Sibley, Sally

From: Polly Harris-Gorf
Sent: 14 April 2022 08:51
To: _planningadvice
Subject: FW: H08-1335-21 Land off Spalding Road Gosberton

6SUP (Additional response from applicant regarding viability)

From: Lewis Smith <
Sent: 13 April 2022 21:24
To: Polly Harris-Gorf
Cc: Mercedes Golding
Subject: RE: H08-1335-21 Land off Spalding Road Gosberton

This message originated from outside your organization

Good evening Polly
I have now received a response from my client's viability advisor, and this is set out below. I should welcome your further comments.
Kind regards

Lewis

"Having examined the appraisal conducted by CPV on this site, we would make the following comments in response:

Gross Development Value (Revenue)
Whilst we don't disagree with the price differences as a result of the time lag between now and the sales of Pinchbeck Fields, we would say that Pinchbeck is a higher value area than Gosberton given that it is closer to Spalding. Therefore, whilst we accept the price inflation, we would say the 10% increase adopted by CPV is countered by the change in location with Gosberton being a lower value area. Furthermore, an allowance of £10,000 - £15,000 to differentiate from detached to semi-detached houses is not sufficient; we would give as an example the Lock type at Sunnydale Close, Surfleet by Ashwood Homes where the 100m^2 detached type is £250,000 and the 100m^2 semi-detached type is £220,000, therefore a difference of £30,000 to reflect the dwelling type. Please note that these transacted 2 months apart. Our view would be that a detached bungalow of 73m^2 would be £230,000, therefore a semi-detached at £200,000 reflects the same differential between semi-detached and detached houses which is more accurate for that area.

For the 2-bed detached of 99m^2, this is an overall GIA and includes the integral garage. The living accommodation is 83m^2 which at £260,000, which is the value we have adopted, is £3,132 per m^2 i.e. in line with evidence. As such, we don't agree with CPV's adjusted values for this property type.

For the 3-bed bungalow, we disagree with the figure adopted by CPV. The newbuild bungalows on Low Gate are an appropriate comparable, however we have adopted the 2% incentive allowance highlighted by CPV in the past on the asking price of £345,000, which gives an asking price of £338,000. Divide this by 106m^2 (being the area of the newbuild bungalow at Low Gate), which gives £3,189 per m^2, multiply this by 103m^2 (being the subject property), which gives £328,500, i.e. the 330,000 we have adopted. As such, we don't agree that the evidence utilised by CPV justifies a variation from the figures we have adopted.

Build Costs
In calculating our build cost, we have taken the semi-detached price per m^2 (which has a reasonable sample size of 73) and applied this to the semidetached units on the subject site. We have then made our usual adjustment because there is fundamentally an increased cost of building a detached unit over building a semi-detached unit due to the additional exterior wall and materials, additional windows, roofing, additional fascias etc. In adding 10% onto the semi-detached price per m^2 we have calculated an appropriate detached cost of £1,433 per m^2 and thus used this in

reaching a blended average build cost per m². We do not accept that adopting the generally figure, which is below the semi-detached figure, as being appropriate to apply to both semi and detached types. This is an ongoing difference between ourselves and CPV that at some stage is going to have to be resolved by a planning appeal decision.

Externals
We have looked at the actual externals on this site and received costs from the client, CPV have benchmarked their values based on other sites and this doesn't reflect the actual externals on the subject site. CPV have adopted an arbitrary figure of 20% of build cost, and have provided no evidence of how this is calculated. Requirements differ from site to site, therefore we disagree with the methodology adopted by CPV in benchmarking a percentage of build cost (which he is also using a reduced figure on) and this is not appropriate or accurate in assessing the costs on this site.

Benchmark Land Value
We note he has accepted our BLV of £460,000 as being appropriate.

We would be happy to attend a meeting to discuss these differences, however these points are mainly ongoing differences in professional opinion."

Lewis Smith MRTPI
Town Planning Director

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