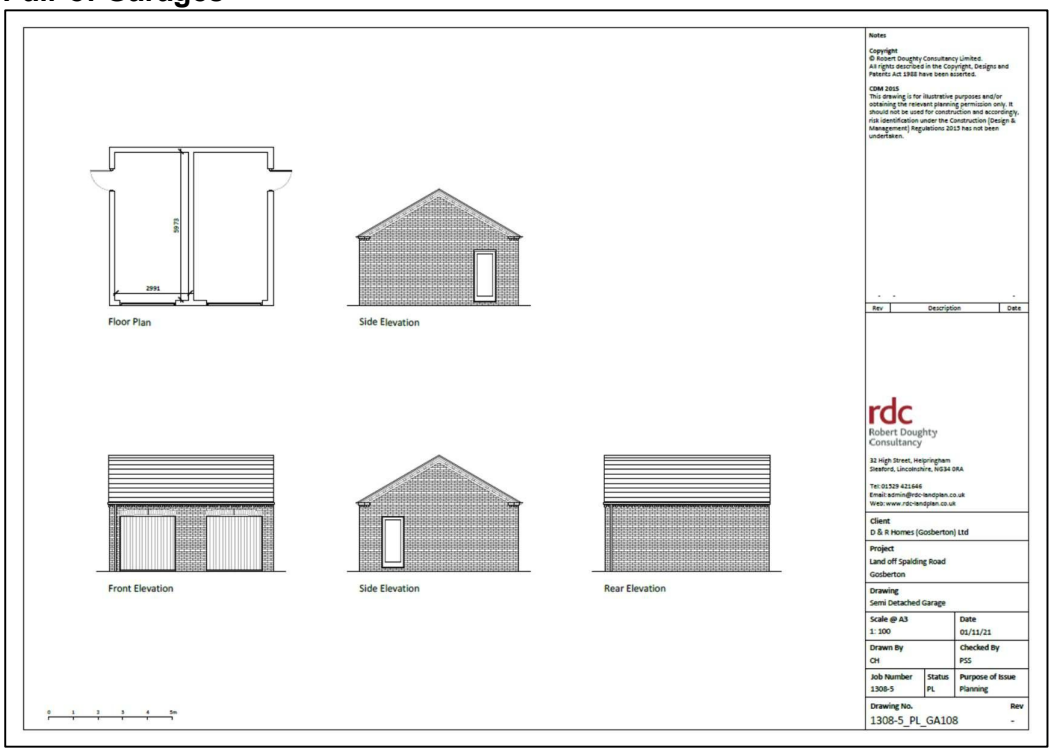
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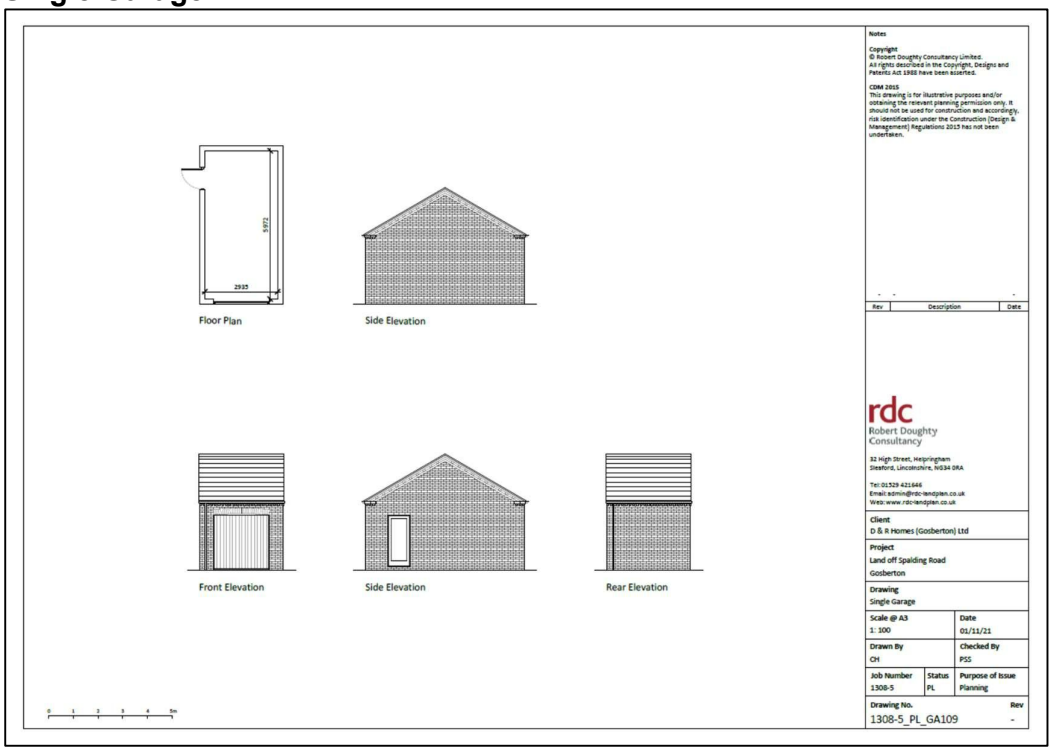
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Pair of Garages



Single Garage



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Appendix III – Schedule of Comparable Evidence

Street Address/Plot No.	Parish	Style	Type	Beds	GIA (sqft)	GIA (sqm)	Gross Price	Gross £ per sqm	Status	Parking/Garage	Age	Date	Notes
61 Atherton Gardens	Pinchbeck	Semi	Bung	2	624	58	£177,000	£3,052	Completed	OR/Single	New	11/08/2020	Pinchbeck Fields Development (Larkfleet)
59 Atherton Gardens	Pinchbeck	Semi	Bung	2	624	58	£180,000	£3,103	Completed	OR/Single	New	28/02/2020	Pinchbeck Fields Development (Larkfleet)
71 Atherton Gardens	Pinchbeck	Det	Bung	2	624	58	£187,995	£3,241	Completed	OR/Single	New	09/03/2020	Pinchbeck Fields Development (Larkfleet)
4 Atherton Gardens	Pinchbeck	Det	Bung	2	624	58	£199,995	£3,448	SSTC	OR/Single	New	Nov 2020	Pinchbeck Fields Development (Larkfleet)
93 Atherton Gardens	Pinchbeck	Det	Bung	2	785	73	£224,995	£3,082	Completed	OR/Single	New	12/11/2019	Pinchbeck Fields Development (Larkfleet)
67 Atherton Gardens	Pinchbeck	Det	Bung	2	785	73	£227,000	£3,110	SSTC	OR/Single	New	Feb 2020	Pinchbeck Fields Development (Larkfleet)
89 Atherton Gardens	Pinchbeck	Det	Bung	2	785	73	£220,995	£3,027	Completed		New	25/06/2020	Pinchbeck Fields Development (Larkfleet)
Bevan Court	Gosberton	Det	Bung	2	646	60	£200,000	£3,333	Completed	OR/Single	New	11/09/2020	
Off Quadring Road	Donington	Det	Bung	2	1,076	100	£325,000	£3,250	Asking	OR/Single	New		Asking price, small development of 4
Spalding Road	Pinchbeck	Det	Bung	3	1,162	108	£380,000	£3,519	SSTC	OR/Single	New	Sept 2020	
Spalding Road	Pinchbeck	Det	Bung	3	1,227	114	£375,000	£3,289	SSTC	OR/Double	New	Sept 2020	
Spalding Road	Pinchbeck	Det	Bung	3	1,399	130	£380,000	£2,923	SSTC	OR/Single	New	Sept 2020	
Spalding Road	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,962	SSTC	OR/Single	New	Sept 2020	
Plot 6 Keston Road	Pinchbeck	Det	Bung	3	1,603	149	£350,000	£2,349	SSTC	OR/Single	New	Jul 2021	
Plot 1 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,962	SSTC	OR/Double	New		Type B - inc. carpets
Plot 2 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,962	Exchanged	OR/Double	New	Feb 22	Type B - inc. carpets
Plot 3 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£365,000	£2,808	SSTC	OR/Double	New		Type B - inc. carpets
Plot 5 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£365,000	£2,808	Exchanged	OR/Double	New	Feb 22	Type B - inc. carpets
Plot 7 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£375,000	£2,884	SSTC	OR/Double	New		Type B
Plot 8 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£375,000	£2,884	SSTC	OR/Double	New		Type B
Plot 9 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,961	Exchanged	OR/Double	New	Feb 22	Type B
Plot 10 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£389,000	£2,992	SSTC	OR/Double	New		Type B - inc. carpets and turf to rear garden
Plot 11 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,961	SSTC	OR/Double	New		Type B
Plot 12 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,961	SSTC	OR/Double	New		Type B
Plot 13 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,961	SSTC	OR/Double	New		Type B
Plot 14 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£389,000	£2,992	SSTC	OR/Double	New		Type B
Plot 15 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,961	SSTC	OR/Double	New		Type B
Plot 16 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,961	SSTC	OR/Double	New		Type B
Plot 17 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£385,000	£2,961	SSTC	OR/Double	New		Type B
Plot 18 Keston Fields	Pinchbeck	Det	Bung	3	1,399	130	£360,000	£2,769	SSTC	OR/Single	New		Type B
Plot 19 Keston Fields	Pinchbeck	Det	Bung	3	1,421	132	£360,000	£2,726	SSTC	OR/Single	New		Type C
Plot 20 Keston Fields	Pinchbeck	Det	Bung	3	1,421	132	£350,000	£2,650	SSTC	OR/Single	New		Type C
Plot 21 Keston Fields	Pinchbeck	Det	Bung	3	1,421	132	£350,000	£2,650	SSTC	OR/Single	New		Type C
Plot 22 Keston Fields	Pinchbeck	Det	Bung	3	1,421	132	£350,000	£2,650	SSTC	OR/Single	New		Type C
Fishpond Lane	Holbeach	Det	Bung	3	1,205	112	£265,000	£2,366	SSTC	OR/Single	New	April 20	
Welch Close	Whaplode	Det	Bung	3	1,065	99	£289,500	£2,924	SSTC	OR/Single	New	May 21	
Welch Close	Whaplode	Det	Bung	3	1,065	99	£289,500	£2,924	SSTC	OR/Single	New	Jun 21	
Spalding Road	Sutterton	Det	Bung	3	1,237	115	£365,000	£3,174	SSTC	OR/Single	New	Apr 21	
Plot 6 Croft Gardens	Swineshead	Det	Bung	3	968	90	£385,000	£4,278	SSTC	OR/Double	New	Jun 21	Leighton Homes - small development of 6. On market date
Plot 4 Croft Gardens	Swineshead	Det	Bung	3	968	90	£385,000	£4,278	SSTC	OR/Double	New	Sept 21	Leighton Homes - small development of 6. On market date
Plot 1 Croft Gardens	Swineshead	Det	Bung	3	968	90	£385,000	£4,278	SSTC	OR/Double	New	May 21	Leighton Homes - small development of 6. On market date
Plot 3 Croft Gardens	Swineshead	Det	Bung	3	968	90	£385,000	£4,278	SSTC	OR/Double	New	Sept 21	Leighton Homes - small development of 6. On market date
Lowgate	Gosberton	Det	Bung	3	1,496	139	£365,000	£2,626	SSTC	OR/Single	New	May 21	Added onto Rightmove date
Lowgate	Gosberton	Det	Bung	3	1,141	106	£345,000	£3,255	SSTC	OR/Single	New	May 21	Added onto Rightmove date

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

COST AND OTHER ASSUMPTIONS ADOPTED

Viability Assessment	Ref 2202E				
Client	D & R Homes (Gosberton) Ltd t/a D & R Homes				
Site	Site at Spalding Road, Gosberton				
Statement of Assumptions Made within Appraisal Calculations					
Site area approx. 1.67 Ha. BLV has been assessed as EUV at £25,000 per gross ha, plus premium of £250,000 per gross ha.					
This gives overall BLV of £459,250, say £460,000.					
Total of 28 x Units (see detailed Accommodation Schedule)					
7 x Affordable Dwellings split into:	5 affordable rented				
	2 shared ownership				
Construction and Development Costs (Standard)					
Timescales	Construction 1st June 2022 - 1st December 2023				
	OM Sales start from 1st November 2022 and finish 1st May 2024				
Build Cost Market & Affordable Housing (2,323 sqm) @		£1,371		£3,184,949	
Basic BCIS Build Cost broken down as follows:		Total GIA (sqm)	Price per sqm		
	Detached Bung:	1,216	£1,433	£1,742,528	
	Semi Bung:	1,107	£1,303	£1,442,421	
	Total:	2,323	£1,371		
Total House Build					**£1,371**
6% Design and Professional Fees					
2.5% Contingency Allowance					
SUDs and Storm Attenuation:	315m buried pipe for surface water attenuation outflow			£33,275	
	Attenuation Pond	inc. headwall and hydrobrake	estimated	£40,000	**£73,275**
Roads	Approx 194m run of adopted roadway at £2,300 per m run			£446,200	
	Approx 108m run of unadopted roadway at £1,500 per m run			£162,000	**£608,200**
Parking:	56 parking spaces at £600 per space			£33,600	**£33,600**
Garages	3 x singles @ £9,000 each			£27,000	
	2 x pairs @ £18,000 each			£36,000	**£63,000**
Site Prep and Set Up Welfare:	Onsite establishment and welfare (inc. access formation, site office, services etc)			£15,000	
	Site Demolition inc scaffolding			£12,200	**£27,200**
Plot specific external works (i.e. patio, fencing etc) @ £2,500 per plot				£70,000	**£70,000**
Dewatering:	Assume single sided @ £125 per linear metre of adopted road			£24,250	**£24,250**
General Site Landscaping				£20,000	**£20,000**
Total Externals					**£919,525**
Affordable Housing & S106 Contributions					
Affordable Housing				25%	
Primary School Contribution				£30,671	
Secondary School Contribution				£46,217	
NHS Contribution	£444 per unit			£12,432	
Total Cash S106					**£89,320**
Finance, Disposal Costs and Profit					
Stamp Duty Land Tax Land				£12,500	
Finance costs of £8,000 arrangement costs plus £2,000 survey and valuation cost plus 6.25% interest (ave)					
Marketing / agents' costs for Market units of 3% 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®

RICS

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.
Last updated: 12-Feb-2022 00:38

> Rebased to South Holland (100; 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)	1,353	740	1,185	1,313	1,474	3,071	1219
810.1 Estate housing							
Generally (15)	1,349	653	1,150	1,300	1,474	4,678	1493
Single storey (15)	1,517	862	1,290	1,469	1,687	4,678	245
2-storey (15)	1,304	653	1,134	1,268	1,425	2,844	1151
3-storey (15)	1,393	845	1,119	1,332	1,563	2,781	92
4-storey or above (15)	2,844	1,386	2,269	2,534	3,812	4,219	5
810.11 Estate housing detached (15)	1,736	1,005	1,341	1,502	1,748	4,678	22
810.12 Estate housing semi detached							
Generally (15)	1,345	798	1,158	1,313	1,477	2,490	353
Single storey (15)	1,501	997	1,303	1,479	1,657	2,490	73
2-storey (15)	1,306	798	1,151	1,279	1,429	2,275	267
3-storey (15)	1,281	958	1,021	1,266	1,386	1,956	13
810.13 Estate housing terraced							
Generally (15)	1,391	845	1,135	1,318	1,529	4,219	275
Single storey (15)	1,563	1,034	1,330	1,473	1,798	2,189	25
2-storey (15)	1,338	849	1,132	1,278	1,471	2,844	205
3-storey (15)	1,420	845	1,112	1,317	1,599	2,781	43
4-storey or above (10)	4,015	3,812	-	-	-	4,219	2

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MARKET																			
Reference	Style	Type	No.	Beds	Storeys	GIA (sqm) Living Accomm	GIA (sqm) inc. Garage Where Int	Total GIA (sqm) (in. Garage where int)	Garage	Parking	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV	Rent p/w (80%)	Plots
HTA (Right)	Semi	Bung	2	1	1	51		103	None	2	£2,918	£150,000	£157,500	£142,500	£300,000		4, 6
HTB (Left)	Semi	Bung	3	2	1	75		226	None	2	£2,656	£200,000	£210,000	£190,000	£600,000		3, 19, 22
HTB (Right)	Semi	Bung	6	2	1	75		449	None	2	£2,670	£200,000	£210,000	£190,000	£1,200,000		2, 18, 21, 23, 25, 27
HTC	Detached	Bung	5	2	1	83	99	496	Single Int	2	£3,125	£260,000	£273,000	£247,000	£1,300,000		8, 9, 10, 11, 12
HTD	Detached	Bung	1	3	1	103		103	Single	2	£3,210	£330,000	£346,500	£313,500	£330,000		13
HTE	Detached	Bung	4	3	1	103		412	Single	2	£3,207	£330,000	£346,500	£313,500	£1,320,000		1, 15, 16, 20
Total			21					1,789							£5,050,000		
SHARED OWNERSHIP																	
Reference	Style	Type	No.	Beds	Storeys	GIA (sqm)	GIA (sqm) inc. Garage	Total GIA (sqm)	Garage	Parking	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV	Rent p/w (80%)	Plots
HTA (Left)	Semi	Bung	1	1	1	51		51	None	2	£2,918	£150,000	£157,500	£142,500	£150,000		7
HTB (Left)	Semi	Bung	1	2	1	75		75	None	2	£2,656	£200,000	£210,000	£190,000	£200,000		28
Total			2					127							£350,000		
AFFORDABLE RENTED																	
Reference	Style	Type	No.	Beds	Storeys	GIA (sqm)	GIA (sqm) inc. Garage	Total GIA (sqm)	Garage	Parking	Price per sqm	Price	+5% GDV	-5% GDV	Total GDV	Rent p/w (80%)	Plots
HTA (Left)	Semi	Bung	1	1	1	51		51	None	2	£2,918	£150,000	£157,500	£142,500	£150,000	£92	5
HTB (Left)	Semi	Bung	2	2	1	75		151	None	2	£2,656	£200,000	£210,000	£190,000	£400,000	£120	24, 26
HTD	Detached	Bung	2	3	1	103		206	Single	2	£3,210	£330,000	£346,500	£313,500	£660,000	£138	14, 17
Total			5					408							£1,210,000		
TOTALS			28					2,323							£6,610,000		

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

HCA Development Appraisal Tool — Printed 28/02/2022

Surplus (Deficit) from input land valuation at 28/2/2022 -£363,908

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Site at Spalding Road, Gosberton	Date of appraisal	28/02/2022
Site Reference	22002E	Net Residential Site Area	1.67
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	28 Units with 25% Affordables and S106 Cash Contributions	Registered Provider (whei 0	

Housing Mix (Affordable + Open Market)

Total Number of Units	28	units
Total Number of Open Market Units	21	units
Total Number of Affordable Units	7	units
Total Net Internal Area (sq m)	2,320	sq m
% Affordable by Unit	25.0%	
% Affordable by Area	23.0%	
Density	17	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	1.67	hectares
Net Site Area	1.67	hectares
Net Internal Housing Area / Hectare	1,389	sq m / hectare

equals 5,051 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	£190,909	£0	£0	£0	£0	
3 Bed House	£295,000	£0	£0	£0	£0	
4 Bed + House	£0	£0	£0	£0	£0	
Total Revenue £	£5,050,000	£0	£0	£0	£0	£5,050,000
Net Area (sq m)	1,787	-	-	-	-	1,787
Revenue (£ / sq m)	£2,826	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES £5,050,000

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			£5,050,000	£ 2,826 psqm
BUILD COST OF OPEN MARKET HOUSING Inc Contingency	£2,511,226	£ 1,405 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				£2,538,774

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		£243,548	£257,375	£500,924
3 Bed House			£213,968	£213,968
4 Bed + House				
	£0	£243,548	£471,343	£714,892
£ psqm of CV (phase 1)	-	1,828	1,156	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			£714,892	
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)			£714,892	
BUILD COST OF AFFORDABLE HOUSING Inc Contingency	£749,012	£ 1,405 psqm		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				-£34,120

HCA Development Appraisal Tool — Printed 28/02/2022

Car Parking

No. of Spaces	Price per Space (£)	Value
56	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£33,600	

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		£5,764,892	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£3,293,838		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME			£2,471,054

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		£5,764,892	
TOTAL BUILD COSTS	£3,293,838		
TOTAL CONTRIBUTION TO SCHEME COSTS			£2,471,054

External Works & Infrastructure Costs (£)		Per unit	% of GDV	per Hectare
Site Preparation/Demolition	£27,000	964	0.5%	16,168
Roads and Sewers	£608,200	21,721	10.6%	364,192
SUDs and Storm Attenuation	£73,275	2,617	1.3%	43,877
Dewatering	£24,250	866	0.4%	14,521
General site landscaping	£20,000	714	0.3%	11,976
Public Open Space	£0			
Site Specific Sustainability Initiatives	£0			
Plot specific external works	£70,000	2,500	1.2%	41,916
Garages	£63,000	2,250	1.1%	37,725
Other 2	£0			
	£885,725		15.4%	530,374

Other site costs					
Fees and certification	6.0%	£192,859	6,888	3.3%	115,485
Other Acquisition Costs (£)		£0			

Site Abnormals (£)	
De-canting tenants	£0
Decontamination	£0
Other	£0
Other 2	£0
Other 3	£0
Other 4	£0
Other 5	£0
	£0

Total Site Costs inc Fees	**£1,078,584**	38,521	

Statutory 106 Costs (£)		
Education	£76,888	2,746
Sport & Recreation	£0	
Social Infrastructure	£0	
Public Realm	£0	
Affordable Housing	£0	
Transport	£0	
Highway	£0	
Health	£12,432	444
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	**£89,320**	3,190

HCA Development Appraisal Tool — Printed 28/02/2022

Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£151,500	7,214		
Legal Fees (per Open Market unit):	£750	£15,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000	714		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£172,250**			
Total Direct Costs			**£4,633,992**		
Finance and acquisition costs					
Land Payment		£460,000	21,905	per OM home	275,449 per hectare
Arrangement Fee		£8,000	5.7%	of interest	
Misc Fees (Surveyors etc)		£2,000	0.03%	of scheme value	
Agents Fees		£0			
Legal Fees		£3,450			
Stamp Duty		£12,500			
Total Interest Paid		£139,188			
Total Finance and Acquisition Costs			**£625,138**		
Developer's return for risk and profit					
Residential					
Market Housing Return (Inc OH) on Valu	17.5%	£863,750	42,083	per OM unit	
Affordable Housing Return on Cost	6.0%	£43,845	6,264	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			**£927,595**		
(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)					
TOTAL COST			**£6,186,724**		
Surplus/(Deficit) at completion 1/5/2024				**(£421,833)**	
Present Value of Surplus (Deficit) at 28/2/2022				**(£369,908)**	
Scheme Investment MIRR		16.6%	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value		6.0%		Peak Cash Requirement	-£2,122,779
Site Value (PV) per hectare		-£221,502	per hectare	-£102,224 per acre	

Appendix VI – HCA Appraisal Tool Output – 10.7% Affordable Housing and Reduced Cash S106 Contribution

HCA Development Appraisal Tool — Printed 28/02/2022

Surplus (Deficit) from input land valuation at 28/2/2022 -£287

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY | DETAIL

SCHEME

Site Address	Site at Spalding Road, Gosberton	Date of appraisal	28/02/2022
Site Reference	22002E	Net Residential Site Area	1.67
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	28 Units with 10% Affordables and S106 Cash Contributions	Registered Provider (whet	0

Housing Mix (Affordable + Open Market)

Total Number of Units	28	units
Total Number of Open Market Units	25	units
Total Number of Affordable Units	3	units
Total Net Internal Area (sq m)	2,320	sq m
% Affordable by Unit	10.7%	
% Affordable by Area	9.9%	
Density	17	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	1.67	hectares
Net Site Area	1.67	hectares
Net Internal Housing Area / Hectare	1,389	sq m / hectare

equals 6,051 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	£189,286	£0	£0	£0	£0	
3 Bed House	£298,182	£0	£0	£0	£0	
4 Bed + House	£0	£0	£0	£0	£0	
Total Revenue £	£5,930,000	£0	£0	£0	£0	£5,930,000
Net Area (sq m)	2,091	-	-	-	-	2,091
Revenue (£ / sq m)	£2,836	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES £5,930,000

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 £5,930,000 £ 2,836 psqm

BUILD COST OF OPEN MARKET HOUSING Inc Contingency £2,938,430 £ 1,405 psqm

CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING £2,991,570

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		£104,378	£93,029	£197,407
3 Bed House			£106,984	£106,984
4 Bed + House				
	£0	£104,378	£200,013	£304,391
£ psqm of CV (phase 1)	-	1,936	1,124	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING) £304,391

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) £304,391

BUILD COST OF AFFORDABLE HOUSING Inc Contingency £321,808 £ 1,405 psqm

CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING -£17,417

HCA Development Appraisal Tool — Printed 28/02/2022

Car Parking

No. of Spaces	Price per Space (£)	Value
56	-	£0

Value of Residential Car Parking		£0
Car Parking Build Costs	£33,600	

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		£6,234,391	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	£3,293,838		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME			£2,940,553

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		£6,234,391	
TOTAL BUILD COSTS	£3,293,838		
TOTAL CONTRIBUTION TO SCHEME COSTS			£2,940,553

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£27,000	964	0.4%	16,168
Roads and Sewers		£608,200	21,721	9.8%	364,192
SUDs and Storm Attenuation		£73,275	2,617	1.2%	43,877
Dewatering		£24,250	866	0.4%	14,521
General site landscaping		£20,000	714	0.3%	11,976
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£70,000	2,500	1.1%	41,916
Garages		£63,000	2,250	1.0%	37,725
Other 2		£0			
		£885,725		14.2%	530,374
Other site costs					
Fees and certification	6.0%	£192,659	6,888	3.1%	115,485
Other Acquisition Costs (£)		£0			

Site Abnormals (£)	
De-canting tenants	£0
Decontamination	£0
Other	£0
Other 2	£0
Other 3	£0
Other 4	£0
Other 5	£0
	£0
Total Site Costs Inc Fees	**£1,078,584** 38,521

Statutory 106 Costs (£)	
Education	£3,000 107
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	**£3,000** 107

HCA Development Appraisal Tool — Printed 28/02/2022

Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£177,900	7,116		
Legal Fees (per Open Market unit):	£750	£18,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000	1,667		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£201,650**			
Total Direct Costs			**£4,577,072**		
Finance and acquisition costs					
Land Payment		£460,000	18,400	per OM home	275,449 per hectare
Arrangement Fee		£8,000	6.9%	of interest	
Misc Fees (Surveyors etc)		£2,000	0.03%	of scheme value	
Agents Fees		£0			
Legal Fees		£3,450			
Stamp Duty		£12,500			
Total Interest Paid		£115,108			
Total Finance and Acquisition Costs			**£601,058**		
Developer's return for risk and profit					
Residential					
Market Housing Return (Inc OH) on Valu	17.5%	£1,037,750	41,510	per OM unit	
Affordable Housing Return on Cost	6.0%	£18,838	6,279	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			**£1,056,588**		

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

TOTAL COST	**£6,234,718**	
Surplus/(Deficit) at completion 1/5/2024		(£327)
Present Value of Surplus (Deficit) at 28/2/2022		(£287)

Scheme Investment MIRR	28.8%	(before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value	7.4%		Peak Cash Requirement	-£1,676,949
Site Value (PV) per hectare	-£172	per hectare	-£79 per acre	

Development Appraisal Tool



Homes & Communities Agency

PRESS to ACCEPT DISCLAIMER and CONTINUE

Version 4.05 Apr-16

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when starting a scheme apprasial always download current version from www.gov.uk/government/collections/development-appraisal-tool

Any problems working with this tool should be reported to DatEnquiries@hca.gsi.gov.uk

Surplus (Deficit) from Input land valuation at 28/2/2022 -287

HCA Development Appraisal Tool
INPUT SHEET 1 - SITE DETAILS

Basic Site Details

FULL VIABILITY ASSESSMENT	
Site Address	**Site at Spalding Road, Gosberton**
OS X coordinate	
OS Y coordinate	
Site Reference	22002E
File Source	
Scheme Description	**28 Units with 10% Affordables and S106 Cash Contributions**
Date of appraisal	28/02/2022
Gross Site Area (hectares)	1.67
Net Residential Site Area (hectares)	1.67
Author & Organisation	**Maxey Grounds, 22-24 Market Place, March PE15 9JH**
Local Planning Authority	South Holland
Land Purchase Price	**460,000**
Land Purchase date	28/02/2022
Most recent valuation of the site £	**460,000**
Basis of valuation	**Other -please note below**
Date of valuation	28/02/2022
Any note on valuation	**EUV of £25,000 per gross hectare plus premium of £250,000 per gross hectare**
Developer of sale units	
Developer of affordable units	**Developer**
Manager of affordable units	
Registered Provider (where applicable)	
Note on applicant (eg sub partner status)	

Surplus (Deficit) from Input land valuation at 28/2/2022

IF IN DOUBT LEAVE THIS SHEET 'AS IS' AND CONTINUE TO SITE SHEET

HCA DevelopmentAppraisal Tool

Tool Setup of Sheets to display

The only function of this sheet is to display or hide particular sheets to match user

Simplified data entry is normally faster; if required it is possible to enter additional detail at a later stage

PRESS for level of detail to display>>>>> Simplified Screens **or Pres**

Minimal input & output sheets

-287

requirements: if you wish to view all formulas then select 'Advanced user'

	○ Advanced user **<< view more outputs and calcs**	○ Add Analytical To
	Workings & cashflow also visible	including sensitive test

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Free text Description	No. of units	m2	Property type	Tenure/phase	Sales Valuation £	Weekly Rent Chargeable
HTA (Right)	3	51	2 Bed House	Open Market Build phase 1	150,000	
HTB (Left)	5	75	2 Bed House	Open Market Build phase 1	200,000	
HTB (Right)	6	75	2 Bed House	Open Market Build phase 1	200,000	
HTC	5	99	3 Bed House	Open Market Build phase 1	260,000	
HTD	2	103	3 Bed House	Open Market Build phase 1	330,000	
HTE	4	103	3 Bed House	Open Market Build phase 1	330,000	
HTA (Left)	1	51	2 Bed House	Shared Ownership phase 1	150,000	
HTB (Left)	1	75	2 Bed House	Affordable Rent phase 1	200,000	120.00
HTD	1	103	3 Bed House	Affordable Rent phase 1	330,000	138.00
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Annual Costs %	Management %	Void & Bad Debt%	R&M inc sink Fund%	Net Yield %	Initial tranche sold %	Rent % unsold equity
Social Rented						
Shared Ownership	2.00%	1.00%		5.25%	39.00%	2.75%
Affordable Rent	10.00%	2.00%	10.00%	5.25%		
Private Rent						

Costs £ per home pa	*M'gmt*	*Void/debt*	*R & M*
	-	-	-
Shared Ownership phase 1	*83*	*25*	
Affordable Rent phase 1	*673*	*135*	*673*
	-	-	-

Date of scheme appraisal *28-Feb-22* from Site Sheet

Use any valid Excel Date format (eg DD/MM/YY)

Build Period	Construction Start Date	Construction End Date
	Tenure phases display for date input only after transfer from Input 2 sheet	
Affordable Houses ph 1	01-Jun-22	01-Jan-23
OM 1:Phase 1	01-Jun-22	01-Dec-23

RP Purchase from Developer	Purchase start date	Purchase end date
	AH phases display for date input only after transfer from Input 2 sheet	
Shared Ownership phase 1	01-Feb-23	01-Feb-23
Affordable Rent phase 1	01-Feb-23	01-Feb-23

Open Market Sale	Sale Start Date	Sale End Date	Monthly Sales rate
	OM phases display for date input only after transfer from Input 2 sheet		
OM Sales1:Phase 1	01-Nov-22	01-May-24	*1.32*

Private Rental Units	First Rental Start Date	*Final* Rental Start Date
	PR phases display for date input only after transfer from Input 2 sheet	

Surplus (Deficit) from Input land valuation at 28/2/2022	-287

HCA DevelopmentAppraisal Tool

INPUT SHEET 4 - OTHER FUNDING

Note: Social Housing Grant is not an input in DAT. It will be assessed in relation to this nil grant case.

Other sources of funding

Must be between **28-Feb-22**
and **01-May-24**

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

Implied Present Value of Affordable Housing *287,937*

		Building Cost £ per Sq m GROSS area	Net to Gross Adjustment	Maximum height in floors (flats only)	*Avg Cost pu*
Shared Ownership phase 1	Houses	1,371			*69,921*
Affordable Rent phase 1	Houses	1,371			*122,019*
Open Market Phase 1:	Houses	1,371			*114,670*

Fees & Contingencies as % of Building Costs	**%**	*£ Total*
Design and Professional Fees % (Architects, QS, Project Management)	**6.00%**	*192,859*
Residential Building Contingencies (% of Building Costs)	**2.50%**	*79,518*

** This section excludes Affordable Housing section 106 payments*

All dates must be between 28-Feb-22 and 23-Feb-42

'Historic' costs incurred earlier may be entered as 28-Feb-22 *PROVIDED they are not taken into account in the site valuation (& hence double co*

External Works & Infrastructure Costs (£)	Comment on nature of issue	**Cost (£)**	Payment Start Date	Payment end date	*Cost per unit (all tenures)*
Phase 1					
Site Preparation/Demolition	inc. demolition	**£27,000**	01-Jun-22	01-Aug-22	*964*
Roads and Sewers		**£608,200**	01-Jun-22	01-Dec-23	*21,721*
SUDs and Storm Attenuation		**£73,275**	01-Jun-22	01-Dec-23	*2,617*
Dewatering	assumed single side of adopted roads	**£24,250**	01-Jun-22	01-Dec-23	*866*
General site landscaping		**£20,000**	01-Jun-22	01-Dec-23	*714*
Public Open Space					
Site Specific Sustainability Initiatives					
Plot specific external works	£2.500 per plot	**£70,000**	01-Jun-22	01-Dec-23	*2,500*
Garages		**£63,000**	01-Jun-22	01-Dec-23	*2,250*
Other 2					

Site Abnormals (£)	Comment on nature of issue	**Cost (£)**	Payment Start Date	Payment end date	*Cost per unit (all tenures)*
De-canting tenants					
Decontamination					
Other					
Other 2					
Other 3					
Other 4					
Other 5					

	Building Costs (£ / car parking space)	Payment Date
Residential Car Parking Building Costs (average cost / car parking space)	£600	01-Aug-23
Total number of residential car parking spaces	**56**	*(Open Market and Affordable)*

Statutory Payments (£)	Additional information	**Cost (£)**	Payment start date	Payment end date	*Per unit*
Education	Primary and Secondary	**£3,000**	01-Sep-23	01-Sep-23	*107*
Sport & Recreation					
Social Infrastructure					
Public Realm					
Affordable Housing					
Transport					
Highway					
Health	NHS £444 per unit	**£0**	01-Sep-23	01-Sep-23	
Public Art					
Flood work					
Community Infrastructure Levy	per sq metre				
Other Tariff	per unit				
Other 1					
Other 2					
Other 3					
Other 4					

OTHER COSTS

SITE PURCHASE COSTS	%
Agents Fees (% of site cost)	**0.00%**
Legal Fees (% of site cost)	**0.75%**

	Comment on nature of issue	Cost (£)	Payment start date	Payment end date
Other Acquisition Costs (£)				

FINANCE COSTS

Arrangement Fee (£)	£8,000
Interest Rate (%)	6.25%
Misc Fees - Surveyors etc (£)	£2,000
Credit balance reinvestment %	4.00%

MARKETING COSTS

Affordable Housing Marketing Costs

	Cost (£)	Payment start date	Payment end date
Developer cost of sale to RP (£)	£5,000	01-Feb-23	01-Feb-23
RP purchase costs (£)	£0		
Intermediate Housing Sales and Marketing (£)	£0		

Open Market Housing Marketing Costs

Sales Fees (agents fees & marketing fees) - %	3.00%
Legal Fees (per Open Market unit) - £	£750
Agents Private Rental Intial Letting fees - %	

DEVELOPER'S OVERHEAD AND RETURN FOR RISK (before taxation)

Developer O/head (£)				*Return at Scheme end*
Open Market Housing (% GDV)	17.50%	17.5%	*inc Overheads*	
		41,510	*per open market home*	
Private Rental (% Cost)				
Affordable Housing (% Cost)	6.00%			

Surplus (Deficit) from Input land valuation at 31/7/2014
HCA DEVELOPMENT APPRAISAL TOOL

Incomplete entry , see warning sheet

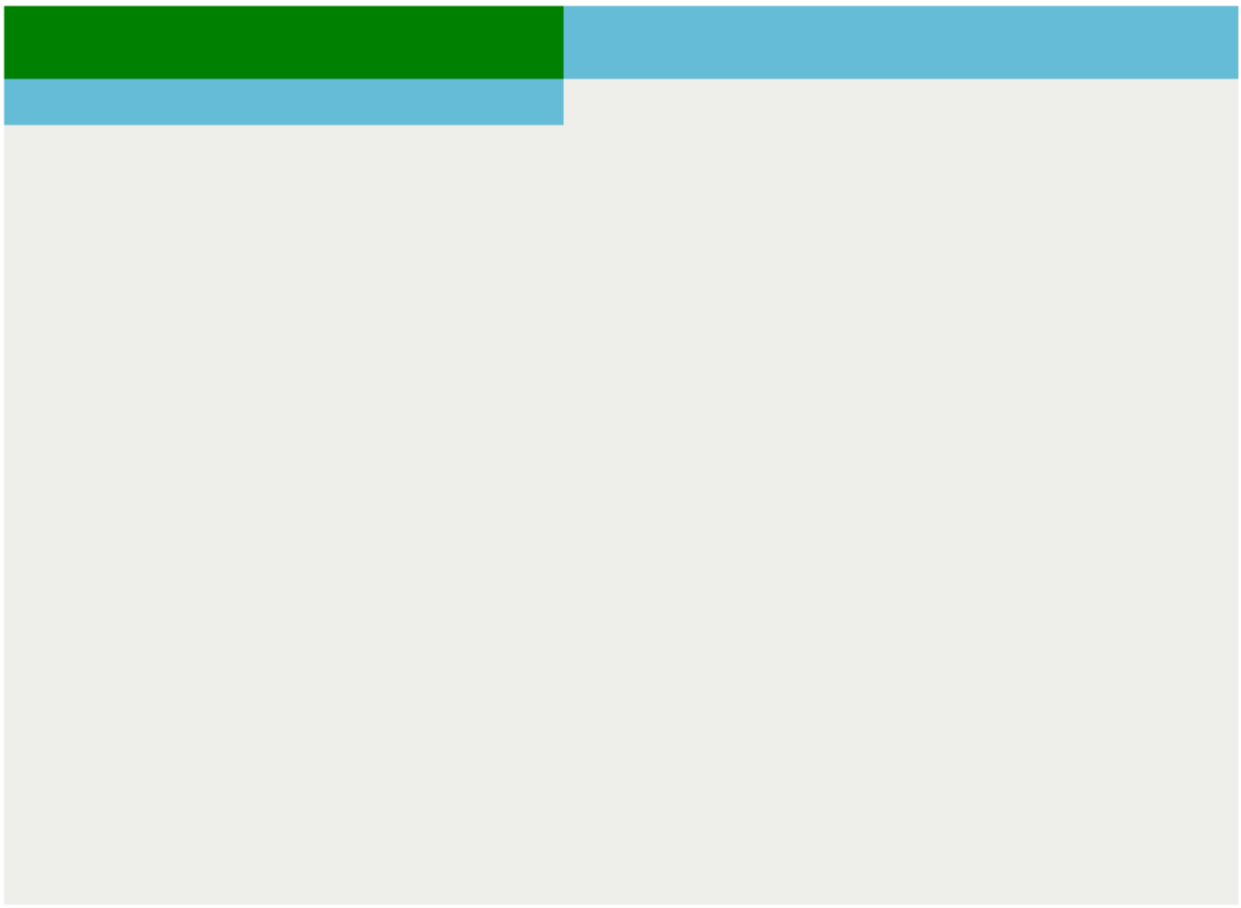
Space for pasting any more detailed figures supporting inputs into the DAT model
This data may be used as cell references in formula within DAT entries.

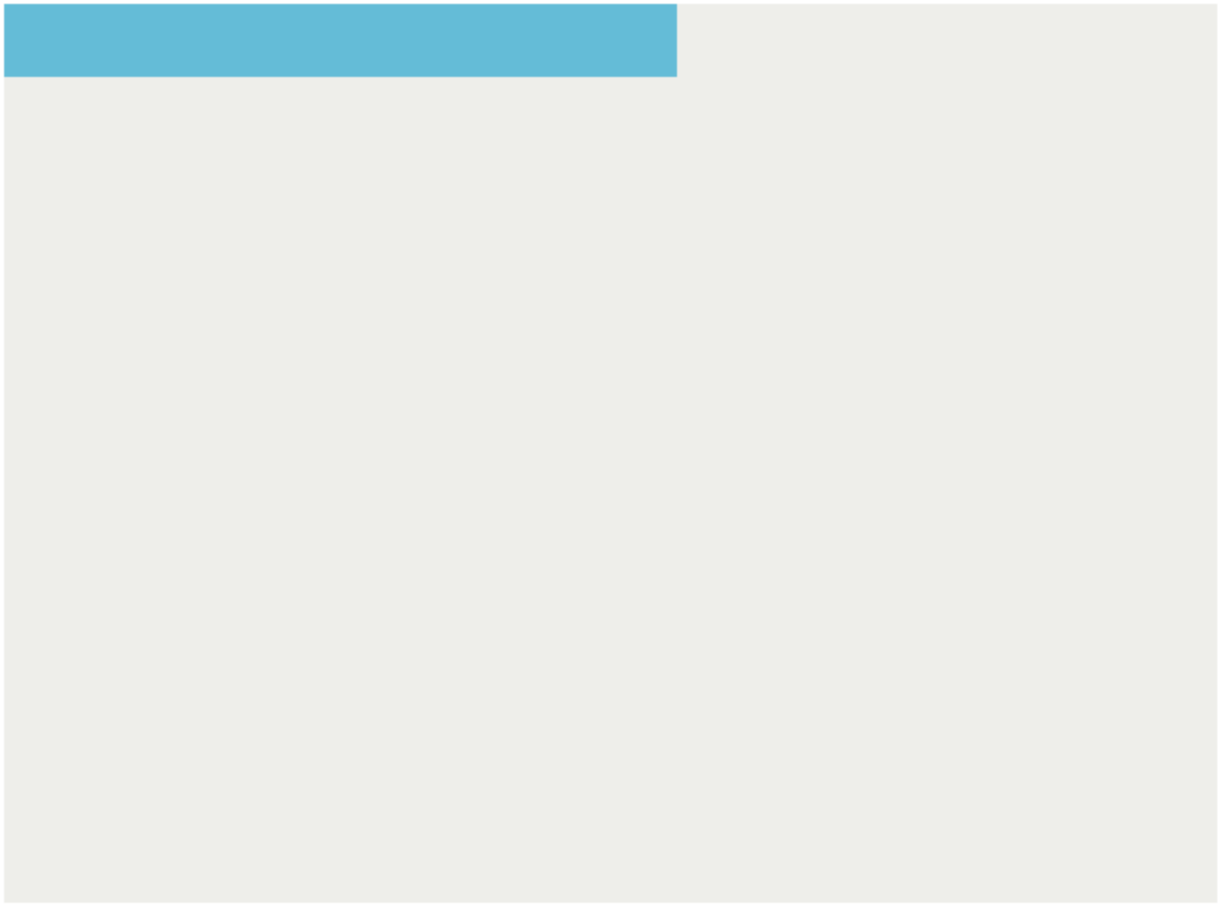
	Conclusion: **No**

ERRORS LISTING (if any)

obviously missing data

Missing Scheme Info (if any)





Surplus (Deficit) from Input land valuation at 28/2/2022	-£287

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY DETAIL

SCHEME

Site Address	Site at Spalding Road, Gosberton	Date of appraisal	28/02/2022
Site Reference	22002E	Net Residential Site Area	1.67
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	28 Units with 10% Affordables and S106 Cash Contributions	Registered Provider (whe	0

Housing Mix (Affordable + Open Market)

Total Number of Units	28	*units*
Total Number of Open Market Units	25	*units*
Total Number of Affordable Units	3	*units*
Total Net Internal Area (sq m)	2,320	*sq m*
% Affordable by Unit	10.7%	
% Affordable by Area	9.9%	
Density	17	*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	1.67	*hectares*
Net Site Area	1.67	*hectares*
Net Internal Housing Area / Hectare	1,389	*sq m / hectare*

equals 6,051 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	£189,286	£0	£0	£0	£0	
3 Bed House	£298,182	£0	£0	£0	£0	
4 Bed + House	£0	£0	£0	£0	£0	
Total Revenue £	**£5,930,000**	**£0**	**£0**	**£0**	**£0**	**£5,930,000**
Net Area (sq m)	2,091	-	-	-	-	2,091
Revenue (£ / sq m)	£2,836	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£5,930,000**

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			**£5,930,000**	£ 2,836 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£2,938,430**	£ 1,405 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£2,991,570**

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		£104,378	£93,029	£197,407
3 Bed House			£106,984	£106,984
4 Bed + House				
	£0	£104,378	£200,013	**£304,391**
£ psqm of CV (phase 1)	-	1,936	1,124	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)	**£304,391**
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)	**£304,391**

BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£321,808**	£ 1,405 psqm	
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING			**-£17,417**

Car Parking

No. of Spaces	Price per Space (£)	Value
56	-	£0

Value of Residential Car Parking				£0	
Car Parking Build Costs			£33,600		
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				£6,234,391	
TOTAL BUILD COST OF RESIDENTIAL SCHEME			£3,293,838		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					£2,940,553
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				£6,234,391	
TOTAL BUILD COSTS			£3,293,838		
TOTAL CONTRIBUTION TO SCHEME COSTS					£2,940,553
External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£27,000	964	0.4%	16,168
Roads and Sewers		£608,200	21,721	9.8%	364,192
SUDs and Storm Attenuation		£73,275	2,617	1.2%	43,877
Dewatering		£24,250	866	0.4%	14,521
General site landscaping		£20,000	714	0.3%	11,976
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£70,000	2,500	1.1%	41,916
Garages		£63,000	2,250	1.0%	37,725
Other 2		£0			
		£885,725		14.2%	530,374
Other site costs					
Fees and certification	6.0%	£192,859	6,888	3.1%	115,485
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£1,078,584**	38,521		
Statutory 106 Costs (£)					
Education		£3,000	107		
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		**£3,000**	107		
Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£177,900	7,116		
Legal Fees (per Open Market unit):	£750	£18,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000	1,667		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£201,650**			
Total Direct Costs			**£4,577,072**		

Finance and acquisition costs					
Land Payment		£460,000	18,400	per OM home	275,449 per hectare
Arrangement Fee		£8,000	6.9%	of interest	
Misc Fees (Surveyors etc)		£2,000	0.03%	of scheme value	
Agents Fees		£0			
Legal Fees		£3,450			
Stamp Duty		£12,500			
Total Interest Paid		£115,108			
Total Finance and Acquisition Costs			**£601,058**		
Developer's return for risk and profit					
Residential					
Market Housing Return (inc OH) on Valu	17.5%	£1,037,750	41,510	per OM unit	
Affordable Housing Return on Cost	6.0%	£18,838	6,279	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			**£1,056,588**		

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

TOTAL COST	**£6,234,718**

Surplus/(Deficit) at completion 1/5/2024	**(£327)**
Present Value of Surplus (Deficit) at 28/2/2022	**(£287)**

Scheme Investment MIRR **28.8%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	7.4%	Peak Cash Requirement	-£1,876,949
Site Value (PV) per hectare	-£172 per hectare	-£79 per acre	

Scheme Results

'GLA toolkit' style Scheme Results

Site Reference Details	
Site Reference	22002E
Local Planning Authority	South Holland
Registered Provider (whe	Developer

Site Details	
Site Address	Site at Spalding Road, Gosberton
Scheme Description	28 Units with 10% Affordables and S106 Cash Contributions

TOTAL NUMBER OF UNITS	
Dwellings	28

DENSITY (per hectare)	
Dwellings	16.8

AFFORDABLE UNITS	Quantity	% all units
Total	3	11%
Social Rented	0	0%
Affordable Rent	2	7%
Shared Ownership	1	4%

REVENUES AND COSTS		
Total Scheme Revenues		6,234,391
Total Scheme Costs	6,234,718	

Surplus/(Deficit) *Present Value*		
Whole Scheme	-	287
Per net hectare	-	172
Per dwelling	-	10
Per market dwelling	-	11

Contribution to Revenue from		
Market Housing		5,930,000
Affordable Housing		304,391
Social Rent	-	
Shared Ownership	104,378	
Affordable Rent	200,013	
Other Contributions		0
Non Residential Values		0

Alternative Site Value	
Other -please note bel	460,000

Contribution to Costs from		
Market Housing		2,938,430
Affordable Housing		321,808
Social Rent	-	
Shared Ownership	69,921	
Affordable Rent	244,038	
Other Construction costs		1,112,184
Planning Obligations		3,000
Fees		201,650
Non Residential Costs		-
Finance and Acquisition Costs		601,058
Developer's return for risk and profit		1,056,588

Development Appraisal Tool

Homes & Communities Agency

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Version 4.05 Apr-16

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when starting a scheme apprasial always download current version from www.gov.uk/government/collections/development-appraisal-tool

Any problems working with this tool should be reported to DatEnquiries@hca.gsi.gov.uk

Surplus (Deficit) from Input land valuation at 28/2/2022	-369,908

HCA Development Appraisal Tool
INPUT SHEET 1 - SITE DETAILS

Basic Site Details

FULL VIABILITY ASSESSMENT	
Site Address	**Site at Spalding Road, Gosberton**
OS X coordinate	
OS Y coordinate	
Site Reference	22002E
File Source	
Scheme Description	**28 Units with 25% Affordables and S106 Cash Contributions**
Date of appraisal	28/02/2022
Gross Site Area (hectares)	1.67
Net Residential Site Area (hectares)	1.67
Author & Organisation	**Maxey Grounds, 22-24 Market Place, March PE15 9JH**
Local Planning Authority	South Holland
Land Purchase Price	**460,000**
Land Purchase date	28/02/2022
Most recent valuation of the site £	**460,000**
Basis of valuation	**Other -please note below**
Date of valuation	28/02/2022
Any note on valuation	**EUV of £25,000 per gross hectare plus premium of £250,000 per gross hectare**
Developer of sale units	
Developer of affordable units	**Developer**
Manager of affordable units	
Registered Provider (where applicable)	
Note on applicant (eg sub partner status)	

Surplus (Deficit) from Input land valuation at 28/2/2022

IF IN DOUBT LEAVE THIS SHEET 'AS IS' AND CONTINUE TO SITE SHEET

HCA DevelopmentAppraisal Tool

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Minimal input & output sheets

-369,908

requirements: if you wish to view all formulas then select 'Advanced user'

Advanced user **<< view more outputs and calcs** Add Analytical Tc
Workings & cashflow also visible including sensitive test

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Free text Description	No. of units	m2	Property type	Tenure/phase	Sales Valuation £	Weekly Rent Chargeable
HTA (Right)	2	51	2 Bed House	Open Market Build phase 1	150,000	
HTB (Left)	3	75	2 Bed House	Open Market Build phase 1	200,000	
HTB (Right)	6	75	2 Bed House	Open Market Build phase 1	200,000	
HTC	5	99	3 Bed House	Open Market Build phase 1	260,000	
HTD	1	103	3 Bed House	Open Market Build phase 1	330,000	
HTE	4	103	3 Bed House	Open Market Build phase 1	330,000	
HTA (Left)	1	51	2 Bed House	Shared Ownership phase 1	150,000	
HTB (Left)	1	75	2 Bed House	Shared Ownership phase 1	200,000	
HTA (Left)	1	51	2 Bed House	Affordable Rent phase 1	150,000	92.00
HTB (Left)	2	75	2 Bed House	Affordable Rent phase 1	200,000	120.00
HTD	2	103	3 Bed House	Affordable Rent phase 1	330,000	138.00
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Annual Costs %	Management %	Void & Bad Debt%	R&M inc sink Fund%	Net Yield %	Initial tranche sold %	Rent % unsold equity
Social Rented						
Shared Ownership	2.00%	1.00%		5.25%	39.00%	2.75%
Affordable Rent	10.00%	2.00%	10.00%	5.25%		
Private Rent						

Costs £ per home pa	*M'gmt*	*Void/debt*	*R & M*
	-	-	-
Shared Ownership phase 1	*96*	*29*	
Affordable Rent phase 1	*634*	*127*	*634*
	-	-	-

Date of scheme appraisal *28-Feb-22* from Site Sheet

Use any valid Excel Date format (eg DD/MM/YY)

Build Period	Construction Start Date	Construction End Date
	Tenure phases display for date input only after transfer from Input 2 sheet	
Affordable Houses ph 1	01-Jun-22	01-Jan-23
OM 1:Phase 1	01-Jun-22	01-Dec-23

RP Purchase from Developer	Purchase start date	Purchase end date
	AH phases display for date input only after transfer from Input 2 sheet	
Shared Ownership phase 1	01-Feb-23	01-Feb-23
Affordable Rent phase 1	01-Feb-23	01-Feb-23

Open Market Sale	Sale Start Date	Sale End Date	Monthly Sales rate
	OM phases display for date input only after transfer from Input 2 sheet		
OM Sales1:Phase 1	01-Nov-22	01-May-24	*1.11*

Private Rental Units	First Rental Start Date	*Final* Rental Start Date
	PR phases display for date input only after transfer from Input 2 sheet	

Surplus (Deficit) from Input land valuation at 28/2/2022	-369,908

HCA DevelopmentAppraisal Tool

INPUT SHEET 4 - OTHER FUNDING

Note: Social Housing Grant is not an input in DAT. It will be assessed in relation to this nil grant case.

Other sources of funding

Must be between **28-Feb-22**
and **01-May-24**

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

Implied Present Value of Affordable Housing *676,247*

		Building Cost £ per Sq m GROSS area	Net to Gross Adjustment			Maximum height in floors (flats only)	*Avg Cost pu*
Shared Ownership phase 1	Houses	1,371					*86,373*
Affordable Rent phase 1	Houses	1,371					*111,599*
Open Market Phase 1:	Houses	1,371					*116,666*

Fees & Contingencies as % of Building Costs	**%**	*£ Total*
Design and Professional Fees % (Architects, QS, Project Management)	**6.00%**	*192,859*
Residential Building Contingencies (% of Building Costs)	**2.50%**	*79,518*

** This section excludes Affordable Housing section 106 payments*

All dates must be between 28-Feb-22 and 23-Feb-42

'Historic' costs incurred earlier may be entered as 28-Feb-22 *PROVIDED they are not taken into account in the site valuation (& hence double co*

External Works & Infrastructure Costs (£)	Comment on nature of issue	**Cost (£)**	Payment Start Date	Payment end date	*Cost per unit (all tenures)*
Phase 1					
Site Preparation/Demolition	inc. demolition	**£27,000**	01-Jun-22	01-Aug-22	*964*
Roads and Sewers		**£608,200**	01-Jun-22	01-Dec-23	*21,721*
SUDs and Storm Attenuation		**£73,275**	01-Jun-22	01-Dec-23	*2,617*
Dewatering	assumed single side of adopted roads	**£24,250**	01-Jun-22	01-Dec-23	*866*
General site landscaping		**£20,000**	01-Jun-22	01-Dec-23	*714*
Public Open Space					
Site Specific Sustainability Initiatives					
Plot specific external works	£2.500 per plot	**£70,000**	01-Jun-22	01-Dec-23	*2,500*
Garages		**£63,000**	01-Jun-22	01-Dec-23	*2,250*
Other 2					

Site Abnormals (£)	Comment on nature of issue	**Cost (£)**	Payment Start Date	Payment end date	*Cost per unit (all tenures)*
De-canting tenants					
Decontamination					
Other					
Other 2					
Other 3					
Other 4					
Other 5					

	Building Costs (£ / car parking space)	Payment Date
Residential Car Parking Building Costs (average cost / car parking space)	£600	01-Aug-23
Total number of residential car parking spaces	**56**	*(Open Market and Affordable)*

Statutory Payments (£)	Additional information	**Cost (£)**	Payment start date	Payment end date	*Per unit*
Education	Primary and Secondary	**£76,888**	01-Sep-23	01-Sep-23	*2,746*
Sport & Recreation					
Social Infrastructure					
Public Realm					
Affordable Housing					
Transport					
Highway					
Health	NHS £444 per unit	**£12,432**	01-Sep-23	01-Sep-23	*444*
Public Art					
Flood work					
Community Infrastructure Levy	per sq metre				
Other Tariff	per unit				
Other 1					
Other 2					
Other 3					
Other 4					

OTHER COSTS

SITE PURCHASE COSTS	%
Agents Fees (% of site cost)	**0.00%**
Legal Fees (% of site cost)	**0.75%**

	Comment on nature of issue	Cost (£)	Payment start date	Payment end date
Other Acquisition Costs (£)				

FINANCE COSTS

Arrangement Fee (£)	£8,000
Interest Rate (%)	6.25%
Misc Fees - Surveyors etc (£)	£2,000
Credit balance reinvestment %	4.00%

MARKETING COSTS

Affordable Housing Marketing Costs

	Cost (£)	Payment start date	Payment end date
Developer cost of sale to RP (£)	£5,000	01-Feb-23	01-Feb-23
RP purchase costs (£)	£0		
Intermediate Housing Sales and Marketing (£)	£0		

Open Market Housing Marketing Costs

Sales Fees (agents fees & marketing fees) - %	3.00%
Legal Fees (per Open Market unit) - £	£750
Agents Private Rental Intial Letting fees - %	

DEVELOPER'S OVERHEAD AND RETURN FOR RISK (before taxation)

Developer O/head (£)				*Return at Scheme end*
Open Market Housing (% GDV)	17.50%	17.5%	*inc Overheads*	
		42,083	*per open market home*	
Private Rental (% Cost)				
Affordable Housing (% Cost)	6.00%			

Surplus (Deficit) from Input land valuation at 31/7/2014
HCA DEVELOPMENT APPRAISAL TOOL

Incomplete entry , see warning sheet

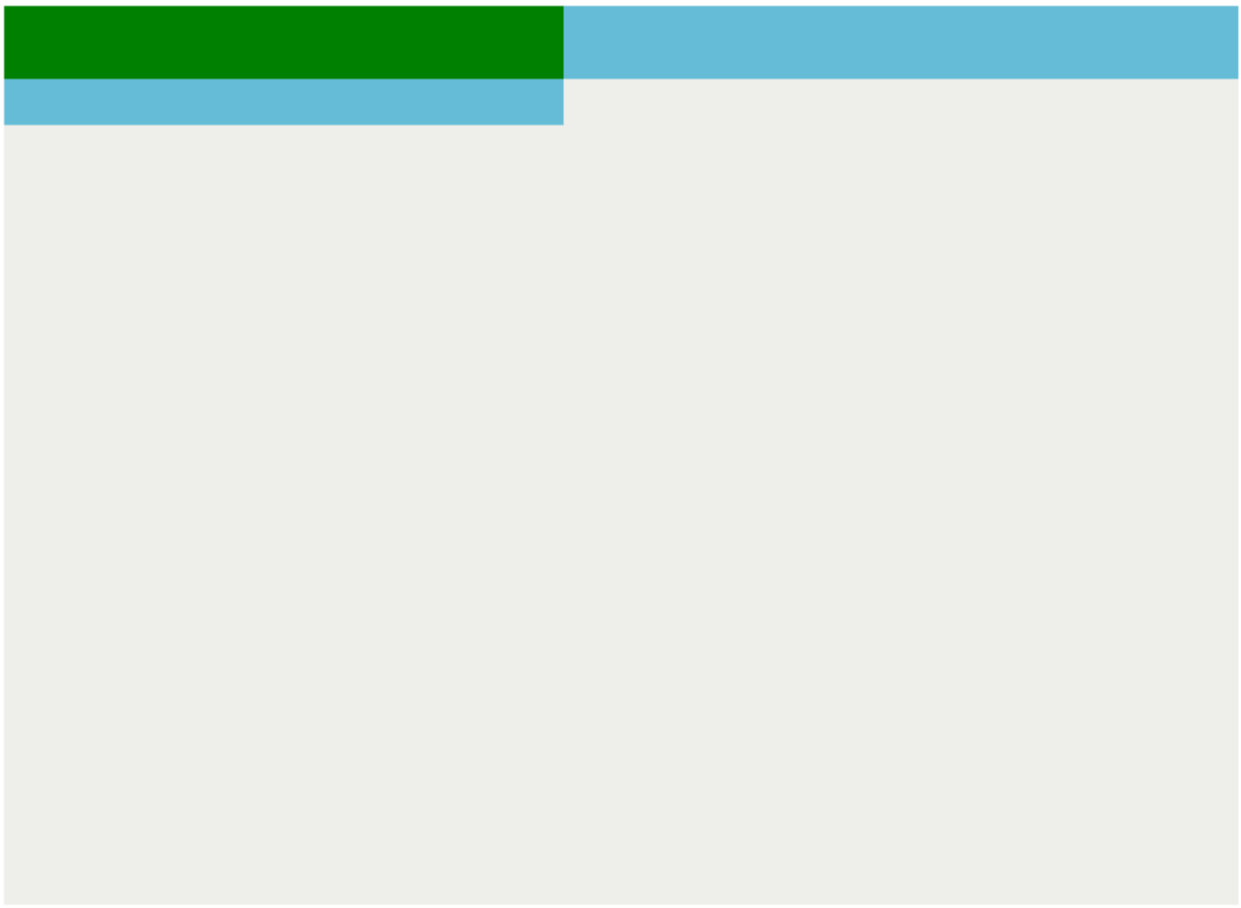
Space for pasting any more detailed figures supporting inputs into the DAT model
This data may be used as cell references in formula within DAT entries.

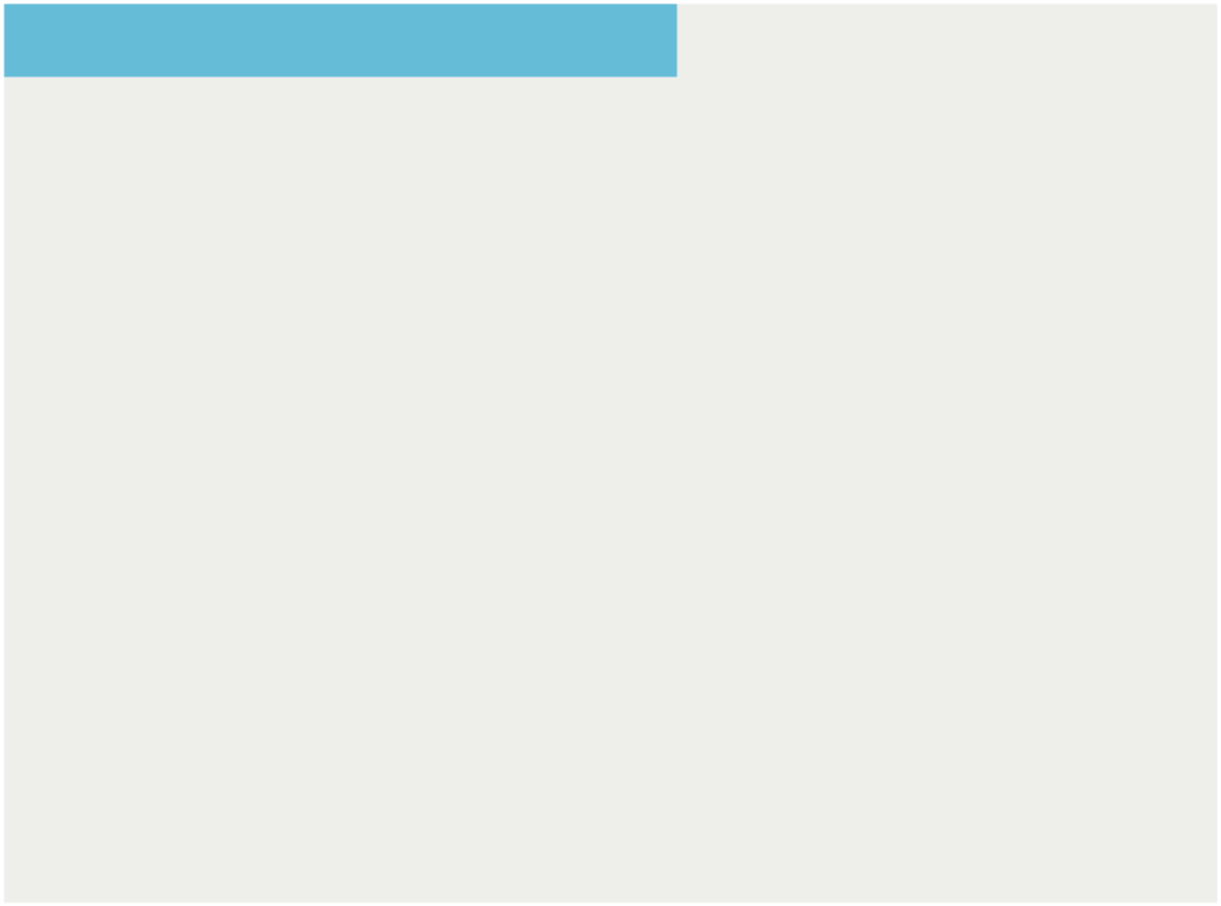
Conclusion: No

ERRORS LISTING (if any)

obviously missing data

Missing Scheme Info (if any)





Surplus (Deficit) from Input land valuation at 28/2/2022	-£369,908

HCA DEVELOPMENT APPRAISAL TOOL

SUMMARY DETAIL

SCHEME

Site Address	Site at Spalding Road, Gosberton	Date of appraisal	28/02/2022
Site Reference	22002E	Net Residential Site Area	1.67
File Source		Author & Organisation	Maxey Grounds, 22-24 Market Place, March PE15 9JH
Scheme Description	28 Units with 25% Affordables and S106 Cash Contributions	Registered Provider (whe	0

Housing Mix (Affordable + Open Market)

Total Number of Units	28	*units*
Total Number of Open Market Units	21	*units*
Total Number of Affordable Units	7	*units*
Total Net Internal Area (sq m)	2,320	*sq m*
% Affordable by Unit	25.0%	
% Affordable by Area	23.0%	
Density	17	*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	1.67	*hectares*
Net Site Area	1.67	*hectares*
Net Internal Housing Area / Hectare	1,389	*sq m / hectare*

equals 6,051 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	£190,909	£0	£0	£0	£0	
3 Bed House	£295,000	£0	£0	£0	£0	
4 Bed + House	£0	£0	£0	£0	£0	
Total Revenue £	**£5,050,000**	**£0**	**£0**	**£0**	**£0**	**£5,050,000**
Net Area (sq m)	1,787	-	-	-	-	1,787
Revenue (£ / sq m)	£2,826	-	-	-	-	

CAPITAL VALUE OF OPEN MARKET SALES **£5,050,000**

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			**£5,050,000**	£ 2,826 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£2,511,226**	£ 1,405 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£2,538,774**

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		£243,548	£257,375	£500,924
3 Bed House			£213,968	£213,968
4 Bed + House				
	£0	£243,548	£471,343	**£714,892**
£ psqm of CV (phase 1)	-	1,828	1,158	

CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)	**£714,892**
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)	**£714,892**

BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£749,012**	£ 1,405 psqm	
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING			**-£34,120**

Car Parking

No. of Spaces	Price per Space (£)	Value
56	-	£0

Value of Residential Car Parking				**£0**	
Car Parking Build Costs			£33,600		

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				**£5,764,892**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME			**£3,293,838**		
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					**£2,471,054**

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				**£5,764,892**	
TOTAL BUILD COSTS			**£3,293,838**		
TOTAL CONTRIBUTION TO SCHEME COSTS					**£2,471,054**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£27,000	964	0.5%	16,168
Roads and Sewers		£608,200	21,721	10.6%	364,192
SUDs and Storm Attenuation		£73,275	2,617	1.3%	43,877
Dewatering		£24,250	866	0.4%	14,521
General site landscaping		£20,000	714	0.3%	11,976
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£70,000	2,500	1.2%	41,916
Garages		£63,000	2,250	1.1%	37,725
Other 2		£0			
		£885,725		15.4%	530,374
Other site costs					
Fees and certification	6.0%	£192,859	6,888	3.3%	115,485
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£1,078,584**	38,521		
Statutory 106 Costs (£)					
Education		£76,888	2,746		
Sport & Recreation		£0			
Social Infrastructure		£0			
Public Realm		£0			
Affordable Housing		£0			
Transport		£0			
Highway		£0			
Health		£12,432	444		
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		**£89,320**	3,190		

Marketing (Open Market Housing ONLY)			per OM unit		
Sales/letting Fees	3.0%	£151,500	7,214		
Legal Fees (per Open Market unit):	£750	£15,750	750		
Marketing (Affordable Housing)			per affordable unit		
Developer cost of sale to RP (£)		£5,000	714		
RP purchase costs (£)		£0			
Intermediate Housing Sales and Marketing (£)		£0			
Total Marketing Costs		**£172,250**			
Total Direct Costs			**£4,633,992**		

Finance and acquisition costs					
Land Payment		£460,000	21,905	per OM home	275,449 per hectare
Arrangement Fee		£8,000	5.7%	of interest	
Misc Fees (Surveyors etc)		£2,000	0.03%	of scheme value	
Agents Fees		£0			
Legal Fees		£3,450			
Stamp Duty		£12,500			
Total Interest Paid		£139,188			
Total Finance and Acquisition Costs			**£625,138**		
Developer's return for risk and profit					
Residential					
Market Housing Return (inc OH) on Valu	17.5%	£883,750	42,083	per OM unit	
Affordable Housing Return on Cost	6.0%	£43,845	6,264	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			**£927,595**		

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

TOTAL COST	**£6,186,724**

Surplus/(Deficit) at completion 1/5/2024	**(£421,833)**
Present Value of Surplus (Deficit) at 28/2/2022	**(£369,908)**

Scheme Investment MIRR **16.6%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	8.0%	Peak Cash Requirement	-£2,122,779
Site Value (PV) per hectare	-£221,502 per hectare	-£102,224 per acre	

Scheme Results

'GLA toolkit' style Scheme Results

Site Reference Details	
Site Reference	22002E
Local Planning Authority	South Holland
Registered Provider (whe	Developer

Site Details	
Site Address	Site at Spalding Road, Gosberton
Scheme Description	28 Units with 25% Affordables and S106 Cash Contributions

TOTAL NUMBER OF UNITS	
Dwellings	28

DENSITY (per hectare)	
Dwellings	16.8

AFFORDABLE UNITS	Quantity	% all units
Total	7	25%
Social Rented	0	0%
Affordable Rent	5	18%
Shared Ownership	2	7%

REVENUES AND COSTS		
Total Scheme Revenues		5,764,892
Total Scheme Costs	6,186,724	

Surplus/(Deficit) *Present Value*		
Whole Scheme	-	369,908
Per net hectare	-	221,502
Per dwelling	-	13,211
Per market dwelling	-	17,615

Contribution to Revenue from		
Market Housing		5,050,000
Affordable Housing		714,892
Social Rent	-	
Shared Ownership	243,548	
Affordable Rent	471,343	
Other Contributions		0
Non Residential Values		0

Alternative Site Value	
Other -please note be	460,000

Contribution to Costs from		
Market Housing		2,511,226
Affordable Housing		749,012
Social Rent	-	
Shared Ownership	172,746	
Affordable Rent	557,997	
Other Construction costs		1,112,184
Planning Obligations		89,320
Fees		172,250
Non Residential Costs		-
Finance and Acquisition Costs		625,138
Developer's return for risk and profit		927,595