

An aerial map of Battlefields Lane, Holbeach, showing residential development phases and water features. The map is overlaid with a dark blue semi-transparent rectangle containing the title and subtitle. The map shows various streets including Balmoral Way, Kings Road, Kensington Close, and Uth. It also shows a large pond labeled 'Pond 2' and a smaller pond labeled 'Pond 1'. The map is divided into three phases: Phase 1, Phase 2, and Phase 3. The title 'Battlefields Lane, Holbeach' is written in large white letters, and the subtitle 'Viability Appraisal & Report' is written in smaller white letters below it. The date 'March 2025' is written in white letters below the subtitle. The text 'Prepared by Adrian Kerrison BA (Hons) MRTPI' is written in white letters at the bottom of the blue rectangle. The AMK Planning logo is located in the bottom left corner of the map.

Battlefields Lane, Holbeach

Viability Appraisal & Report

March 2025

Prepared by Adrian Kerrison BA (Hons) MRTPI

Contents

1.	Introduction.....	3
2.	Viability Appraisal Methodology.....	4
3.	Viability Appraisal Assumptions.....	10
4.	Viability Appraisal Conclusions.....	26
5.	Appendices.....	27

1. Introduction

1.1 The report will provide an assessment of the viability of the proposed development of 158 dwellings (comprising 2, 3 and 4 bed terraced, semi-detached and detached properties) on land at Battlefields Lane, Holbeach. The purpose of this report is to determine if the affordable housing obligations and infrastructure contributions required by the Council are economically viable in relation to the proposed scheme.



1.2 The site measures approximately 6.2 Ha.

1.3 The viability assessment will be undertaken in the context of the requirements of the NPPF in respect of the imposition of planning obligations in a manner which maintains the economic viability of development. The assessment will also draw on best practice advice contained in Viability Planning Practice Guidance issued by the Government in July 2018 (updated December 2024).

1.4 The study seeks to assess the ability of the proposed development to make infrastructure or affordable housing contributions. The overall value of the completed development will be assessed and compared with the total costs. The appraisal will make an allowance for a reasonable return to the Landowner and a reasonable return to the Developer as required by the NPPF.

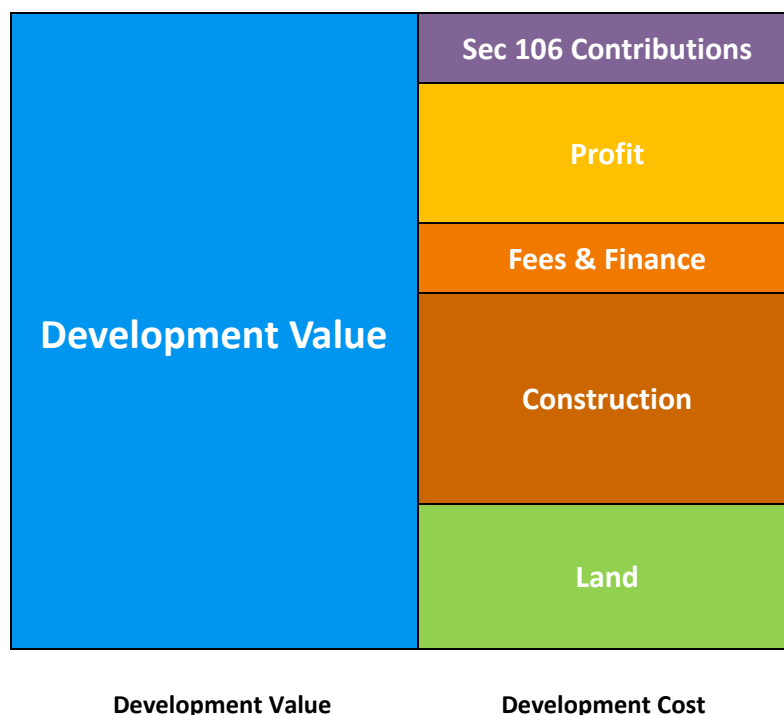
1.5 Having considered the overall value and total costs of the proposed development, the study will consider whether any margin exists, beyond a reasonable developer's profit, to make infrastructure or affordable housing contributions in line with local plan policy targets.

2. Viability Appraisal Methodology

2.1 The NPPF conveys an obligation on Local Planning Authorities to consider the impact of planning policies, affordable housing requirements and infrastructure contributions on the economic viability of development.

2.2 The use of viability models to assess the impact of developer contributions and affordable housing is widely established and well understood. However it is important that the approach to the allowance for the 'minimum return at which a reasonable landowner would be willing to sell their land' is justifiable and robust.

The Development Equation



2.3 The appraisal model is illustrated by the above diagram and summarises the 'Development Equation'. On one side of the equation is the development value ie the sales value which will be determined by the market at any particular time. The variable element of the value in residential development appraisal will be determined by the proportion and mix of affordable housing applied to the scheme.

2.4 On the other side of the equation - the development cost - includes the 'fixed elements' ie construction, fees, finance and developers profit. Developers profit is usually fixed as a minimum % return on gross development value generally set by the lending institution at the time. The flexible elements are the cost of land and the amount of developer contribution (CIL and Planning Obligations) sought by the Local Authority.

2.5 Economic viability is assessed using an industry standard Residual Model approach. The model subtracts the Land Value and the Fixed Development Costs from the Development Value to determine the margin available for Developer Contributions.

Viability Assessment Model

Development Value (Based on Floor Area) Eg 1000sqm Residential Development x £2,200 sqm	£2,200,000
Development Costs	
Land Value	£400,000
Construction Costs	£900,000
Abnormal Construction Costs (Optional)	£0
Professional Fees (% Costs)	£90,000
Legal Fees (% Value)	£30,000
Statutory Fees (% Costs)	£30,000
Sales & Marketing Fees (% Value)	£40,000
Contingencies (% Costs)	£50,000
Finance Costs (% Costs)	£100,000
Developers Profit (% Return on GDV)	£350,000
Total Costs	£1,990,000
Output	
Gross Additional Margin for Contributions	£210,000

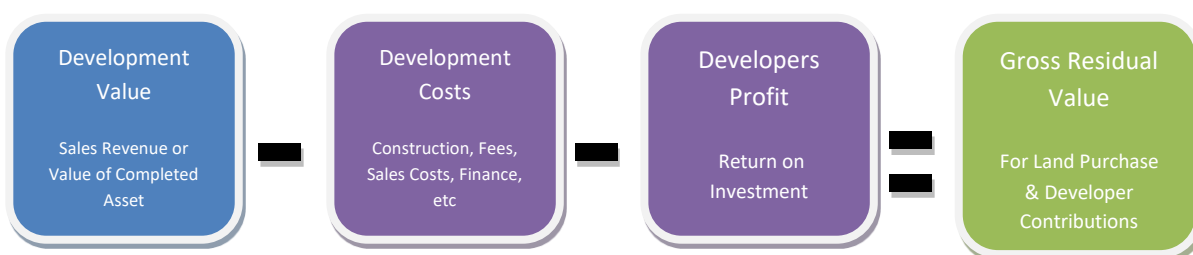
An example of a typical viability assessment model

2.6 The model will calculate the gross margin available for developer contributions by considering the following elements of the development equation

Land Value Assumptions

2.7 It is generally accepted that developer contributions (Affordable Housing, CIL and S106), will be extracted from the residual land value (i.e. the margin between development value and development cost including a reasonable allowance for developers profit). Within this gross residual value will be a base land value (i.e. the minimum amount a landowner will accept to release a site) and a remaining margin for contributions.

Stage 1 – Residual Valuation



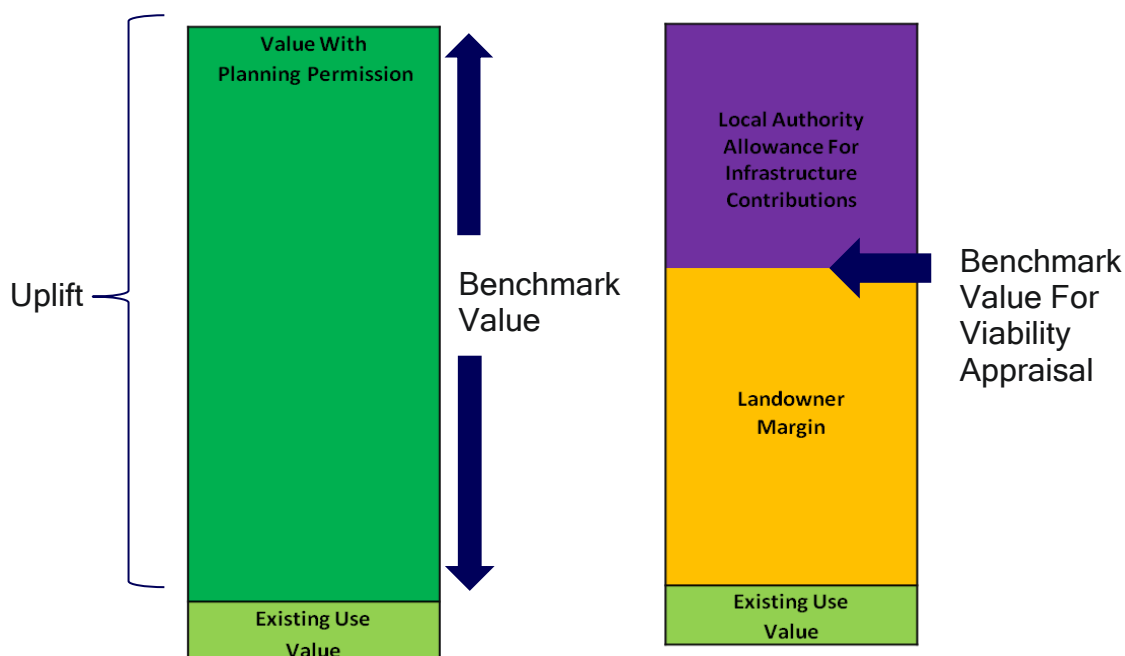
2.8 The approach to assessing the land element of the gross residual value is therefore the key to the robustness of any viability appraisal. There is no single method of establishing threshold land values for the

purpose of viability assessment in planning but the NPPF and best practice guidance does provide a clear steer on the appropriate approach.

Stage 2 – Establishing Base Land Value



Land Value Benchmarking (Threshold Land Values)



2.9 The above diagram illustrates the principles involved in establishing a robust benchmark for land value. Land will have an existing use value (EUV) based on its market value. This is generally established by comparable evidence of the type of land being assessed (e.g. agricultural value for greenfield sites or perhaps industrial value for brownfield sites may be regarded as reasonable existing use value starting points and may be easily established from comparable market evidence).

2.10 The Gross Residual Value of the land for an alternative use (e.g. residential use) represents the difference between development value and development cost after a reasonable allowance for development profit, assuming planning permission has been granted. The gross residual value does not make allowance for the impact of development plan policies on development cost and therefore represents the maximum potential value of land that landowners may aspire to.

2.11 In order to establish a benchmark land value for the purpose of viability appraisal, it must be recognised that Local Authorities will have a reasonable expectation that, in granting planning permission, the resultant development will yield contributions towards infrastructure and affordable housing. The cost of these contributions will increase the development cost and therefore reduce the residual value available to pay for the land.

2.12 The appropriate benchmark value will therefore lie somewhere between existing use value and gross residual value based on alternative planning permission. This will of course vary significantly dependent on the category of development being assessed.

2.13 The key part of this process is establishing the point on this scale that balances a reasonable return to the landowner beyond existing use value and a reasonable margin to allow for infrastructure and affordable housing contributions to the Local Authority.

Benchmark Land Value Guidance

2.14 In July 2018 the Government issued the revised NPPF and published guidance on best practice in viability assessment (Planning Practice Guidance for Viability). This guidance essentially reflected principles established by the Harman Report and RICS Financial Viability in Planning. With respect to land value benchmarking the draft guidance states the following :-

“How should land value be defined for the purpose of viability assessment?”

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called ‘existing use value plus’ (EUV+).”

In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.

“What factors should be considered to establish benchmark land value?”

Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees*

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence;

and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

What is meant by existing use value in viability assessment?

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.

How should the premium to the landowner be defined for viability assessment?

The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement)."

Comparison with Market Land Values

2.15 The guidance also recognises that benchmark land values should be grounded in market reality and cross-checked with market evidence. In other words the premium over existing use value that is applied should not result in a benchmark land value that bears no resemblance to comparable market transactions for residential land and therefore no incentive for a landowner to release a site. This will often be the case where build costs form a high proportion of end sale value. The guidance in the NPPG on Viability recognises this issue in calculating EUV+ benchmarks stating that benchmarks should :-

"Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value"

2.16 In these circumstances it may be sensible to adopt minimum residential plot values for the market housing element of the scheme (based on comparable market land transactions) whilst discounting policy compliant affordable housing plots at zero value.

3. Viability Appraisal Assumptions

Property Sales Value

3.1 A survey of currently available, Sold Subject To Contract (SSTC) and recently sold properties has been undertaken by independent research company Promarks to determine comparable sales values in the Holbeach area to inform the current viability assessment. The following schedules feature terraced, semi-detached and detached sales in the surrounding area with reference to new build and second hand properties. A copy of the full report has been submitted in support of the assessment.

New Build Availability



Scheme ID	Development	Developer	Postcode	No. Units	Bedroom Mix	Type Mix	Affordable %
1	Holbeach Meadows	Ashwood	PE12 7HZ	285	2,3,4	Terrace, Semi and Detached	25%
2	Tudor Lawns	Rosedale	PE12 8QD	6	3,4,5	Bungalows and Detached	0%
3	Putters Place	Seagate	PE12 7AX	188	2,3,4,5	Terrace, Semi and Detached	34%
4	Tulip Fields	Gleeson	PE12 7JS	103	1,2,3,4	Apartments, Terrace, Semi and Detached	26%
5	The Brambles	Ashwood	PE12 7FG	81	2,3,4	Terrace, Semi and Detached	11%

Scheme ID	Development	Developer	Postcode	Deposit Contribution	Stamp Duty Contribution	Cashback	Agency Fees Paid	Deposit Boost	Part Exchange	Extras**
1	Holbeach Meadows	Ashwood	PE12 7HZ	x	x	x	x	x	x	x
2	Tudor Lawns	Rosedale	PE12 8QD	x	x	x	x	x	x	x
3	Putters Place	Seagate	PE12 7AX	x	x	x	x	x	x	x
4	Tulip Fields	Gleeson	PE12 7JS	v	x	v	x	v	v	x
5	The Brambles	Ashwood	PE12 7FG	x	x	x	x	x	x	x

1. Ashwood Homes - Holbeach Meadows, Fen Road, Holbeach PE12 8QA

House Name	Type	Bedrooms	Size (m ²)	Storeys	Asking Price	Gross Asking Price (m ²)	Net Asking Price	Net Asking Price (m ²)
Type A	Detached	3	102	2	£280,000	£2,742	£266,000	£2,605
Mere	Detached	3	100	2	£277,000	£2,763	£263,150	£2,625
Mere	Detached	3	100	2	£277,000	£2,763	£263,150	£2,625
Avon	Semi	3	84	2	£229,000	£2,733	£217,550	£2,596
							£2,751	£2,613

2. Rosedale - Tudor Lawns, Amelie Court, Holbeach PE12 8QD

House Name	Type	Bedrooms	Size (m ²)	Storeys	Asking Price	Gross Asking Price (m ²)	Net Asking Price	Net Asking Price (m ²)
Type A	Detached	4	258	2	£750,000	£2,907	£712,500	£2,761
Type B	Detached	5	255	2.5	£795,000	£3,118	£755,250	£2,962
Type A	Detached	4	238	2	£750,000	£3,152	£712,500	£2,994
Type A	Detached	4	183	2	£650,000	£3,553	£617,500	£3,375
							£3,154	£2,996

3. Seagate Homes - Putters Place, Holbeach PE12 7AX

House Name	Type	Bedrooms	Size (m ²)	Storeys	Asking Price	Gross Asking Price (m ²)	Net Asking Price	Net Asking Price (m ²)
Buckingham	Detached	5	216	2	£595,000	£2,755	£565,250	£2,617
Kingston	Detached	4	158	2	£350,000	£2,215	£332,500	£2,104
Windsor	Detached	4	155	2	£440,000	£2,839	£418,000	£2,697
Holkham	Detached	4	128	2	£399,995	£3,125	£379,995	£2,969
Chatsworth	Detached	3	85	2	£285,000	£3,353	£270,750	£3,185
Melton	Detached	3	85	2	£285,000	£3,353	£270,750	£3,185
Hampton	Semi	2	57	2	£190,000	£3,333	£180,500	£3,167
							£2,879	£2,735

4. Gleeson Homes - Tulip Fields, Oakwood Glade, Holbeach PE12 7JS

House Name	Type	Bedrooms	Size (m ²)	Storeys	Asking Price	Gross Asking Price (m ²)	Net Asking Price	Net Asking Price (m ²)
Lanesborough	Detached	4	113	2	£299,995	£2,666	£284,995	£2,533
Grange	Detached	4	100	2	£299,995	£3,015	£284,995	£2,864
Clifden	Detached	3	91	2	£259,995	£2,844	£246,995	£2,702
Milford	Detached	3	85	2	£239,995	£2,811	£227,995	£2,670
Milford	Detached	3	85	2	£242,995	£2,846	£230,845	£2,704
Milford	Detached	3	85	2	£244,995	£2,869	£232,745	£2,726
Glin	Semi	3	84	2	£214,995	£2,560	£204,245	£2,432
Glin	Semi	3	84	2	£219,995	£2,619	£208,995	£2,488
Glin	Semi	3	84	2	£224,995	£2,679	£213,745	£2,545
Neale	Semi	3	84	2	£227,995	£2,715	£216,595	£2,579
Swinford	Detached	3	84	2	£239,995	£2,857	£227,995	£2,715
Swinford	Detached	3	84	2	£247,995	£2,953	£235,595	£2,805
Swinford	Detached	3	84	2	£249,995	£2,976	£237,495	£2,828
Greystones	Semi	2	70	2	£189,995	£2,716	£180,495	£2,580
							£2,796	£2,656

5. Ashwood Homes - The Brambles, Balmoral Way, Holbeach PE12 7RP

House Name	Type	Bedrooms	Size (m ²)	Storeys	Asking Price	Gross Asking Price (m ²)	Net Asking Price	Net Asking Price (m ²)
Rutland	Detached	3	102	2	£265,000	£2,595	£251,750	£2,466
Look	Detached	3	100	2	£265,000	£2,643	£251,750	£2,511
Type A	Semi	3	100	2	£247,000	£2,464	£234,650	£2,341
Coronation	Semi	3	87	2	£220,000	£2,541	£209,000	£2,414
Aire	Semi	3	84	2	£218,000	£2,601	£207,100	£2,471
Avon	Semi	3	84	2	£225,000	£2,685	£213,750	£2,551
Type B	Semi	2	73	2	£168,000	£2,309	£159,800	£2,194
Type B	Semi	2	73	2	£175,000	£2,406	£166,250	£2,285
							£2,539	£2,412

New Build SSTC/Reserved



Scheme ID	Development	Developer	Postcode	No. Units	Bedroom Mix	Type Mix	Affordable %
1	Holbeach Meadows	Ashwood	PE12 7HZ	285	2,3,4	Terrace, Semi and Detached	25%
2	Tulip Fields	Gleeson	PE12 7JS	103	1,2,3,4	Apartments, Terrace, Semi and Detached	26%
3	The Brambles	Ashwood	PE12 7FG	81	2,3,4	Terrace, Semi and Detached	11%

1. Ashwood Homes - Holbeach Meadows, Fen Road, Holbeach PE12 8QA

House Name	Type	Bedrooms	Size (m²)	Storeys	Sale Price	Gross Sale Price (m²)
Mere	Detached	3	100	2	£277,000	£2,770
Dee	Semi	2	68	2	£195,000	£2,868
Avon	Semi	3	84	2	£240,000	£2,857
						£2,825

2. Gleeson Homes - Tulip Fields, Oakwood Glade, Holbeach PE12 7JS

House Name	Type	Bedrooms	Size (m²)	Storeys	Sale Price	Gross Sale Price (m²)
Greystones	Semi	3	70	2	£189,995	£2,714
Glin	Semi	3	84	2	£224,995	£2,679
Glin	Semi	3	84	2	£229,995	£2,738
Glin	Semi	3	84	2	£234,995	£2,798
Neale	Semi	3	84	2	£239,995	£2,857
Neale	Semi	3	84	2	£239,995	£2,857
Milford	Detached	3	85	2	£249,995	£2,941
Milford	Detached	3	85	2	£249,995	£2,941
Milford	Detached	3	85	2	£249,995	£2,941
Milford	Detached	3	85	2	£249,995	£2,941
Swinford	Detached	3	84	2	£259,995	£3,095
Clifden	Detached	3	91	2	£264,995	£2,912
Swinford	Detached	3	84	2	£264,995	£3,155
Swinford	Detached	3	84	2	£264,995	£3,155
						£2,911

3. Ashwood Homes - The Brambles, Balmoral Way, Holbeach PE12 7RP

House Name	Type	Bedrooms	Size (m²)	Storeys	Sale Price	Gross Sale Price (m²)
Coronation	Semi	3	87	2	£220,000	£2,529
Dee	Semi	2	68	2	£175,000	£2,574
Avon	Semi	3	84	2	£225,000	£2,679
Aire	Semi	3	84	2	£205,000	£2,440
Aire	Semi	3	84	2	£215,000	£2,560
						£2,555

New Build Sold



Scheme ID	Development	Developer	Postcode	No. Units	Bedroom Mix	Type Mix	Affordable %
1	Stockwell Gate	Stinders Developments	PE12 6GS	9	4,5	Detached	0%
2	The Brambles	Ashwood	PE12 7FG	81	2,3,4	Terrace, Semi and Detached	11%
3	Tulip Gardens	Gleeson	PE12 7JS	103	1,2,3,4	Apartments, Terrace, Semi and Detached	26%
4	Holbeach Meadows	Ashwood	PE12 7HZ	285	2,3,4	Terrace, Semi and Detached	25%
5	Northons Lane	Castlegate	PE12 7PZ	35	1,2,3,4	Apartments, Terrace, Semi and Detached	23%
6	Fen Road	Ashwood	PE12 8PW	83	1,2,3,4	Apartments, Terrace, Semi and Detached	8%

1. Stinders Developments - Stockwell Gate, Spalding PE12 6GS

Address	House Name	Type	Bedrooms	Sale Date	Size (m ²)	Storeys	Sale Price	Gross Sale Price (m ²)
5 Fieldview Close PE12 6GS	Plot 5	Detached	5	Sep-23	202	2	£445,000	£2,203
								£2,203

2. Ashwood Homes - The Brambles, Holbeach PE12 7FG

Address	House Name	Type	Bedrooms	Sale Date	Size (m ²)	Storeys	Sale Price	Gross Sale Price (m ²)
1 Frogmore Road PE12 7FR	Mere	Detached	3	Jun-23	100	2	£260,000	£2,600
3 Frogmore Road PE12 7FR	Avon	Semi-detached	3	Oct-24	85	2	£228,000	£2,685
5 Frogmore Road PE12 7FR	Avon	Semi-detached	3	May-23	85	2	£245,000	£2,885
11 Gibbons Court PE12 7FP	Aire	Semi-detached	3	May-24	84	2	£225,000	£2,679
10 Gibbons Court PE12 7FP	Dee	Semi-detached	2	Dec-23	68	2	£177,500	£2,610
8 Gibbons Court PE12 7FP	Dee	Semi-detached	2	Jul-23	68	2	£190,000	£2,794
2 Frogmore Road PE12 7FR	Dee	Semi-detached	2	Jun-23	68	2	£190,000	£2,794
4 Frogmore Road PE12 7FR	Dee	Semi-detached	2	Sep-23	68	2	£175,000	£2,574
								£2,701

3. Gleeson - Northons Lane, Holbeach PE12 7GB

Address	House Name	Type	Bedrooms	Sale Date	Size (m ²)	Storeys	Sale Price	Gross Sale Price (m ²)
6 St Francis Close PE12 7GB	452	Detached	4	Aug-23	113	2	£267,445	£2,377
5 Cyprus Close PE12 7GD	450	Detached	4	Mar-24	107	2	£265,995	£2,477
24 Oakwood Glade PE12 7JS	450	Detached	4	Jun-23	107	2	£266,945	£2,485
4 Cyprus Close PE12 7GD	451	Detached	4	Apr-24	100	2	£266,233	£2,676
9 St Francis Close PE12 7GB	359	Detached	3	Sep-23	91	2	£246,999	£2,702
3 St Francis Close PE12 7GB	360	Semi-detached	3	May-24	85	2	£223,245	£2,615
								£2,546

4. Ashwood - Holbeach Meadows, Holbeach PE12 7HZ

Address	House Name	Type	Bedrooms	Sale Date	Size (m ²)	Storeys	Sale Price	Gross Sale Price (m ²)
15 Lavender Avenue PE12 7RW	Coronation	Semi-detached	3	Jul-23	87	2	£240,000	£2,759
17 Lavender Avenue PE12 7RW	Coronation	Detached	3	Dec-23	87	2	£220,000	£2,529
19 Lavender Avenue PE12 7RW	Coronation	Semi-detached	3	Dec-23	87	2	£220,000	£2,529
13 Lavender Avenue PE12 7RW	Coronation	Semi-detached	3	Dec-23	87	2	£225,000	£2,586
22 Jasmine Crescent PE12 7NW	Aire	Semi-detached	3	May-23	84	2	£235,000	£2,798
20 Jasmine Crescent PE12 7NW	Aire	Semi-detached	3	Nov-23	84	2	£215,000	£2,560
28 Jasmine Crescent PE12 7NW	Aire	Semi-detached	3	May-23	84	2	£235,000	£2,798
30 Jasmine Crescent PE12 7NW	Aire	Semi-detached	3	Apr-23	84	2	£235,000	£2,798
26 Jasmine Crescent PE12 7NW	Aire	Semi-detached	3	May-23	84	2	£235,000	£2,798
24 Jasmine Crescent PE12 7NW	Aire	Semi-detached	3	Nov-23	84	2	£215,000	£2,560
37 Jasmine Crescent PE12 7NW	Dee	Semi-detached	2	Mar-24	68	2	£179,000	£2,632
43 Jasmine Crescent PE12 7NW	Dee	Semi-detached	2	Mar-24	68	2	£180,000	£2,647
39 Jasmine Crescent PE12 7NW	Dee	Semi-detached	2	Aug-23	68	2	£190,000	£2,794
41 Jasmine Crescent PE12 7NW	Dee	Semi-detached	2	Jul-23	68	2	£190,000	£2,794
3 Lavender Avenue PE12 7RW	Dee	Semi-detached	2	Dec-23	68	2	£182,500	£2,684
11 Lavender Avenue PE12 7RW	Dee	Semi-detached	2	Jul-23	68	2	£180,000	£2,647
1 Lavender Avenue PE12 7RW	Dee	Semi-detached	2	Jul-23	68	2	£195,000	£2,868
9 Lavender Avenue PE12 7RW	Dee	Semi-detached	2	Jun-23	68	2	£195,000	£2,868
5 Lavender Avenue PE12 7RW	Dee	Semi-detached	2	Jun-23	68	2	£195,000	£2,868
7 Lavender Avenue PE12 7RW	Dee	Semi-detached	2	May-23	68	2	£195,000	£2,868
								£2,713

5. Jelson - Northons Lane, Holbeach PE12 7PZ

Address	House Name	Type	Bedrooms	Sale Date	Size (m ²)	Storeys	Sale Price	Gross Sale Price (m ²)
15 Tony Worth Close PE12 7RU	D3/02	Detached	3	Nov-23	88	2	£247,000	£2,807
17 Tony Worth Close PE12 7RU	D3/03	Detached	3	Aug-23	87	2	£254,950	£2,932
40 Tony Worth Close PE12 7RU	D3/03	Detached	3	Aug-23	87	2	£254,950	£2,932
1 Tony Worth Close PE12 7RU	D3/03	Detached	3	Jun-23	87	2	£254,950	£2,932
32 Tony Worth Close PE12 7RU	S3/04	Terraced	3	Sep-23	72	2	£191,000	£2,653
								£2,858

6. Ashwood - Fen Road, Holbeach PE12 8PW

Address	House Name	Type	Bedrooms	Sale Date	Size (m ²)	Storeys	Sale Price	Gross Sale Price (m ²)
33 Pheasant Street PE12 8PU	Mere	Detached	3	Apr-23	100	2	£272,000	£2,721
31 Pheasant Street PE12 8PU	Mere	Detached	3	Apr-23	100	2	£272,000	£2,721
3 Lancewood Road PE12 8FE	Mere	Detached	3	Jul-23	100	2	£272,000	£2,720
80 Pheasant Street PE12 8PU	Dee	Terraced	2	Jun-23	66	2	£188,000	£2,850
76 Pheasant Street PE12 8PU	Dee	Terraced	2	Jun-23	66	2	£188,000	£2,850
68 Pheasant Street PE12 8PU	Dee	Terraced	2	Apr-23	66	2	£186,500	£2,827
78 Pheasant Street PE12 8PU	Dee	Terraced	2	Jun-23	66	2	£173,000	£2,623
86 Pheasant Street PE12 8PU	Dee	Semi-detached	2	Jun-23	66	2	£189,500	£2,873
82 Pheasant Street PE12 8PU	Dee	Semi-detached	2	Jun-23	66	2	£189,500	£2,873
66 Pheasant Street PE12 8PU	Dee	Terraced	2	Apr-23	66	2	£176,500	£2,676
88 Pheasant Street PE12 8PU	Dee	Semi-detached	2	Nov-23	66	2	£167,750	£2,543
84 Pheasant Street PE12 8PU	Dee	Semi-detached	2	Jun-23	66	2	£179,500	£2,721
64 Pheasant Street PE12 8PU	Dee	Terraced	2	Apr-23	66	2	£186,500	£2,827
								£2,752

3.2 Analysis of the schedules above has been completed in relation to the proposed site layout which is summarised in the table below.

Housing Types	No. of Units	GIA (Sqm)
2 Bedroom Terraced	26	79
2 Bedroom Semi-detached	24	79
3 Bedroom Terraced	28	93
3 Bedroom Semi-detached	62	93
3 Bedroom Detached	5	108
4 Bedroom Detached	13	116
Totals	158	

3.3 Focussing on terraced housing within the vicinity of the subject site, there is only one comparable development that has recorded recent transactions of this type of dwelling on Fen Road in Holbeach. The six transactions completed between April - June 2023 range in value from £2,623-2,850 per sqm with gross sales values ranging from £173,000-£188,000. All of these properties are 2 bedroom dwellings at 66 sqm and are therefore smaller than the comparable 2 and 3 bedroom terraced units at the subject site. There is no record of any 3 bedroom terraced transactions from developments in the locality. We have made an allowance for some sales growth to March 2025 and have adopted sales rates of **£2,900-3,000 per sqm** for both the 2 and 3 bedroom terraced units.

3.4 Focussing on 2 bedroom semi detached units, Holbeach Meadows features 10 new build sales completed from May 2023 - March 2024 with each property comprising 68 sqm and an average sales rate of £2,767 per sqm (£188,150 gross value). The new build sites at The Brambles and Fen Road in Holbeach both completed on four 2 bedroom semi-detached sales from June-December 2023. Similarly, all units sold were between 66-68 sqm and the 8 transactions illustrated an average sales rate of £2,723 per sqm (£182,419 gross value).

3.5 There is only one available 2 bedroom semi-detached properties in Holbeach above a rate of £2,716 per sqm and this property is much smaller than the subject units being a total of 57 sqm. This property isn't comparable to the subject 2 bedroom dwellings at the subject site.

3.6 Overall, the 2 bedroom semi-detached properties new build sales rates ranged from £2,543-2,873 per sqm. We have made allowance for some sales growth to March 2025 and have adopted a sales rate of **£3,000 per sqm**. This is for properties of 79 sqm which is larger than all comparable evidence for the same type of housing.

3.7 Focussing on the 3 bedroom semi-detached units, Holbeach Meadows completed on 9 new build sales from April - December 2023 with each property comprising 84-87 sqm and an average sales rate of £2,687 per sqm (£228,333 gross value). Similarly, the new build site, The Brambles, in Holbeach also completed on 3 sales of the same type of property comprising 84/85 sqm each. The sales values, which completed in May 2023 - October 2024, averaged £2,750 per sqm (£232,667 gross value).

3.8 There are 3 new build schemes in Holbeach which have 3 bedroom semi-detached housing available on the market. From the 9 available properties, the gross sales rates range from £2,565-2,715 per sqm and the floor area ranges from 84-100 sqm.

3.9 Overall, the 3 bedroom semi-detached new build sales rates ranged from £2,529-2,885 per sqm. We have made allowance for some sales growth to March 2025 and have adopted a sales rate of **£3,000 per sqm**. This is for properties of 93 sqm which is larger than all comparable evidence for the same type of housing.

3.10 Focussing on the 3 bedroom detached units, the new build site on Fen Road in Holbeach illustrates 3 new build sales completed in April/July 2023. Each property comprised 100 sqm and completed at an average sales rate of £2,721 per sqm (£272,000 gross value). Four other 3 bed detached sales have been noted at Northons Lane in Holbeach, all completed between June - November 2023. The sales ranged in value from £2,807 and £2,932 per sqm with each unit comprising 87/88 sqm. The other evidence of 3 bed detached transactions in the area display values that range from 2,529-2,702 per sqm.

3.11 Available 3 bedroom detached units in the locality range from £2,595 – 2,976per sqm with two anomalies at £3,353 per sqm (85 sqm). The areas of these properties range from 85-102 sqm and are therefore smaller than the same type of property at the subject site.

3.12 Overall, the 3 bedroom detached properties new build sales rates ranged from £2,529-2,932 per sqm. We have made allowance for some sales growth to March 2025 and have adopted a sales rate of **£3,100 per sqm**. This is for properties of 108 sqm which is larger than all comparable evidence for the same type of housing.

3.13 There is only one site which comprises 4 bedroom detached sales at Northons Lane in Holbeach. The four transactions completed between June 2023 - April 2024 range in value from £2,377 - £2,676 per sqm with gross values ranging from £266,000-£267,500. All of these properties range from 100-113 sqm. There are a number of available 4 bedroom properties relatively close to the subject site which are currently on the market at values ranging from £2,215-£3,125 per sqm with associated areas ranging from 100-158 sqm. We have made allowance for some sales growth to March 2025 and have adopted a sales rate of **£3,100 per sqm**.

3.14 We have disregarded Tudor Lawns in Holbeach which is a new build development that currently has 4 available detached properties of 4-5 bedrooms. This small residential development site features bespoke housing plots with much larger floor areas in comparison to the subject site. The units range from 183-258 sqm and are each of a unique configuration with tailored specification.

3.15 Based on all of the above information, the following sales values are projected for the 158 unit scheme currently being assessed. The first schedule is based on a 100% market value scheme.

Battlefields Lane Holbeach Development Schedule							
Beds	Type	No.	Size (sqm)	Total GIA (sqm)	Value £Sqm	Unit Value	Total Value
2	Terrace	26	79	2054	£3,000	£237,000	£6,162,000
2	Semi	24	79	1896	£3,000	£237,000	£5,688,000
3	Terrace	28	93	2604	£2,900	£269,700	£7,551,600
3	Semi	62	93	5766	£3,000	£279,000	£17,298,000
3	Detached	5	108	540	£3,100	£334,800	£1,674,000
4	Detached	13	116	1508	£3,100	£359,600	£4,674,800
		158					£43,048,400

3.16 The following schedule is based on the same 158 unit scheme with a policy compliant level of 25% Affordable Housing (40 units) and tenure mix of 70% Affordable Rent (@50% of Open Market Value) and 30% Intermediate (@65% of Open Market Value).

Battlefields Lane Holbeach Development Schedule							
Beds	Type	No.	Size (sqm)	Total GIA (sqm)	Value £/sqm	Unit Value	Total Value
2	Terrace	6	79	474	£3,000	£237,000	£1,422,000
2	Semi	4	79	316	£3,000	£237,000	£948,000
3	Terrace	28	93	2604	£2,900	£269,700	£7,551,600
3	Semi	62	93	5766	£3,000	£279,000	£17,298,000
3	Detached	5	102	510	£3,100	£316,200	£1,581,000
4	Detached	13	116	1508	£3,100	£359,600	£4,674,800
Afford Rent	Terrace	20	79	1580	£1,500	£118,500	£2,370,000
Afford Rent	Semi	10	79	790	£1,500	£118,500	£1,185,000
Aff Share Own	Semi	10	79	790	£1,950	£154,050	£1,540,500
		158					£38,570,900

3.17 The policy based Affordable Housing requirement of 40 units reduces the gross development value of the scheme by over £4.4 Million and therefore has a significant impact on the viability of the development.

Land Value Allowance

3.18 The NPPF requires that, for the purpose of ensuring economically viable development, the land value in any viability appraisal should reflect a minimum amount at which a reasonable landowner would be willing to sell. Best practice guidance recommends that this should represent either a significant premium over existing use value, the alternative use value or market value taking account of planning policy impacts.

3.19 There is no single accepted methodology to determine how the appropriate 'premium' over existing use value should be established, particularly for greenfield land which generally has a very low existing use value. In many cases a multiplier is applied to establish the appropriate premium generally in the range of 15-25 times the EUV, dependent on site location and circumstances.

3.20 For the purpose of the appraisal, it has been assumed that the existing use value should be based on agricultural land value in this area at £20,000 per Ha. In this area a multiplier of 15-20x is considered appropriate to establish the premium. In view of the significant abnormal costs associated with the scheme a 15x multiplier at the lowest end of the accepted range has been deemed appropriate to establish the premium.

3.21 The Benchmark Land Value has established as follows:-

$$\text{EUV } £124,000 (6.2\text{Ha} \times £20,000) \times 15 = \text{BLV } £1,860,000$$

This equates to average plot values of only c.£13,600 which would be at the lower end of the range for comparable land transactions in this area. The BLV at £375,000/Ha also compares very favourably to the allowance of £535,000 per Ha for the Holbeach area in the Council's Local Plan Viability Assessment undertaken in 2017.

Construction Costs

3.22 Planning Practice Guidance on Viability states with respect to the assessment of construction costs, that:-

“Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- build costs based on appropriate data, for example that of the Building Cost Information Service”*

3.23 It is important to recognise the type and scale of development being assessed in order that the most relevant comparator is applied from construction cost data which provides a range of costs from lower to upper quartiles. The application of lower quartile rates will generally only be applicable to large scale schemes being undertaken by large regional or national volume housebuilders.

3.24 The following table lists the largest volume housebuilders in the UK and the number of housing completions for each.

Latest ranking	Previous ranking	Housebuilder	Latest housing turnover (£k)	Previous housing turnover (£k)	Latest housing operating profit (£k)	Previous housing operating profit (£k)	Latest sales (number of units)	Previous sales (number of units)	Operating Profit Per House Sale	Operating margin (%)	Average house price (£)	Year-end
1	1	Barratt Developments	5,267,900	4,811,700	646,600	811,100	17,908	17,243	£36,107	12.27	340800	Jun-22
3	2	Persimmon	3,610,500	3,328,300	966,700	862,800	14,551	13,575	£66,435	26.77	237078	Dec-21
2	4	Taylor Wimpey	4,284,900	2,790,200	698,200	282,400	14,087	9,609	£49,563	16.29	300000	Dec-21
4	3	Bellway	3,536,800	3,122,500	309,000	479,000	11,198	10,138	£27,594	8.74	314400	Jul-22
5	7	Vistry Group	2,359,042	1,811,727	368,368	171,023	8,639	6,131	£42,640	15.62	305100	Dec-21
7	6	Redrow Group	2,140,000	1,939,000	414,000	321,000	5,715	5,620	£72,441	19.35	370800	Jun-22
8	9	Countryside Properties	1,371,400	892,000	167,300	54,200	5,385	4,053	£31,068	12.20	364000	Sep-21
9	8	Bloor Homes	1,253,589	1,033,113	266,948	159,482	4,075	3,548	£65,509	21.29	307629	Jun-21
14	16	Keepmoat Homes	701,600	405,953	77,600	11,360	3,915	2,460	£19,821	11.06	179000	Oct-21
11	12	Miller Homes	1,045,800	664,800	203,600	114,800	3,849	2,620	£52,897	19.47	275000	Dec-21
6	5	Berkeley Group	2,348,000	2,202,200	507,900	502,300	3,760	2,825	£135,080	21.63	603000	Apr-22
45	39	Watkin Jones & Sons	135,671	72,419	na	na	3271	3001	na	na	na	Sep-21
10	10	Cala Group	1,197,573	646,978	140,978	38,093	2,904	1,835	£48,546	11.77	462000	Dec-21
12	11	Crest Nicholson	786,600	677,900	114,600	57,100	2,407	2,247	£47,611	14.57	359000	Oct-21
13	13	Hill Holdings	753,268	651,685	65,090	44,169	2,000	1,900	£32,545	8.64	532000	Dec-21
17	18	MJ Gleeson Group	373,409	288,575	56,797	43,083	2,000	1,812	£28,399	15.21	167300	Jun-22
16	14	Avant Homes	505,336	445,995	43,909	16,740	1,921	1,759	£22,857	8.69	286500	Apr-21
15	15	Morgan Sindall	572,200	473,900	33,200	16,000	1,653	1,216	£20,085	5.80	249000	Dec-21
25	20	Springfield Properties	257,095	216,962	21,481	19,128	1,242	973	£17,295	8.36	245000	May-22

20	new	St Modwen Homes	312,802	263,367	38,377	26,264	1,116	931	£34,388	12.27	277000	Dec-21
23	23	Wain Group	276,588	207,430	55,084	36,252	1,105	903	£49,850	19.92	250306	Sep-21
43	31	Galliard	145,960	140,191	na	na	1,103	771	na	na	387500	Mar-22
19	-	Morris Homes	322,428	255,413	40,253	21,036	1,033	866	£38,967	12.48	331800	Apr-21
18	24	McCarthy Stone	335,500	197,300	-26,400	-148,300	1,013	832	-£26,061	-7.87	315000	Oct-21
24	17	Fairview Holdings	275,046	313,477	-9,622	34,165	977	832	-£9,849	-3.50	na	Dec-21
27	26	Weston Group	214,144	178,848	4,392	2,862	842	630	£5,216	2.05	na	Jul-21
28	22	Stewart Milne	209,215	192,831	na	na	828	836	na	na	na	Oct-21
33	-	Hopkins Homes	194,264	173,253	36,579	32,041	717	677	£51,017	18.83	271000	Apr-21
29	27	Beacon Hill Group	204,900	168,827	31,352	17,069	695	608	£45,111	15.30	241557	Dec-21
32	new	Anwyl Group	195,872	147,770	22,427	14,691	685	489	£32,740	11.45	293682	Sep-21
35	25	Story Homes	179,891	219,783	9,609	7,805	652	838	£14,738	5.34	300000	Mar-21
30	29	Croudaee Homes	204,542	164,040	26,744	11,887	602	525	£44,425	13.08	450000	Dec-21
39	34	Strata Homes	166,867	92,699	14,207	-1,458	579	349	£24,537	8.51	319000	Jun-21
38	-	Emerson Developments	171,037	158,888	19,368	17,008	511	467	£37,902	11.32	329200	Apr-21
37	28	Abbey Developments	175,188	164,459	50,297	41,418	509	502	£98,815	28.71	344181	Apr-22
22	30	London Square	277,555	158,761	30,732	16,980	502	328	£61,219	11.07	na	Mar-22
31	21	Mount Anvil	200,625	215,326	3,540	778	442	320	£8,009	1.76	461000	Dec-21
42	38	Bewley Homes	155,998	84,373	24,326	8,567	433	267	£56,180	15.59	na	Sep-21
40	35	Churchill Retirement	160,049	91,364	43,021	-5,815	413	280	£104,167	26.88	334000	Jun-21

3.25 The top 40 UK housebuilder completions range from 400-18,000 units per year. Of these the real volume operators (over 2000 units per year) account for 15 companies. It is acknowledged that the economies of scale, buying power and labour rates enjoyed by these organisations do lead to lower overall construction cost rates and if such a developer was undertaking a large scale scheme then the application of lower quartile type cost rates might be appropriate.

3.26 The applicant is a relatively small company and would certainly not be categorised as a volume house builder. Nevertheless, the site is of significant scale at 158 units and so some economies of scale are likely to be achievable in construction costs. As such it is reasonable to assume the appropriate comparator for build cost rates will be within the BCIS lower to median quartile range benchmarked to Lincolnshire.

3.27 The February 2025 BCIS schedule for Lincolnshire at Appendix 4 states the following:-

Median Quartile BCIS	Base Rate
Terrace	£1,470
Semi- Detached	£1,497
Detached	£1,775

Lower Quartile BCIS	Base Rate
Terrace	£1,302
Semi- Detached	£1,345
Detached	£1,559

Note :- These rates will exclude forthcoming Part L Building Regs cost allowances which are likely to increase construction costs by around £7,000 per dwelling adding £1,106,000 to overall construction costs.

3.28 If Lower and Median Quartile BCIS Base Rates are applied to the project the following cost estimates are generated :-

Battlefields Lane Cost Schedule BCIS Lower Quartile						
Beds	Type	No.	Size (sqm)	Total GIA (sqm)	Cost per sqm	Total Cost
2	Terrace	26	79	2054	£1,302	£2,674,308
2	Semi	24	79	1896	£1,345	£2,550,120
3	Terrace	28	93	2604	£1,302	£3,390,408
3	Semi	62	93	5766	£1,345	£7,755,270
3	Detached	5	108	540	£1,559	£841,860
4	Detached	13	116	1508	£1,559	£2,350,972
Garages		13	18		£1,000	£234,000
Part L Allowance		158				£1,106,000
		158		14368		£20,902,938

Battlefields Lane Cost Schedule BCIS Median Quartile						
Beds	Type	No.	Size (sqm)	Total GIA (sqm)	Cost per sqm	Total Cost
2	Terrace	26	79	2054	£1,470	£3,019,380
2	Semi	24	79	1896	£1,497	£2,838,312
3	Terrace	28	93	2604	£1,470	£3,827,880
3	Semi	62	93	5766	£1,497	£8,631,702
3	Detached	5	108	540	£1,775	£905,250
4	Detached	13	116	1508	£1,775	£2,676,700
Garages		13	18		£1,000	£234,000
Part L Allowance		158				£1,106,000
		158		14368		£23,292,474

3.29 In order to obtain a more accurate assessment of build cost, as layouts and elevations of the proposed houses are known, a detailed cost assessment has been undertaken by Gleeds which is appended to the report (under separate cover). The construction cost summary is set out below.

Ref	Item	Qty	Unit	Rate	Total	£/m ²
	Summary	% of Dwelling Cost				
	Plot Works					
a	Dwellings				19,999,764	1,395
b	On Plot Works & Drainage	11%			2,224,916	155
	Plot Works Sub-total				22,224,680	1,550
	Garages					
c	Garages	1%			269,555	19
	Infrastructure					
d	Off-Plot Externals & Infrastructure	21%			4,191,840	292
	Abnormal					
e	Abnormals (including preliminaries)	27%			5,427,180	379
	Measured Works Sub-total				32,113,255	2,240
f	Preliminaries (on Infrastructure & Ext Wks)	10%			636,745	44
	Contract Cost Sub -total				32,750,000	2,284
g	RIBA Stage 4/5 Design Fees (Architect/Structural)	-	%		Excluded	-
	Sub-total				32,750,000	2,284
h	OH&P	-	%		Excluded	-
	Sub-total				32,750,000	2,284
i	Surveys/Masterplanning/Contract Admin	-			Excluded	-
	Sub-total				32,750,000	2,284
j	Risk/Contingency allowance	-			Excluded	-
	Sub-total			£	32,750,000	2,284
k	Inflation	-			Excluded	-
	TOTAL			£	32,750,000	2,284

3.30 The base construction costs for the residential units totals £19,999,764 at an average of £1395 sqm. This compares very favourably with BCIS comparable costs and is below the lower quartile total cost figure of £20,902,938 and may therefore be considered a reasonable estimate against comparable evidence.

3.31 The on-site infrastructure is significant and relatively high as a percentage of base construction costs. The proportion of internal access road to housing frontage is high in order to accommodate the overall drainage solution with two large attenuation ponds with significant sections of road frontage that don't directly serve housing and this has increased overall costs.

Abnormal Costs

3.32 There are very significant abnormal costs associated with the development of the site. The majority of the abnormal cost relates to flood mitigation works.

3.33 The application site is located entirely within the demise of Flood Zone 3a as designed on the Environment Agency flood maps and reflected within the South-East Lincolnshire Strategic Flood Risk Assessment (SFRA0). Notwithstanding this location, the site forms a long standing strategic housing allocation and its presence within the flood zone was considered at the time the land was originally designed for development, and moreover has formed part of the detailed considerations of the Council at the planning application stage relating to the previous Outline Planning Permissions. It is clear that there is no need for the Council to undertake the Sequential Test in respect of this site as a result, but there will be a requirement to ensure that the development complies with the Exceptions Test as set out within the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

3.34 The Applicant is committed to the delivery of this site in the coming years and as part of the detailed Full Planning Application for Phase 1 of the site, alongside the renewal of the Outline Planning Permission for the broader land parcel, a fulsome package of technical investigations and modelling work has been undertaken in relation to the site to determine how best to address its location within Flood Zone 3a and to ensure that the development can be made flood resilient.

3.35 The site falls within the area protected by specific flood prevention measures comprising the raised defences along The Wash Estuary, however specific measures, should this be overtopped are incorporated in this development. In order to achieve an appropriate degree of flood resilience in all future flood scenarios, including making the mandatory 40% allowance for climate change, it is necessary to implement a package of measures which include:

- Land raising across the site;
- Attenuation storage basins which will also deliver open space recreation opportunities and biodiversity enhancement; and,
- Increasing finished floor levels.

3.36 With respect specifically to the matter of land raising, a detailed assessment of the extent of the land level change has been undertaken by Paul Basham Associates (PBA). This assessment has concluded that, were The Wash Estuary to be breached, the maximum flood level impact on site which could be encountered would be to a depth of 1m. In order to protect for this scenario, it is proposed that the site level is raised to 4.2m AOD in all locations across the site which are not proposed to deliver attenuation storage, or which are otherwise retained at current levels due to their ecological value. In addition, the finished floor levels of the proposed dwellings will be set to 4.35m AOD, representing a 0.15m increase above ground levels.

3.37 With respect to its implications upon abnormal costs on site, the required land raising will require the import of significant inert material to deliver this level change with levels to increase across the significant majority of the site by between 1.1m and 1.3m. The costs associated with testing and handling of the infill material to confirm that this is suitably inert for use on site will be substantial and they are accounted for within this assessment.

3.34 Gleeds has estimated the abnormal costs as follows :-

BATTLEFIELDS LANE

Order of Cost Estimate (No 3)

gleeds

Ref	Item	Qty	Unit	Rate	Total
	<u>Abnormals</u>				
a	Undertake vegetation/topsoil strip to a depth of 0.15m, retain on site for re-use	62,905	m ²	5	314,525
b	Net imported fill quantity based on indicative earthworks volumes provided by Paul Basham Associates, assume 6F2/6F5 recycled aggregates rather than virgin materials	83,000	m ³	40	3,320,000
c	Surface drainage attenuation ponds	1,766	m ²	200	353,200
d	Extra over, control chambers & hydro brakes	2	Nr	25,000	50,000
e	Off Site Electricity Connection in Battlefields Lane	1	item	100,000	100,000
f	Off Site Water Connection in Battlefields Lane	1	item	25,000	25,000
g	Public open space, allowance for seeding & selected planting areas	13,965	m ²	30	418,950
h	Resurface existing perimeter footpath	-	m ²	75	-
i	Planting to green areas - based on 30% of POS areas	4,190	m ²	50	209,475
j	Knee rail to POS	325	m	50	16,250
k	Alterations to existing power line - subject to quotation from Utility provider		Item		Excluded
l	Allowance for locally deeper foundations adjacent to trees and associated de-watering. Assumed 20% of properties affected	32	Nr	4,000	126,400
m	Prelims on Abnormals	10	%	4,933,800	493,380
	Total			£	5,427,180

3.35 At this stage the extent of alterations to the existing power lines across the site and any associated costs are unknown so the cost position on this item is reserved.

Fees & Ancillary Costs

3.36 We would estimate the following professional fees as a % of build cost in connection with the development:-

Architect (inc Landscape)	4.50%
Structural Engineer	1.00%
Civil/M&E Engineer	1.00%
Quantity Surveyor	1.00%
Health & Safety Advisor	0.25%
Allowance for surveys	0.25%
Total	8.0%

3.37 An allowance of 0.5% of the overall sale value has been made for legal fees and conveyancing costs. An allowance of 2.5% of overall sale value has been made for sales fees and marketing costs.

3.38 As a greenfield site, a construction contingency allowance has been made at the lower end of industry accepted range at 3%.

3.39 In summary the following allowances have been made in the appraisal:-

Professional Fees	8.0%	Build Cost
Legal Fees	0.5%	Market Value
Sales/Marketing Costs	2.5%	Market Value
Construction Contingency	3.0%	Build Cost

Finance Costs

3.40 An allowance of 7.5% has been made to cover finance interest costs and arrangement fees to reflect current lending rates for speculative development.

3.41 It is estimated that initial site set up will take 1 month with construction commencing in month 2. The assessment assumes the scheme will take around 36 months to complete if market conditions remain stable. The initial show home should be complete in month 12 with first sales income anticipated 3 months later (allowing for purchaser viewing, sale of property, mortgage arrangement, legals, searches etc). A 36 month sales period has been allowed at 4-5 units a month. Based on these assumptions the finance cost for a policy compliant scheme has been calculated at £494,415.

Developers Profit

3.42 Developers profit is generally fixed as a % return on gross development value or return on the cost of development to reflect the developer's risk. Planning Practice Guidance on Viability advises that a range of 15-20% is appropriate. In current market conditions, and based on a location like Holbeach where the economic position remains challenging it would be appropriate to adopt a figure at the upper end of this scale.

3.43 The NPPG on Viability 2019 states :-

"Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan"

It is noted that the Viability Assessment prepared by Peter Brett Associates to support the Affordable Housing and S106 contribution policies contained in the 2017 South East Lincolnshire Local Plan, adopted 17.5% as the appropriate profit level for market housing to reflect the economics of the South Lincolnshire area (containing South Holland District). As such it is considered that a 17.5% allowance for market housing profit must be the starting point for any viability assessment (with a 6% allowance for affordable housing).

3.44 We have undertaken an additional appraisal illustrating the impact of a profit reduction to 10% but this should not be taken to imply any acceptance by the applicant that this represents an appropriate or reasonable profit level to reflect the economic circumstances and risk profile of this part of Lincolnshire.

Planning Obligation Contributions & CIL

3.45 The following contributions are estimated based on previous S106 contributions for the site based on 170 dwellings:-

• Primary Education (Using Adopted Formula)	£298,825
• Secondary Education (Using Adopted Formula)	£435,989
• Secondary Education Post 16 (Using Adopted Formula)	£94,572
• Healthcare (£660 per dwelling)	£112,200
Total	£941,586

This has been reduced on a pro rata basis for 158 dwellings to an estimated total S106 Contribution target of £875,121.

4. Viability Appraisal Conclusions

4.1 The results of the Viability Appraisals are set out at Appendices I-III. The first appraisal assesses the impact of policy compliant Affordable Housing provision with 40 Affordable Housing units and full S106 Contributions of £875,121. This demonstrates negative viability of -£8.1 Million.

4.2 The second appraisal at Appendix 2 illustrates a 100% Market Housing Scheme no S106 Contributions . Viability improves by £3.6 Million but is still negative at -£4.46 Million.

4.3 The third appraisal at Appendix 3 reduces development profit to 10% takes a view on construction contingencies and assumes the development is funded from internal resources. This improves the viability position to a marginally positive position of £239,000. This illustrates how the scheme can be delivered if the applicant is prepared to accept such a reduction and fund the scheme from internal resources to reduce finance costs but there is no margin for Affordable Housing or S106 contributions.

4.4 It is clear that the abnormal costs associated with addressing the flood risk and drainage issues (comprising the majority of the total abnormal cost figure of £5.4 Million) have had a very significant impact on the viability of the development and rendered a policy compliant scheme economically unviable to deliver.

4.5 It is considered that up to date evidence of viability has been provided based on current market costs and values as advised by the statutory guidance and that it has been demonstrated that the development is not capable of providing the policy target of 40 Affordable Housing units or any S106 contributions and it is requested that these requirements are set aside in this case.

5. Appendices

Appendix 1

Viability Appraisal

Policy Compliant Scheme

40 Affordable Units and £875,121 of S106 Contributions

118 Market Units

Residential Viability Appraisal

SITE LOCATION		Battlefields Lane Holbeach			
NET DEVELOPABLE SITE AREA		6.2 Ha			
DEVELOPMENT SCENARIO		Greenfield (Greenfield, Brownfield or Residual)			
UNIT NUMBERS		158 Total Units			
Affordable Proportion %	25%	40	Affordable Units		
Affordable Mix	30%	Intermediate	0%	Social Rent	70% Affordable Rent
Development Floorspace		0	Sqm GIA Market Housing		0 Sqm GIA Affordable Housing
DEVELOPMENT VALUE					
Total Housing Sales Area (ie Net Floorspace)		Apartments	0	sqm	
		Houses	0	sqm	
					Totals
MARKET HOUSES		Area	Sales Value		
Apartments	0	sqm	0	£ per sqm	£0
Houses	0	sqm	0	£ per sqm	£33,475,400
					Total Market Housing Value
					£33,475,400
AFFORDABLE HOUSING					
Intermediate	70%	of Open Market Value			
Apartments	0	sqm	0	£ per sqm	£0
Houses	0	sqm	0	£ per sqm	£1,540,500
					Total Intermediate Affordable Housing Value
					£1,540,500
Social Rent	40%	of Open Market Value			
Apartments	0	sqm	0	£ per sqm	£0
Houses	0	sqm	0	£ per sqm	£0
					Total Social Rent Affordable Housing Value
					£0
Affordable Rent	50%	of Open Market Value			
Apartments	0	sqm	0	£ per sqm	£0
Houses	0	sqm	0	£ per sqm	£3,555,000
					Total Affordable Rent Housing Value
					£3,555,000
Total Development Value					£38,570,900
DEVELOPMENT COSTS					
LAND COSTS		Net Site Area	Market Housing Land Area	Affordable Housing Land Area	
		6.20 Ha	4.65 Ha	1.55 Ha	
Market Hsg Land Value	£0 per Ha	Total Market Land Value		£0	
Affordable Hsg Land Value	£0 per Ha	Total Aff Hsg Land Value		£0	
					Land Acquisition Fees & SDLT
					£115,980
CONSTRUCTION COSTS					Total Land Cost
					£1,860,000
Apartments	0	sqm	0	£ per sqm	£0
Houses	0	sqm	0	£ per sqm	£27,322,820
Total Construction Cost					£27,322,820
FEES, FINANCE & ANCILLARY COSTS					
Abnormal Costs		5427180	£	£5,427,180	
Professional Fees		8.0%	of Construction Cost	£2,185,826	
Legal Fees		0.5%	of Gross Development Value	£192,855	
Statutory Fees		1.1%	of Construction Cost	£300,551	
Sales/Marketing Costs		2.5%	of Market Units Value	£836,885	
Contingencies		3.0%	of Construction Cost	£982,500	
Planning Obligations		0	£ per unit	£875,121	
CIL		0	£ per sqm Market Housing	£0	
Interest	7.5%	36	Month Construction	36	Mth Sale Comp
Arrangement Fee	0.0%	of Total Costs		£0	
Development Profit	Market Hsg	17.5%	of GDV	Aff Housing	6.0% AH GDV
					£6,163,925
Total Costs					£46,663,328
VIABILITY MARGIN					-£8,092,428

Appendix 2

Viability Appraisal

100% Market Scheme

No Affordable Housing or S106 Contributions

158 Market Units

Residential Viability Appraisal

SITE LOCATION		Battlefields Lane Holbeach	
NET DEVELOPABLE SITE AREA		6.2	Ha
DEVELOPMENT SCENARIO		Greenfield	(Greenfield, Brownfield or Residual)
UNIT NUMBERS		158	Total Units
Affordable Proportion %	0%	0	Affordable Units
Affordable Mix	0%	Intermediate	0% Social Rent 0% Affordable Rent
Development Floorspace		0	Sqm GIA Market Housing 0 Sqm GIA Affordable Housing
DEVELOPMENT VALUE			Totals
Total Housing Sales Area (ie Net Floorspace)	Apartment	0	sqm
	Houses	0	sqm
MARKET HOUSES			
	Area	Sales Value	
Apartment	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £43,048,400
AFFORDABLE HOUSING			Total Market Housing Value £43,048,400
Intermediate	70%	of Open Market Value	
Apartment	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £0
Total Intermediate Affordable Housing Value			£0
Social Rent	40%	of Open Market Value	
Apartment	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £0
Total Social Rent Affordable Housing Value			£0
Affordable Rent	50%	of Open Market Value	
Apartment	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £0
Total Affordable Rent Housing Value			£0
Total Development Value			£43,048,400
DEVELOPMENT COSTS			
LAND COSTS	Net Site Area	Market Housing Land Area	Affordable Housing Land Area
	6.20	6.20	0.00
	Ha	Ha	Ha
Market Hsg Land Value	£0	per Ha	Total Market Land Value £0
Affordable Hsg Land Value	£0	per Ha	Total Aff Hsg Land Value £0
Land Acquisition Fees & SDLT			£115,980
CONSTRUCTION COSTS			Total Land Cost £1,860,000
Apartment	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £27,322,820
Total Construction Cost			£27,322,820
FEES, FINANCE & ANCILLARY COSTS			
Abnormal Costs	5427180		£5,427,180
Professional Fees	8.0% of Construction Cost		£2,185,826
Legal Fees	0.5% of Gross Development Value		£215,242
Statutory Fees	1.1% of Construction Cost		£300,551
Sales/Marketing Costs	2.5% of Market Units Value		£1,076,210
Contingencies	3.0% of Construction Cost		£982,500
Planning Obligations	0 £ per unit		£0
CIL	0 £ per sqm Market Housing		£0
Interest	7.5%	36 Month Construction	36 Mth Sale Comp £494,415
Arrangement Fee	0.0% of Total Costs		£0
Development Profit	Market Hsg 17.5%	of GDV	Aff Housing 6.0% AH GDV £7,533,470
Total Costs			£47,514,194
VIABILITY MARGIN			-£4,465,794

Appendix 3

Viability Appraisal

100% Market Scheme

No Affordable Housing or S106 Contributions

158 Market Units

Reduced Profit Allowance of 10%

0% Contingency

Funded From Internal Resources 0% Finance

Residential Viability Appraisal

SITE LOCATION		Battlefields Lane Holbeach	
NET DEVELOPABLE SITE AREA		6.2	Ha
DEVELOPMENT SCENARIO		Greenfield	(Greenfield, Brownfield or Residual)
UNIT NUMBERS		158	Total Units
Affordable Proportion %	0%	0	Affordable Units
Affordable Mix	0%	Intermediate	0% Social Rent 0% Affordable Rent
Development Floorspace		0	Sqm GIA Market Housing 0 Sqm GIA Affordable Housing
DEVELOPMENT VALUE			Totals
Total Housing Sales Area (ie Net Floorspace)	Apartments	0	sqm
	Houses	0	sqm
MARKET HOUSES			
	Area	Sales Value	
Apartments	0 sqm	0	£ per sqm £0
Houses	0 sqm	0	£ per sqm £43,048,400
AFFORDABLE HOUSING			Total Market Housing Value £43,048,400
Intermediate	70%	of Open Market Value	
Apartments	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £0
Total Intermediate Affordable Housing Value			£0
Social Rent	40%	of Open Market Value	
Apartments	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £0
Total Social Rent Affordable Housing Value			£0
Affordable Rent	50%	of Open Market Value	
Apartments	0	sqm	0 £ per sqm £0
Houses	0	sqm	0 £ per sqm £0
Total Affordable Rent Housing Value			£0
Total Development Value			£43,048,400
DEVELOPMENT COSTS			
LAND COSTS			
	Net Site Area	Market Housing Land Area	Affordable Housing Land Area
	6.20 Ha	6.20 Ha	0.00 Ha
Market Hsg Land Value	£0 per Ha	Total Market Land Value £0	
Affordable Hsg Land Value	£0 per Ha	Total Aff Hsg Land Value £0	
Land Acquisition Fees & SDLT			£115,980
CONSTRUCTION COSTS			Total Land Cost £1,860,000
Apartments	0 sqm	0	£ per sqm £0
Houses	0 sqm	0	£ per sqm £27,322,820
Total Construction Cost			£27,322,820
FEES, FINANCE & ANCILLARY COSTS			
Abnormal Costs	5427180		£ £5,427,180
Professional Fees	8.0% of Construction Cost		£2,185,826
Legal Fees	0.5% of Gross Development Value		£215,242
Statutory Fees	1.1% of Construction Cost		£300,551
Sales/Marketing Costs	2.5% of Market Units Value		£1,076,210
Contingencies	0.0% of Construction Cost		£0
Planning Obligations	0 £ per unit		£0
CIL	0 £ per sqm Market Housing		£0
Interest	0.0%	36 Month Construction	36 Mth Sale Comp £0
Arrangement Fee	0.0% of Total Costs		£0
Development Profit	Market Hsg	10.0% of GDV	Aff Housing 6.0% AH GDV £4,304,840
Total Costs			£42,808,649
VIABILITY MARGIN			£239,751

Appendix 4

BCIS Construction Cost Rates

Lincolnshire Feb 2025

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 08-Feb-2025 08:00

Rebased to Lincolnshire (101; sample 90)

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)	1,600	852	1,386	1,544	1,753	3,991	1249
810.1 Estate housing							
Generally (15)	1,582	814	1,342	1,517	1,731	5,440	1333
Single storey (15)	1,812	1,053	1,514	1,735	1,975	5,440	212
2-storey (15)	1,524	814	1,315	1,476	1,674	3,300	1045
3-storey (15)	1,637	981	1,370	1,577	1,854	3,228	71
4-storey or above (15)	3,290	1,609	2,633	2,940	4,376	4,893	5
810.11 Estate housing detached (15)	2,124	1,157	1,559	1,775	2,399	5,440	18
810.12 Estate housing semi detached							
Generally (15)	1,604	931	1,360	1,552	1,757	3,481	345
Single storey (15)	1,786	1,147	1,555	1,735	1,919	3,481	79
2-storey (15)	1,549	931	1,345	1,497	1,703	2,672	255
3-storey (15)	1,582	1,154	1,280	1,519	1,854	2,252	11
810.13 Estate housing terraced							
Generally (15)	1,592	927	1,315	1,495	1,721	4,893	215
Single storey (15)	1,778	1,159	1,510	1,722	2,127	2,507	16
2-storey (15)	1,530	927	1,302	1,470	1,653	3,300	166
3-storey (15)	1,633	981	1,370	1,545	1,788	3,228	31
4-storey or above (15)	4,635	4,376	-	-	-	4,893	2